DAI-ICHI KARKARIA LIMITED

(CIN: L24100MH1960PLC011681)

BOARD OF DIRECTORS:

Mrs. Shernaz Vakil	Chairperson & Managing Director
Ms. Meher Vakil (w.e.f. 1.4.2019)	Wholetime Director
Mr. Adi Jehangir	Non-Executive Director
Dr. Anil Naik	Independent Director
Mr. Behram Sorabji (w.e.f. 9.5.2019)	Independent Director
Mr. Kavas Patel	Independent Director
Mr. Keki Elavia	Independent Director

Chief Financial Officer:
Mr. Nitin Nimkar
(upto 30.6.2019)

Company Secretary:
Mrs. Kavita Thadeshwar

Bankers:
Axis Bank Ltd.
HDFC Bank Ltd.
Bank of India

Statutory Auditors:
B S R & Co. LLP, Mumbai

Solicitors:
Bharucha & Partners

Registered Office:
Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.
Tel: 2201 7130/2201 5895
E-mail: investor@dai-ichiindia.com
Website: www.dai-ichiindia.com

Works:
1. D-2/20, GIDC - II, Dahej, Vagra,
   District Bharuch, Gujarat - 392 130.
2. 105th Milestone, Mumbai Pune Road,
   P.O. Kasarwadi Pune 411 034
   (Plant Closed w.e.f. 25th January, 2019)
3. Kurkumbh Industrial Area, Plot No. D-13,
   Village Kurkumbh, Tal. Daund, Dist. Pune 413 105.

Registrars and Transfer Agents:
Sharex Dynamic (India) Pvt. Ltd.
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083.
Tel: 2851 5606/2851 5644
Fax: 2851 2885
E-mail: support@sharexindia.com
Website: www.sharexindia.com

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59th Annual General Meeting

Date & Time:
Tuesday, August 13, 2019 at 11.30 a.m.

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

Book Closure Date:
August 7, 2019 to August 13, 2019

NOTICE

NOTICE is hereby given that Fifty-Ninth Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Tuesday, August 13, 2019 at 11:30 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001 to transact the following business:

Ordinary Business

1. To receive, consider and adopt:

   a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Reports of Board of Directors and Auditors thereon; and

   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. A. H. Jehangir (DIN: 00001752), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

3. To appoint Mr. Behram Sorabji as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION:**

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment(s) thereof) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mr. Behram Maneck Sorabji (DIN: 02035239), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 9, 2019, and who holds office up to the date of this Annual General Meeting of the Company and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term commencing from May 9, 2019 upto the conclusion of 63rd Annual General Meeting.

   RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Amendment Regulations, 2018"), approval of the shareholders be and is hereby accorded for the appointment of Mr. Behram Maneck Sorabji as an Independent Non-Executive Director of the Company, on the same terms and conditions notwithstanding that he will be attaining the age of 75 years during the tenure of his appointment."

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599), appointed by the Board of Directors, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2020 amounting to ₹ 1,40,000/- (One Lakh Forty Thousand Only) (plus applicable taxes and reimbursement of actual out of pocket expenses) respectively for the aforesaid financial year, be and is hereby ratified.

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

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

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

Kavita Thadeshwar
Company Secretary

Place: Mumbai
Date: May 9, 2019

NOTES:

1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting.**

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other person or member. Proxies submitted on behalf of the Corporates, Societies etc., must be supported by an appropriate resolution/authority, as applicable. Proxy form is provided in the Annual Report.

2) Members/ proxies/ authorised representatives are requested to bring duly filled attendance slip sent herewith to attend the Meeting

3) An Explanatory statement pursuant to section 102 of the Companies Act, 2013 in respect of business to be transacted with respect to the item of Special Business is annexed hereto.

4) The Register of Members and Share Transfer Books of the Company will remain closed from August 7, 2019 to August 13, 2019 (both days inclusive).

5) Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated 30th November 2018, requests for effecting transfer of Securities (except incase of transmission or transposition of securities) shall not be processed from 1st April 2019 unless the securities are held in the dematerialised form with the depositories. Therefore, Members are requested to take prompt action to dematerialise the Equity Shares of the Company, held by them.

6) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. Members are therefore requested to update their NECS / Bank details with the Depositories / Registrar and Share Transfer Agent of the Company.

7) Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013, dividend for the financial year ended 31st March 2012 and thereafter which remains unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government. The Shareholders who have not claimed or encashed their dividend warrants for the financial year ended 31st March 2012 and subsequent years are therefore requested to approach the Company / Registrars and Transfer Agents in writing with their details to facilitate payment.

   As per the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 8th August, 2018 (date of last Annual General Meeting) on the website of the Company (www.dai-ichiindia.com) as also on the website of the Ministry of Corporate Affairs www.iepf.gov.in.

   Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the members for seven consecutive years or more in the name of Investor Education and Protection Fund ("IEPF") Suspense Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such members whose shares are transferred to IEPF Suspense Account on its website at www.dai-ichiindia.com.

   The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.

8) Members whose shareholding is in physical mode are requested to immediately notify any change in their addresses to M/s. Sharex Dynamic (India) Pvt. Ltd., C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 and members whose shareholding is in electronic mode are requested to direct change of their address notification to their respective Depository Participants.

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

9) The Shareholders desiring any information as regards Financial Statements are requested to write to the Company at an early date so as to enable the Management to keep the information ready.

10) Members/proxies are requested to bring duly filled Attendance slips and their copies of annual report along with them as copies of the Report will not be distributed at the meeting.

11) In support of “Green Initiative in Corporate Governance” announced by the Government of India and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, Copy of Annual Report alongwith Notice, indicating the process and manner of remote e – voting are being sent by email to those Members whose email addresses have being available to the Depository Participants unless the Member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report alongwith Notice will be sent in the permitted mode.

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

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

13) **Voting through Electronic means:** In compliance with the provisions of Section 108 of the Companies Act, 2013, (the Act), Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their voting rights at the 59th Annual General Meeting (AGM) by electronic means and the business may be transacted through ‘remote e-voting’ services provided by Central Depository Services (India) Ltd. (CDSL).

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

    (i) The voting period begins on August 10, 2019 at 10 a.m. and ends on August 12, 2019 at 5 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 6, 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) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant **DAI-ICHI KARKARIA LIMITED** on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

(xxi) Those persons, who have acquired shares and have become Members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on cut-off date i.e. August 6, 2019 can view the Notice of the 59th AGM on the Company's website or on the website of CDSL. Such Members shall exercise their voting rights through remote e-voting by following the procedures as mentioned above or by voting at the AGM.

(xxii) M/s Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as a Scrutinizer to scrutinize the remote e-voting process and voting process at the 59th AGM in a fair and transparent manner. E-Voting is optional to the shareholders, the shareholders can alternatively vote in the AGM by physically attending the AGM.

The facility for voting, through ballot paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his / her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.

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

14) In terms of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) following details of Directors seeking appointment / re-appointment at the 59th Annual General Meeting:

Name of the Director	**Mr. A. H. Jehangir (DIN: 00001752)**	**Mr. Behram Sorabji (DIN: 02035239)**
Age	63 years	72 years
Brief resume, Qualification and Expertise	Mr. A. H. Jehangir is a Commerce Graduate and has an experience of more than 30 years in Investment Business	Mr. B.M. Sorabji is a B.Tech (Hons.) IIT Bombay, Silver Medalist from 1970 batch. He has worked with various MNCs in metal trade and has held commercial functions as Director, in international metal trade. He has worked in Ferro Alloy Industry and was carrying out manufacturing and marketing activities for 40 years. He has represented several International Companies in India. He was also responsible for India v/s. USSR nonferrous metal trade for many years.
Terms and conditions of appointment/ reappointment	Reappointment as Non – Executive Director, liable to retire by rotation.	Appointment as Independent Director, not liable to retire by rotation for a term commencing from 9.5.2019 to 63rd Annual General Meeting of the Company.
Last drawn remuneration (including sitting fees)	₹ 2,10,000 (sitting fees for Board & Committee meeting for F.Y. 2018-19)	N.A.
Date of first appointment on the Board	19.2.1986	9.5.2019
No. of share held	100	Nil
Relationship with Directors inter-se	Nil	Nil
Number of Board Meeting attended during FY 2018-19	4 (four) Board meetings were held and attended during F.Y. 2018-19	N.A.

List of Directorships held in other companies	i. Cowhill Enterprises LLP ii. Amerado Enterprises LLP iii. Goodearth Enterprises LLP iv. Cannadel Enterprises LLP v. Cowasjee Jehangir Enterprises LLP vi. Wild Flower Enterprises LLP vii. Jehangir Brand Management Pvt. Ltd.	Indian Oxides & Chemicals Private Limited
Chairman/ Member of the Committees of Boards of other companies	Nil	Nil

ANNEXURE TO THE NOTICE

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

Item no. 3

The Board of Directors (“Board”) upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Behram Sorabji, as an Additional (Independent) Director of the Company, with effect from May 9, 2019. Pursuant to the provisions of Section 161 of the Act, Mr. Sorabji will hold office up to the date of this Annual General Meeting (“AGM”) and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, proposing the candidature of Mr. Sorabji for the office of Director.

Based on the recommendation of the Nomination & Remuneration Committee and considering the background and experience of Mr. Sorabji, the Board considers that appointment of Mr. Sorabji as Independent Director of the Company will be beneficial to the Company.

Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, (“Amendment Regulations, 2018”), inter alia, provides that “no listed company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 (seventy-five) years unless it is approved by the members by passing a special resolution to that effect. Mr. Sorabji will attain the age of 75 years during his term of appointment.

Accordingly, it is proposed to appoint Mr. Sorabji as Independent Director of the Company, not liable to retire by rotation and to hold office for a term commencing from May 9, 2019 upto the conclusion of 63rd Annual General Meeting, notwithstanding that he will be attaining the age of 75 years during the term of the appointment.

In the opinion of the Board, Mr. Sorabji, fulfils the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. The profile and specific areas of expertise of Mr. Sorabji are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Sorabji, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

Item no. 4

The Board, on recommendation of the Audit Committee, has approved the appointment of Mr. Sudhir Govind Jog, Cost Accountant (Membership No. 5599) to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2020, on a remuneration of ₹ 1,40,000/- (plus applicable taxes and reimbursement of actual out of pocket expenses).

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

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item no. 4 for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, in the resolution set out at Item No. 4 of the Notice.

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

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

Kavita Thadeshwar
Company Secretary

Place: Mumbai
Date: May 9, 2019

ROUTE MAP TO THE VENUE OF THE ANNUAL GENERAL MEETING

Venue: M.C. Ghia Hall, Bhogilal Hargovindas Building, 18/20,
K. Dubash Marg, Kala Ghoda, Mumbai 400 001.

Landmark: Near Jehangir Art Gallery

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty – Ninth Annual Report together with the audited accounts for the year ended March 31, 2019.

FINANCIAL RESULTS: (₹ in Lakhs)

Particulars	**As on 31st March, 2019**	As on 31st March, 2018
Revenue from operations	**9235**	14899
Other Income	**324**	577
Total Income	**9559**	15476
(Loss)/Profit before Depreciation, Interest, Tax and Exceptional item	**(757)**	2104
(Loss)/Profit before Tax and after Exceptional item	**(2436)**	1637
Earnings per equity share: Basic and Diluted (₹ 10/- each)	**(16.95)**	16.08
Book Value of shares (₹)	**166.00**	186.37

DIVIDEND:

Considering the challenges faced by the Company during the financial year 2018-19, the Board of Directors have not recommended any dividend on equity shares, for the financial year 2018-19.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

This has been both a very positive and a very challenging year for the company.

The start of the year saw the Company set up a state-of-the-art new plant at the greenfield site in Dahej.
The aim was to double capacities, and move to an industrial belt, closer to our main source of raw materials. The Pimpri site was surrounded by residences & operating an Ethoxylation Plant in such an area was becoming more hazardous.
The company's decision to differentiate itself in the market by bringing in new Swiss technology for Ethoxylation has proved to be extremely advantageous.
The gas dispersion in a liquid, without any moving parts inside the reactor along with pressure tight set-up, makes this the safest technology for an ethoxylation process.
The Buss reactor with its double loop has allowed the company to expand its capacity two-fold and manufacture specialty ethoxylates of superior quality and with utmost safety and efficiency. The cutting-edge technology used and innovative products that can be produced will allow, the company to enter not only the personal-care space, but also move forward with higher molecular weight products that are used in the pharmaceutical industry. This will allow us to move into niche markets where our presence so far, has remained limited.

The new Buss Technology will allow the company to differentiate its Ethoxylates, whilst manufacturing with minimum by-products and improved yields. Products manufactured are close to zero dioxane content after the post treatment.
For example, the technology allows us to manufacture those specialty ethoxylates, wherein the risk of a run-away reaction with an otherwise conventional reactor, is largely mitigated due to the reactor geometry and accessories built therein.
We are now able to make those products with a high growth ratio (1:42), in a single step, with superior quality of products and batch to batch consistency. Random & block co-polymers are being produced on a large scale with significantly higher accuracy in terms of dose quantity and dose rates of EO/PO.
The reaction rates with Propylene Oxide are found to be significantly higher (at higher pressures) compared to other conventional reactors.
The 'Sequential Logic Control' along with 'pre-programmed' SOP's on our Digital Control System, (Siemens PCS7) provides a high degree of control on the reaction parameters, resulting in superior control on the product quality. It also allows us to seamlessly shift between different types of products, in a single reactor system.
With a step closer to digitization of our chemical processes, we will continue to take this forward in the form of IIOT (Industrial Internet of Things) to be able to monitor and analyse batches 'real time'.

Subsequently, the Dahej site has undergone a metamorphosis over the past twelve months with different functions of the site coming together to form an 'operational phase' from what was until then, a 'project phase' (mid-2016 to Early 2018). This transformation required several systems & processes being put in place (some of them adopted from our Pune site), a recruitment drive to attract local talent, transition of manpower from Pune to Dahej, outsourcing of service functions like boiler, utility, ETP and housekeeping, set-up of local supply chain, start-up of RM/FG stores (material movement), canteen, along with a full-fledged Quality Control and R&D Centre.

This was also a phase wherein all of our three manufacturing plants at Dahej – The PPD, Ethoxylation and Multipurpose plants were commissioned and are now partially operational on a wide range of product chemistries with over 200 products having been successfully commissioned on the new set of reactors, at Dahej. Furthermore, the plant has a capability to produce products like triazines, newer polyether polyols, demulsifyers, imidazolines and cement additives, and further expand its product portfolio.

The Dahej Site is now ISO 14001:2015 & ISO 18001:2007 compliant. The unit has also received certification from Kosher and Halal, which will help us in exporting our products to certain countries and customers. The Dahej plant being a zero liquid discharge plant, the treated water is being recycled within the premises. This has been achieved using the Membrane Bio Reactor technology.

The Company has closed its operations in Pune and paid compensation to its 27 workmen who were left on the Company's rolls. Some ex - workers have entered into an illegal agitation at the factory gate of the Kasarwadi Plant and have restrained the Company from moving its machinery and equipment to the Dahej Plant. The Company is in the process of stopping the illegal agitation through Court proceedings. This has resulted in serious delays in shifting some of our key equipment from Pune.

We have not been able to fully commission the Dahej facility resulting in serious disturbances to our Sales plans & despatches.

BRIEF MARKET ANALYSIS

With the predicted increase in global population, there will continue to be a surge in demand for chemicals and their specialities, with India, China and S.E. Asia leading the way. With 60% of the global chemical sale coming from these areas by 2030, there are indications of robust growth from these markets.

With these opportunities facing us, the next decade promises to be extremely promising provided the chemical industry withstands the challenges of price volatilities, stringent environmental regulations and are able to develop greener and more sustainable chemistries.

SECTORWISE PERFORMANCE

The Company's performance has been very disappointing this year with different aspects affecting the day to day running of the plant. Besides issues with labour and our inability to move several key reactors from Kasarwadi to Dahej, we had issues with our key manpower from Pune adjusting to the facilities at Dahej. Due to shortage of reactors we were only able to achieve partially our overall capacities. In fact with the delays we faced in production we could not even despatch substantial of the orders received.

The team has faced some challenges adapting to a new set-up of reactors, a new technology, a new operating philosophy of DCS & Field Control. This phase for the team, has been difficult in terms of learning, training and adapting to a new environment.

Oil Field

In the past the Company has been seriously impacted with limitations in capacity.
With the expansion the Company can take advantages of the opportunities available not only by enhancing business with its partner Nalco Champion but also by assessing other higher added value and differentiated niche markets in Personal care, Agro and Greener Chemistries.

With oil field chem being our area of focus both on the upstream as well as the downstream side, we are expecting to establish more business with our partners.

We continue to work on the newer products in the area of construction and with our new reactor in place should do well in this area.

Construction

On the other hand, challenged by the move to Dahej and the adoption of newer technologies the Company has not achieved its planned growth in the Construction areas. Though the newer products have come out of the R&D pipeline, we have been handicapped in commercialising these. This coming year the Company will capitalise on these products, as some trials continue to bring positive results.

Paints

As the environmental norms remain stringent, the trend towards increasing use of water-borne paints, coatings and adhesives will continue, as against solvent based paints and coatings which have high volatile organic compound (VOC) emissions, and are on the decline. Water-borne latex for paints, coatings, and adhesives are basically synthetic resins kept dispersed in water using surfactants. Dai-ichi is a leading manufacturer of Non-ionic and Anionic Emulsifiers to prepare the synthetic latex and the usage of these emulsifiers will continue to be significant, since emulsifiers are indispensable and perform a key function in the stability of the latex. In the area of Paints, though we have not moved a key plant from Kasarwadi, we are planning to develop some key new products out of our plants in Dahej.

Agro

We have been getting very large orders in the Agro Vertical for exports, and will be better prepared in the coming year to complete these exports on time.

Pesticide usage will continue to remain in high volumes due to the huge acreage under agriculture. Pesticide formulations which are applied by spray method by the farmers are mainly either in the EC form (Emulsifiable Concentrates) or in the SC form (Suspension Concentrates). While ECs are blends of the active pesticide ingredient with solvents and emulsifiers, the SCs are a dispersion of the active ingredient in water. In both these, Non-ionic and Anionic Emulsifiers, Wetting Agents and Dispersing Agents are key components as the they emulsify the active ingredient or keep it in dispersion, thus providing a stable aqueous medium which is sprayable on the farms. The usage of Dai-ichi nonionic ethoxylates will continue to be preferred.

Other Sectors

In the product range basket, new surfactants launch for Personal Care, Home Care, and Industrial Lubricants are in the pipeline. Industrial lubricants hold a wide scope for Non-ionic Emulsifiers and Esters with the ever-growing need for better lubricants to control friction and keep the diverse industrial equipment and machinery operate smoothly.

Though we have appointed a large distributor with excellent contacts within the MNC space, we were unable to show any results as our pilot plant and related infrastructure remained in Pune. We hope to grow this business substantially in the coming year.

KEY FINANCIAL RATIOS:

Details of Key Financial Ratios are given below:

Particulars	As at 31.3.2019	As at 31.3.2018	Variance	Explanation for variance
Debtors Turnover	0.18	0.20	-12%	Decrease in sales in FY 2018-19 due to disturbances that occurred on transition from Pune to Dahej, resulted in lower ratio.
Inventory Turnover	5.71	7.87	-27%	
Interest Coverage Ratio	-2.36	82.85	-103%	In 2017-18, Interest cost was charged to Fixed Asset. In 2018-19 Interest cost till July 2018 is charged to Fixed Assets and for the remaining period it is charged to Profit and Loss Account, resulting into a low EBIT
Current Ratio	1.13	1.84	-39%	During 2018-19, current ratio decreased because of decrease in Current Assets (Investments and Debtors)and increase in Current Liabilities due to project related expenditure.
Debt Equity Ratio	0.84	0.55	52%	During 2018-19, the debt equity ratio is increased due to increase in borrowings to the tune of ₹ 89 crores, Dahej Project.
Operating Profit Margin (%)	-19%	11%	-267%	During 2018-19, Operation loss is because of decrease in sales due to disturbances that occurred on transition from Pune to Dahej.
Net Profit Margin (%)	-26%	11%	-340%	Net loss during the year 2018-19 is due to increase in Finance Cost and Depreciation.
Return on Net Worth (%)	-10%	9%	-218%	Due to loss in the year 2018-19, return on net worth is negative.

The transition of the Company from Pune to Dahej has been challenging and resulted in a temporary loss of Sales.

The new Plant at Dahej is based on new Buss Technology which required the setting up of each of the Company's products on a much larger reactor and into a fully automated DCS system.

The SOP of each of the 100 products the Company manufactures had to be reviewed and reset on the new conditions in the Plant. This process itself took over 6 months.

Meanwhile because of Labour issues in Pune (created by the ex-workers of the Company together with an unrecognised union) resulted in non – removal of several balancing reactors from Kasarwadi to Dahej.

The result has been that we have had to carry out production on a partially completed Plant with atleast 30% of the equipment still lying in Pune. This has been seriously challenging for the Company.

Several orders could not be completed and the Company had to juggle around reactors and move material from one place to another to complete some production.

The Company is making its best efforts to resolve the situation.

JOINT VENTURE / ASSOCIATE/ SUBSIDIARY COMPANIES:

The Company has a Joint venture with CTI Chemicals Asia Pacific Pte. Ltd., an Ecolab Company in **Nalco Champion Dai-ichi India Private Ltd.,** in the ratio of 50:50.

As on March 31, 2019, the Company has only one subsidiary**, Dai-ichi Gosei Chemicals (India) Limited.**

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

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

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

DIRECTORS & KMP:

The Members of the Company through special resolution dtd. 18th March, 2019 had re-appointed Mrs. S. F. Vakil (DIN: 00002519) as Chairperson & Managing Director of the Company, liable to retire by rotation for a period from 1st April, 2019 to 31st March,2022 and appointed Ms. Meher Vakil (DIN: 07778396) as Wholetime Director of the Company, liable to retire by rotation for a period from 1st April, 2019 to 31st March,2022.

The Members of the Company through special resolution dtd. 18th March, 2019 had re-appointed Dr. Anil Naik, Mr. Kavas Patel and Mr. Keki Elavia as Independent Directors for a second term commencing from 1st April, 2019 upto the conclusion of 63rd Annual General Meeting of the Company. All Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Pursuant to the recommendations of the Nomination and Remuneration Committee (‘NRC’), the Board of Directors, at its meeting held on 9th May, 2019, appointed Mr. Behram Sorabji as an Additional (Independent) Director of the Company. A resolution seeking shareholders’ approval for his appointment as Independent Director for a term commencing from May 9, 2019 upto the conclusion of 63rd Annual General Meeting, forms a part of the Notice.

The information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standards is given in the Notes to the Notice of the 59th Annual General Meeting.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mrs. S.F. Vakil, Chairperson & Managing Director, Ms. Meher Vakil, Wholetime Director, Mr. Nitin Nimkar, Chief Financial Officer and Mrs. Kavita Thadeshwar, Company Secretary of the company.

DIRECTORS’ RESPONSIBILITY STATEMENT:

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

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

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2019 and of the profit and loss of the company for that period;

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

d) The annual accounts have been prepared on a 'going concern' basis;

e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively;

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

DETAILS OF INTERNAL FINANCIAL CONTROLS:

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

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, individual directors and its committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

Even before CSR regulations were introduced, the Company used to fulfill its social responsibility through donations to charitable and academic institutions. After introduction of CSR under the Companies Act, 2013, it has undertaken activities in various areas, in every financial year. However, during the year under review due to cash flow issues the Company was not able to undertake any CSR activities. Also, as the Company has established its plant at Dahej, the CSR Committee is looking for opportunities in the vicinity of the Plant, for undertaking CSR activities, as prescribed under applicable regulations.

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

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

All manpower requirements are assessed and filled in a timely manner. The Company has a sound knowledge pool of experienced employees, which helps it to maintain consistency in performance across all disciplines. It has built a team of dedicated employees, who work with commitment and a sense of belonging towards the growth of the Company.

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

- Identification of Training & development needs and upgrade job specific skills
- Compensation, recognition & rewards
- Career growth plan through annual assessment.
- Supporting employment related legislative compliance.
- Promoting excellence in human resource management
- The promotion of an atmosphere of mutual respect, fairness and concern.
- Company has extended its facility for Apprentice Scheme, to needy and economical weak youths for pursuing special industrial training.

As on 31st March 2019, the total numbers of employees on the payrolls of the company at Dahej, Kurkumbh and HO locations are 166.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required pursuant to Section 197(12) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

AUDITORS:

STATUTORY AUDITORS:

BSR & Co. LLP, were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 57th Annual General Meeting upto the conclusion of 62nd Annual General Meeting of the Company. The Auditors' Report for the year under review does not contain any qualifications, reservations or adverse remarks.

INTERNAL AUDITORS:

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

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Kaushik M. Jhaveri & Co., a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the F.Y. 2018-19 is annexed herewith as **'Annexure B'.**

COST AUDITORS:

As per Section 148 of the Act read with the Companies (Cost Records and Audits) Rules, 2014, the Board of Directors on recommendation of the Audit Committee, approved the appointment of Mr. S.G. Jog, Cost Accountant, (Membership no. 5599), Pune as the Cost Auditor to conduct audit of the cost records of the Company for the financial year ending March 31, 2020. The Company has received written consent and certificate of eligibility in accordance with Section 148 read with Section 141 and other applicable provisions of the Act and Rules made thereunder.

In terms of the provisions of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2020 is being placed at the 59th AGM.

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

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

Details of investment made by the Company are provided in the financial statements, under Investment Schedule.

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

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

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

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

EXTRACT OF ANNUAL RETURN:

Pursuant to sections 92 and 134(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014, extract of Annual Return in Form MGT-9 is annexed herewith as **'Annexure C'** and the same is available on the website of the Company at www.dai-ichiindia.com.

CORPORATE GOVERNANCE:

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

LISTING:

The Equity Shares of your company are presently listed on BSE Ltd. and the Company has paid the annual listing fees for the financial year 2019-2020.

HEALTH, SAFETY & ENVIRONMENT:

Health, Safety & Protection of the Environment are the priority areas for the Company. The Company continues to put special emphasis in this area at every stage, from conception and design of new products, optimization of process, to commercial manufacturing and delivery of goods to the customers. Recently company has successfully completed DNV-GL Periodic Audit of ISO 14001:2015 & OHSAS 18001:2007 and Certification Audit of ISO 9001:2008.

(a) Health:

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

(b) Safety:

Internal and External Safety Audit, regular inspections pertaining to risks and hazards for Ethoxylation/ Propoxylation process are carried out as per the provisions of Factories Act. New PLC system has been installed for Ethoxylation/ Propoxylation process to ensure enhanced safety features and automation to nullify human errors. HAZOP Study and Hazard Identifications and Risk Analysis studies have been carried out for all processes.

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

(c) Environment:

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

Effluent Treatment Plant is upgraded with SUF (submersible ultra-filtration) technology and treated effluent is used in various processes, thus, increasing water conservation.

INDUSTRIAL RELATIONS:

The Company has closed its Kasarwadi Pune Plant w.e.f 25th January, 2019 and has paid retrenchment compensation and other legal dues to the 27 workers who were on the rolls of the Company as on the date of Closure.

However, certain ex – workers in association of Hind Kamgar Sanghtana (HKS) have filed certain legal matters against the Company and have started agitation in front of the Factory Gate for restraining the Company to move its machinery and equipment to the Dahej Plant and have challenged the Closure of the Plant.

HKS had filed a Writ Petition in the Mumbai High Court for representing the workers for negotiating Charter of Demands with the Company. However, the Mumbai High Court has dismissed the Writ Petition.

As advised by the High Court and in order to settle all the legal matters, the Company had made an offer to pay the differential wages to all the workers who had not accepted the earlier Individual Settlements. However, the workers have refused to accept the offer.

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

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-19;

- No of complaints received: **Nil**

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

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the contribution made by the employees of the Company. The Directors wish to convey their appreciation to the Banks, Dealers and other Business Associates and the Shareholders for their continuous trust and support.

CAUTIONARY NOTE:

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

For and on behalf of the Board

Mrs. S.F. Vakil
Chairperson & Managing Director

Place: Mumbai
Date: May 9, 2019

ANNEXURE 'A' TO THE DIRECTORS' REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

   The Company undertakes CSR activities in the areas of Health care, Education, Sanitation and Conservation of environment. However due to challenges faced during the year, the Company was not able to undertake CSR activities during the F.Y. ended 31st March 2019.

   The Company's CSR Policy may be viewed at following web link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/CSR-Policy.pdf

2. **The Composition of the CSR Committee:** As on the date of report, the Committee comprises of Mr. Keki Elavia as Chairman, Mr. Adi Jehangir, Mr. Kavas Patel and Mrs. S.F. Vakil as members.

3. **Average net profit of the Company for the last three financial years**: ₹ 1723.42 lakhs

4. **Prescribed CSR Expenditure**: ₹ 34.47 lakhs

5. **Details of CSR spent during the financial year;**

   a) Total amount to be spent for the financial year: ₹ 34.47 lakhs

   b) Amount unspent, if any: ₹ 34.47 lakhs

   c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or Programs 1. Local area or other 2. Specify the State and District where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on projects or programs 1. Direct expenditure on projects or programs 2. Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
	NIL						
	TOTAL			**NIL**	NIL	NIL	

6. **Reasons for not spending the entire amount:** Even before CSR regulations were introduced Company used to fulfill its social responsibility through donations to charitable and academic institutions. After introduction of CSR under the Companies Act, 2013, it has undertaken activities in various areas, in every financial year. However, during the year under review due to cash flow issues the Company was not able to undertake any CSR activities. Also, as the Company has established its plant at Dahej, the CSR Committee is looking for opportunities in the vicinity of the Plant, for undertaking CSR activities, as prescribed under applicable regulations.

7. **Responsibility statement:** The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Mrs. S. F. Vakil
Chairperson & Managing Director

Mr. Kavas Patel
Chairman of the CSR Committee Meeting

Place: Mumbai
Date: May 9, 2019

ANNEXURE 'B' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

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

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 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 **Dai-ichi Karkaria Limited** for the financial year ended on 31st March, 2019 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act,1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the company during audit period)

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India(Prohibition of Insider Trading) Regulations, 1992 and 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; - (Not Applicable to the company during audit period)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines,1999; -(Not Applicable to the company during audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the company during audit period)
- (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the company during audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;- (Not Applicable to the company during audit period)

(vi) Other applicable Acts/ Laws are given below:

1. The Water (Prevention and Control of Pollution) Act, 1974
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

4. The Environment Protection Act, 1986 and Environment (Protection) (Second Amendment) Rules, 1992
5. The Legal Metrology Act, 2009
6. The Electricity Act, 2003
7. The Public Liability Insurance Act, 1991
8. The Indian Gas Act, 1995
9. The Petroleum Act, 1934
10. The Factories Act, 1948 and Gujarat Factories Rules, 1963
11. The Labour Welfare Fund (Gujarat) Rules, 1962

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

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

(ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

For Kaushik M. Jhaveri & Co.,

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

Date: May 9, 2019
Place: Mumbai

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

Annexure to Secretarial Audit Report

Dai-ichi Karkaria Limited for the year ended 31st March, 2019

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

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

1. Maintenance of secretarial record is the responsibility of the Management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Kaushik M. Jhaveri & Co.,

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

Date: May 9, 2019
Place: Mumbai

ANNEXURE ‘C’ TO THE DIRECTORS’ REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies(Management and Administration) Rules, 2014

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS:

CIN	L24100MH1960PLC011681
Registration Date	13th May, 1960
Name of the Company	DAI-ICHI KARKARIA LIMITED
Category/ Sub-Category of the Company	Public Company having Share Capital
Address of the Registered office and contact details	Liberty Building, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400020. T: 2201 7130/2201 5895 E: investor@dai-ichiindia.com website: www.dai-ichiindia.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agents	Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel: 2851 5606/2851 5644 Fax: 2851 2885 E-mail: support@sharexindia.com Website: www.sharexindia.com

II. Principal Business Activities of the Company:

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

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Chemicals used in Oil Field	20299	21%
2	Chemicals used in Paints and coatings	20221	21%
3	Chemicals used in Textiles	20297	10%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Dai-ichi Gosei Chemicals (India) Limited	U24100MH1991PLC059922	Subsidiary	97%	2(87)
2	Nalco Champion Dai–ichi India Pvt. Ltd.	U24110MH1990PTC055089	Associate/ Joint venture	50%	2(6)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.3.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	4482355	0	4482355	60.16	4483574	0	4483574	60.17	0.01
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	267875	0	267875	3.60	271875	0	271875	3.65	0.05
(e) Banks/FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	**4750230**	**0**	**4750230**	**63.76**	**4755449**	**0**	**4755449**	**63.82**	**0.06**
(2) Foreign									
(a) NRIs Indiviual	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**4750230**	**0**	**4750230**	**63.76**	**4755449**	**0**	**4755449**	**63.82**	**0.06**
(B) PUBLIC SHAREHOLDING									
(1) Institutions									
(a) Mutual Funds	22060	0	22060	0.30	0	0	0	0	-0.30
(b) Banks / FI	100	0	100	0	100	0	100	0	0
(c) Central Govt.	44036	0	44036	0.59	47256	0	47256	0.63	0.04
(d) State Govt.	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIs	9792	0	9792	0.13	0	0	0	0	-0.13
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**75988**	**0**	**75988**	**1.02**	**47356**	**0**	**47356**	**0.64**	**-0.38**
2. Non-Institutions									
(a) BODIES CORP.									
(i) Indian	257744	26300	284044	3.81	282432	26000	308432	4.14	0.33
(ii) Overseas	0	0	0	0	0	0	0	0	0.00

(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	1243346	113577	1356923	18.21	1339399	88127	1427526	19.16	0.95
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	825141	0	825141	11.07	802090	0	802090	10.77	-0.31
(c) Other (specify)									
Non Resident Indians	119066	11400	130466	1.75	77513	10800	88313	1.19	-0.57
Overseas Corporate Bodies	0	15000	15000	0.20	0	15000	15000	0.20	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0.00
Clearing Members	13437	0	13437	0.18	7063	0	7063	0.10	-0.09
Sub-total (B)(2):-	**2458734**	**166277**	**2625011**	**35.23**	**2508497**	**139927**	**2648424**	**36**	**0.31**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2534722**	**166277**	**2700999**	**36.25**	**2555853**	**139927**	**2695780**	**36.18**	**-0.07**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**7284952**	**166277**	**7451229**	**100**	**7311302**	**139927**	**7451229**	**100**	**0**

(ii) Shareholding of Promoters

Sr. No.	**Shareholder's name**	**Shareholding at the beginning of the year 01.04.2018**			**Share holding at the end of the year 31.3.2019**			**% change in shareholding during the year**
		No. of shares	**% of total shares of the Company**	**% of Shares/ Pledged/ encumbered to total shares**	**No. of shares**	**% of total shares of the Company**	**% of Shares/ Pledged/ encumbered to total shares**	
1	Shernaz Firoze Vakil	3767963	50.57	0	3769182	50.59	0	0.02
2	Parveenbibi Hamidkhan Malik	316083	4.24	0	316083	4.24	0	0
3	Roshan Hoshi Gazdar	308367	4.14	0	308367	4.14	0	0
4	Rose Investments Ltd	262800	3.53	0	262800	3.53	0	0
5	Firoze Adi Vakil	76109	1.02	0	76109	1.02	0	0
6	General Pharmaceuticals Private Limited	5075	0.07	0	9075	0.12	0	0.05
7	Mehernaz Hoshi Gazdar	8833	0.20	0	8833	0.12	0	0
8	Hamidkhan Umarkhanji Malik	3200	0.04	0	3200	0.04	0	0
9	Shireen Hoshi Gazdar	1300	0.02	0	1300	0.02	0	0
10	Hoshang Rustom Karkaria	300	0.00	0	300	0.00	0	0
11	Adi H Jehangir	100	0.00	0	100	0.00	0	0
12	Jehangir H C Jehangir	100	0.00	0	100	0.00	0	0

(iii) Change in Promoter's Shareholding

Sr. No.	Promoters Shareholding	Shareholding		Date	Increase / Decrease in shareholding	Reason	Cumulative Share holding	
		No. of Shares at the beginning (01.04.2018) and end of the year (31.03.2019)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Shernaz Firoze Vakil	3767963	50.57	01-04-2018				
				07-12-2018	1219	Buy	3769182	50.59
	-Closing Balance			31-03-2019			3769182	50.59
2	General Pharmaceuticals Private Limited	5075	0.07	01-04-2018				
				06-07-2018	1000	Buy	6075	0.08
				24-08-2018	1000	Buy	7075	0.10
				07-09-2018	1000	Buy	8075	0.11
				07-12-2018	1000	Buy	9075	0.12
	-Closing Balance			31-03-2019			9075	0.12

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

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding	
		No. of Shares at the beginning (01.04.2018) and end of the year (31.03.2019)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	**PRATIKSHA SATISHCHANDRA DOSHI**	217128	2.91	01-04-2018				
	-Closing Balance			31-03-2019		No Change	217128	2.91
2	**HITESH SATISHCHANDRA DOSHI**	140337	1.88	01-04-2018				
	-Closing Balance			31-03-2019		No Change	140337	1.88
3	**AJINKYA ELECTROMELT PVT LTD.**	120234	1.61	01-04-2018				
				08-06-2018	551	Buy	120785	1.62
				29-06-2018	306	Buy	121091	1.63
				06-07-2018	2744	Buy	123835	1.66
				20-07-2018	91	Buy	123926	1.66
				27-07-2018	944	Buy	124870	1.68
				03-08-2018	913	Buy	125783	1.69
				24-08-2018	6516	Buy	132299	1.78
				31-08-2018	1890	Buy	134189	1.80
				07-09-2018	10	Buy	134199	1.80
				05-10-2018	723	Buy	134922	1.81
				12-10-2018	1146	Buy	136068	1.83
				26-10-2018	100	Buy	136168	1.83
				28-12-2018	882	Buy	137050	1.84
				04-01-2019	430	Buy	137480	1.85
	-Closing Balance			15-02-2019	18	Buy	137498	1.85
				29-03-2019	1260	Buy	138758	1.86

4	**ASHOKKUMAR PARMAR**	115000	1.54	01-04-2018				
				09-11-2018	-6569	Sold	108431	1.46
				08-02-2019	2000	Buy	110431	1.48
				15-02-2019	1950	Buy	112381	1.51
				22-02-2019	1700	Buy	114081	1.53
				01-03-2019	1200	Buy	115281	1.55
				08-03-2019	950	Buy	116231	1.56
				15-03-2019	900	Buy	117131	1.57
				22-03-2019	500	Buy	117631	1.58
	-Closing Balance			31-03-2019			117631	1.58
5	**BHUPESH KUMAR LODHA**	40500	0.54	01-04-2018				
				27-04-2018	14500	Buy	55000	0.74
	-Closing Balance			31-03-2019			55000	0.74
6	**INVESTOR EDUCATION AND PROTECTION FUND**	44036	0.59	01-04-2018				
				27-07-2018	-200	Sold	43836	0.59
				17-08-2018	3420	Buy	47256	0.63
	-Closing Balance			31-03-2019			47256	0.63
7	**SHIRISH JOSHI**	43930	0.59	01-04-2018				
				30-06-2018	100	Buy	44030	0.59
				01-02-2019	70	Buy	44100	0.59
	-Closing Balance			31-03-2019			44100	0.59
8	**JIGNEY BHACHECH HUF**	14000	0.19	01-04-2018				
				13-04-2018	241	Buy	14241	0.19
				09-11-2018	18259	Buy	32500	0.44
				08-03-2019	-1290	Sold	31210	0.42
				15-03-2019	807	Buy	32017	0.43
				22-03-2019	-2117	Sold	29900	0.40
				29-03-2019	-1108	Sold	28792	0.39
	-Closing Balance			31-03-2019			28792	0.39
9	**GANDHI SECURITIES & INVESTMENT PRIVATE LTD**	28610	0.384	01-04-2018				
	-Closing Balance			31-03-2019		No Change	28610	0.38
10	**AJAY KUMAR TOSHNIWAL**	27700	0.372	01-04-2018				
	-Closing Balance			31-03-2019		No Change	27700	0.37

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

Sl. No.	Directors and KMP	Shareholding at the beginning of the year		Date	Increase / Decrese in shareholding	Reason	Share holding at the end of the Year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	**Mrs. S. F. Vakil, Chairperson & Managing Director**	3767963	50.57	01-04-2018				
				07-12-2018	1219	Buy	3769182	50.59
	-Closing Balance			31-03-2019			3769182	50.59
2	**Mr. A. H. Jehangir, Director**	100	0.00	01-04-2018	-	-	-	-
	-Closing Balance	-	-	31-03-2019	-	-	100	0.00
3	**Mrs. Kavita Thadeshwar, Company Secretary**	1	0.00	01-04-2018	-	-	-	-
	Closing Balance	-	-	31-03-2019	-	-	1	0.00

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

V. INDEBTEDNESS

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

(₹ in Lakhs)

Particulars	**Secured Loans excluding deposits**	**Unsecured Loans**	**Deposits**	**Total Indebtedness**
Indebtedness at the beginning of the financial year;				
i) Principal Amount	6,645.10	-	-	6,645.10
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	50.90	-	-	50.90
Total (i+ii+iii)	**6,696.00**	-	-	**6,696.00**
Change in Indebtedness during the financial year ;				
a) Addition	2,390.94	-	-	2,390.94
b) Reduction	(69.28)	-	-	(69.28)
Net Change	**2,321.66**	-	-	**2,321.66**
Indebtedness at the end of the financial year;				
i) Principal Amount	8,966.76	-	-	8,966.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.97	-	-	4.97
Total (i+ii+iii)	**8,971.73**	-	-	**8,971.73**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director :

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mrs. S. F. Vakil, Chairperson & Managing Director
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	166.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40
	(c) Profits in lieu salary under section 17(3) Income-tax Act, 1961	N.A.
2	Stock Option	N.A.
3	Sweat Equity	N.A.
4	Commission Commission - as % of profit - others, specify…	N.A.
5	Others	NIL
	Total (A)	**166.94**
	Ceiling as per the Companies Act: Remuneration paid as per Section 197 read with Schedule V to the Companies Act, 2013.	

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors			Total Amount
1	Independent Directors	**Dr. A. M. Naik**	**Mr. K. D. Patel**	**Mr. K. M. Elavia**	
	a. Fee for attending Board/ Committee meeting	3.20	3.20	3.30	9.70
	b. Commission	N.A.	N.A.	N.A.	N.A.
	c. Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	**3.20**	**3.20**	**3.30**	**9.70**
2	Other Non-Executive Directors	**Mr. A. H. Jehangir**			
	a. Fee for attending Board/ Committee meetings	2.10			2.10
	b. Commission	N.A.			N.A.
	c. Others, please specify	Nil			Nil
	Total (2)	**2.10**			**2.10**
	Total (B)=(1+2)				**11.80**
	Total Managerial Remuneration (A)+(B)				**178.74**
	Overall Ceiling as per the Act:- 1% of net profits excluding sitting fees paid for attending Board/Committee Meetings.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. Meher Vakil (Chief Operating Officer)	Mr. Nitin Nimkar (Chief Financial Officer)	Mrs. Kavita Thadeshwar (Company Secretary)	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55.01	47.07	30.17	132.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.49	0.32	-	12.81
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify…	-	-	-	-
5	Others, Performance Incentive for F.Y. 2018-19	12.00	-	-	12.00
	Total	**79.50**	**47.39**	**30.17**	**157.06**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE 'D' TO THE DIRECTORS REPORT

INFORMATION REQUIRED AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2019.

Form A & B Report:

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

FORM 'A' FOR DISCLOSURE OF CONSERVATION OF ENERGY

I. Conservation of Energy:

(a) ENERGY CONSERVATION MEASURES TAKEN:

i. VFD installed in EO plant for cooling water circulation pumps and Reactor agitators.

ii. ETP treated water recycled for cooling tower makeup and gardening, resulting saving of GIDC fresh water considerably.

iii. Imported coal is used for boiler fuel to get higher calorific value advantage.

iv. Steam and water leaks are arrested on priority.

iv. Few Batch processes scaled up/modified for saving of process energy and time.

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

i. Providing additional small value capacitors to get the power factor close to unity is proposed.

ii. Pure Steam condensate recovery system from EO plant and blow down flash steam, utilization for preheat the boiler feed water is proposed.

iii. Additional VFD's planned in ETP area and Cooling towers of PPD plant.

iv. Solar power plant of 350-400 KW in capex model.

v. Implementation of IIoT module (Industrial Internet of things)

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

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

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

(₹ In Lakhs)

Sr. No	Description	**2018-19**	2017-18
A.	Power and fuel consumption		
1.	ELECTRICITY		
(a)	Purchased		
	Units (KWH)	**41,85,354**	33,23,294
	Purchased cost of units (Rs.)	**347.07**	281.95
	Rate per unit purchased	**8.29**	8.48
(b)	Own generation		
(i)	Through Diesel Generator		
	No of units Generated (KWH)	**11484**	14007
	Diesel Oil consumed (KL)	**3.88**	5.05
	Cost of Diesel Oil consumed (Rs.)	**2.49**	3.10
	Cost of Diesel/Unit generated (Rs.)	**21.65**	22.11
(ii)	Through Steam Turbine Generator	**Nil**	Nil

2.	COAL USED		
	No of Units consumed (MT)	**321**	Nil
	Purchase cost (Rs.)	**20.51**	Nil
	Rate per unit (Rs./MT)	**6.38**	Nil
3.	FURNACE OIL		
	Furnace oil consumed (KL)	**96.16**	136.70
	Cost of Furnace oil consumed (Rs.)	**35.12**	37.81
	Average rate (Rs./Lt.)	**36.52**	27.66
4.	BIO-FUEL BRIQUETTES		
	Bio fuel briquettes consumed (MT)	**3534.26**	3559.18
	Cost of B.F. briquettes consumed (Rs.)	**207.85**	179.01
	Average rate (Rs./MT)	**5.88**	5.03
B	Consumption per unit of production in MT		
	Electricity-KWH/Ton	**249.42**	212.97
	Furnace Oil -(Lt./ Ton)	**125.24**	349.85
	Briquettes – (Ton / Ton)	**0.21**	0.23

FORM 'B' FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION

II. RESEARCH & DEVELOPMENT:

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

i. New Products were developed in spin finish for nylon and polypropylene. Products developed for lubricating industry are under customer evaluation. Specialty products for personal care application have been developed and are in the process of commercialization.

In addition, various new grades of ethoxylates for cosmetic application are introduced some of which are already approved. New products are introduced as replacement of regular products used to be manufactured in sulfonation plant. Single shot sizing agent, a new concept-based product is commercialized. New wetting agents are also introduced in the market one of which is already commercialized.

ii. Oilfield and other related products: Developed Imidazoline / Derivatives / Formulations for the JV Partner which have gone up to Pilot scale. Also, developed Emulsion breakers for the JV Partner which have gone to the Pilot plant stage and will be scaled up to commercial scale batches.

A newer range of new PPDs are under development and will soon be commercialized.

iii. Extensive study on the low temperature stability of Imidazoline acetate for a clear solution at -45 deg C for 24 hrs.

iv. Cost reduction through process / formulation modification of existing products were done with respect to performance enhancement or process steps reduction.

v. Deaerating agent in textiles, wetting agents, silicone softeners etc. were developed.

2. Benefits derived from research and development projects:

i. New range of additives for lubricating industry.

ii. New range of fatty esters in cosmetic and personal care application.

iii. Various new ethoxylates for specific application in personal care product formulations.

iv. New range of mercerizing and wetting agent.

v. New emulsifier for paint industry.

vi. New sizing agent based on emulsion polymerization.

vii. New range of Imidazolines for Oilfield corrosion inhibition

viii. Hydroxyethyl Imidazoline, a new member in the Imidazoline range for applications in Lube industry.

ix. New range of Crude Oil Emulsion Breakers with a broad spectrum of chemistry.

x. Additional business generated for the Company from Imidazolines & Emulsion Breakers.

3. Future Plan of research & development activities:

R&D will focus on the development of Oilfield chemicals specifically required by the JV Partner, winterized PPDs required by certain Customers and will continue to work towards development of greener chemistries, based on value added products, specialty surfactants for personal care and home care applications, expanding business in rayon industry with newer products introduction, New specialty alkoxylates for increasing volume of business of alkoxylates, new products for concrete industry. In addition, we'll continue our efforts on process modification and product quality improvement of existing products.

4. Expenditure on R&D during the year;

Capital - Rs. Nil

Recurring- Rs. 109.78 Lakhs

Total R&D expenditure as a percentage of turnover: 1.19%

III. Technology absorption, adaptation and Innovation

i. Technology Transfer and scale-up of 200+ products has been successfully completed on the new set of reactors at Dahej. Some of the key balancing equipment and reactors are yet to be received at Dahej site from our Pune unit. Once these are installed, we will be fully operational at design capacity.

ii. The new Swiss technology for Ethoxylation we have been able to scale-up our batch sizes by a factor of 4. The technology has also enabled us to manufacture products with a high growth ratio's, superior quality of products and batch to batch consistency. Random & block co-polymers are being produced on a large scale with significantly higher accuracy in terms of dose quantity and dose rates of EO/PO. The technology (dual loop reactor) is being implemented to produce higher molecular weight products used in the personal care, pharmaceutical industry.

iii. The 'Sequential Logic Control' along with 'pre-programmed' SOP's on our Digital Control System, provides a high degree of control on the reaction parameters, resulting in superior control on the product quality. It also allows us to seamlessly shift between different types of products, in a single reactor system.

iv. Dahej site is now a zero liquid discharge unit, with the treated water being recycled within the premises, has been realized using the Membrane Bio Reactor technology. This has helped reduce the water consumption to less than 120 m3/day.

IV. Foreign Exchange Earning and outgo:

Foreign Exchange received ₹ 2473 lakhs

Foreign Exchange paid for imports and other remittance ₹ 1164 lakhs

CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2018-19.

CORPORATE GOVERNANCE DISCLOSURE

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

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

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

2. BOARD OF DIRECTORS:

As on 31st March, 2019, Board of Directors consisted of 5 (five) Directors. The Board comprises of a Managing Director and four Non- Executive Directors. Out of four Non-Executive Directors, three members are Independent Directors. The Managing Director is a Woman Director. The Board's composition is in conformity with the provisions of Companies Act, 2013 as well as Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange.

Number of Board Meetings:
During the financial year under review 4 (Four) Board Meetings were held on 3rd May, 2018, 8th August, 2018, 2nd November, 2018 and 30th January, 2019.

Composition, Attendance and Shareholding of Directors:

The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting (AGM) and their shareholding as at 31st March 2019 in the Company are as follows :

Name of Director	Category	Board meetings Attended	Attendance at last AGM	Number of shares held as on 31st March 2019
Mrs. S. F. Vakil (Chairperson & Managing Director)	Promoter Executive Director	4	Yes	37,69,182
Mr. A.H. Jehangir	Promoter Non – Executive Director	4	Yes	100
Mr. K. D. Patel	Independent Non – Executive Director	4	Yes	Nil
Dr. A.M. Naik	Independent Non – Executive Director	4	Yes	Nil
Mr. K. M. Elavia	Independent Non – Executive Director	4	Yes	Nil

Other Directorships:

The number of directorships, memberships/chairmanships of the Board and Committees of public companies and details of directorships in listed entities for each director of the Company are as follows:

Name of Director	No. of Directorships in other Boards#	No. of Chairmanship/ Membership in other Board Committees$	Name of the other Listed Companies in which Directors of the Company are Director	Category of Directorship in the listed entity
Mrs. S. F. Vakil (Chairperson & Managing Director)	2	1/0	Nil	N.A.
Mr. A.H. Jehangir	Nil	Nil	Nil	N.A.
Mr. K.D. Patel	2	3/0	Tasty Bite Eatables Ltd.	Independent Director
Dr. A.M. Naik	2	1/1	• Indoco Remedies Ltd. • Greycells Education Ltd.	Independent Director
Mr. K. M. Elavia	9	5/5	• Goa Carbon Ltd. • Britannia Industries Ltd • Godrej Industries Ltd. • Grindwell Norton Ltd. • The Bombay Dyeing and Manufacturing Company Ltd.	Independent Director

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

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

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

Familiarization Programme for Independent Directors:

Details of familiarization of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through web link https://www.dai-ichiindia.com/wp-content/uploads/2014/08/Familirsation-Programme-for-IDs.pdf

Confirmation as regards independence of Independent Directors:

In the opinion of the Board of Directors of the Company, the existing Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

Meeting of Independent Directors:

As mandated by the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate meeting of Independent Directors was held on 9th May, 2019 for annual evaluation of the following;

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

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

Board of Directors skills/expertise/competence matrix:

Pursuant to provisions in sub-para 2(h) of Part C of Schedule V of the Listing Regulations given below is the list of core skills/expertise/competencies that the Company's Board has identified as particularly valuable to the effective oversight and functioning of the Company:

Skill / Experience/Competency	**Available with Board**
Board Experience: Experience as a Director of a Company.	Yes
Planning Experience: Experience in business/corporate planning	Yes
Leadership Experience: Experience serving as a Chairperson of a Corporate/Committee, or in other positions of leadership	Yes
Financial and Accounting Expertise: Qualifications and experience in accounting and/or finance and the ability to comprehend company accounts, financial material presented to the board and financial reporting requirements.	Yes
Risk Assessment: Experience in the process of identifying principal corporate risks and to ensure that management has implemented the appropriate systems to manage risk.	Yes
Legal, Regulatory and Compliance: Experience in law and compliance.	Yes
Strategy: Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies for the Company.	Yes

Board and Director evaluation and criteria for evaluation:

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Evaluation of Board, Individual Directors and Committees include, inter alia, the following:

Board Evaluation	**Evaluation of Independent Directors**	**Committee Evaluation**
• Board Structure - qualifications, experience and competencies • Meetings – regularity, frequency, agenda, discussion and recording of minutes • Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest • Accounting systems - Integrity of accounting and financial reporting systems, independent audit, Internal Financial Controls.	• Professional qualifications and experience • Knowledge, skills and competencies • Fulfillment of functions, ability to function as a team • Attendance • Commitment, contribution, integrity and independence. In addition to the above, the Chairperson of the Board Meetings is also evaluated on key aspects of her role, including effectiveness of leadership and ability to steer meetings, impartiality and ability to keep shareholders' interests in mind.	• Mandate and composition • Effectiveness of the Committee • Structure of the Committee • Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes • Independence of the Committee from the Board and contribution to decisions of the Board

3. BOARD COMMITTEES:

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

(i) Audit Committee:

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

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

During the financial year under review, four (4) Audit Committee Meetings were held on 3rd May, 2018, 8th August, 2018, 2nd November, 2018 and 30th January, 2019.

The attendance at the Audit Committee Meetings is as under:

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

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

(ii) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee consists of Mr. A. H. Jehangir as Chairman, Mrs. S F. Vakil and Dr. A.M. Naik as members. The terms of reference cover the matters specified for Stakeholders Relationship Committee under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The Committee approves share transfers, transmissions, issue of duplicate share certificates, consolidation/ split of share certificates, approval of demat position and matters related to Investors Grievances as and when received. The Committee holds fortnightly meetings. Mrs. Kavita Thadeshwar, Company Secretary acts as Secretary to the Committee.

During the year under review, following complaints/ grievances were received during the F.Y. ended 31st March, 2019;

Particulars	No. of Complaints
Non - Receipt of Dividend	1
Delay/ Non - Receipt of Annual Report	1
Delay/ Non- Receipt of Duplicate Shares	2
Total Complaints Received	**4**
Total Complaints Resolved	**4**

(iii) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. K. D. Patel as Chairman, Dr. A. M. Naik, Mr. K.M. Elavia and Mrs. S.F. Vakil as Members. The terms of reference cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. During the financial year under review, meetings were held on 3rd May, 2018 and 30th January, 2019. All members have attended the meeting. The policy which was approved and adopted by the Board of Directors is uploaded on the Company's website at the following link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/NRC-Policy.pdf

(iv) Corporate Social Responsibility (CSR) Committee:

The Company has constituted the Corporate Social Responsibility Committee as mandated by Section 135 of the Companies Act, 2013. The Committee comprises of Mr. K.M. Elavia as Chairman, Mr. A.H. Jehangir and Mrs. S.F. Vakil as members. The terms of reference cover the matters specified under section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 and other relevant provisions. During the financial year under review, meeting was held on 3rd May, 2018. All the members attended the meeting. The policy which was approved and adopted by the Board of Directors has been uploaded on the Company's website at the following link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/CSR-Policy.pdf

4. REMUNERATION PAID TO DIRECTOR OF THE COMPANY:

a) Executive Directors:

The Company pays remuneration by way of salary, perquisites and performance incentive to its Chairperson & Managing Director (CMD) – Mrs. S. F. Vakil. The amount of performance incentive is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year and performance of the CMD.

Following are the details of remuneration paid for the financial year ended 31st March, 2019:

Salary	₹ 82,68,270/-
Perquisites	₹ 84,25,707/-
Performance Linked Incentive	Nil
Service Contract / Notice Period	Term of 3 years w.e.f. 1st April, 2019 / 3 months

b) **Non-Executive Directors:**

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

Name of Directors	Fees for Board meeting (in ₹)	Fees for other Committees (in ₹)
Mr. A. H. Jehangir	2,00,000/-	10,000/-
Dr. A. M. Naik	2,00,000/-	1,20,000/-
Mr. K. D. Patel	2,00,000/-	1,20,000/-
Mr. K. M. Elavia	2,00,000/-	1,30,000/-

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

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2015 – 2016	4.8.2016	11.30 a.m	M.C. Ghia Hall, Mumbai
2016 - 2017	17.7.2017	11.30 a.m	M.C. Ghia Hall, Mumbai
2017 - 2018	8.8.2018	11.30 a.m	M.C. Ghia Hall, Mumbai

Special resolution passed at the last three Annual General Meeting:

Date of AGM	Purpose
4.8.2016	Re-appointment of Mrs. S. F. Vakil as Chairperson and Managing Director.

b) **POSTAL BALLOT:** Pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of the resolutions passed during financial year 2018-19 by way of Postal Ballot are as follows:

A. **The Company obtained approval of shareholders for following resolutions;**

1. Re-appointment of Mr. Kavas D. Patel (DIN:00002634) as an Independent Director of the Company for a second term commencing from 1st April, 2019 upto the conclusion of 63rd Annual General Meeting of the Company;
2. Re-appointment of Mr. Keki Elavia (DIN: 00003940) as an Independent Director of the Company for a second term commencing from 1st April, 2019 upto the conclusion of 63rd Annual General Meeting of the Company;
3. Re-appointment of Dr. A. M. Naik (DIN: 00002670) as an Independent Director of the Company for a second term commencing from 1st April, 2019 upto the conclusion of 63rd Annual General Meeting of the Company;
4. Re-appointment of Mrs. S.F. Vakil (DIN: 00002519) as Chairperson and Managing Director of the Company, liable to retire by rotation for a period from 1st April, 2019 to 31st March,2022;
5. Appointment of Ms. Meher Vakil (DIN: 07778396) as Wholetime Director of the Company, liable to retire by rotation for a period from 1st April, 2019 to 31st March,2022;

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

Resolution No.	Total number of valid votes	Votes in favour of the resolution		Votes against the resolution	
		No. of Votes	Percentage of votes	No. of votes	Percentage of votes
1	4868112	4867984	99.9974	128	0.0026
2	4868112	4867984	99.9974	128	0.0026
3	4868112	4868084	99.9994	28	0.0006
4	1022821	1022693	99.9875	128	0.0125
5	1022821	1022693	99.9875	128	0.0125

All the aforesaid resolutions were passed with requisite majority.

B. The Board of Directors had appointed M/s. Ragini Chokshi & Co., Practicing Company Secretary, as the Scrutinizer to conduct the aforesaid postal ballot exercises in a fair and transparent manner. During the conduct of the postal ballot, the Company had in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. The scrutinizer submitted the report, after completion of the scrutiny, the results of voting by Postal Ballot were announced by the Company on 20th March, 2019 and were sent to the Exchange and displayed on the Company's website. The date of passing of the aforesaid resolutions have been deemed to be on March 18, 2019, last date of receipt of postal ballot forms and e-voting.

6. RELATED PARTY TRANSACTIONS:

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

Details of Related Party Transactions are disclosed in the notes to the financial statements. The policy approved and adopted by the Board of Directors has been uploaded on the Company's website at the following link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/RPT-Policy.pdf

7. MEANS OF COMMUNICATION:

a. Quarterly results are taken on record by the Board of Directors and submitted to the stock exchange in terms of the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Quarterly results have been published in Free Press Journal and Nav Shakti.

c. Website of the company is www.dai-ichiindia.com.

d. Exclusive email id for investor correspondence/grievance redressal is investor@dai-ichiindia.com.

e. Presentations made to institutional investors/analysts alongwith schedule of meeting is uploaded on Company's website and is also sent to the Stock Exchange.

f. The Management Discussion and Analysis Report forms part of Directors' Report.

8. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting:

Date, Time and Venue: August 13, 2019 at 11.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th floor, 18/20 Kaikhushru Dubash Marg, Mumbai - 400 001.

B. Financial Calendar (tentative):

Financial Year:	1st April 2019 to 31st March 2020
First Quarter Results:	Second week of August, 2019
Half Yearly Results:	Second week of November, 2019
Third Quarter Results:	Second week of February, 2020
Audited results for the year ending 31st March, 2020:	Third week of May, 2020

C. Date of Book Closure August 7, 2019 to August 13, 2019

D. Dividend Payment Date N.A.

E. Listing on Stock Exchanges BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001

Payment of Annual Listing Fee: The Company has paid the annual listing fees for the financial year 2019-20

F. Stock Code - 526821

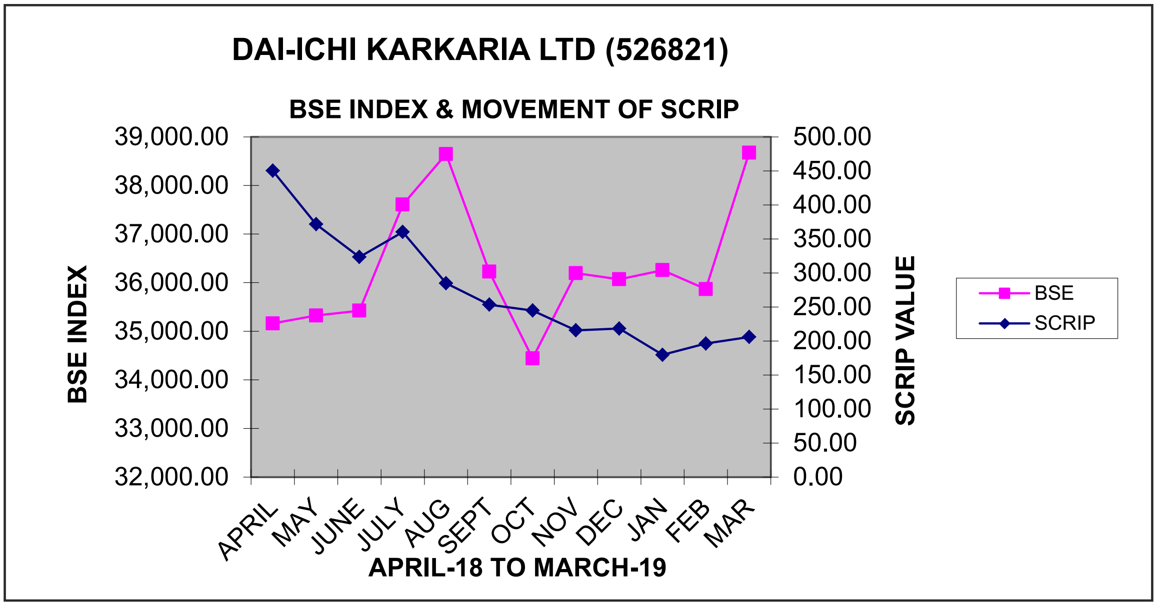
Demat ISIN Number for NSDL & CDSL INE928C01010

G. Market Price Data:

High/Low Share price of the Company during the financial year ended 31st March, 2019 on the BSE Ltd. (Face value ₹ 10/-)

Month	High (₹)	Low (₹)
April 2018	472	394
May 2018	466.7	343.6
June 2018	384.5	311
July 2018	373	312.9
August 2018	384.9	277
September 2018	305	250
October 2018	302	226.1
November 2018	275	198.05
December 2018	233	203.05
January 2019	238.8	176
February 2019	204	158
March 2019	221.1	170

H. Stock performance:



I. Registrar and Share Transfer Agents:

Registrars & Transfer Agents	Sharex Dynamic (India) Pvt. Ltd. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
Persons to contact	Mr. B. S. Baliga
Telephone No.	022-28515606/28515644
E-mail address:	support@sharexindia.com

J. Share Transfer System:

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

K. Distribution of Shareholding as on 31st March, 2019:

No. of shares slab	Number of shareholders	(%)	Number of shares	(%)
upto to 100	3216	59.755	188168	2.525
101 to 200	811	15.069	145429	1.952
201 to 500	755	14.028	281384	3.776
501 to 1000	293	5.444	220975	2.966
1001 to 5000	244	4.534	548306	7.359
5001 to 10000	32	0.595	238826	3.205
10001 to 100000	23	0.427	557855	7.487
100001 to above	8	0.149	5270286	70.730
TOTAL	**5382**	**100**	**7451229**	**100**

L. **Shareholding Pattern as on 31st March, 2019:**

Categories of Shareholders		**No. of shares held**	**%**
A	**Promoters Holding**		
	Indian Promoters	4755449	63.82
	Foreign Promoters	Nil	Nil
	Persons acting in concert	Nil	Nil
	Sub Total	4755449	63.82
B	**Non-Promoters Holding**		
	Institutional Investors:	-	-
(i)	Mutual Funds and UTI	-	-
(ii)	Banks, Financial Institutions, Insurance Companies	100	0.001
(iii)	FIIs	-	-
	Sub Total	**100**	**0.001**
	Others:		
(i)	Private Corporate Bodies	308432	4.139
(ii)	Indian Public	2229616	29.92
(iii)	NRIs/OCBs	103313	1.39
(iv)	Any other (Clearing Members & IEPF)	54319	0.73
	Sub Total	**2695680**	**36.18**
	GRAND TOTAL	**7451229**	**100.00**

M. **Dematerialisation of shares:**

As on 31st March 2019, 73,11,302 equity shares representing 98.12% of the paid-up Share Capital is held in dematerialized form. Transaction in the equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

N. **Plant locations**

1. D-2/20, GIDC - II, Dahej, Vagra, District Bharuch, Gujarat - 392 130.
2. 105th Milestone, Mumbai Pune Road, P.O. Kasarwadi Pune 411 034. (Plant Closed w.e.f. 25th January, 2019)
3. Kurkumbh Industrial Area, Plot No.D13 Village Kurkumbh, Tal Daund, Dist Pune 413 105.

O. **Address for correspondence:** For information on share transactions in electronic form and physical form and general correspondence:

Sharex Dynamic (India) Pvt. Ltd.
C 101, 247 Park, L B S Marg,
Vikhroli West, Mumbai 400 083.
Tel: 2851 5606/2851 5644
Fax: 2851 2885
E-mail: support@sharexindia.com
Website: www.sharexindia.com

Compliance Officer of the Company is
Mrs. Kavita Thadeshwar (Company Secretary)
3rd Floor, Liberty Building,
S. V. T. Marg, New Marine .Lines,
Mumbai – 400 020
Tel: 2201 7130 / 2201 5895
Fax: 2209 6976
Email: investor@dai-ichiindia.com

9. **DISCLOSURES:**

- There were no materially significant related party transactions that may have potential conflict with the interest of the Company. The policy for dealing with related party transaction is uploaded on the website of the Company at the following link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/RPT-Policy.pdf

- During the past 3 (three) years there have been no instances of non-compliance by the Company with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital markets.
- The Company has a Vigil Mechanism / Whistle Blower Policy. No personnel have been denied access to the audit committee to lodge their grievances. The policy is uploaded on the website of the Company at the following link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/Vigil-Mechanism-Policy.pdf
- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. The Company has not adopted the non-mandatory requirements of the Listing Regulations.
- The Company has in place a Risk Management Policy which identifies elements of risk and the measures to counter it. The policy is reviewed by the Board every year, at the first Board Meeting held after the commencement of the financial year.
- The Company has not raised/utilised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- The Company has received a certificate dated May 9, 2019 from Kaushik M. Jhaveri & Co. Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority and is enclosed to this report.
- The Board has accepted all the recommendations of the Committees of the Board given from time to time during the financial year under review.
- The details of the total fees paid to B S R & Co. LLP, Chartered Accountant, Statutory Auditor of the Company during the financial year ended 31st March, 2019 is given below;

Particulars	**(₹ in lakhs)**
Statutory Audit fees	25
Tax Audit	2
Other Services including quarterly review and certification	10
Reimbursement of expenses	2
Total	**39**

- Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for the financial year ended 31st March, 2019;

No of complaints filed	NIL
No of complaints disposed off	NIL
No of complaints pending	NIL

- There are no shares that were required to be transferred to the demat suspense account or unclaimed suspense account.
- The Company has complied with all the requirements of the corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.
- All mandatory requirements are complied with.

10. CODE OF CONDUCT:

During the financial year under review, the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The Code has also been posted on the Company's website at the following link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/Code-of-Conduct.pdf . The said Code has been communicated to the Directors and the Members of the Senior Management and they have also affirmed the compliance thereto.

Sd/-
Chairperson & Managing Director

11. CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained a certificate from Vinod Kothari & Company, Practicing Company Secretaries confirming compliances with conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
DAI-ICHI KARKARIA LIMITED
Liberty Bldg, Sir Vithaldas thakckersey Marg,
Mumbai - 400020.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DAI-ICHI KARKARIA LIMITED having CIN: L24100MH1960PLC011681 and having registered office at Liberty Bldg, Sir Vithaldas thakckersey Marg, Mumbai - 400020. (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Adi Hirji Jehangir	00001752	19/02/1986
2.	Shernaz Firoze Vakil	00002519	26/02/1979
3.	Kavas Dara Patel	00002634	26/04/2001
4.	Anil Mahadeo Naik	00002670	24/06/2005
5.	Keki Manchersha Elavia	00003940	22/02/2011

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

For Kaushik M. Jhaveri & Co.,

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

Date: 9th May, 2019
Place: Mumbai

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Dai-ichi Karkaria Ltd.
Mumbai

We have examined the compliance of Corporate Governance by Dai-ichi Karkaria Ltd ("the Company") for the period between April 1, 2018 and March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations, 2015") of the said Company with stock exchange(s) (as applicable).

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors, the management and the Company's officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs.

For Vinod Kothari & Company
Practising Company Secretaries

Vinita Nair
Partner
Membership No.-A31669
CP No.-11902

Date: 09/05/2019
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To the Members of
Dai-ichi Karkaria Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Dai-Ichi Karkaria Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

The key audit matters	How the matter was addressed in our audit
PP&E capitalisation at Dahej plant We have considered PP&E capitalisation at Dahej Plant to be a key audit matter due to the significance of the value and the judgment and assumptions required in the process of PP&E capitalisation and its related useful life determination.	We tested controls in place over capitalization process of PP&E and performed tests of details on costs capitalised by the Company. Our audit procedures included assessing appropriateness of the following judgments made by management: • The nature of the costs capitalised; • Timing of capitalisation; and • Asset useful lives considered for calculation of the depreciation charge.
Close down of Kasarwadi Plant The Company has closed down its Kasarwadi Plant at Pune on 25 January 2019. Pursuant to the shutdown, operations at Kasarwadi plant are shifted to its newly established plant situated at Dahej, Gujarat. The Company has paid INR 142.44 lakhs as retrenchment compensation to the eligible workers. Some employees at Kasarwadi plant have filed a legal case against the Company claiming the closure is not as per the relevant provisions of the Industrial Disputes Act, 1947. Due to the above ongoing litigation, the Company is unable to move its property, plant and equipment (PP&E) aggregating to INR 486 lakhs (WDV) and inventory of INR 332 lakhs from Kasarwadi to Dahej. We considered this as a key audit matter since this is a significant event during the current year, the amounts are material to the financial statements and involved significant auditor efforts.	Our audit procedures performed included, among others, the following: • Obtaining the Board of Directors resolution passed for closed down of plant. • Examined the compensation paid by the Company to eligible workers and the accuracy of related provisions are accounted appropriately in the financial statements. • Examined the written down value (WDV) of the assets and inventory at Kasarwadi plant as at 31 March 2019. • Examined the inventory on test check basis as part of the year-end physical verification procedure at Kasarwadi plant. • We have circulated independent legal confirmation to lawyer who is assisting the Company on the labour union case at the Industrial Court in Pune. • Assessed the PP&E at Kasarwadi plant for impairment pursuant to the shutdown of plant. • Examined the adequacy of the disclosures in the Company's financial statements.

Description of Key Audit Matters

The key audit matters	How the matter was addressed in our audit
Recognition of deferred tax assets The Company has significant deferred tax assets in respect of tax losses. There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are recognised.	Our audit procedures performed included the following: • Assessed the factors that led to the tax losses in current year as the Company shifted from profit before tax in 2018 to a loss before tax in 2019. • Assessed the forecasted profits over the relevant utilisation period and evaluated whether the forecasts had been appropriately adjusted for the differences between accounting profits, presented in the board approved budget, to taxable profits. • Assessed sensitivity analysis of approved management budgets. • Examined the ability to carry forward the tax losses for future use in reference to Income tax. • Recalculated deferred tax asset balances which comprise a combination of timing differences between tax and accounting values and tax losses.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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 Standalone Financial Statements

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

In preparing the standalone financial statements, management and Board of Directors are 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.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

(B) With respect to the other matters to be included in the Auditors’ 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 as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors’ Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No: 122632

Place : Mumbai
Date : 9 May 2019

Annexure A to the Independent Auditors' Report – 31 March 2019

(Referred to in our report of even date)

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and building that are freehold, as disclosed in Note 4 to the standalone Ind AS financial statements, are held in the name of the Company. In respect of leasehold land, we have verified the lease deed duly registered with the appropriate authorities with the Company as lessee.

ii. The inventory, except for goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made, guarantees given and security provided, as applicable. The Company has not granted any loans.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

vi. We have broadly reviewed the records maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Service Tax (GST), Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable except the below.

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Due Date	Date of Payment
Income tax	194H	*-	2017-18	30 Apr 18	Not paid
	194I	*-	Aug -2018	7 Sept 18	Not paid

*Amount below Rupees One Lakh

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax and Value added tax which have not been deposited as on 31 March 2019 on account of disputes are given below: **(Rs in lakhs)**

Name of the statute	Nature of the dues	Amount of demand under dispute	Amount paid under protest	Amount under dispute not deposited	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax, interest and penalty	30	-	30	FY 2005-06	High Court
Income-tax Act, 1961	Income-tax, interest and penalty	2	-	2	FY 2006-07	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	245	75	170	FY 2008-09	ITAT
Income-tax Act, 1961	Income-tax, interest and penalty	239	-	239	FY 2008-09	CIT (A)
Income-tax Act, 1961	Income-tax, interest and penalty	13	-	13	FY 2010-11	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	25	-	25	FY 2011-12	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	20	-	20	FY 2012-13	CIT (A)
Service tax under Finance Act	Service tax	54	54	-	FY 2008-09 to FY 2011-12	High Court
Service tax under Finance Act	Service tax	85	-	85	April 2013 to June 2017	Addl. Commissioner Central Excise & Service Tax

There are no dues of Duty of Customs, Duty of Excise and Cess which have not been deposited as on 31 March 2019 on account of disputes.

viii. In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

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

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

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

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

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

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No: 122632

Place : Mumbai
Date : 9 May 2018

Annexure B to the Independent Auditors' report on the standalone financial statements of Dai-ichi Karkaria Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013. (Referred to in paragraph (1A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Dai-ichi Karkaria 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.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No: 122632

Place : Mumbai
Date : 9 May 2019

Balance Sheet as at 31 March 2019

(₹ in lakhs)

	Particulars	Note No.	As at 31 March, 2019	As at 31 March, 2018
A.	**ASSETS**			
	NON-CURRENT ASSETS			
(a)	Property, plant and equipment	4	**16,360**	9,335
(b)	Capital work-in-progress		**534**	4,282
(c)	Intangible assets		**17**	28
(d)	Financial assets			
	(i) Investments in Subsidiary & Joint Venture	5(a)	**70**	70
	(ii) Other Investments	5(b)	**133**	360
	(iii) Loans	6	**266**	262
(e)	Deferred tax assets (net)	7	**1,076**	-
(f)	Non current Tax assets (net)	8	**437**	409
(g)	Other non-current assets	9	**129**	884
	Total non-current assets		**19,022**	15,630
	CURRENT ASSETS			
(a)	Inventories	10	**1,705**	1,931
(b)	Financial Assets			
	(i) Investments	11	**282**	1,709
	(ii) Trade receivables	12	**1,650**	3,029
	(iii) Cash and Cash Equivalents	13	**494**	364
	(iv) Bank balances other than (iii) above	14	**272**	325
	(v) Other Financial assets	15	**121**	135
(c)	Other Current assets	16	**2,669**	2,496
	Total Current assets		**7,193**	9,989
	TOTAL ASSETS		**26,215**	25,619
II.	**EQUITY AND LIABILITIES**			
	EQUITY			
(a)	Share Capital	17	**745**	745
(b)	Other Equity	18	**11,624**	13,142
	Total Equity		**12,369**	13,887
	LIABILITIES			
	NON-CURRENT LIABILITIES			
(a)	Financial Liabilities			
	(i) Borrowings	19	**7,318**	6,042
(b)	Provisions	20	**155**	165
(c)	Deferred Tax Liabilities (net)	7	**-**	109
	Total Non-Current Liabilities		**7,473**	6,316
	CURRENT LIABILITIES			
(a)	Financial Liabilities			
	(i) Borrowings	21	**1,405**	1,006
	(ii) Trade Payables	22		
	Total outstanding dues of Micro Enterprises and Small Enterprises		**40**	-
	Total outstanding dues to other than Micro Enterprises and Small Enterprises		**2,180**	2,161
	(iii) Other Financial Liabilities	23	**2,582**	2,106
(b)	Other current liabilities	24	**50**	46
(c)	Provisions	25	**116**	97
	Total Current Liabilities		**6,373**	5,416
	TOTAL EQUITY AND LIABILITIES		**26,215**	25,619
	Notes forming part of the financial statements	1-48		

The accompanying notes are an integral part of these Standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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

Adi Jehangir
Director
(DIN: 00001752)

Behram Sorabji
Director
(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

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

(₹ in lakhs)

Particulars	Note No.	Year ended 31 March, 2019	Year ended 31 March, 2018
Income			
Revenue from operations	26	**9,235**	14,899
Other income	27	**324**	577
Total income		**9,559**	15,476
Expenses			
Cost of materials consumed	28	**6,237**	9,476
Changes in inventories of finished goods, semi-finished goods and work-in-progress	29	**111**	(7)
Employee benefits expense	30	**1,653**	1,501
Finance costs	31	**724**	20
Depreciation and amortisation expense	32	**813**	447
Excise duty		**-**	210
Other expenses	33	**2,315**	2,192
Total expenses		**11,853**	13,839
(Loss)/Profit before tax and exceptional items		**(2,294)**	1,637
Exceptional item			
Retrenchment compensation			
(Loss)/ Profit after exceptional items before tax		**142**	-
		(2,436)	1,637
Tax Expenses:			
Current tax		**-**	352
Deferred tax (net)		**(1,173)**	87
Total Tax Expenses		**(1,173)**	439
(Loss)/ Profit for the year		**(1,263)**	1,198
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employement benefit obligation		**43**	* -
Income tax related to items that will not be reclassified to profit or loss		**(12)**	* -
Other comprehensive income for the year, (net of income tax)		**31**	* -
Total comprehensive income for the Year		**(1,294)**	1,198
* Amount below Rupees One Lakh			
Earnings per equity share Basic and Diluted (of ₹ 10/- each)	38	**(16.95)**	16.08

Notes forming part of the Standalone financial statements

The accompanying notes are an integral part of these Standalone financial statements 1-48

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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

Adi Jehangir
Director
(DIN: 00001752)

Behram Sorabji
Director
(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Statement of Changes in Equity
for the Year ended 31 march 2019

A - Equity share capital

(₹ in lakhs)

Particulars	As at 31 March, 2019 Number of shares	As at 31 March, 2019 Amount	As at 31 March, 2018 Number of shares	As at 31 March, 2018 Amount
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the reporting year	**74,51,229**	**745**	7,451,229	745
Changes in equity share capital during the year	**-**	**-**	-	-
Balance at the end of the reporting year	**74,51,229**	**745**	7,451,229	745

B - Other Equity

Particulars	Reserves and Surplus					Items of OCI	
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of Defined benefit plans	Total other equity
Balance as at 1 April 2017	77	2,594	16	519	9,038	(30)	12,214
Profit for the year	-	-	-	-	1,198	-	1,198
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	* -	* -
Total Comprehensive Income for the year	-	-	-	-	1,198	-	1,198
Transactions with owners of the company							
Dividend on Equity Shares	-	-	-	-	(224)	-	(224)
Dividend Distribution Tax	-	-	-	-	(46)	-	(46)
Balance as at 31 March 2018	77	2,594	16	519	9,966	(30)	13,142
Profit for the year	**-**	**-**	**-**	**-**	**(1,263)**	**-**	**(1,263)**
Other Comprehensive Income for the year (net of tax)	**-**	**-**	**-**	**-**	**-**	**(31)**	**(31)**
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**(1,263)**	**-**	**(1,294)**
Transactions with owners of the company							
Dividend on Equity Shares	**-**	**-**	**-**	**-**	**(186)**	**-**	**(186)**
Dividend Distribution Tax	-	-	-	-	(38)	-	(38)
Balance as at 31 March 2019	**77**	**2,594**	**16**	**519**	**8,479**	**(61)**	**11,624**

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements 1-48
The accompanying notes are an integral part of these Standalone financial statements
As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

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Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Statement of Cash Flow for the year ended 31 March, 2019

(₹ in lakhs)

	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A.	**Cash Flow from Operating Activities:**		
	(Loss)/ Profit after exceptional items before tax	**(2,436)**	1,637
	Adjustments for:		
	Depreciation and amortisation	**813**	447
	Profit on sale of investments (net)	**(41)**	(43)
	Net loss/(gain) on Investments at fair value through profit and loss	**99**	(8)
	Dividend income	**(84)**	(199)
	Interest income	**(36)**	(34)
	Interest expenses	**724**	20
	Liabilities no longer required written back	**-**	(4)
	Unrealised foreign currency loss/(gain) on revaluation (net)	**2**	(65)
	Subtotal of Adjustments	**1,477**	114
	Operating profit before working capital changes	**(959)**	1,751
	Changes in working capital:		
	Adjustments for increase/decrease in:		
	Decrease/(Increase) in trade receivables	**1,366**	(915)
	Increase in loans, other financial assets and other assets	**(56)**	(1,658)
	Decrease/(Increase) in inventories	**226**	(303)
	Increase in trade payable, other financial liabilities and other liabilities	**64**	745
	Increase/(Decrease) in provisions	**10**	(22)
	Subtotal of Adjustments	**1,610**	(2,153)
	Cash generated from operations	**651**	(402)
	Less: Income taxes paid (net of refund)	**(28)**	(371)
	Net cash from/(used in) operating activities	**623**	(773)
B	**Cash Flow from Investing Activities:**		
	Purchases of property, plant and equipment	**(3,828)**	(8,196)
	Purchases of current investments	**-**	(556)
	Proceeds from sale of current investments	**1,596**	2,864
	Movement in bank deposits having maturity of more than 3 months	**53**	(43)
	Dividend received	**84**	199
	Interest received	**36**	34
	Net Cash (used in) investing activities	**(2,059)**	(5,698)

Statement of Cash Flow for the year ended March 31, 2019 (Contd.)

(₹ in lakhs)

	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
C	**Cash Flow from Financing Activities:**		
	Repayment towards non-current borrowings (net)	**(20)**	(20)
	Proceeds from non-current borrowings (net)	**2,352**	6,311
	Proceeds from current borrowings (net)	**399**	1,006
	Dividends and corporate dividend tax paid	**(224)**	(270)
	Interest paid	**(899)**	(395)
	Net cash used in financing activities	**1,608**	6,632
D	**Net Increase in cash and cash equivalents (A+B+C)**	**172**	161
E	**Cash and cash equivalents as at beginning of the year**	**364**	198
	Net Comprehensive (Expense)/Income	**(43)**	-
	Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	**1**	5
F	**Cash and cash equivalents as at end of the year (D+E)**	**494**	364

Reconciliation of liabilities from financing activities	Long term borrowing (including current portion) (a)	Short term borrowings (b)	Total liabilites from financing activites (a+b)
Opening Balance (as at 1 April 2018)	6,635	1,006	7,641
Add : Proceeds during the year	2,352	399	2,751
Less : Repayment during the year	20	-	20
Closing Balance (as at 31 March 2019)	**8,967**	**1,405**	**10,372**

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"
2. Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.
3. Cash and cash equivalents are cash and bank balance as per balance sheet (Refer note no 13)

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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Chairperson and Managing Director
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Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Notes forming part of the Standalone financial statements for the year ended 31 March 2019

(Currency: Indian Rupees)

1. Company overview

Dai-ichi Karkaria Limited ('the Company') is domiciled in India with its registered office situated at 3rd Floor, Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai 400 020, India. The Company was incorporated on 13 May 1960 under the provisions of Indian Companies Act, 1956 and its equity shares is listed on Bombay Stock Exchange (BSE) in India. The Company is engaged in manufacturing of specialty chemicals.

The manufacturing activities of the Company are carried out from its plants located at Kasarwadi (until 25 January 2019), Kurkumbh, Pune (Maharashtra) and Dahej (Gujarat).

2. Basis of preparation

A. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 9 May 2019.

Details of the Company's accounting policies are included in Note 3

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise stated.

C. Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

Items	Measurement basis
i) Certain Financial assets and liabilities	Fair value
ii) Net defined benefit asset / (obligation)	Fair Value of plan assets less present value of defined benefit obligations

D. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of it's activities and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

E. Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key sources of estimation of uncertainty at the date of the standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, recoverability of deferred tax assets, provision and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Recoverability of deferred tax assets

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

Fair value Measurement of financial instrument

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained in detail under note 3 (A).

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

3. Significant Accounting Policies

A. Financial instruments

Financial assets and 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 or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted 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 whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

The Company has made an irrevocable election to present subsequent changes in the fair value of equity investments as other income in the statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Derecognisation of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between assets carrying amount and the sum of consideration received or receivable or the cumulative gain or loss that had been recognised in the statement of profit and loss.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

B. Impairment

Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has computed the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

C. Property, plant and equipment / Depreciation

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, and other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress:-Projects under which Property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Expenditure during construction period

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under “other non-current assets”.

(iv) Depreciation

Depreciation of property, plant and equipment located at Dahej and Kurkumbh is calculated using the straight-line method. Depreciation of property, plant and equipment located is at Kasarwadi calculated using the diminishing method. Freehold land is not depreciated.

Depreciation is charged on the cost of the property plant and equipment less estimated residual value over the useful lives as per Schedule II of the Companies Act, 2013, this useful life are shown below. Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the date on which the asset is ready for use (disposed-off).

Asset	**Management estimate of useful life (years)**
Leasehold land	Amortised over the lease period
Leasehold improvements	Amortised over lower of the lease period or 7 years
Building	3-60
Road	3-10
Plant and machinery	10-20
Furniture and fixture	10
Vehicles	8
Office equipment	3-10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

With effect from 1 April 2018, the Company has changed its method of depreciation on tangible assets from diminishing balance method to straight-line method on one of its plant, based on the expected pattern of consumption of the future economic benefits embodied in the assets. Consequently, the depreciation charge year ended 31 March 2019 is lower by ₹ 700 lakhs.

D. Intangible assets

(i) Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Software	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

E. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of raw materials are computed basis the moving average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished products and work-in progress, costs includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

F. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company’s contributions to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and is charged to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employee.

iii. Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Re measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Gratuity

The Company’s liability towards Gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income in the period in which they occur.

iv. Other long- term employee benefits – Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation determined based on percentage unit credit method with independent actuarial valuation as at the balance sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

G. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are recognised at the best estimates of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, when appropriate, the risks specific to the liabilities.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

H. Revenue

i. Sale of goods

Effective April l, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Revenue is measured at the fair value of consideration received or receivable net off trade discounts, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods. Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

ii. Rendering of services

Revenue for job work services is recognised as and when services are rendered, in accordance with the terms of the contract. The amount recognised as revenue is exclusive of goods and service tax (GST) and its net of returns and trade discounts.

iii. Rental income

Rental income from sub-leasing is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

iv. Export benefits

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

v. Dividend

Dividend from investment is recognised as revenue when right to receive the payments is established.

vi. Interest income

Interest income is recognised using the effective interest rate method.

I. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assists and liabilities will be realised simultaneously.

Minimum alternate tax Credit Entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes a deferred tax asset on the MAT credit available 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 deferred tax asset created on 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.

J. Borrowing costs

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. Earnings per share

The basic earnings per share (‘EPS’) is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

L. Foreign currency transactions

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company’s functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

M. Investment in subsidiary and joint venture

The Company’s investment in its subsidiary and joint venture are carried at cost.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

N. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

O. Standalone statement of cash flows:

The Company's standalone statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents comprise cash and bank balances. These also include bank overdrafts and cash credit facility that form an integral part of the Company's cash management.

P. Standards issued but not yet effective

IND AS 116 Leases -

- Effective for annual periods beginning on or after 1 April 2019.

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Company does not expect any significant impacts on transition to Ind AS 116.

Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on March 30, 2019 which is effective for the annual period beginning or after April 01, 2019.

A. Ind AS 12 - Income taxes

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

B. Ind AS 19 - Plan amendment, curtailment or settlement

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

C. Ind AS 23 – Borrowing Cost

The amendments require an entity to determine the capitalisation rate for funds borrowed generally, an entity should exclude borrowing cost applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing cost of the entity.

Based on preliminary assessment, the Company does not expect any significant impact on its financial statements on account of above amendments.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

4 Property, plant and equipment, capital work in progress and Intangible Assets. (₹ in lakhs)

Particulars	Gross block				Accumulated depreciation/amortisation				Net Block
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	For the period	Deductions	As at 31 March 2019	As at 31 March 2019
A. Tangible Assets									
Leasehold Land	1,201	**2**	-	**1,203**	30	**13**	-	**43**	**1,160**
Freehold Land	505	**-**	-	**505**	-	**-**	-	**-**	**505**
Buildings Residential	46	**-**	-	**46**	18	**6**	-	**24**	**22**
Buildings: Non Residential									
Own lease	2,317	**2,213**	-	**4,530**	101	**115**	-	**216**	**4,314**
Road	468	**142**	-	**610**	25	**55**	-	**80**	**530**
Plant and Machinery	5,003	**5,279**	-	**10,282**	366	**519**	-	**885**	**9,397**
Furniture and Fixtures	40	**151**	-	**191**	9	**16**	-	**25**	**166**
Laboratory, Office and Factory Equipment and Air conditioners	282	**40**	-	**322**	63	**57**	-	**120**	**202**
Vehicles	118	**-**	-	**118**	48	**20**	-	**68**	**50**
Scientific Research-									
Capital Expenditure :									
Buildings - Non Residential	1	**-**	-	**1**	-	**-**	-	**-**	**1**
Plant and Machinery	7	**-**	-	**7**	2	**1**	-	**3**	**4**
Furniture and Fixtures	-	**-**	* -	**-**	* -	* **-**	* -	* **-**	* **-**
Laboratory, Office and Factory Equipment and Air conditioners	**9**	**-**	**-**	**9**	* **-**	* **-**	**-**	* **-**	**9**
Total Tangible Assets	**9,997**	**7,827**	**-**	**17,824**	**662**	**802**	**-**	**1,464**	**16,360**
B. Intangible Assets									
Computer Software	38	* -		**38**	10	**11**	-	**21**	**17**
Total	**10,035**	**7,827**	**-**	**17,862**	**672**	**813**	**-**	**1,485**	**16,377**
C. Capital Work-in-Progress									**534**

*Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2019 (Contd.)

4 Property, plant and equipment, capital work in progress and Intangible Assets.

(₹ in lakhs)

Particulars	Gross block				Accumulated depreciation/amortisation				Net Block
	As at 1 April 2017	Additions	Deductions	As at 31 March 2018	As at 1 April 2017	For the year	Deductions	As at 31 March 2018	As at 31 March 2018
A. Tangible Assets									
Leasehold Land	528	673	-	**1,201**	23	7	-	**30**	**1,171**
Freehold Land	505	-	-	**505**	-	-	-	**-**	**505**
Buildings Residential	46	-	-	**46**	10	8	-	**18**	**28**
Buildings: Non Residential									
Own lease	203	2,114	-	**2,317**	33	68	-	**101**	**2,216**
Road	-	468	-	**468**	-	25	-	**25**	**443**
Plant and Machinery	740	4,263	-	**5,003**	110	256	-	**366**	**4,637**
Furniture and Fixtures	29	11	-	**40**	4	5	-	**9**	**31**
Laboratory, Office and Factory Equipment and Air conditioners	84	198	-	**282**	22	41	-	**63**	**219**
Vehicles	71	47	-	**118**	22	26	-	**48**	**70**
Scientific Research-									
Capital Expenditure :									
Buildings - Non Residential	1	-	-	**1**	-	-	-	**-**	**1**
Plant and Machinery	7	-	-	**7**	1	1	-	**2**	**5**
Furniture and Fixtures	* -	-	-	* -	* -	* -	* -	* -	* -
Laboratory, Office and Factory Equipment and Air conditioners	**9**	-	-	9	* -	* -	-	* -	9
Total Tangible Assets	**2,223**	**7,774**	**-**	**9,997**	**225**	**437**	**-**	**662**	**9,335**
B. Intangible Assets									**-**
Computer Software	* -	**38**	**-**	**38**	* -	**10**	**-**	**10**	**28**
Total	**2,223**	**7,812**	**-**	**10,035**	**225**	**447**	**-**	**672**	**9,363**
C. Capital Work-in-Progress									**4,282**

* Amount below Rupees One Lakh

Notes

1) Borrowing cost capitalised related to construction of Dahej plant aggregates Rs 175 Lakhs (previous year Rs 373 Lakhs)

2) Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Company

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
5 (a) Investments in Subsidiary and Joint Venture		
In Equity Shares, Unquoted (at cost)		
In Subsidiary and Joint Venture		
(i) Dai-ichi Gosei Chemicals (India) Limited.		
48,500 shares (Previous year : 48,500 shares)	**5**	5
(ii) Nalco Champion Dai-ichi India Pvt. Ltd.		
1,125,000 shares (Previous year : 1,125,000 shares)	**68**	68
	73	73
Less : Provision for diminution in value of investment - Investment in Equity Shares of Dai-ichi Gosei Chemicals (India) Limited	**3**	3
Total	**70**	70
5 (b) Other Investments		
(a) Unquoted:		
The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss)		
4,000 shares (Previous year 4,000 shares)	**1**	1
(a) in debentures and bonds (at fair value through profit and loss)		
(i) Quoted:		
Tata Power Perpetual Bonds 10 units (Previous year : 10 units)	**105**	112
NHAI Bonds 2,472 units (Previous year 2,472 units)	**27**	27
(ii) Unquoted:		
J M Financial Debentures Nil units (Previous year 20 units)	**-**	220
Total	**133**	360
1) Aggregate cost of quoted investments	**132**	139
2) Aggregate market value of quoted investments	**132**	139
3) Aggregate market value of unquoted investments	**74**	294
4) Aggregate cost of unquoted investments (net of diminution in value written off)	**71**	291
6. Loans		
(Unsecured and considered good)		
To parties other than related parties		
Security Deposits	**266**	262
Total	**266**	262

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
7. Deferred tax liabilities / (assets) (net)		
Deferred Tax Assets		
Retirement benefits	**91**	92
Loss allowance on trade receivables	**1**	1
Bonus	**7**	11
MAT Credit entitlement	**87**	60
Income tax loss	**1,377**	-
Indexation of land	**436**	-
Others	**10**	5
Total deferred tax assets (a)	**2,009**	169
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	**916**	175
Fair valuation of investments	**17**	103
Total deferred tax liabilities (b)	**933**	278
Net deferred tax liabilities / (assets) (a-b)	**1,076**	(109)
8. Non Current Tax Assets		
(Unsecured, considered good)		
Advance Tax (Net of provision ₹ 3,534 lakhs (Previous year : ₹ 3,534 lakhs))	**437**	409
Total	**437**	409
9. Other non current assets		
(Unsecured, considered good)		
Capital advances	**22**	781
Indirect Tax receivables	**97**	97
Prepaid expenses	**10**	6
Total	**129**	884
10. Inventories		
(At lower of cost and net realisable value)		
Raw materials	**825**	998
Packing material	**45**	37
Work-in-progress	**5**	-
Finished goods	**490**	606
Semi finished goods	**253**	253
Spare and consumables	**87**	37
Total	**1,705**	1,931
Goods in transit (included above)		
Raw Materials	**74**	59
Finished Goods	**35**	153

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
11. Current investments		
(a) in equity instruments (at fair value through profit and loss)		
(i) Quoted:		
57,167 shares (Previous year 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited	**209**	305
8,100 shares (Previous year 8,100 shares) of ₹ 10 each fully paid up in Bank of India	**9**	8
2,000 shares (Previous year : 2,000 shares) of ₹ 2 each in Bharat Seats Limited	**3**	3
(ii) Unquoted		
1,000 shares (Previous year : 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	* **-**	* -
2,500 shares (Previous year : 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited	* **-**	* -
(b) in Mutual funds (at fair value through profit and loss)		
Quoted Mutual Funds :	**61**	1,393
Total	**282**	1,709
1) Aggregate cost of quoted investments	**282**	1,709
2) Aggregate market value of listed and quoted investments	**282**	1,709
3) Aggregate cost of unquoted investments	* **-**	* -
4) Aggregate cost of unquoted investments (net of diminution in value written off)	* **-**	* -
12. Trade receivables (Unsecured)		
Considered good	**1,650**	3,029
Considered doubtful	**3**	3
Less :- Loss allowance	**(3)**	(3)
Total	**1,650**	3,029
Of the above, dues include amount due from related parties ₹ 77 lakhs (previous year : ₹ 176 lakhs)		
13. Cash and cash equivalents		
Cash on Hand	* **-**	* **-**
Balances with Banks		
(i) In current accounts	**483**	359
(ii) In Exchange Earners Foreign Currency (EEFC) account	**9**	5
(iii) Deposits with maturity of less than three months	**2**	-
Total	**494**	364

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	**As at 31 March 2019**	As at 31 March 2018
14. Bank balances other than cash and cash equvivalents		
Unpaid dividend	**23**	23
Deposits with original maturity of more than three months but less than 12 months	**249**	302
(Balances held as margin money against guarantees and other commitments)		
Total	**272**	325
15. Other financial assets		
(unsecured, considered good)		
From parties other than related parties:		
Export Incentive receivable	**115**	129
Interest Receivable	**6**	6
Total	**121**	135
16. Other current assets		
(unsecured, considered good)		
Prepaid expenses	**6**	11
Advance to suppliers	**90**	138
Advance to employees	**2**	1
Balances with government authorities	**2,571**	2,346
Total	**2,669**	2,496

* Amount below Rupees One Lakh

17. Share capital

Particulars	**As at 31 March, 2019**		As at 31 March, 2018	
	Number of shares	**Amount**	Number of shares	Amount
(A) Authorised				
Equity shares of ₹ 10/- each with voting rights	**10,000,000**	**1,000**	10,000,000	1,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹ 10/- each with voting rights	**7,451,229**	**745**	7,451,229	745
Total	**7,451,229**	**745**	7,451,229	745

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

Particulars	**As at 31 March, 2019**		As at 31 March, 2018	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares				
Opening balance	**7,451,229**	**745**	7,451,229	745
Add / (Less): Equity shares issued / bought back during the year	**-**	**-**	-	-
Closing Balance	**7,451,229**	**745**	7,451,229	745

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

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

Class of shares / Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mrs. S. F Vakil	**3,769,182**	**50.58**	3,767,963	50.57

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

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

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

18. Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Capital reserve		
At the commencement and at the end of the year	**77**	77
(b) Capital redemption reserve		
At the commencement and at the end of the year	**16**	16
(c) Securities premium account		
t the commencement and at the end of the year	**2,594**	2,594
(d) General reserve		
At the commencement and at the end of the year	**519**	519
(e) Retained Earnings		
Balance as at the commencement of the year	**9,966**	9,038
Add: Profit for the year	**(1,263)**	1,198
	8,703	10,235
Less : Dividend to equity shareholders (Rs. 2.50 per share (Previous Year Rs. 3 per share)	**186**	224
Tax on dividend	**38**	46
	224	270
Balance as at the end of the year	**8,479**	9,966
(f) Other items of other comprehensive income / expenses		
Balance as at the commencement of the year	**(30)**	(30)
Add: Remeasurements of employment benefit obligation	**(43)**	* -
Less :Income tax related to items that will not be reclassified to profit or loss	**12**	* -
Balance as at the end of the year	**(61)**	(30)
Total	**11,624**	13,142

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Nature and Purpose of Reserves

(a) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

(b) Capital redemption reserve

A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of company's own shares pursuant to Section 69 of the Companies Act, 2013.

(c) Securities premium account

Securities premium reserve is credited when shares are issued at a premium. It is utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.

(d) General reserve

This represents appropriation of profit by the Company.

(e) Retained Earnings

Retained earnings comprises of undistributed earnings net of amounts transferred to General reserve.

(f) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset.

Particulars	As at 31 March 2019	As at 31 March 2018
19. Non - current financial liabilities - borrowings		
(a) Term loans from banks - Secured (Refer Note (i) below)	**7,291**	5,985
(b) Term loans from others - Secured (Refer Note (ii) below)	**19**	39
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below)	**8**	18
Total	**7,318**	6,042

Note (i)

The term loan from Axis Bank and HDFC Bank is secured by:

a) First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable Property, plant and equipment of the Company, both present and future at Dahej, Kasarwadi and Kurkumbh.

b) Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including inventories and trade receivables, both present and future.

Terms of Loan

Name of lender	Loan amount ₹ in Lakhs	Rate of Interest %
Axis Bank	**4,914**	6 months MCLR + 1.4%
HDFC Bank Limited	**3,941**	6 months MCLR + 1.25%

Interest is paid on a monthly basis.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Axis Bank repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2019-20	6	6	75	450
	5	5	85	425
Financial Year 2020-21	7	7	85	595
	5	5	95	475
Financial Year 2021-22	12	12	95	1,140
Financial Year 2022-23	7	7	95	665
	5	5	100	500
Financial Year 2023-24	6	6	100	600
	1	1	64	64
Total	**54**	**54**		**4,914**

HDFC Bank Repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2019-20	6	6	59	690
	5	5	67	
Financial Year 2020-21	7	7	67	843
	5	5	75	
Financial Year 2021-22	12	12	75	899
Financial Year 2022-23	7	7	75	918
	5	5	79	
Financial Year 2023-24	6	6	79	591
	1	1	118	
Total	**54**	**54**		**3,941**

Note (ii)

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

Terms of Loan - Others

Name of lender	Original Loan amount	Rate of Interest	EMI Amount	Total Nos. of EMI	Outstanding EMI
	₹ in Lakhs	%	₹	Nos.	Nos.
HDFC Bank Ltd.	38	10.00%	80,740	60	38
Kotak Mahindra Prime Ltd.	13	9.50%	32,656	48	11
Daimler Financial Services Pvt Ltd.	48	9.25%	1,19,476	48	8

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

Note (iii)

Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing 1 August 2000 upto an amount of Rs.484 lakhs for the Kurkumbh plant at Pune. The deferred amount is recognized as non - current financial liabilities-borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal instalments which commenced from year 2011.

The deferred sales tax liability is payable in annual instalments as below: (₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Financial Year 2018-19	-	15
Financial Year 2019-20	10	10
Financial Year 2020-21	6	6
Financial Year 2021-22	2	2
Total	18	33

Note (iv)

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

Note (v)

Current maturities of long term borrowings (₹ in lakhs)

Particulars		
- Term loans from banks & others	1,657	611
- Deferred sales tax liabilities	10	15

20. Provision - non current		
Provision for employee benefits		
Gratuity (refer note no. 37)	34	38
Compensated absences	121	127
Total	155	165
21. Current financial liabilities - borrowings		
Cash credit (secured)	1,405	1,006
Total	1,405	1,006
Note :-		
Cash Credit Facility from Axis Bank is secured by inventories and trade receivables of the Company, rate of interest is 3 months MCLR + 1.20%		
22 Current financial liabilities - trade payables		
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note (i) below)	40	-
ii) Total outstanding dues of other than Micro enterprises and small enterprises	2,180	2,161
Total	2,220	2,161

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Note (i)		
(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year	**39**	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	* **-**	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act	1	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

23. Other financial liabilities - current		
Current maturities of long term borrowings		
- Term loans from banks & others	**1,657**	611
- Deferred sales tax liabilities	**10**	15
Unpaid dividends**	**23**	23
Accrual for expenses	**17**	11
Employee benefits payable	**198**	85
Security deposits	**2**	2
Payables on purchase of property, plant and equipment	**675**	1,359
Total	**2582**	2106

** There are no amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013.

24. Other current liabilities		
Advance from customers	**18**	15
Payable to statutory authorities (TDS, provident fund, ESIC)	**32**	31
Total	**50**	46
25. Provisions - current		
Provision for Employee Benefits		
Gratuity (refer note no. 37)	**50**	41
Compensated Absences	**66**	56
Total	**116**	97

*Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
26. Revenue from operations		
(a) Sale of products	**9,155**	14,774
(b) Sale of services (Job work)	**20**	75
(c) Other operating revenues (Refer Note (i) below)	**60**	50
Total	**9,235**	14,899

Notes:

(₹ in lakhs)

(i) Other operating revenues comprises:		
Scrap sales	**50**	30
Others	**10**	20
Total - Other operating revenues	**60**	50

Note: Ind AS 115 – Revenue from Contracts with Customers

(A) The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from Contract liability:

Opening Contract liability	15	8
Less: Recognised as revenue during the year	(8)	(7)
Add: Addition to contract liability during the year	16	15
Add: Other Adjustments	(5)	(1)
Closing Contract liability	18	15

(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Revenue from contract with customer as per Contract price	9,293	14,899
Less: Discounts and other adjustments	(45)	-
Less:- Sales Returns /Credits / Reversals	(13)	-
Revenue from contract with customer as per statement of profit and loss	9,235	14,899

Disaggregation of revenue from contract with customers

Particulars	Revenue from contracts with customers (IND AS 115) 31 March 2019	Revenue from contracts with customers (IND AS 115) 31 March 2018
India	6,984	7,816
UAE	1,096	1,664
Indonesia	235	4,785
Others	920	634
	9,235	14,899

(D) In Compliance with Ind AS 20 on governments grants and consequent to clarifications issued by The Institute of Chartered Accountants of India on Ind AS 115, the amount of export incentives have been reclassified from "Other Operating Revenue" to "Other Income". These reclassifications have no impact on reported Profit and Loss before tax.

Particulars	For the year ended 31 March 2018
Revenue from Operations	15,122
Less : Export Incentives	223
Restated Revenue from Operations	14,899

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
27 Other income		
Interest income - others (Refer Note (i) below)	**36**	34
Dividend income from		
-Current investment	* -	15
-Joint venture	**78**	169
-Others	**6**	15
Export incentives	**98**	223
Gain on sale of investments	**41**	43
Net gain on investments at fair value through profit and loss	**-**	8
Others (refer Note (ii) below)	**65**	70
Total	**324**	577
Note (i) Interest income comprises:		
Interest from banks on deposits	**21**	15
Interest income from long term investments	**15**	19
Total	**36**	34
Note (ii) Other non-operating Income		
Net gain on foreign currency transactions and translation	**64**	65
Miscellaneous receipts	**1**	5
Total	**65**	70
* Amount below Rupees One Lakh		
28. Cost of materials consumed		
Opening Stock	**1,035**	761
Add : Purchases	**6,072**	9,750
Less : Closing Stock	**(870)**	(1,035)
Total	**6,237**	9,476
Raw Materials consumed comprise :		
Ethylene Oxide	**1,530**	1,377
Fatty Alcohol, Phenol & Glycol	**1,101**	2,903
Oils & Fatty Acids	**462**	584
Acrylamide	**297**	269
Amines	**183**	198
Other items	**2,664**	4,145
Total	**6,237**	9,476
29 Changes in inventories of finished goods, Semi finish goods work-in-progress		
Inventories at the end of the year		
Finished goods	**490**	606
Semi finished goods	**253**	253
Work-in-progress	**5**	-
	748	859
Inventories at the beginning of the year		
Finished goods	**606**	624
Semi finished goods	**253**	228
	859	852
Net Decrease/ (increase)	**111**	(7)

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
30 Employee Benefits Expense		
Salaries, wages and bonus	**1,472**	1,330
Contribution to provident and other funds	**85**	99
Staff welfare expenses	**96**	72
Total	**1,653**	1,501
31 Finance costs		
Interest expenses - On borrowings	**606**	6
- Others	**118**	14
Total	**724**	20
32 Depreciation and amortisation expense		
Depreciation on Property, plant and equipment (refer note no 4)	**802**	437
Amortisation of intangible asset	**11**	10
Total	**813**	447
33 Other expenses		
Consumption of stores and spare parts	**28**	49
Power and fuel	**706**	568
Repairs to buildings	**4**	3
Repairs to plant and machinery	**75**	59
Repairs to others	**44**	79
Insurance	**28**	22
Rates and taxes, excluding, taxes on income	**50**	24
Traveling expenses	**69**	59
Legal and professional fees	**114**	110
Payment to auditors (refer note below)	**39**	38
Freight and forwarding on sales	**221**	532
Commission on sales	**121**	128
Contract labour charges	**283**	218
Directors' fees	**12**	14
Security charges	**106**	55
Donation / Corporate Social Responsibility (refer note no. 36)	**1**	16
Loss on revaluation of investments	**99**	-
Miscellaneous expenses	**315**	218
Total	**2,315**	2,192

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Payment to auditors includes:		
Audit fees	**25**	23
Tax audit fees	**2**	2
Other Services (including quarterly review and certification)	**10**	12
Reimbursement of expenses	**2**	1
	39	38

34 Contingent Liabilities and Capital Commitments

a) Contingent Liabilities

Sr. No	Particulars	As at 31 March 2019	As at 31 March 2018
	Claims against the Company not acknowledged as debt:		
(i)	Octroi (classification of raw materials)* * Includes ₹ 142 lakhs (previous year ₹ 142 lakhs) for which bank guarantee has been given and shown under note below 34 (vii).	**243**	243
(ii)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	**30**	66
(iii)	Labour matters (back wages and compensation under Workmen Compensation Act, 1923)	**23**	19
(iv)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with CIT Appeals (Disallowance for Sec 14A Expenses, Legal & Professional Charges, Commission, Donation, Business promotion expenses)	**545**	299
(v)	Service Tax (Dispute on availment of cenvat on exempt goods)	**86**	-
(vi)	Guarantees issued to others by Bank secured by counter guarantee of the Company and by charge on the property, plant and equipment, inventories and trade receivables of the company	**142**	142
(vii)	Customs duty bonds** **Includes ₹ - lakhs (previous year ₹ 73 lakhs) of Bonds, issued jointly in name of the Company and Nalco Champion Dai-ichi India Pvt. Ltd. (Formerly known as Champion Dai-ichi Technologies India Ltd.) (Jointly Controlled Entity)	**-**	73

(viii) The wage agreement with employees at Kasarwadi Plant had expired on 30 November 2008. Negotiations with employees are in progress. Pending finalisation of an agreement, the Company has made an accrual of Rs. 84 Lakhs (Previous year Rs. 69 Lakhs) based on its estimate of likely settlement with the employees. The Company does not expect any further significant additional liability on this account.

(ix) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31 March 2019 is recorded in these financial statements. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements.

b) Capital Commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant and equipment (net of advances)	**154**	872

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

35. Details on derivative instruments and unhedged foreign currency exposures

I. There were no outstanding forward exchange contracts entered into by the Company during the financial year and outstanding as at 31 March 2019 ₹ Nil (Previous year : Nil)

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

As at 31 March 2019		As at 31 March 2018	
Receivables/ (Payables)	Receivables/ (Payables) in Foreign currency (USD in Lakhs)	Receivables/ (Payables)	Receivables/ (Payables) in Foreign currency (USD in Lakhs)
415	6	1,360	21
(229)	(3)	(174)	(3)

36. Corporate Social Responsibility expenditure

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. the Company was required to spend the gross amount of ₹ 34 Lakhs (Previous year : ₹ 28 lakhs) during the year on corporate social responsibility activities.
Amount spent during the year on:

Particulars	31st March 2019	31st March 2018
1) Construction/acquisition of any asset	-	-
2) On purposes other than (1) above	1	16

Promoting healthcare, education and environment conservation

37 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund and Employees State Insurance Scheme Contributions which are defined benefit contribution plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions

The Company has recognised the following amounts in the statement of Profit and Loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- Contribution to Provident Fund	84	73
- Contribution to Employee State Insurance Corporation	4	6
Total	88	79

ii) Defined benefit plan:

The Company earmarks liability towards funded Group Gratuity and provides for payment to vested employees as under:

a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

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

Notes forming part of Standalone the financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2019 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

ii) Defined benefit plan (Continued):

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2019

Sr. No.	Particulars	As at 31 March 2019	As at 31 March 2018
i)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost	**20**	18
	Interest Cost	**26**	25
	Past Service Cost	**-**	12
	Protected Gratuity Payment	**(26)**	(18)
	Actuarial (gain) / losses	**36**	2
	Benefits paid	**(193)**	(74)
	PVO at the beginning of the year	**394**	428
	PVO at end of the year	**257**	394
ii)	Change in fair value of plan assets		
	Expected return on plan assets	**24**	21
	Actuarial gain/(losses)	**(7)**	2
	Contributions by the employer	**33**	55
	Benefits paid	**(193)**	(74)
	Fair value of plan assets at beginning of the year	**315**	311
	Fair value of plan assets at end of the year	**172**	315
iii)	Analysis of Defined Benefit Obligation :		
	Defined Benefit Obligation at the end of the year	**257**	394
	Fair Value of Plan assets at the end of the year	**172**	315
	Net Asset/(Liabilities) recognized in the Balance Sheet	**(84)**	(79)
	Current / Non current classifications		
	Current	**50**	41
	Non current	**34**	38
	Total	**84**	79
iv)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year	**257**	394

* Amount below Rupees One Lakh

Notes forming part of Standalone the financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Sr. No.	Particulars	**As at 31 March 2019**	As at 31 March 2018
	Fair Value of plan assets	**172**	315
	Funded status	**(84)**	(79)
	Net (liability) recognised in the balance sheet	**(84)**	(79)
V)	Net cost for the year		
	Current Service cost	**20**	18
	Interest cost	**26**	25
	Expected return on plan assets	**(24)**	(21)
	Past Service cost	**-**	12
	Actuarial (gain) / losses	**43**	* -
	Protected gratuity	**(26)**	(14)
	Net cost	**39**	20
VI)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	**7.5%**	7.6%
	Expected return on plan assets	**7.5%**	7.6%
	Salary escalation rate (%)	**7.0%**	7.0%
	Attrition	**10.0%**	5.0%
	Mortality Table	**Indian Assured Live Mortality (2006-08)**	Indian Assured Live Mortality (2006-08)

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below :

Experience adjustments		**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2016**	**As at 31 March 2015**
Gratuity					
Expected gain / (loss) adjustments on plan liabilities	34	12	29	31	34
Experience gain / (loss) adjustments on plan assets	(7)	2	(1)	(1)	(2)
Defined Benefits at the end of the year	257	394	428	459	464
Plan Assets at the end of the year	172	315	311	343	381
Funded status (Surplus / Deficit)	(84)	(79)	(117)	(116)	(83)
Contribution expected to be paid to the plan during next financial year	30	60	45	44	20

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

Sensitivity Analysis

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Delta Effect of +1% Change in Rate of Discounting	(7)	(13)
Delta Effect of -1% Change in Rate of Discounting	8	14
Delta Effect of +1% Change in Rate of Salary Increase	8	13
Delta Effect of -1% Change in Rate of Salary Increase	(7)	(13)
Delta Effect of +1% Change in Rate of Employee attrition	* -	-
Delta Effect of -1% Change in Rate of Employee attrition	* -	-

* Amount below Rupees One Lakh

Particulars			Year ended 31 March 2019	Year ended 31 March 2018
38. Earnings per share (EPS)				
(Loss)/Profit after tax attributable to equity shareholders	₹	A	(1,263)	1,198
Weighted average number of equity shares outstanding during the year	Nos.	B	74,51,229	74,51,229
Basic and diluted earnings per equity share (Rs) - Face value of ₹ 10 per share	In ₹	(A / B)	(16.95)	16.08

39. Dividend paid and proposed:

Dividends on equity shares were declared and paid by the company during the year

Particulars	Dividend Per Equity Shares (₹)	Year ended 31 March 2019	Dividend Per Equity Shares (₹)	Year ended 31 March 2018
Final Dividend on Equity Shares	2.5	186	3.0	224
Dividend Distribution Tax	-	38	-	46
Total		**224**		**270**

After the reporting date no dividends were proposed by the board of directors.

*Amount below Rupees One Lakh

40. Segment Reporting

The Company has presented data relating to its segments based on its consolidated financial statements, Accordingly, in terms of paragraph 4 of the Indian Accounting Standard 108 (IND AS-108) “Segment Reporting”, no disclosures related to segments are presented in this standalone financial statement.

41 Related party disclosures

Description of relationship	Names of related parties
(i) Subsidiary	Dai-ichi Gosei Chemicals (India) Limited (DGCIL)
(ii) Jointly controlled entities (JCE)	Nalco Champion Dai-ichi India Pvt. Ltd. (NCD)
(iii) Key Management Personnel (KMP)	i) Mrs. S. F. Vakil - Chairperson and Managing Director (SFV)
	ii) Ms. Meher F. Vakil - COO- Daughter of Managing Director (MFV)
	iii) Mr. A H Jehangir (AHJ)
	iv) Dr. Anil Naik (Independent Director) (AMN)
	v) Mr. Kavas Patel (Independent Director)
	vi) Mr. Keki Elavia (Independent Director)
	vii) Mr. Nitin Nimkar (Chief Financial Officer) (NN)

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

	viii) Mrs. Kavita Thadeshwar (Company Secretary) (KT)
(iv) Relatives of KMP	i) Mr. Firoze Adi Vakil - Husband of Managing Director (FAV)
	ii) Mr. Jahangir F. Vakil - Son of Managing Director
	iii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
	iv) Mr. Matthew I. Taff - Husband of Ms. Meher F Vakil
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Limited (IOCL)
	ii) Rose Investments Limited (RIL),
	iii) SDN Company (SDNC),
	iv) Performance Polymer and Chemicals Pvt. Ltd. (PPCL),
	v) Anosh Finance & Investment Pvt. Ltd. (AFIPL),
	vi) General Pharmaceuticals Pvt. Ltd. (GPPL)
	vii) Netal India Limited (NIL)
	viii) Neterwala Consulting & Corporate Services Limited (NCCL)
	ix) Chemicals and Ferro Alloys Pvt. Ltd (CFAPL)
	x) Uni Klinger Limited (UKL)
	xi) Natch Products & Services Pvt. Ltd.
(vi) Enterprises over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation

Particulars	Subsidiaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
Purchase of goods:							
IOCL	**-**	**-**	**-**	**-**	**156**	**-**	**156**
	-	-	-	-	(101)	-	(101)
GPPL	**-**	**-**	**-**	**-**	**54**	**-**	**54**
	-	-	-	-	(42)	-	(42)
UKL	**-**	**-**	**-**	**-**	**38**	**-**	**38**
	-	-	-	-	(-)	-	(-)
NIL	**-**	**-**	**-**	**-**	**4**	**-**	**4**
	-	-	-	-	-	-	-
Natch Products & Services Pvt. Ltd.	**-**	**-**	**-**	**-**	* **-**	**-**	* **-**
	-	-	-	-	(-)	-	(-)
NCD	**-**	**1**	**-**	**-**	**-**	**-**	**1**
	-	(-)	-	-	-	-	(-)
Purchase of fixed assets :							
UKL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(119)	-	(119)
Sale of goods:							
NCD	**-**	**483**	**-**	**-**	**-**	**-**	**483**
	-	(624)	-	-	-	-	(624)

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
GPPL	**-**	**-**	**-**	**-**	**31**	**-**	**31**
	-	-	-	-	(48)	-	(48)
IOCL	**-**	**-**	**-**	**-**	**17**	**-**	**17**
	-	-	-	-	(-)	-	(-)
Sale of service (Job Work)							
IOCL	**-**	**-**	**-**	**-**	**23**	**-**	**23**
	-	-	-	-	(84)	-	(84)
Rendering of services/ Reimbursement of expenses:							
NCD	**-**	**12**	**-**	**-**	**-**	**-**	**12**
	-	(12)	-	-	-	-	(12)
IOCL	**-**	**-**	**-**	**-**	**9**	**-**	**9**
	-	-	-	-	(3)	-	(3)
CFAPL	**-**	**-**	**-**	**-**	* **-**	**-**	* **-**
	-	-	-	-	(-)	-	(-)
Receiving of services/ Reimbursement of expenses:							
MFV	**-**	**-**	**17**	**-**	**-**	**-**	**17**
	-	-	(6)	-	-	-	(6)
SFV	**-**	**-**	**3**	**-**	**-**	**-**	**3**
	-	-	(-)	-	-	-	(-)
Compensation/ others:							
SFV	**-**	**-**	**35**	**-**	**-**	**-**	**35**
	-	-	(26)	-	-	-	(26)
Remuneration :							
SFV	**-**	**-**	**167**	**-**	**-**	**-**	**167**
	-	**-**	(168)	-	-	-	(168)
MFV	**-**	**-**	**89**	**-**	**-**	**-**	**89**
	-	**-**	(73)	-	-	-	(73)
NN	**-**	**-**	**50**	**-**	**-**	**-**	**50**
	-	-	(41)	-	-	-	(41)
KT	**-**	**-**	**32**	**-**	**-**	**-**	**32**
	-	-	(27)	-	-	-	(27)
CSR	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	-	(10)	(10)

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
Dividend received							-
NCD	**-**	**79**	**-**	**-**	**-**	**-**	**79**
	-	(169)	-	-	-	-	(169)
Dividend paid:							
SFV	**-**	**-**	**94**	**-**	**-**	**-**	**94**
	-	-	(113)	-	-	-	(113)
FAV	**-**	**-**	**-**	**2**	**-**	**-**	**2**
	-	-	-	(2)	-	-	(2)
RIL	**-**	**-**	**-**	**-**	**7**	**-**	**7**
	-	-	-	-	(8)	-	(8)
GPPL	**-**	**-**	**-**	**-**	* **-**	**-**	* **-**
Balances outstanding at the end of the year	-	-	-	-	-	-	-
Investments :							
NCDT	**2**	**68**	**-**	**-**	**-**	**-**	**70**
	(2)	(68)	-	-	-	-	(70)
Trade receivables:							
NCDT	**-**	**68**	**-**	**-**	**-**	**-**	**68**
	-	(129)	-	-	-	-	(129)
IOCL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(34)	-	(34)
GPPL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(13)	-	(13)
CFAPL	**-**	**-**	**-**	**-**	* **-**	**-**	* **-**
	-	-	-	-	(-)	-	(-)
Deposits for office :							
KMP	**-**	**-**	**32**	**-**	**-**	**-**	**32**
	-	-	(32)	-	-	-	(32)
Trade payable :							-
IOCL	**-**	**-**	**-**	**-**	**131**	**-**	**131**
	-	-	-	-	(-)	-	(-)
UKL	**-**	**-**	**-**	**-**	**17**	**-**	**17**
	-	-	-	-	(7)	-	(7)
NIL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(-)	-	(-)
GPPL	**-**	**-**	**-**	**-**	**8**	**-**	**8**
	-	-	-	-	(-)	-	(-)
MFV	**-**	**-**	**4**	**-**	**-**	**-**	**4**
	-	-	(-)	-	-	-	(-)

* Amount below Rupees One Lakh

Note: Figures in bracket relate to the previous year

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Payment of sitting fees to Independent directors	**Year ended 31 March 2019**	Year ended 31 March 2018
Sitting fees	**12**	11

Key management personnel compensation

Key management personnel compensation comprised the following :

Particulars	**Year ended 31 March 2019**	Year ended 31 March 2018
Post-employment benefits	**45**	37
Other long-term benefits	**67**	53

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary. All other related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

Note : Figures in the brackets are the corresponding figures of the previous year.

42. Interest in joint ventures

Jointly controlled entity (JCE):							
Name of JCE and country of incorporation	**% of interest / ownership**	**Amount of interest based on accounts for the year ended 31 March 2019**					
		Assets	**Liabilities**	**Income**	**Expenditure**	**Contingent liabilities**	**Capital commitments**
Nalco Champion Dai-ichi India Pvt. Ltd.- India	**50**	**2,607**	**2,607**	**2,064**	**2,043**	**713**	**-**
Previous year	50	2,503	2,503	2,221	1,958	750	-

43. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

Level 1: inputs to valuation are quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: inputs to valuation are other than quoted prices included in level 1 that are observable for asset or liability, either directly or indirectly;

Level 3: inputs are not based on observable market data. Fair value are determined in whole or in part using a valuation model based on assumption that are either supported by prices from observable current market transaction in the same instruments nor are they based on available market data.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

The carrying value of financial instruments by categories is as follows :

	As at 31st March 2019							
	Carrying amount				Fair value			
	FVTPL	**FVTOCI**	**Amotised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	494	494	-	-	-	-
Other bank balances	-	-	272	272	-	-	-	-
Current investments	282			282	282	-	-	282
Non current investments (other than in subsidiary and joint venture)	-	-	133	133	-	-	-	-
Non current loans	-	-	266	266	-	-	-	-
Trade receivables	-	-	1,650	1,650	-	-	-	-
Other current financial assets	-	-	121	121	-	-	-	-
Total	**282**	**-**	**2,936**	**3,218**	**282**	**-**	**-**	**282**
Financial liabilities								
Non current borrowings (Including current maturity of long term Debts)	-	-	8,985	8,985	-	-	-	-
Current borrowings	-	-	1,405	1,405	-	-	-	-
Trade payables	-	-	2,220	2,220	-	-	-	-
Other current financial liabilities	-	-	915	915	-	-	-	-
	-	**-**	**13,525**	**13,525**	**-**	**-**	**-**	**-**

	As at 31st March 2018							
	Carrying amount				Fair value			
	FVTPL	**FVTOCI**	**Amotised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	-	-	364	364	-	-	-	-
Other bank balances	-	-	325	325	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Current investments	1,709	-	-	1,709	1,709	-	-	1,709
Non current investments (other than in subsidiary and joint venture)	-	-	360	360	-	-	-	-
Non current loans	-	-	262	262	-	-	-	-
Trade receivables	-	-	3,029	3,029	-	-	-	-
Other current financial assets	-	-	135	135	-	-	-	-
	1,709	**-**	**4,475**	**6,184**	**1,709**	**-**	**-**	**1,709**
Financial liabilities								
Non current borrowings (Including current maturity of long term debts)	-	-	6,668	6,668	-	-	-	-
Current borrowings	-	-	1,006	1,006	-	-	-	-
Trade payables	-	-	2,161	2,161	-	-	-	-
Other current financial liabilities	-	-	1,480	1,480	-	-	-	-
	-	**-**	**11,315**	**11,315**	**-**	**-**	**-**	**-**

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.
The following methods and assumptions were used to estimate the fair value

a) The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.

i. 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's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

Trade receivables are consisting of a large number of customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

At 31 March 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2019	31 March 2018
India	**1,235**	1,669
Other regions	**415**	1,360
	1,650	3,029

Impairment

At March 31, 2019, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

	31 March 2019	31 March 2018
Neither past due nor impaired		
Past due 1–180 days	**1,617**	3,015
Past due more than 180 days	**33**	14
	1,650	3,029

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

Management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(₹ in lakhs)

	31 March 2019	31 March 2018
Balance as at the beginning of the year	**3**	8
Impairment loss recognised	**-**	-
Amounts written off / back	**-**	(5)
Balance as at the end of the year	**3**	3

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 majority of the Company's Trade receivables are due for maturity within 60 days from the date of billing to the customer. Further, the general credit terms for Trade payables are approximately 45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

		Contractual cash flows				
31 March, 2019	**Carrying amount**	**Total**	**less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	**8,985**	**8,985**	**1,667**	**1,930**	**5,388**	**-**
Working capital loans from banks	**1,405**	**1,405**	**1,405**	**-**	**-**	**-**
Trade payables	**2,220**	**2,220**	**2,220**	**-**	**-**	**-**
Other Current financial liabilities	**915**	**915**	**913**	**-**	**-**	**2**
		Contractual cash flows				
31 March, 2018	Carrying amount	Total	less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	6,668	6,668	626	1,364	4,678	-
Working capital loans from banks	1,006	1,006	1,006	-	-	-
Trade payables	2,161	2,161	2,161	-	-	-
Other Current financial liabilities	1,480	1,480	1,478	-	-	2

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

Currency risk

The Company is exposed to currency risk on account of its payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has major exposure to USD

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

	31 March 2019	31 March 2018
	$ in Lakhs	$ in Lakhs
Financial assets		
Trade and other receivables	**6**	21
	6	21
Financial liabilities		
Trade and other payables	**3**	3
	3	3

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
INR	**31 March 2019**	31 March 2018
USD	**69.26**	65.17

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies 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 of forecast sales and purchases.

(₹ in lakhs)

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
31 March 2019		
10% movement	**20**	**(20)**
USD	**-**	**-**
	20	**(20)**
	Profit or loss	
Effect in INR	Strengthening	Weakening
31 March 2018		
10% movement	121	(121)
USD	-	-
	121	(121)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the the interest rates.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in lakhs)

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets bonds	**133**	360
Financial liabilities vehcile loans	**39**	62
	95	298
Variable-rate instruments		
Financial liabilities - term loan and Cash Credit	**10,333**	7,579
	10,333	7,579
Total	**(10,238)**	(7,281)

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable rate instruments

	Profit or loss		**Equity, net of tax**	
INR	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2019				
Variable-rate instruments	**103**	**(103)**	**75**	**(75)**
Cash flow sensitivity (net)	**103**	**(103)**	**75**	**(75)**
31 March 2018				
Variable-rate instruments	76	(76)	55	(55)
Cash flow sensitivity (net)	76	(76)	55	(55)

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

44. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

The Company's adjusted net debt to equity ratio at 31 March 2019 was as follows.

(₹ in lakhs)

	As at 31 March 2019	As at 31 March 2018
Total Borrowing	**10,371**	7,641
Less : Cash and cash equivalent	**494**	365
Adjusted net debt	**9,878**	7,276
Total equity	**12,369**	13,887
Net debt to equity ratio	**0.80**	0.52

45. Income Taxes

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in Standalone profit and loss (₹ in lakhs)

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
Current period tax	**-**	352
Deferred tax		
Decrease/Increase in Deferred Tax Asset	**(1,158)**	147
Increase/Decrease in Deferred Tax Liability		
Mat Credit entitlement	**(27)**	(60)
Total Deferred Tax Expense/(benefit)	**(1,185)**	87
Tax expense for the year	**(1,185)**	439

(ii) Tax recognised in other comprehensive income (₹ in lakhs)

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	**Tax (expense)/ benefit**	**Net of tax**	Before tax	Tax (expense)/ benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**43**	**(12)**	**31**	* -	* -	* -
	43	**(12)**	**31**	* -	* -	* -

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(B) Reconciliation of effective tax rate

(₹ in lakhs)

	(%)	For the year ended 31 March 2019	(%)	For the year ended 31 March 2018
Profit before tax		**(2,478)**		1,637
Tax using the Company's domestic tax rate (Current year 27.8% and Previous Year 34.6%)	**27.8%**	**(689)**	34.6%	567
Tax effect of:				
Decrease in substantially enacted tax rate	**-**	**-**	-2.0%	(32)
Land indexation	**17.6%**	**(436)**	-	-
Long term capital gains taxable at lower rate	**-**	**-**	-0.4%	(6)
Long term capital gains exempt under income tax	**-**	**-**	-0.5%	(9)
Interest expense not deductible for tax purposes	**-**	**-**	0.0%	-
Income exempt from income taxes	**0.9%**	**(23)**	-4.2%	(69)
Unrecongnised MAT credit of previous year	**1.1%**	**(27)**	-	-
Others	**0.4%**	**(10)**	-0.7%	(12)
	47.8%	**(1,185)**	26.8%	439

The Company's weighted average tax rates for the years ended 31 March 2019 and 2018 were 27.8% and 34.6%, respectively.

* Amount bleow Rupees One Lakh

(C) Movement in deferred tax assets and liabilities

	31 March, 2019					
	Net balance 1 April 2018	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred Tax Liabilities:						
Property, plant and equipment and Intangible assets	(175)	(741)	-	(916)	-	(916)
Investment	(103)	86	-	(17)	-	(17)
Deferred Tax Assets:						
Employee benefits	92	(13)	12	91	91	-
Bonus	11	(4)	-	7	7	-
Trade receivables	1	-	-	1	1	-
Income tax loss (including depreciation)	-	1,377	-	1,377	1,377	-
Other items	5	5	-	10	10	-
Indexed Cost of Land	-	436	-	436	436	-
MAT credit entitlement	60	27	-	87	87	-
Deferred Tax assets (Liabilities)	**(109)**	**1,173**	**12**	**1,076**	**2,009**	**(933)**
Offsetting of deferred tax assets and deferred tax liabilities	**-**	**-**	**-**	**-**	**(933)**	**933**
Net Deferred Tax assets (Liabilities)	**(109)**	**1,173**	**12**	**1,076**	**1,076**	**-**

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

	31 March, 2018					
	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred Tax Liabilities:						
Property, plant and equipment and Intangible assets	4	(179)	-	(175)	-	(175)
Investment	(176)	73	-	(103)	-	(103)
Employee benefits	116	(24)	-	92	92	-
Bonus	10	1	-	11	11	-
Trade receivables	5	(4)	-	1	1	-
Cenvat credit on closing stock	16	(16)	-	-	-	-
Other items	4	1	-	5	5	-
MAT credit entitlement	-	60	-	60	60	-
Deferred Tax assets (Liabilities)	(21)	(88)	-	(109)	169	(278)
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	(278)	278
Net Deferred Tax assets (Liabilities)	(21)	(88)	-	(109)	(109)	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

D. Tax assets and liabilities

Particulars	**As at 31 March 2019**	As at 31 March 2018
Non Current tax assets (net)	**437**	409
Current tax assets (net)	**-**	-
Current tax liabilities (net)	**-**	-

46. Going Concern

The Company has reported a net loss of ₹ 1,263 lakhs during the current year (Previous year : profit ₹ 1,198 lakhs). The networth of the Company as at 31 March 2019 is positive. The management on the basis of the future cash flow projections, strongly believes that the Company will continue to operate as a going concern and will meet all its liabilities as they fall due for payment and consequently will be in a position to continue its operations for the foreseeable future, to realise its assets and to discharge its liabilities in the normal course of business. Accordingly, these financial statements have been prepared on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

Notes forming part of the Standalone financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

47. Kasarwadi Plant Shutdown

On 25 January 2019, board of directors had announced the closed down of its Kasarwadi Plant. Pursuant to the shutdown, operations at Kasarwadi Plant are shifted to its new established Plant situated at Dahej, Gujarat. The Company has followed the due legal process prescribed under the provisions of Section 25-FFF of the Industrial at Disputes Act, 1947 for retrenchment of the workers and had recognised and paid for retrenchment compensation to the eligible workers of ₹ 142 lakhs. Some employees at Kasarwadi plant have filed a legal case against the Company claiming the closure is not as per the relevant provisions of the Industrial Disputes Act, 1947. Due to the above ongoing litigation, the Company is unable to move its property, plant and equipment (PP&E) aggregating to ₹ 486 lakhs (WDV) and inventory of ₹ 332 lakhs from Kasarwadi to Dahej. The Management of the Company believes that, the Company has a strong case on merits and is expecting a favorable order from the Court and has thus not recorded any provision towards inventory and impairment of PP&E.

48 . Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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

Adi Jehangir
Director
(DIN: 00001752)

Behram Sorabji
Director
(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Independent Auditors' Report

To the Members of
Dai-ichi Karkaria Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Dai-ichi Karkaria Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary and joint venture were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

The key audit matters	How the matter was addressed in our audit
PP&E capitalisation at Dahej plant We have considered PP&E capitalisation at Dahej Plant to be a key audit matter due to the significance of the value and the judgment and assumptions required in the process of PP&E capitalisation and its related useful life determination.	We tested controls in place over capitalization process of PP&E and performed tests of details on costs capitalised by the Holding Company. Our audit procedures included assessing appropriateness of the following judgments made by management: • The nature of the costs capitalised; • Timing of capitalisation; and • Asset useful lives considered for calculation of the depreciation charge.
Close down of Kasarwadi Plant The Holding Company has closed down its Kasarwadi Plant at Pune on 25 January 2019. Pursuant to the shutdown, operations at Kasarwadi plant are shifted to its newly established plant situated at Dahej, Gujarat. The Holding Company has paid INR 142.44 lakhs as retrenchment compensation to the eligible workers. Some employees at Kasarwadi plant have filed a legal case against the Holding Company claiming the closure is not as per the relevant provisions of the Industrial Disputes Act, 1947. Due to the above ongoing litigation, the Holding Company is unable to move its property, plant and equipment (PP&E) aggregating to INR 486 lakhs (WDV) and inventory of INR 332 lakhs from Kasarwadi to Dahej. We considered this as a key audit matter since this is a significant event during the current year, the amounts are material to the consolidated financial statements and involved significant auditor efforts.	Our audit procedures performed included, among others, the following: • Obtaining the Board of Directors resolution passed for closed down of plant. • Examined the compensation paid by the Holding Company to eligible workers and the accuracy of related provisions are accounted appropriately in the financial statements. • Examined the written down value (WDV) of the assets and inventory at Kasarwadi plant as at 31 March 2019. • Examined the inventory on test check basis as part of the year-end physical verification procedure at Kasarwadi plant. • We have circulated independent legal confirmation to lawyer who is assisting the Holding Company on the labour union case at the Industrial Court in Pune. • Assessed the PP&E at Kasarwadi plant for impairment pursuant to the shutdown of plant. • Examined the adequacy of the disclosures in the consolidated financial statements

The key audit matters	How the matter was addressed in our audit
Recognition of deferred tax assets The Holding Company has significant deferred tax assets in respect of tax losses. There is inherent uncertainty involved in forecasting future taxable profits, which determines the extent to which deferred tax assets are recognised.	Our audit procedures performed included the following: • Assessed the factors that led to the tax losses in current year as the Holding Company shifted from profit before tax in 2018 to a loss before tax in 2019. • Assessed the forecasted profits over the relevant utilisation period and evaluated whether the forecasts had been appropriately adjusted for the differences between accounting profits, presented in the board approved budget, to taxable profits. • Assessed sensitivity analysis of approved management budgets. • Examined the ability to carry forward the tax losses for future use in reference to Income tax. • Recalculated deferred tax asset balances which comprise a combination of timing differences between tax and accounting values and tax losses.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiary) as well as the joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

  We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of one subsidiary whose financial statements/financial information reflect total assets of Rs. 2.50 lakhs as at 31 March 2019, total revenues of Rs. 0.12 lakhs and net cash flows amounting to Rs. 0.06 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 0.30 lakhs for the year ended 31 March 2019, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and joint venture is based solely on the audit reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory RequirementsSpecial Resolution

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary and joint venture as were audited by other auditors, as noted in the 'Other Matters' 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 purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

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 and the reports of the statutory auditors of its subsidiary company and joint venture incorporated in India, none of the directors of the Group companies, and joint venture incorporated in India 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 with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and joint venture, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its joint venture. Refer Note 34 to the consolidated financial statements.

ii. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group and its joint venture incorporated in India during the year ended 31 March 2019.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, its subsidiary company and joint venture, where applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No: 122632

Place : Mumbai
Date : 9 May 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Dai-ichi Karkaria Limited for the year ended 31 March 2019.

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013. (Referred to in paragraph (A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Dai-ichi Karkaria Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 (hereinafter referred to as "the Act") which are its subsidiary company and its joint venture company, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary company and joint venture company, where applicable, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary company and joint venture company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; 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 with Reference to consolidated Financial Statements

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to one subsidiary company and one joint venture company, where applicable, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No: 122632

Place : Mumbai
Date : 9 May 2019

Consolidated Balance Sheet as at 31 March 2019

(₹ in lakhs)

	Particulars	Note	**As at March 31, 2019**	As at March 31, 2018
A	**ASSETS**			
	NON-CURRENT ASSETS			
(a)	Property, plant and equipment	4	**16,360**	9,335
(b)	Capital work-in-progress		**534**	4,282
(c)	Intangible assets		**17**	28
(d)	Financial assets			
	(i) Investments in Joint Venture	5(a)	**1,968**	2,063
	(ii) Other Investments	5(b)	**133**	360
	(iii) Loans	6	**266**	262
(e)	Deferred tax assets (net)	7	**1,076**	-
(f)	Non current Tax assets (net)	8	**437**	409
(g)	Other non-current assets	9	**129**	885
	Total non-current assets		**20,920**	17,624
	CURRENT ASSETS			
(a)	Inventories	10	**1,705**	1,931
(b)	Financial Assets			
	(i) Investments	11	**282**	1,709
	(ii) Trade receivables	12	**1,651**	3,029
	(iii) Cash and Cash Equivalents	13	**494**	365
	(iv) Bank balances other than (iii) above	14	**274**	327
	(v) Other Financial assets	15	**121**	134
(c)	Other Current assets	16	**2,669**	2,496
	Total Current assets		**7,196**	9,991
	TOTAL ASSETS		**28,116**	27,615
B	**EQUITY AND LIABILITIES**			
	EQUITY			
(a)	Share Capital	17	**745**	745
(b)	Other Equity	18	**13,525**	15,138
	Total equity attributable to equity holders of the Company		**14,270**	15,883
	LIABILITIES			
	NON-CURRENT LIABILITIES			
(a)	Financial Liabilities			
	(i) Borrowings	19	**7,318**	6,042
(b)	Provisions	20	**155**	165
(c)	Deferred Tax Liabilities (net)	7	**-**	109
	Total Non-Current Liabilities		**7,473**	6,316
	CURRENT LIABILITIES			
(a)	Financial Liabilities			
	(i) Borrowings	21	**1,405**	1,006
	(ii) Trade Payables	22		
	Total outstanding dues of Micro Enterprises and Small Enterprises		**40**	-
	Total outstanding dues to other than Micro Enterprises and Small Enterprises		**2,180**	2161
	(iii) Other Financial Liabilities	23	**2,582**	2,106
(b)	Other Current liabilities	24	**50**	46
(c)	Provisions	25	**116**	97
	Total Current Liabilities		**6,373**	5,416
	TOTAL EQUITY AND LIABILITIES		**28,116**	27,615

Notes forming part of the consolidated financial statements 1-49

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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

Adi Jehangir
Director
(DIN: 00001752)

Behram Sorabji
Director
(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

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

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	26	**9,235**	14,899
Other income	27	**324**	577
Total income		**9,559**	15,476
Expenses			
Cost of materials consumed	28	**6,237**	9,476
Changes in inventories of finished goods Semi finished goods and work-in-progress	29	**111**	(7)
Employee benefits expense	30	**1,653**	1,501
Finance costs	31	**724**	20
Depreciation and amortisation expense	32	**813**	447
Excise duty		**-**	210
Other expenses	33	**2,315**	2,192
Total Expenses		**11,853**	13,839
(Loss)/Profit before tax and exceptional items		**(2,294)**	1,637
Exceptional item			
Retrenchment compensation		**142**	-
(Loss)/ Profit after exceptional items before tax		**(2,436)**	1,637
Tax expenses:			
Current tax		**-**	352
Deferred tax (net)		**(1,173)**	87
Total Tax Expenses		**(1,173)**	439
Net (Loss)/Profit after tax before share of Joint Venture		**(1,263)**	1,198
Share of Profit in Joint Ventures (net of Tax)		**2**	167
Net (Loss)/ Profit after tax		**(1,261)**	1,365
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligation		**43**	* -
Income tax related to items that will not be reclassified to profit or loss		**(12)**	* -
Share of Loss/(Profit) in Joint Ventures (net of Tax)		**2**	(3)
Other comprehensive income for the year (net of income tax)		**33**	(3)
Total comprehensive income for the year		**(1,294)**	1,368
* Amount below Rupees One Lakh			
Earnings per equity share Basic and Diluted (of ₹ 10/- each)	38	**(16.92)**	18.32
Notes forming part of the financial statements	1-49		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Statement of Consolidated Changes in Equity

A - Equity share capital

(₹ in lakhs)

Particulars	As at 31 March, 2019 Number of shares	As at 31 March, 2019 Amount	As at 31 March, 2018 Number of shares	As at 31 March, 2018 Amount
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the reporting year	**7,451,229**	**745**	7,451,229	745
Changes in equity share capital during the year	**-**	**-**	-	-
Balance at the end of the reporting year	**7,451,229**	**745**	7,451,229	745

B - Other Equity

Particulars	Reserves and Surplus					Items of OCI		
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Share of Joint Venture	Remeasurement of Defined benefit plans	Total other equity
Balance as at 1 April 2017	77	2,594	16	519	9,441	1,624	(28)	14,243
Total Comprehensive Income for the year ended 31 March 2018								
Profit for the year	-	-	-	-	1,365	(203)	-	1,162
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	3	3
Total Comprehensive Income for the year	-	-	-	-	**1,365**	**(203)**	**3**	**1,165**
Transactions with owners of the company								
Dividend on Equity Shares	-	-	-	-	(224)	-	-	(224)
Dividend Distribution Tax	-	-	-	-	(46)	-	-	(46)
Balance as at 31 March 2018	**77**	**2,594**	**16**	**519**	**10,536**	**1,421**	**(25)**	**15,138**
Total Comprehensive Income for the year ended 31 March 2019								
Profit for the year	**-**	**-**	**-**	**-**	**(1,261)**	**-**	**-**	**(1,261)**
Other Comprehensive Income for the year (net of tax)	-	-	-	-	**-**	**(95)**	**(33)**	**(128)**
Total Comprehensive Income for the year	-	-	-	-	(1,261)	(95)	-	(1,389)
Transactions with owners of the company								
Dividend on Equity Shares	-	-	-	-	**(186)**	**-**	**-**	**(186)**
Dividend Distribution Tax	**-**	**-**	**-**	**-**	**(38)**	**-**	**-**	**(38)**
Balance as at 31 March 2019	**77**	**2,594**	**16**	**519**	**9,051**	**1,326**	**(58)**	**13,525**

Notes forming part of the consolidated financial statements 1-49

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

S. F. Vakil
Chairperson and Managing Director
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(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Statement of Consolidated Cash Flow for the year ended 31 March 2019

(₹ in lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	**Cash Flow from Operating Activities:**		
	(Loss)/ Profit after exceptional items before tax	**(2,434)**	1,804
	Adjustments for:		
	Depreciation and amortisation	**813**	447
	Profit on sale of investments (net)	**(41)**	(43)
	Net loss/(gain) on Investments at fair value through profit and loss	**99**	(8)
	Dividend income	**(84)**	(199)
	Interest income	**(36)**	(34)
	Interest expenses	**724**	20
	Liabilities no longer required written back	**-**	(4)
	Share of profit in joint venture	**(2)**	(167)
	Unrealised foreign currency loss/(gain) on revaluation (net)	**2**	(65)
	Subtotal of Adjustments	**1,475**	(53)
	Operating profit before working capital changes	**(959)**	1,751
	Changes in working capital:		
	Adjustments for increase/decrease in:		
	Decrease/(Increase) in trade receivables	**1,365**	(919)
	Increase in loans, other financial assets and other assets	**(56)**	(1,658)
	Decrease/(Increase) in inventories	**226**	(303)
	Increase in trade payable, other financial liabilities and other liabilities	**64**	745
	Increase/(Decrease) in provisions	**10**	(22)
	Subtotal of Adjustments	**1,609**	(2,157)
	Cash generated from operations	**650**	(406)
	Less: Income taxes paid (net of refund)	**(28)**	(372)
	Net cash from/(used in) operating activities	**622**	(778)
B	**Cash Flow from Investing Activities:**		
	Purchases of property plant and equipment	**(3,828)**	(8,196)
	Proceeds from sale of current investments	**1,596**	2,864
	Purchases current investments	**-**	(556)
	Movement in bank deposits having maturity of more than 3 months	**53**	(42)
	Dividend received	**84**	199
	Interest received	**36**	34
	Net Cash (used in)/from investing activities	**(2,059)**	(5,697)

Statement of Consolidated Cash Flow for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C	**Cash Flow from Financing Activities:**		
	Repayment towards non-current borrowings (net)	**(20)**	(20)
	Proceeds from non-current borrowings (net)	**2,352**	6,311
	Proceeds (Repayment) from current borrowings (net)	**399**	1,006
	Dividends and corporate dividend tax paid	**(224)**	(269)
	Interest paid	**(899)**	(395)
	Net cash used in financing activities	**1,608**	6,633
D	**Net Increase/(decrease) in cash and cash equivalents (A+B+C)**	**171**	158
E	**Cash and cash equivalents as at beginning of the year**	**365**	199
	Net Comphrehensive Income	**(43)**	3
	Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	**1**	5
F	**Cash and cash equivalents as at end of the year (D+E)**	**494**	365

Reconciliation of liabilities from financing activities	Long term borrowing (including current portion) (a)	Short term borrowings (b)	Total liabilites from financing activites (a+b)
Opening Balance (as at 31 March 18)	6,635	1,006	7,641
Add : Proceeds	2,352	399	2,751
Less : Repayment	20	-	20
Closing Balance (as at 31 March 19)	**8,967**	**1,405**	**10,372**

Notes:

1 The above consolidated Cash Flow Statement has been prepared under the “Indirect Method” as set out in the Indian Accounting Standard (Ind AS-7) - Consolidated "Statement of Cash Flows"

2 Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.

3 Cash and cash equivalents are cash and bank balance as per balance sheet (Refer note no 13)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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

Adi Jehangir
Director
(DIN: 00001752)

Behram Sorabji
Director
(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Notes forming part of the consolidated financial statements for the year ended 31 March 2019

(Currency: ₹ in Lakhs)

1. General Information

Dai-ichi Karkaria Limited ('the Company') is domiciled in India with its registered office situated at 3rd Floor, Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai 400 020, India. The Company was incorporated on 13 May 1960 under the provisions of Indian Companies Act, 1956 and its equity shares is listed on Bombay Stock Exchange (BSE) in India. The Company is engaged in manufacturing of specialty chemicals.

The manufacturing activities of the Company are carried out from its plants located at Kasarwadi (until 25 January 2019), Kurkumbh, Pune (Maharashtra) and Dahej (Gujarat).

These consolidated financial statements comprise the Company, its subsidiary and joint venture (collectively the 'Group' and individually 'Group companies').

2. Basis of preparation

A. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016, notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Board of Directors of the group at their meeting held on 9 May 2019.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise stated.

C. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for the following items:

Items	Measurement basis
i) Certain Financial assets and liabilities	Fair value
ii) Net defined benefit asset / (obligation)	Fair Value of plan assets less present value of defined benefit obligations

D. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of it's activities and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

E. Use of estimates and judgements

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, recoverability of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Recoverability of deferred tax assets

In determining the recoverability of deferred income tax assets, the Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Group reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

Fair value measurement of financial instrument

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained in detail under note 3 (A).

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

F. Basis of Consolidation

1. Subsidiaries

Subsidiary is entity that is controlled by the Group. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity.

In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiary is included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Group and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

1. Joint ventures (equity accounted investees)

Investment in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Group does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investment in such entities are accounted by the equity method of accounting. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

2. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealised gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Details of Subsidiary and Joint venture

Name of Company	Nature	Principal Place of Business	% of Shareholding and voting power	
			As at 31 March 2019	As at 31 March 2018
Dai-ichi Gosei Chemicals (India) Limited	Subsidiary	India	**97%**	97%
Nalco Champion Dai-ichi India Pvt. Ltd.	Joint venture	India	**50%**	50%

3. Significant Accounting Policies

A. Financial instruments

Financial assets and 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 or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted 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 whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present subsequent changes in the fair value of equity investments as other income in the statement of profit and loss.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

Derecognisation of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between assets carrying amount and the sum of consideration received or receivable or the cumulative gain or loss that had been recognised in the statement of profit and loss.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

B. Impairment

Financial assets (other than at fair value)

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has computed the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

C. Property, plant and equipment / Depreciation

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, and other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress:-Projects under which Property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(iii) Expenditure during construction period

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under “other non-current assets”.

(iv) Depreciation

Depreciation of property, plant and equipment located at Dahej, Kurkumbh and Jejuri is calculated using Straight-line method. Property, plant and equipment located at Kasarwadi is calculated using the diminishing balance method. Freehold land is not depreciated.

Depreciation is charged on the cost of the property plant and equipment less estimated residual value over the useful lives as per Schedule II of the Companies Act, 2013, this useful life are shown below. Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the date on which the asset is ready for use (disposed-off).

Asset	Management estimate of useful life (years)
Leasehold land	Amortised over the lease period
Leasehold improvements	Amortised over lower of the lease period or 7 years
Building	3-60
Road	3-10
Plant and machinery	10-20
Furniture and fixture	10
Vehicles	8
Office equipment	3-10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

With effect from 1 April 2018, the Group has changed its method of depreciation on tangible assets from diminishing balance method to straight-line method on one of its plant, based on the expected pattern of consumption of the future economic benefits embodied in the assets. Consequently, the depreciation charge year ended 31 March 2019 is lower by Rs.700 lakhs.

D. Intangible assets

(i) Recognition and measurement

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Software	6 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

E. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of raw materials are computed basis the moving average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished products and work-in progress, costs include an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

F. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group’s contributions to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and is charged to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employee.

iii. Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Re measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Gratuity

The Group’s liability towards Gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income in the period in which they occur.

iv. Other long- term employee benefits – Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation determined based on percentage unit credit method with independent actuarial valuation as at the balance sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

G. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are recognised at the best estimates of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, when appropriate, the risks specific to the liabilities.

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

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

H. Revenue

(i) Sale of goods

Effective April l, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

Revenue is measured at the fair value of consideration received or receivable net-off trade discounts, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer which is generally on dispatch of goods. Revenue is recognized on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

(ii) Rendering of services

Revenue for job work services is recognised as and when services are rendered, in accordance with the terms of the contract. The amount recognised as revenue is exclusive of goods and service tax (GST) and its net of returns and trade discounts.

(iii) Rental income

Rental income from sub-leasing is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

(iv) Export benefits

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

(v) Dividend

Dividend from investment is recognised as revenue when right to receive the payments is established.

(vi) Interest income

Interest income is recognised using the effective interest rate method.

I. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assists and liabilities will be realised simultaneously.

MAT Credit Entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes a deferred tax asset on the MAT credit available only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the deferred tax asset created on MAT credit entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

J. Borrowing costs

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

K. Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit/(loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

L. Foreign currency transactions

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

M. Investment in subsidiary and joint venture

The Group's investment in its subsidiary and joint venture are carried at cost.

N. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

O. Consolidated statement of cash flows:

The Group's consolidated statement of cash flows are prepared using the Indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

Cash and cash equivalents comprise cash and bank balances. These also include bank overdrafts and cash credit facility that form an integral part of the Group's cash management.

P. Standards issued but not yet effective

IND AS 116 Leases -

- Effective for annual periods beginning on or after 1 April 2019.

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting largely unchanged from the existing standard – i.e. lessors continue to classify leases as finance or operating leases.

Based on the preliminary assessment, the Group does not expect any significant impacts on transition to Ind AS 116.

Others

Ministry of Corporate Affairs ("MCA") has notified following amendments to Ind AS on March 30, 2019 which is effective for the annual period beginning or after April 01, 2019.

A. Ind AS 12 - Income taxes

The amendment requires an entity to determine probability of the relevant tax authority accepting the uncertain tax treatment that the Company have used in tax computation or plan to use in their income tax filings.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

B. Ind AS 19 - Plan amendment, curtailment or settlement

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

C. Ind AS 23 – Borrowing Cost

The amendments require an entity to determine the capitalisation rate for funds borrowed generally, an entity should exclude borrowing cost applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for intended use or for sale would subsequently be considered as part of the general borrowing cost of the entity.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

4. Property, plant and equipment, capital work in progress and Intangible Assets.

(₹ in lakhs)

Particulars	Gross block				Accumulated depreciation/amortisation				Net Block
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	For the period	Deductions	As at 31 March 2019	As at 31 March 2019
A. Tangible Assets									
Leasehold Land	1,201	**2**	-	**1,203**	30	**13**	-	**43**	**1,160**
Freehold Land	505	**-**	-	**505**	-	**-**	-	**-**	**505**
Buildings: Residential	46	**-**	-	**46**	18	**6**	-	**24**	**22**
Buildings: Non Residential									
Own lease	2,317	**2,213**	-	**4,530**	101	**115**	-	**216**	**4,314**
Road	468	**142**	-	**610**	25	**55**	-	**80**	**530**
Plant and Machinery	5,003	**5,279**	-	**10,282**	366	**519**	-	**885**	**9,397**
Furniture and Fixtures	40	**151**	-	**191**	9	**16**	-	**25**	**166**
Laboratory, Office and Factory Equipment and Air conditioners	282	**40**	-	**322**	63	**57**	-	**120**	**202**
Vehicles	118	**-**	-	**118**	48	**20**	-	**68**	**50**
Scientific Research-									
Capital Expenditure :									
Buildings - Non-Residential	1	**-**	-	**1**	-	**-**	-	**-**	**1**
Plant and Machinery	7	**-**	-	**7**	2	**1**	-	**3**	**4**
Furniture and Fixtures	* -	**-**	-	* **-**	* -	* **-**	* -	* **-**	* **-**
Laboratory, Office and Factory Equipment and									
Air conditioners	9	**-**	-	**9**	-	* **-**	-	**-**	**9**
Total	**9,997**	**7,827**	**-**	**17,824**	**662**	**802**	**-**	**1,464**	**16,360**
B. Intangible Assets									-
Computer Software	38	**-**	-	38	10	11	-	21	17
Total	**10,035**	**7,827**	**-**	**17,862**	**672**	**813**	**-**	**1,485**	**16,377**
C. Capital Work-in-Progress									534

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

4. Property, plant and equipment, capital work in progress and Intangible Assets.

(₹ in lakhs)

Particulars	Gross block				Accumulated depreciation/amortisation				Net Block
	As at 1 April 2017	Additions	Deductions	As at 31 March 2018	As at 1 April 2017	For the period	Deductions	As at 31 March 2018	As at 31 March 2018
A. Tangible Assets									
Leasehold Land	528	673	-	**1201**	23	7	-	**30**	**1171**
Freehold Land	505	-	-	**505**	-	-	-	**-**	**505**
Buildings Residential	46	-	-	**46**	10	8	-	**18**	**28**
Buildings: Non Residential									
Own lease	203	2,114	-	**2,317**	33	68	-	**101**	**2,216**
Road	-	468	-	**468**	-	25	-	**25**	**443**
Plant and Machinery	740	4,263	-	**5,003**	110	256	-	**366**	**4,637**
Furniture and Fixtures	29	11	-	**40**	4	5	-	**9**	**31**
Laboratory, Office and Factory Equipment and Air conditioners	84	198	-	**282**	22	41	-	**63**	**219**
Vehicles	71	47	-	**118**	22	26	-	**48**	**70**
Scientific Research-									
Capital Expenditure :									
Buildings - Non Residential	1	-	-	**1**	-	-	-	**-**	**1**
Plant & Machinery	7	-	-	**7**	1	1	-	**2**	**5**
Furniture & Fixtures	* -	-	-	* **-**	* -	* -	* -	* **-**	* **-**
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	**9**	* -	* -	-	* **-**	**9**
Total	**2,223**	**7,774**	**-**	**9,997**	**225**	**437**	**-**	**662**	**9,335**
B. Intangible Assets									
Computer Software	* -	38	-	38	* -	10	-	10	28
Total	**2,223**	**7,812**	**-**	**10,035**	**225**	447	**-**	**672**	**9,363**
C. Capital Work In Progress									**4,282**

* Amount below Rupees One Lakh

Notes

1. Borrowing cost capitalised related to construction of plant aggregates Rs 175 Lakhs (previous year Rs 373 Lakhs)
2. Kindly refer note no 19 on borrowing, for the details related to charged on property, plant and equipment of the group

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars		As at 31 March 2019	As at 31 March 2018
5 (a) Investments in Subsidiary and Joint Venture			
In Equity Shares, Unquoted (at cost)			
In Joint Venture			
Nalco Champion Dai-ichi India Pvt. Ltd.			
11,25,000 shares (previous year 11,25,000 shares, 11,25,000 shares)		**68**	68
Add :- Shares of Profit in Joint Ventures		**1,900**	1,995
	Total	**1,968**	2,063
5 (b) Other Investments			
(a) Unquoted:			
The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss)		**1**	1
4,000 shares (Previous year 4,000 shares)			
(b) in debentures and bonds (at fair value through profit and loss)			
(i) Quoted:			
Tata Power Perpetual Bonds 10 units (Previous year : 10 units)		**105**	112
NHAI Bonds 2,472 units (Previous year 2,472 units,)		**27**	27
(ii) Unquoted:			
J M Financial Debentures Nil units (Previous year 20 units)		**-**	220
	Total	**133**	360
1) Aggregate cost of quoted investments		**132**	139
2) Aggregate market value of quoted investments		**132**	139
3) Aggregate market value of unquoted investments		**1,969**	2,284
4) Aggregate cost of unquoted investments (net of diminution in value written off)		**1,969**	2,284
6. Loans			
(Unsecured, considered good)			
Security Deposits		**266**	262
	Total	**266**	262
7. Deferred tax assets / (liabilities) (net)			
Deferred tax assets			
Retirement benefits		**91**	92
Loss allowance on trade receivables		**1**	1
Bonus		**7**	11
Unutilised MAT credit previous year		**87**	60
Income tax loss		**1,377**	-
Indexation of land		**436**	-
Other		**10**	5
Total deferred tax assets (a)		**2,009**	169

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Property, plant and equipment & Intangible assets	**916**	175
Fair valuation of investments	**17**	103
Total deferred tax liabilities (b)	**933**	278
Net deferred tax assets / (liabilities) (a-b)	**1,076**	(109)
8. Non Current Tax Assets		
(Unsecured, considered good)		
Advance payment of Tax (Net of Provision ₹ 3,534 lakh (Previous year : ₹ 3,534 lakh))	**437**	409
Total	**437**	409
9. Other non current assets		
(Unsecured, considered good)		
Capital advances	**22**	782
Indirect Tax receivables	**97**	97
Prepaid Expenses	**10**	6
Total	**129**	885
10. Inventories		
(At lower of cost and net realisable value)		
Raw materials	**825**	998
Packing material	**45**	37
Work-in-progress	**5**	-
Finished goods	**490**	606
Semi finished goods	**253**	253
Spare and consumables	**87**	37
Total	**1,705**	1,931
Goods in transit (included above)		
Raw Materials	**74**	59
Finished Goods	**35**	153
11. Current investments		
(a) in equity instruments (at fair value through profit and loss)		
(i) Quoted:		
57,167 shares (Previous year 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited	**209**	305
8,100 shares (Previous year 8,100 shares) of ₹ 10 each fully paid up in Bank of India	**9**	8
2,000 shares (Previous year : 2,000 shares) of ₹ 2 each in Bharat Seats Limited	**3**	3

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
(ii) Unquoted:		
1,000 shares (Previous year : 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	* -	* -
2,500 shares (Previous year : 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited	* -	* -
(b) In Mutual Funds (at fair value through profit and loss)		
Quoted Mutual Funds	61	1,393
	282	1,709
1) Aggregate cost of quoted investments	282	1,709
2) Aggregate market value of listed and quoted investments	282	1,709
3) Aggregate cost of unquoted investments	* -	* -
4) Aggregate cost of unquoted investments (net of diminution in value written off)	* -	* -
12. Trade receivables (Unsecured)		
Considered good	1,651	3,029
Considered doubtful	3	3
Less :- Loss allowance	(3)	(3)
Total	1,651	3,029
Of the above, dues include amount due from related parties ₹ 77 lakhs (Previous year : ₹ 176 lakhs)		
13. Cash and cash equivalents		
Cash on Hand	*	* -
Balances with Banks	-	
(i) In current accounts	483	361
(ii) In Exchange Earners Foreign Currency (EEFC) Account	9	4
(iii) Deposit with Maturity of less than three months	2	-
Total	494	365
14. Bank balances other than cash and cash equivalents		
Unpaid dividend	23	23
Deposits with original maturity of more than three months but less than 12 months	251	304
(Balances held as margin money against guarantees and other commitments)		
Total	274	327

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
15. Other financial assets		
(Unsecured, considered good)		
From parties other than related parties:		
Export incentive receivable	**115**	128
Interest receivables	**6**	6
Total	**121**	134
16. Other current assets		
(Unsecured, considered good)		
Prepaid Expenses	**6**	11
Advances to suppliers	**90**	138
Advance to employees	**2**	1
Balances with Government Authorities	**2,571**	2,346
Total	**2,669**	2,496

* Amount below Rupees One Lakh

(₹ in lakhs)

17. Share Capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	**Amount**	Number of shares	Amount
(A) Authorised				
Equity shares of ₹ 10/- each with voting rights	**10,000,000**	**1,000**	10,000,000	1,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹ 10/- each with voting rights	**7,451,229**	**745**	7,451,229	745
Total	**7,451,229**	**745**	7,451,229	745

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

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	**Amount**	Number of shares	Amount
Equity shares				
Opening balance	**7,451,229**	**745**	7,451,229	745
Add / (Less): Equity shares issued / bought back during the year	**-**	**-**	-	-
Closing Balance	**7,451,229**	**745**	7,451,229	745

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

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

Class of shares / Name of shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mrs. S. F Vakil	**3,769,182**	**50.58**	3,767,963	50.57

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

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

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

Particulars	As at 31 March 2019	As at 31 March 2018
18. Other Equity		
(a) Capital reserve		
At the commencement and at the end of the year	**77**	77
(b) Capital redemption reserve		
the commencement and at the end of the year	**16**	16
(c) Securities premium account		
At the commencement and at the end of the year	**2,594**	2,594
(d) General reserve		
At the commencement and at the end of the year	**519**	519
(e) Surplus in Statement of Profit and Loss	**10,536**	9,441
Balance as at the commencement of the year	**(1,261)**	1,365
Add: Profit for the year	**9,275**	10,806
Less : Dividend to equity shareholders ₹ 2.50 per share (Previous Year ₹ 3 per share)	**186**	224
Tax on dividend	**38**	46
	224	270
Balance as at the end of the year	**9,051**	10,536
(f) Share of Joint Venture		
Share in Profit in Joint Venture	**1,326**	1,421
(g) Other items of other comprehensive income		
Balance as at the commencement of the year	**(25)**	(28)
Add: Remeasurements of post-employment benefit obligation	**(43)**	* -
Add : Income tax related to items that will not be reclassified to profit or loss	**12**	* -
Add : Share of Profit in Joint Ventures (net of Tax)	**(2)**	3
Balance as at the end of the year	**(58)**	(25)
	13,525	15,138

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Nature and Purpose of Reserves

(a) Capital reserve

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

(b) Capital redemption reserve

A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of company's own shares pursuant to Section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

(c) Securities premium account

Securities premium reserve is credited when shares are issued at a premium. It is utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.

(d) General reserve

General reserve is a free reserve, which is created by transferring funds from retained earnings to be used time to time to transfer profits from retained earnings for appropriation purposes.

(e) Retained Earnings

Retained earnings comprises of undistributed earnings net of amounts transferred to General reserve.

(f) Other items of other comprehensive income

Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset.

Particulars	As at 31 March 2019	As at 31 March 2018
19. Non - current financial liabilities - borrowings		
(a) Term loans from banks - Secured (Refer Note (i) below)	**7,291**	5,985
(b) Term loans from others - Secured (Refer Note (ii) below)	**19**	39
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below)	**8**	18
TOTAL	**7,318**	6,042

Note(i)

The term loan from Axis Bank and HDFC Bank is secured by:

a) First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable Property, plant and equipment of the Company, both present and future at Dahej, Kasarwadi and Kurkumbh;

b) Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including inventories and trade receivables, both present and future.

Terms of Loan

Name of lender	Principal Loan amount	Rate of Interest%
Axis Bank	**4,914**	6 months MCLR + 1.4%
HDFC Bank	**3,941**	6 months MCLR + 1.25%

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Interest is paid on a monthly basis.

Axis Bank Repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan Amount ₹ in Lakhs
Financial Year 2019-20	6	6	75	450
	5	5	85	425
Financial Year 2020-21	7	7	85	595
	5	5	95	475
Financial Year 2021-22	12	12	95	1,140
	7	7	95	665
Financial Year 2022-23	5	5	100	500
	6	6	100	600
Financial Year 2023-24	1	1	64	64
Total	**54**	**54**		**4,914**

HDFC Bank Repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan Amount ₹ in Lakhs
Financial Year 2019-20	6	6	59	690
	5	5	67	
Financial Year 2020-21	7	7	67	843
	5	5	75	
Financial Year 2021-22	12	12	75	899
	7	7	75	918
Financial Year 2022-23	5	5	79	
	6	6	79	591
Financial Year 2023-24	1	1	118	
Total	**54**	**54**		**3,941**

Note (ii)

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

Terms of Loan - Others

Name of lender	Original Loan amount	Rate of Interest	EMI Amount	Total Nos. of EMI	Outstanding EMI
	₹ in Lakhs	%	₹	Nos.	Nos.
HDFC Bank Ltd.	38	10.00%	80,740	60	38
Kotak Mahindra Prime Ltd.	13	9.50%	32,656	48	11
Daimler Financial Services Pvt Ltd.	48	9.25%	1,19,476	48	8

Note (iii)

Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 upto an amount of ₹ 484 Lakh for the Kurkumbh unit at Pune. The deferred amount is recognized as long term borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal instalments which commenced from year 2011.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

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

Particulars	As at 31 March 2019 ₹ in lakhs	As at 31 March 2018 ₹ in lakhs
Financial Year 2018-19	-	15
Financial Year 2019-20	10	10
Financial Year 2020-21	6	6
Financial Year 2021-22	2	2
Total	18	33

Note (iv)

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

Note (v)

Current maturities of long term borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
- Term loans from banks & others	1,657	611
- Deferred sales tax liabilities	10	15

Particulars	As at 31 March 2019	As at 31 March 2018
20. Provision - non current		
Provision for employee benefits		
Gratuity (Refer note no. 37)	34	38
Compensated Absences	121	127
Total	155	165
21. Current financial liabilities - borrowings		
Cash Credit (secured)	1,405	1,006
Total	1,405	1,006
Note :- Cash Credit Facility from Axis Bank is secured by stock and book debts of the Company, rate of interest 3 months MCLR + 1.20%		
22. Current financial liabilities - trade payables		
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note (i) below)	40	-
ii) Total outstanding dues to other than Micro Enterprises and Small Enterprises	2,180	2,161
Total	2,220	2,161

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Note (i)		
(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year	**39**	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	* -	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act	**1**	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**1**	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

* Amount below Rupees One Lakh

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
23. Other financial liabilities - current		
Current maturities of long term borrowings		
- Term loans from banks & others	**1,657**	611
- Deferred sales tax liabilities	**10**	15
Unpaid dividends**	**23**	23
Accrual for expenses		
Accrual for expenses	**17**	11
Employee benefits payable	**198**	85
Security deposits	**2**	2
Payables on purchase of fixed assets	**675**	1,359
	2,582	2,106

** There are no amounts due for payment to the Investor education and protection fund (“IEPF”) under Section 125 of the Companies Act, 2013.

24. Other current liabilities		
Advance from customers	**18**	15
Payable to statutory authorities	**32**	31
Total	**50**	46
25. Provisions - current		
Provision for employee benefits		
Gratuity (refer note no. 37)	**50**	41
Compensated Absences	**66**	56
Total	**116**	97

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
26 Revenue from operations		
(a) Sale of products	**9,155**	14,774
(b) Sale of services (Job work)	**20**	75
(c) Other operating revenues (Refer Note (i) below)	**60**	50
Total	**9,235**	14,899
Notes:		
(i) Other operating revenues comprises:		
Scrap sales	**50**	30
Others	**10**	20
Total - Other operating revenues	**60**	50

Note: Ind AS 115 – Revenue from Contracts with Customers

(A) The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/ delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue recognised from Contract liability:		
Opening Contract liability	**15**	8
Less: Recognised as revenue during the year	**(8)**	(7)
Add: Addition to contract liability during the year	**16**	15
Add: Other Adjustments	**(5)**	(1)
Closing Contract liability	**18**	15
(C) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:		
Revenue from contract with customer as per Contract price	**9,293**	14,899
Less: Discounts and other adjustments	**(45)**	-
Less:- Sales Returns /Credits / Reversals	**(13)**	-
Revenue from contract with customer as per statement of profit and loss	**9,235**	14,899

Disaggregation of revenue from contract with customers

Particulars	Revenue from contracts with customers (IND AS 115) 31 March 2019	Revenue from contracts with customers (IND AS 115) 31 March 2018
India	**6,984**	7,816
UAE	**1,096**	1,664
Indonesia	**235**	4,785
Others	**920**	634
	9,235	14,899

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

(D) In Compliance with Ind AS 20 on governments grants and consequent to clarifications issued by The Institute of Chartered Accountants of India on Ind AS 115, the amount of export incentives have been reclassified from "Other Operating Revenue" to "Other Income". These reclassifications have no impact on reported Profit and Loss before tax.

Particulars	For the year ended 31 March 2018
Revenue from Operations	15,122
Less : Export Incentives	223
Restated Revenue from Operations	14,899

Particulars	As at 31 March 2019	As at 31 March 2018
27 Other income		
Interest income - others (Refer Note (i) below)	36	34
Dividend Income from :		
-Current investment	* -	15
-Joint venture	78	169
-Others	6	15
Export incentive	98	223
Gain on sale of investments	41	43
Net gain on investments at fair value through profit and loss	-	8
Others (refer Note (ii) below)	65	70
Total	324	577
Note (i) Interest income comprises:		
Interest from banks on deposits	21	15
Interest income from long term investments	15	19
Total	36	34
Note (ii) Other non-operating Income		
Net gain on foreign currency transactions and translation	64	65
Miscellaneousreceipts	1	5
Total	65	70
28 Cost of materials consumed		
Opening Stock	1,035	761
Add : Purchases	6,072	9,750
Less : Closing Stock	(870)	(1,035)
Cost of materials consumed	6,237	9,476
Raw Materials consumed comprise		
Ethylene Oxide	1,530	1,377
Fatty Alcohol, Phenol & Glycol	1,101	2,903
Oils & Fatty Acids	462	584
Acrylamide	297	269
Amines	183	198
Other items	2,664	4,145
Total	6,237	9,476

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
29 Changes in inventories of finished goods, Semi finished goods work-in-progress		
Inventories at the end of the year		
Finished goods	**490**	606
Semi finished goods	**253**	253
Work-in-progress :	**5**	-
	748	859
Inventories at the beginning of the year		
Finished goods	**606**	624
Semi finished goods	**253**	228
	859	852
Net (increase) / decrease	**111**	(7)
30 Employee Benefits Expense		
Salaries, wages and bonus	**1,472**	1,330
Contribution to provident and other funds	**85**	99
Staff welfare expenses	**96**	72
Total	**1,653**	1,501
31 Finance costs		
Interest expenses - On borrowings	**606**	6
- Others	**118**	14
Total	**724**	20
32 Depreciation and amortisation expense (refer note no. 4)		
Depreciation on Property, plant and equipment	**802**	437
Amortisation of intangible asset	**11**	10
Total	**813**	447
33 Other expenses		
Consumption of stores and spare parts	**28**	49
Power and fuel	**706**	568
Repairs to buildings	**4**	3
Repairs to plant and machinery	**75**	59
Repairs to others	**44**	79
Insurance	**28**	22
Rates and Taxes, excluding, taxes on income	**50**	24
Traveling Expenses	**69**	59
Legal and professional fees	**114**	110
Payment to auditors (refer note below)	**39**	38

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Freight and forwarding on sales	**221**	532
Commission on sales	**121**	128
Contract labour charges	**283**	218
Directors' fees	**12**	14
Donation / Corporate Social Responsibility (refer note no. 36)	**1**	16
Security charges	**106**	55
Loss on revaluation of investments	**99**	-
Miscellaneous expenses	**315**	218
	2,315	2,192
Auditors Remuneration		
Statutory Audit	**25**	23
Tax Audit	**2**	2
Other Services (unaudited quarterly review and certification)	**10**	12
Out of Pocket Expenses	**2**	1
Total	**39**	38

* Amount below Rupees One Lakh

Particulars	As at 31 March 2019	As at 31 March 2018
34 Contingent Liabilities and Capital Commitments		
a) Contingent liabilities not provided for		
Claims against the Company not acknowledged as debt:		
(i) Octroi (classification of raw materials)* Includes ₹ 142 lakhs (previous year ₹ 142 lakhs) for which bank guarantee has been given and shown under 34(vii).	**243**	243
(ii) Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	**30**	66
(iii) Labour matters (back wages and compensation under Workmen Compensation Act, 1923)	**23**	19
(iv) Disputed income tax demands in respect of deductions/disallowances for earlier years pending with CIT Appeals (Disallowance for sec 14A Expenses, Legal & Professional Charges, Commission, Donation, Business promotion expense)	**545**	299
(v) Service Tax (Dispute on availment of cenvat on exempt goods)	**86**	-
(vi) Guarantees issued to others by Bank secured by counter guarantee of the Company and by charge on the property, plant and equipment, inventories and trade receivables of the company	**142**	142
(vii) Customs duty bonds** **Includes ₹ - lakhs (previous year ₹ 73 lakhs) of Bonds, issued jointly in name of the Company and Nalco Champion Dai-ichi India Pvt. Ltd. (Formerly known as Champion Dai-ichi Technologies India Ltd.) (Jointly Controlled Entity)	**-**	73
(viii) The wage agreement with employees at Kasarwadi Plant had expired on 30 November 2008. Negotiations with employees are in progress. Pending finalisation of an agreement, the Company has made an accrual of ₹ 84 Lakhs (Previous year ₹ 69 Lakhs) based on its estimate of likely settlement with the employees. The Company does not expect any further significant additional liability on this account.		

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

(ix) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition law against this decision has been filed and is pending before the SC for disposal.

In view of the management, the liability for the period from date of the SC order to 31 March 2019 is recorded in these financial statements. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements.

b) Capital Commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant & Equipment (net of advances)	**154**	872

35. Details on derivative instruments and unhedged foreign currency exposures

I. There were no outstanding forward exchange contracts entered into by the Group during the financial year and outstanding as at 31 March 2019 Rs. Nil (previous year : Nil)

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise

As at 31 March, 2019		As at 31 March, 2018	
Receivable (Payable)	Receivable (Payable) in Foregin currency (USD in lakhs)	Receivable (Payable)	Receivable (Payable) in Foregin currency (USD in lakhs)
415	6	1,360	21
(229)	(3)	(174)	(3)

36 Corporate Social Responsibility Expenditure

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The Company was required to spend the gross amount of Rs. 34 Lakhs (Previous year : Rs. 28 lakhs) during the year on corporate social responsibility activities.

Amount spent during the year on:

Particulars	31st March 2019	31st March 2018
1) Construction/acquisition of any asset	**-**	-
2) On purposes other than (i) above	**1**	16

Promoting healthcare, education and environment conservation

37 Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:

i) Defined contribution plans:

The Company makes contributions towards provident fund and Employees State Insurance Scheme Contributions which are defined benefit contribution plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

The Group has recognised the following amounts in the statement of Profit and Loss

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- Contribution to Provident Fund	**84**	73
- Contribution to Employee state insurance corporation	**4**	6
Total	**88**	79

ii) Defined benefit plan:

The Group earmarks liability towards funded Group Gratuity and provides for payment to vested employees as under:

a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

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

The Group has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2019 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at 31 March 2019

Sr. No.	Particulars	As at 31 March 2019	As at 31 March 2018
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost	**20**	18
	Interest Cost	**26**	25
	Past Service Cost	**-**	12
	Protected Gratuity Payment	**(26)**	(18)
	Actuarial (gain) / losses	36	2
	Benefits paid	**(193)**	(74)
	PVO at the beginning of the year	**394**	428
	PVO at end of the year	**257**	394
II)	Change in fair value of plan assets		
	Expected return on plan assets	**24**	21
	Actuarial gain/(losses)	**(7)**	2
	Contributions by the employer	**33**	55

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Sr. No.	Particulars	As at 31 March 2019	As at 31 March 2018
	Benefits paid	**(193)**	(74)
	Fair value of plan assets at beginning of the year	**315**	311
	Fair value of plan assets at end of the year	**172**	315
III)	Analysis of Defined Benefit Obligation :		
	Defined Benefit Obligation at the end of the year	**257**	394
	Fair Value of Plan assets at the end of the year	**172**	315
	Net Asset/(Liabilites) recognized in the Balance Sheet	**(84)**	(79)
	Current / Non current classifications		
	Current	**50**	41
	Non current	**34**	38
	Total	**84**	79
IV)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year	**257**	394
	Fair Value of plan assets	**172**	315
	Funded status	**(84)**	(79)
	Net (liability) recognised in the balance sheet	**(84)**	(79)
V)	Net cost for the year		
	Current Service cost	**20**	18
	Interest cost	**26**	25
	Expected return on plan assets	**(24)**	(21)
	Past Service cost	**-**	12
	Actuarial (gain) / losses	**43**	* -
	Protected gratuity	**(26)**	(14)
	Net cost	**39**	20
VI)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	**7.5%**	7.6%
	Expected return on plan assets	**7.5%**	7.6%
	Salary escalation rate (%)	**7.0%**	7.0%
	Attrition	**10.0%**	5.0%
	Mortality Table	**Indian Assured Live Mortality (2006-08)**	Indian Assured Live Mortality (2006-08)

* Amount below Rupees One Lakh

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below :

Experience adjustments	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Gratuity					
Expected gain / (loss) adjustments on plan liabilities	34	12	29	31	34
Experience gain / (loss) adjustments on plan assets	(7)	2	(1)	(1)	(2)
Defined Benefits at the end of the year	257	394	428	459	464
Plan Assets at the end of the year	172	315	311	343	381
Funded status (Surplus / Deficit)	(84)	(79)	(117)	(116)	(83)
Contribution expected to be paid to the plan during next financial year	30	60	45	44	20

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Sensitivity Analysis

Particulars	As at 31 March 2019	As at 31 March 2018
Delta Effect of +1% Change in Rate of Discounting	**(7)**	(13)
Delta Effect of -1% Change in Rate of Discounting	**8**	14
Delta Effect of +1% Change in Rate of Salary Increase	**8**	13
Delta Effect of -1% Change in Rate of Salary Increase	**(7)**	(13)
Delta Effect of +1% Change in Rate of Employee attrition	* **-**	* -
Delta Effect of -1% Change in Rate of Employee attrition	* **-**	* -

* Amount below Rupees One Lakh

Particulars			Year ended 31 March 2019	Year ended 31 March 2018
38. Earnings per share (EPS)				
(Loss)/ Profit after tax attributable to equity shareholders	₹	A	**(1,261)**	1,365
Weighted average number of equity shares outstanding during the year	Nos.	B	**74,51,229**	74,51,229
Basic and diluted earnings per equity share (₹) - Face value of ₹ 10 per share	In ₹	(A / B)	**(16.92)**	18.32

39. Dividend paid and proposed:

Dividends on equity shares were declared and paid by the company during the year

Particulars	Dividend Per Equity Shares (₹)	Year ended 31 March 2019	Dividend Per Equity Shares (₹)	Year ended 31 March 2018
Final Dividend on Equity Shares	**2.5**	**186**	3.0	224
Dividend Distribution Tax	**-**	**38**	-	46
Total		**224**		**270**

After the reporting date no dividends were proposed by the Board of directors.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

40. Segment Reporting

(i) The Company operates exclusively in the Speciality Chemicals business segment which is the only reportable business segment.

(ii) The geographical segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographical Segment	Revenues for the year ended 31 March 2019	Segment assets as at 31 March 2019	Capital expenditure incurred during the year ended 31 March 2019
	₹ in lakhs	₹ in lakhs	₹ in lakhs
Outside India	**2,251**	**415**	**-**
Previous Year	7,082	1,360	-
Within India	**7,308**	**27,701**	**7,827**
Previous Year	8,394	26,255	7,812

(iii) Information about Major Customers

Revenues from one customer of Outside India represented approximately Rs 985 lakhs (Previous year : Rs 4,753 lakhs) of the Company's total revenues

41. Related party disclosures

Description of relationship	Names of related parties
(i) Jointly controlled entities (JCE)	Nalco Champion Dai-ichi India Pvt. Ltd. (NCD)
(ii) Key Management Personnel (KMP)	i) Mrs. S. F. Vakil - Chairperson and Managing Director (SFV)
	ii) Ms. Meher F. Vakil - COO- Daughter of Managing Director (MFV)
	iii) Mr. A H Jehangir (AHJ)
	iv) Dr. Anil Naik (Independent Director) (AMN)
	v) Mr. Kavas Patel (Independent Director)
	vi) Mr. Keki Elavia (Independent Director)
	vii) Mr. Nitin Nimkar (Chief Financial Officer) (NN)
	viii) Mrs. Kavita Thadeshwar (Company Secretary) (KT)
(iii) Relatives of KMP	i) Mr. Firoze Adi Vakil - Husband of Managing Director (FAV)
	ii) Mr. Jahangir F. Vakil - Son of Managing Director
	iii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
	iv) Mr. Matthew I. Taff - Husband of Ms. Meher F Vakil
(iv) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Limited (IOCL)
	ii) Rose Investments Limited (RIL),
	iii) SDN Company (SDNC),
	iv) Performance Polymer and Chemicals Pvt. Ltd. (PPCL),
	v) Anosh Finance & Investment Pvt. Ltd. (AFIPL),
	vi) General Pharmaceuticals Pvt. Ltd. (GPPL)
	vii) Netal India Limited (NIL)
	viii) Neterwala Consulting & Corporate Services Limited (NCCL)
	ix) Chemicals and Ferro Alloys Pvt. Ltd (CFAPL)
	x) Uni Klinger Limited (UKL)
	xi) Natch Products & Services Pvt. Ltd.
(v) Enterprises over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	Subsi-diaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
Purchase of goods:							
IOCL	**-**	**-**	**-**	**-**	**156**	**-**	**156**
	-	-	-	-	(101)	-	(101)
GPPL	**-**	**-**	**-**	**-**	**54**	**-**	**54**
	-	-	-	-	(42)	-	(42)
UKL	**-**	**-**	**-**	**-**	**38**	**-**	**38**
	-	-	-	-	(-)	-	(-)
NIL	**-**	**-**	**-**	**-**	**4**	**-**	**4**
	-	-	-	-	(-)	-	(-)
Natch Products & Services Pvt. Ltd.	**-**	**-**	**-**	**-**	* **-**	**-**	* **-**
	-	-	-	-	(-)	-	(-)
NCDTIL	**-**	**1**	**-**	**-**	**-**	**-**	**1**
	-	(-)	-	-	-	-	(-)
Purchase of fixed assets :							
UKL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(119)	-	(119)
Sale of goods:							
NCDTIL	**-**	**483**	**-**	**-**	**-**	**-**	**483**
	-	(624)	-	-	-	-	(624)
GPPL	**-**	**-**	**-**	**-**	**31**	**-**	**31**
	-	-	-	-	(48)	-	(48)
IOCL	**-**	**-**	**-**	**-**	**17**	**-**	**17**
	-	-	-	-	(-)	-	(-)
Sale of service (Job Work)							
IOCL	**-**	**-**	**-**	**-**	**23**	**-**	**23**
	-	-	-	-	(84)	-	(84)
Rendering of services/ Reimbursement of expenses:							
NCDTIL	**-**	**12**	**-**	**-**	**-**	**-**	**12**
	-	(12)	-	-	-	-	(12)
IOCL	**-**	**-**	**-**	**-**	**9**	**-**	**9**
	-	-	-	-	(3)	-	(3)
CFAPL	**-**	**-**	**-**	**-**	* **-**	**-**	* **-**
	-	-	-	-	(-)	-	(-)

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

Particulars	Subsidiaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
Receiving of services/ Reimbursement of expenses:							
MFV	**-**	**-**	**17**	**-**	**-**	**-**	**17**
	-	-	(6)	-	-	-	(6)
SFV	**-**	**-**	**3**	**-**	**-**	**-**	**3**
	-	-	(-)	-	-	-	(-)
Compensation/others:							
SFV	**-**	**-**	**35**	**-**	**-**	**-**	**35**
	-	-	(26)	-	-	-	(26)
Remuneration :							
SFV	**-**	**-**	**167**	**-**	**-**	**-**	**167**
	-	-	(168)	-	-	-	(168)
MFV	**-**	**-**	**89**	**-**	**-**	**-**	**89**
	-	-	(73)	-	-	-	(73)
NN	**-**	**-**	**50**	**-**	**-**	**-**	**50**
	-	-	(41)	-	-	-	(41)
KT	**-**	**-**	**32**	**-**	**-**	**-**	**32**
	-	-	(27)	-	-	-	(27)
CSR	-	-	-	-	-	-	-
	-	-	-	-	-	(10)	(10)
Dividend received							
NCDTIL	**-**	**79**	**-**	**-**	**-**	**-**	**79**
	-	(169)	-	-	-	-	(169)
Dividend paid:							
SFV	**-**	**-**	**94**	**-**	**-**	**-**	**94**
	-	-	(113)	-	-	-	(113)
FAV	**-**	**-**	**-**	**2**	**-**	**-**	**2**
	-	-	-	(2)	-	-	(2)
RIL	**-**	**-**	**-**	**-**	**7**	**-**	**7**
	-	-	-	-	(8)	-	(8)
GPPL	**-**	**-**	**-**	**-**	* **-**	**-**	* **-**
	-	-	-	-	-	-	-
Balances outstanding at the end of the year							
Investments :							
NCDTIL	**2**	**68**	**-**	**-**	**-**	**-**	**70**
	(2)	(68)	-	-	-	-	(70)

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	Subsi-diaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
Trade receivables:							
NCDTIL	**-**	**68**	**-**	**-**	**-**	**-**	**68**
	-	(129)	-	-	-	-	(129)
IOCL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(34)	-	(34)
GPPL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(13)	-	(13)
CFAPL	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	-	-	(-)	-	(-)
Deposits for office :							
KMP	**-**	**-**	**32**	**-**	**-**	**-**	**32**
	-	-	(32)	-	-	-	(32)
Trade payable :							
IOCL	**-**	**-**	**-**	**-**	**131**	**-**	**131**
	-	-	-	-	(-)	-	(-)
UKL	**-**	**-**	**-**	**-**	**17**	**-**	**17**
	-	-	-	-	(7)	-	(7)
NIL	**-**	**-**	**-**	**-**	* -	**-**	* -
	-	-	-	-	(-)	-	(-)
GPPL	**-**	**-**	**-**	**-**	**8**	**-**	**8**
	-	-	-	-	(-)	-	(-)
MFV	**-**	**-**	**4**	**-**	**-**	**-**	**4**
	-	-	(-)	-	-	-	(-)

* Amount below Rupees One Lakh

Note : Figures in bracket relate to the previous year.

Particulars	**Year ended 31 March 2019**	Year ended 31 March 2018
Payment of sitting fees to Independent directors		
Sitting fees	**12**	11

Key management personnel compensation

Key management personnel compensation comprised the following :

Particulars	**Year ended 31 March 2019**	Year ended 31 March 2018
Post-employment benefits	**45**	37
Other long-term benefits	**67**	53

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

All other related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

Figures in the brackets are the corresponding figures of the previous year.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

42. Interest in joint ventures

Jointly controlled entity (JCE):							
Name of JCE and country of incorporation	**% of interest / ownership**	**Amount of interest based on accounts for the year ended 31 March 2019**					
		Assets	**Liabilities**	**Income**	**Expenditure**	**Contingent liabilities**	**Capital commitments**
Nalco Champion Dai-ichi India Pvt. Ltd.- India	**50**	**2607**	**2607**	**2064**	**2043**	**713**	**-**
Previous year	50	2,503	2,503	2,221	1,958	750	-

43. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

Level 1: inputs to valuation are quoted (unadjusted) prices in active markets for identical assets and liabilities;

Level 2: inputs to valuation are other than quoted prices included in level 1 that are observable for asset or liability, either directly or indirectly;

Level 3: inputs are not based on observable market data. Fair value are determined in whole or in part using a valuation model based on assumption that are either supported by prices from observable current market transaction in the same instruments nor are they based on available market data.

The carring value of financial instruments by categories is as follows :

Particulars	**As at 31st March 2019**							
	Carrying amount				**Fair value**			
	FVTPL	**FVTOCI**	**Amotised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								
Cash and cash equivalents	**-**	**-**	**494**	**494**	**-**	**-**	**-**	**-**
Other bank balances	**-**	**-**	**274**	**274**	**-**	**-**	**-**	**-**
Current investments	**282**	**-**	**-**	**282**	**282**	**-**	**-**	**282**
Non current investments (other than in subsidiary and joint venture)	**-**	**-**	**133**	**133**	**-**	**-**	**-**	**-**
Non current loans	**-**	**-**	**266**	**266**	**-**	**-**	**-**	**-**
Trade receivables	**-**	**-**	**1,651**	**1,651**	**-**	**-**	**-**	**-**
Other Current financial assets	**-**	**-**	**121**	**121**	**-**	**-**	**-**	**-**
	282	**-**	**2,939**	**3,221**	**282**	**-**	**-**	**282**
Financial liabilities								
Non current borrowings (Including current maturity of long term debts)	**-**	**-**	**8,985**	**8,985**	**-**	**-**	**-**	**-**
Current borrowings	**-**	**-**	**1,405**	**1,405**	**-**	**-**	**-**	**-**
Trade payables	**-**	**-**	**2,220**	**2,220**	**-**	**-**	**-**	**-**
Other Current financial liabilities	**-**	**-**	**915**	**915**	**-**	**-**	**-**	**-**
	-	**-**	**13,525**	**13,525**	**-**	**-**	**-**	**-**

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

	As at 31st March 2018							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	365	365	-	-	-	-
Other Bank Balances	-	-	327	327	-	-	-	-
Current investments	1,709	-	-	1,709	1,709	-	-	1,709
Non current investments (other than in subsidiary and joint venture)	-	-	360	360	-	-	-	-
Non current loans	-	-	262	262	-	-	-	-
Trade receivables	-	-	3,029	3,029	-	-	-	-
Other Current financial assets	-	-	135	135	-	-	-	-
	1,709	**-**	**4,478**	**6,186**	**1,709**	**-**	**-**	**1,709**
Financial liabilities								
Non current borrowings (Including current maturity of long term debts)	-	-	6,668	6,668	-	-	-	-
Current borrowings	-	-	1,006	1,006	-	-	-	-
Trade payables	-	-	2,161	2,161	-	-	-	-
Other Current financial liabilities	-	-	1,481	1,481	-	-	-	-
	-	**-**	**11,316**	**11,316**	**-**	**-**	**-**	**-**

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair value

a) The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.

i. Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Trade and other receivables

Trade receivables are consisting of a large number of customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

At March 31, 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2019	31 March 2018
India	**1,235**	1,669
Other regions	**415**	1,360
	1,650	3,029

Impairment

At March 31, 2019, the ageing of trade and other receivables that were not impaired was as follows.

	31 March 2019	31 March 2018
Neither past due nor impaired		
Past due 1–180 days	**1,618**	3,015
Past due more than 180 days	**33**	14
	1,651	3,029

Management believes that the un-impaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	31 March 2019	31 March 2018
Balance as at the beginning of the year	**3**	8
Impairment loss recognised	**-**	-
Amounts written off / back	**-**	(5)
Balance as at the end of the year	**3**	3

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 majority of the Group's Trade receivables are due for maturity within 60 days from the date of billing to the customer. Further, the general credit terms for Trade payables are approximately 45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

	Contractual cash flows					
March 31, 2019	**Carrying amount**	**Total**	**less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Term loans from banks	**8,985**	**8,985**	**1,667**	**1,930**	**5,388**	**-**
Working capital loans from banks	**1,405**	**1,405**	**1,405**	**-**	**-**	**-**
Trade payables	**2,220**	**2,220**	**2,220**	**-**	**-**	**-**
Other Current financial liabilities	**915**	**915**	**912**	**-**	**-**	**2**
	Contractual cash flows					
March 31, 2018	Carrying amount	Total		1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	6,668	6,668	626	1,364	4,678	-
Working capital loans from banks	1,006	1,006	1,006	-	-	-
Trade payables	2,161	2,161	2,161	-	-	-
Other Current financial liabilities	1,481	1,481	1,479	-	-	2

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Group is exposed to currency risk on account of its payables and receivables in foreign currency. The functional currency of the Group is Indian Rupee. The Group has major exposure to USD

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2019 and 31 March 2018 are as below:

	31 March 2019	31 March 2018
	$ in Lakhs	$ in Lakhs
Financial assets		
Trade and other receivables	**6**	21
	6	21
Financial liabilities		
Trade and other payables	**3**	3
	3	3

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
INR	**31 March 2019**	31 March 2018
USD	**69.26**	65.17

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at March 31 would have affected the measurement of financial instruments denominated in foreign currencies 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 of forecast sales and purchases.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
31 March 2019		
10% movement	**20**	**(20)**
USD		
	20	**(20)**
	Profit or loss	
Effect in INR	Strengthening	Weakening
31 March 2018		
10% movement	121	(121)
USD		
	121	(121)

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	31 March 2019	31 March 2018
Fixed-rate instruments		
Financial assets bonds	**133**	360
Financial liabilities vehcile loans	**39**	62
	95	298
Variable-rate instruments		
Financial liabilities - term loan and Cash Credit	**10,333**	7,579
	10,333	7,579
Total	**(10,238)**	(7,281)

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable rate instruments:

	Profit or loss		Equity, net of tax	
INR	**100 bp increase**	**100 bp decrease**	**100 bp increase**	**100 bp decrease**
31 March 2019				
Variable-rate instruments	**103**	**(103)**	**75**	**(75)**
Cash flow sensitivity (net)	**103**	**(103)**	**75**	**(75)**
31 March 2018				
Variable-rate instruments	76	(76)	55	(55)
Cash flow sensitivity (net)	76	(76)	55	(55)

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

44. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at 31 March 2019 was as follows.

	As at 31 March 2019	As at 31 March 2018
Total Borrowing	**10,371**	7,641
Less : Cash and cash equivalent	**494**	365
Adjusted net debt	**9,878**	7,276
Total equity	**14,270**	15,883
Net debt to equity ratio	**0.69**	0.46

45. Income Taxes

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in profit and loss

	For the year ended 31 March 2019	For the year ended 31 March 2018
Current tax		
Current period tax	**-**	352
Deferred tax		
Decrease/Increase in Deferred Tax Asset	**(1,158)**	147
Increase/Decrease in Deferred Tax Liability	**-**	-
Mat Credit entitlement	**(27)**	(60)
Total Deferred Tax Expense/(benefit)	**(1,185)**	87
Tax expense for the year	**(1,185)**	439

(ii) Tax recognised in other comprehensive income

	For the year ended 31 March 2019			For the year ended 31 March 2018		
	Before tax	**Tax (expense) benefit**	**Net of tax**	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	**43**	**(12)**	**31**	* -	* -	3
	43	**(12)**	**31**	* -	* -	3

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(B) Reconciliation of effective tax rate (₹ in lakhs)

	(%)	For the year ended 31 March 2019	(%)	For the year ended 31 March 2018
Profit before tax		**(2,478)**		1,637
Tax using the Company's domestic tax rate (Current year 34.6% and Previous Year 34.6%)	**27.8%**	**(689)**	34.6%	567
Tax effect of:				
Decrease in substantially enacted tax rate	**-**	**-**	-2.0%	(32)
Land indexation	**17.6%**	**(436)**	-	-
Long term capital gains taxable at lower rate	**-**	**-**	-0.4%	(6)
Long term capital gains exempt under income tax	**-**	**-**	-0.5%	(9)
Income exempt from income taxes	**0.9%**	**(23)**	-4.2%	-
Unrecognised MAT Credit of previous year	**1.1%**	**(27)**	0.0%	-
Others	**0.4%**	**(10)**	-0.7%	(12)
	47.8%	**(1,185)**	26.8%	439
The Company's weighted average tax rates for the years ended 31 March 2019 and 2018 were 27.82% and 34.6%, respectively.				

(C) Movement in deferred tax assets and liabilities

	March 31, 2019					
	Net balance April 1, 2018	**Recognised in profit or loss**	**Recognised in OCI**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred Tax Liabilities:						
Property, plant and equipment and Intangible assets	**(175)**	**(741)**	**-**	**(916)**	**-**	**(916)**
Investment	**(103)**	**86**	**-**	**(17)**	**-**	**(17)**
Deferred Tax Assets:						
Employee benefits	**92**	**(13)**	**12**	**91**	**91**	**-**
Bonus	**11**	**(4)**	**-**	**7**	**7**	**-**
Trade receivables	**1**	**-**	**-**	**1**	**1**	**-**
Income tax loss (including depreciation)	**-**	**1,377**		**1,377**	**1,377**	**-**
Other items	**5**	**5**	**-**	**10**	**10**	**-**
Indexed Cost of Land	**-**	**436**	**-**	**436**	**436**	**-**
MAT credit entitlement	**60**	**27**	**-**	**87**	**87**	**-**
Deferred Tax assets (Liabilities)	**(109)**	**1,173**	**12**	**1,076**	**2,009**	**(933)**
Offsetting of deferred tax assets and deferred tax liabilities					**(933)**	**933**
Net Deferred Tax assets (Liabilities)	**(109)**	**1,173**	**12**	**1,076**	**1,076**	**-**

	31 March, 2018					
	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Deferred Tax Liabilities:						
Property, plant and equipment and Intangible assets	4	(179)	-	(175)	-	(175)
Investment	(176)	73	-	(103)	-	(103)
Employee benefits	116	(24)	-	92	92	-

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Bonus	10	1	-	11	11	-
Trade receivables	5	(4)	-	1	1	-
Cenvat credit on closing stock	16	(16)	-	-	-	-
Other items	4	1	-	5	5	-
MAT credit entitlement	-	60	-	60	60	-
Deferred Tax assets (Liabilities)	(21)	(88)	-	(109)	169	(278)
Offsetting of deferred tax assets and deferred tax liabilities					(278)	278
Net Deferred Tax assets (Liabilities)	(21)	(88)	-	(109)	(109)	-

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

D. Tax assets and liabilities

Particulars	**As at 31 March 2019**	As at 31 March 2018
Non Current tax assets (net)	**437**	409
Current tax assets (net)	**-**	-
Current tax liabilities (net)	**-**	-

46. Going Concern

The Company has reported a net loss of ₹ 1,263 lakhs during the current year (Previous year : profit ₹ 1,198 lakhs). The networth of the Company as at 31 March 2019 is positive. The management on the basis of the future cash flow projections, strongly believes that the Company will continue to operate as a going concern and will meet all its liabilities as they fall due for payment and consequently will be in a position to continue its operations for the foreseeable future, to realise its assets and to discharge its liabilities in the normal course of business. Accordingly, these financial statements have been prepared on a going concern basis, which contemplates realisation of assets and settlement of liabilities in the normal course of business.

47. Kasarwadi Plant Shutdown

On 25 January 2019, board of directors had announced the closed down of its Kasarwadi Plant. Pursuant to the shutdown, operations at Kasarwadi Plant are shifted to its new established Plant situated Dahej, Gujarat. The Company has followed the due legal process prescribed under the provisions of Section 25-FFF of the Industrial Disputes Act, 1947 for retrenchment of the workers and had recognised and paid for retrenchment compensation to the eligible workers of ₹ 142 lakhs. Some employees at Kasarwadi plant have filed a legal case against the Company claiming the closure is not as per the relevant provisions of the Industrial Disputes Act, 1947. Due to the above ongoing litigation, the Company is unable to move its property, plant and equipment (PP&E) aggregating to ₹ 486 lakhs (WDV) and inventory of ₹ 332 lakhs from Kasarwadi to Dahej. The Management of the Company believes that, the Company has a strong case on merits and is expecting a favorable order from the Court and has thus not recorded any provision towards inventory and impairment of PP&E.

48 Investment in Joint venture

Joint Venture : Nalco Champion Dai-ichi India Pvt. Ltd.

The summarised financial information of the joint venture based on its Ind AS financial statements, and reconciliation with carrying amount of the investment in the Group are set out as under.

Notes forming part of the consolidated financial statements for the year ended 31 March 2019 (Contd.)

(₹ in lakhs)

Particulars	31 March 2019	31 March 2018
Current assets	**2,564**	2,729
Non- current assets	**2,650**	2,279
Non- current liabilites	**(25)**	(27)
Current liabilities	**(1,253)**	(854)
Equity	**3,937**	4,127
Proportion of the Group ownership	**50%**	50%
Carrying amount of the investment	**1,968**	2,063

Summarised Statement of Profit and Loss of the Joint Venture

Particulars	31 March 2019	31 March 2018
Revenue from operation	**3,915**	4,361
Other Income	**213**	80
Total	**4,128**	4,441
Cost of materials consumed	**2,679**	2,637
Changes in inventories of finished goods and work-in-progress	**(49)**	(84)
Employee benefits expense	**-**	51
Finance costs	**425**	416
Depreciation and amortisation expense	**18**	13
Excise duty	**55**	57
Other expenses	**958**	825
Total	**4,086**	3,915
Profit before tax	**42**	526
Tax Expenses	**37**	192
Profit for the year	**5**	334
Group's Share of Profit (%)	**50%**	50%
Group's Share of Profit	**2**	167

49. Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Group for the year.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Balajirao Pothana
Partner
Membership No. 122632

Place : Mumbai
Date : 9 May 2019

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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

Adi Jehangir
Director
(DIN: 00001752)

Behram Sorabji
Director
(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

Form AOC-1

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

Part "A" -Subsidiaries **(₹ in Lakh)**

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

* Amount below Rupees One Lakh

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

Part "B" - Joint Ventures **(₹ in Lakh)**

	Name of Joint Venture	Nalco Champion Dai-ichi India Private Limited
1	Latest audited Balance Sheet date	31-03-2019
2	Shares of Joint Venture held by the Company on the year end :	
	No. of Shares	11,25,000
	Amount of investment in Joint Venture	68
	Extent of holding	50%
3	Description of how there is significant influence	50% holding in JV
4	Reason why the Joint venture is not consolidated	NA
5	Net worth attributable to shareholding as per last audited balance sheet	1,968
6	Profit for the year	
	1. Considered in consolidation	-
	2. Not considered in consolidation	-
7	Names of Associates or Joint Ventures which is yet to commence operations	Nil
8	Names of Associates or Joint Ventures which have been liquidated or sold during the year	Nil

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
CIN: L24100MH1960PLC011681

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

Adi Jehangir
Director
(DIN: 00001752)

Behram Sorabji
Director
(DIN: 02035239)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 9 May 2019

DAI-ICHI KARKARIA LIMITED

CIN:L24100MH1960PLC011681

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

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

PROXY FORM

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

59TH ANNUAL GENERAL MEETING ON AUGUST 13, 2019

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

I/We, being the Member(s) holding ___________________shares of Dai-ichi Karkaria Limited above named Company, hereby appoint:

(1) Name: ....

Address: ....

.... E-mail Id: ....or failing him

(2) Name: ....

Address: ....

.... E-mail Id: ....or failing him

(3) Name: ....

Address: ....

.... E-mail Id: ....

as my/our proxy to attend and vote for me/us and on my/our behalf at the 59th Annual General meeting of the Company, to be held on Tuesday, August 13, 2019 at 11.30 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	**Description**	**For**	**Against**
1	Receive, Consider and Adopt: (a) Audited Financial Statements and Reports thereon for the financial year ended March 31, 2019. (b) Audited Consolidated Financial Statements and Auditors report for the financial year ended March 31, 2019.		
2	Re-appointment of Mr. A. H. Jehangir (DIN:00001752), who retires by rotation.		
3	Appointment of Mr. Behram Sorabji (DIN: 02035239) as an Independent Director.		
4	Ratification of remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant (Membership No. 5599) as Cost Auditor of the Company for the F.Y. ended 31.3.2020		

Signed this .... day of 2019

Affix Revenue Stamp of ₹ 1/-

______________________ ___________________________

Signature of Member Signature of Proxy holder(s)

*Applicable for investors holding shares in electronic form.

NOTES:

(1) The proxy in order to be effective should be duly filled up, stamped, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

(2) A proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

NOTES

NOTES