DAI-ICHI

Specialty Chemicals

58th ANNUAL REPORT

2017-2018

DAHEJ PLANT

BOARD OF DIRECTORS:

Mrs. S.F. Vakil — Chairperson & Managing Director
Mr. A. H. Jehangir
Dr. A.M. Naik
Mr. K. D. Patel
Mr. K. M. Elavia

Chief Operating Officer:
Ms. Meher Vakil

Chief Financial Officer:
Mr. Nitin Nimkar

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
email: investor@dai-ichiindia.com
website: www.dai-ichiindia.com

Works:
1. D-2/20, GIDC - II, Dahej, Vagra, District Bharuch, Gujarat - 392130.
2. 105th Milestone, Mumbai-Pune Road, P. O. Kasarwadi, Pune- 411034.
3. Kurkumbh Industrial Area, Plot No. D-13, Village Kurkumbh, Tal. Daund, Dist. Pune.

Registrars and Transfer Agents:
Sharex Dynamic (India) Private Ltd.
Unit 1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai -400 072
Tel: 2851 5606/2851 5644
email: sharexindia@vsnl.com
website: www.sharexindia.com

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58th Annual General Meeting

Date & Time:
Wednesday, August 8, 2018 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 2, 2018 to August 8, 2018

NOTICE

NOTICE is hereby given that Fifty-Eighth Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Wednesday, August 8, 2018 at 11:30 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Kala Ghoda, 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, 2018 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, 2018 and the Report of the Auditors thereon.
2. To declare a dividend for the year ended March 31, 2018.
3. To appoint a Director in place of Mr. A. H. Jehangir (DIN: 00001752), who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business

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, 2018 and March 31, 2019 amounting to ₹ 1.20 Lakhs (Rupees One Lakh Twenty Thousand Only) and ₹ 1.40 Lakhs (Rupees One Lakh Forty Thousand Only) (plus applicable taxes and reimbursement of actual out of pocket expenses) respectively for the aforesaid financial years, 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 10, 2018

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 under item 4 above is annexed hereto.

4) The Register of Members and Share Transfer Books of the Company will remain closed from August 2, 2018 to August 8, 2018 (both days inclusive).

5) Dividend on Equity Shares, if declared and approved at the 58th Annual General Meeting, will be credited/ dispatched on or before August 22, 2018, to those shareholders whose names shall appear on Company's Register of Members as on Book Closure date.

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 2011 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 2011 and subsequent years are therefore requested to approach the Company / Registrar and Transfer Agent 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 17th July, 2017 (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. at Unit – 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 and members whose shareholding is in electronic mode are requested to direct change of their address notification to their respective Depository Participants.

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

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

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

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

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

12) SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.

13) 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.

14) **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 58th 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 5, 2018 at 10 a.m. and ends on August 7, 2018 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) August 1, 2018 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 1, 2018 can view the Notice of the 58th 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 58th 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.

15) In terms of Regulation 26(4) and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to Clause 1.2.5 of the Secretarial Standard on General Meetings (SS- 2) details of Director seeking re-appointment at the 58th Annual General Meeting:

Name	Mr. A. H. Jehangir
Age	61 years
Date of Appointment	19.02.1986
Expertise in Specific function area	More than 30 years of experience in Investment Business
Qualifications	Commerce Graduate
No of shares held in the Company	100 shares (0.00%)
Relationship with Directors & Key Managerial Personnel	Mr. Jehangir is not related to any Directors/ KMP of the Company.
Number of Board Meeting attended during FY 2017-18	5 (five) Board meetings were held and attended during F.Y. 2017-18
Other Directorship in Companies/LLP	i. Cowhill Enterprises LLP ii. Amerado Enterprises LLP iii. Goodearth Enterprises LLP iv. Cannadel Enterprises LLP v. Cowasjee Jehangir Enterprises LLP vi. Wild Flower Enterprises LLP vii. Jehangir Brand Management Pvt. Ltd
Chairman/ Member of the Committees of Boards of other companies	Nil
Terms and conditions of appointment	Non-Executive Director liable to retire by rotation
Details of remuneration	Please refer to the Directors Report and Report on Corporate Governance

ANNEXURE TO THE NOTICE

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

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, 2018 and March 31, 2019, on a remuneration of ₹ 1.20 Lakhs and ₹ 1.40 Lakhs (plus applicable taxes and reimbursement of actual out of pocket expenses) respectively for the aforesaid financial years.

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, 2018 & March 31, 2019.

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

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

Place : Mumbai
Date : May 10, 2018

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

Kavita Thadeshwar
Company Secretary

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 – Eighth Annual Report together with the audited accounts for the year ended March 31, 2018.

FINANCIAL RESULTS: **(₹ in Lakhs)**

Particulars	As on 31st March, 2018	As on 31st March, 2017
Gross Revenue from operations	**15,121**	13,398
Net Revenue from operations	**14,911**	12,598
Other Income	**354**	1,215
Total Income	**15,475**	14,613
PBDIT	**2,098**	2,961
Profit before tax	**1,637**	2,749
Earnings per equity share:		
Basic and Diluted (₹ 10/- each)	**16.08**	28.03
Book Value of Shares (₹)	**186.40**	173.93

The Company has adopted "Ind AS" with effect from 1st April 2017. Financial statements for the year ended 31st March, 2017 have been re-stated to conform to Ind AS. Note 3 to the financial statement provides additional information on the transition to Ind AS.

DIVIDEND:

The Directors are pleased to recommend a dividend of ₹ 2.50 per equity share of ₹ 10/- each for the year ended 31st March, 2018. The dividend payout will aggregate to ₹ 186.28 lakhs and the tax on distributable profits payable by the Company would amount to ₹ 38.30 lakhs.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

Business Environment & Economic Outlook:

The Indian Chemical Industry is ranked 7th globally and is poised to reach $ 370 billion by 2025.

As Indian companies work their way towards global quality standards, their cost competitiveness in raw material and capital costs make them a force to reckon with in global markets. As these companies focus on quality, safety of the environment and transform as providers of solutions they continue to make their mark on the global stage.

The global chemical industry is expected to grow at a CAGR of 3.9% between 2010 and 2030. However, Asia will grow at a faster pace than Europe and America achieving 64% of the global capacity by 2030. This is due to the effect of lower spending in matured markets together with higher regulatory costs.
Though China will grow at a slower pace, India has a huge potential for growth in the near future.

Speciality Chemicals will continue to be a high growth, high focus area. The Speciality Chemical Industry has the potential to be $ 150 billion by 2020 - 2025 as demand grows and there is the need for increased market differentiation, to meet the rising expectations of the Indian consumer.

In addition, there are several disruptive technologies that will affect the growth of the Indian Speciality Chemical Market with Digitisation as the major contributor. In addition, innovations like the electric car and focus on solar energy will throw up several new opportunities for the Speciality Chemical Sector.

Digitisation is the enhanced way of operating business by utilising data, analytics and newer technologies. The opportunities that arise out of digital manufacturing will increase productivity between 3 to 9%.

Dai-ichi has embraced digitalisation at every level adopting customised DCS systems in production processes and a CRM system for its sales force. It has used various digital enablers across all its business functions. The entire manufacturing at Dahej is done on e-digitised platform. The supply chain has also been digitised to provide complete transparency. The result will be excellence in operations, more customer centric initiatives and better business model analysis.

The company has also worked on sustainable technology of water and waste water at its new facilities. We have worked with well-known environmental consultants for waste water treatment and reuse of industrial waste water.

One of the strongest drivers for growth of the speciality chemical industry is a focus on R&D, wherein innovation should be cost effective, as well as relevant. Several new products are introduced to fill enhanced capacity at Dahej

Financial Performance:

The net revenue from operations for the Company stood at ₹ 14,911 lakhs. An increase of approximate 18% from the previous year. The PBT of the company has reduced due to the effect of change in method of valuing investments as per Ind AS, higher depreciation for Dahej plant which started its first phase of operations in January 2018 and reduction in dividend received.

Sector wise Performance:

Speciality chemicals add value to any finished product and therefore are higher in value, lower in volume and require strong knowledge of the product and its applications. Dai-ichi is majorly focused on the following end use applications: -

Paints, Textiles, Oil Field, Agro, Construction and other areas that require the use of emulsifiers and surfactants.

The company's focus on excellence in performance in these areas, allows for differentiation based on quality and effectiveness. The increased use of specialty surfactants and bio surfactants has allowed the company to use its application knowledge to develop greater and more effective products. Customized offerings that provide differentiation to the finished products of our customers is the company's main focus.

The net sales revenues of the company grew by approx. 18% over last year with the strongest growth in the Oil field sector, as well as in chemicals for the Construction industry. The year started slowly gaining momentum into the fourth quarter.

Some order deferrals in the oil field chemical sector in the second quarter were compensated by a huge surge in demand in quarter III and IV for export of these products.
With a strong product portfolio in the domestic market in end use applications of Rayon, Construction and Agro and with new product launches in the last quarter of the year, the new financial year will see strong focus in these markets.

We plan to grow the emulsifier business for Agro Chemicals by 40% in the coming year.
In addition, we will see substantial organic growth in the Construction Chemical area.

In the Oil field sector, we continue to work with our partners, Nalco Champion to develop cost competitive products for their operations worldwide. We anticipate that over the next 2-3 years we will consolidate this business & become their preferred supplier.

Exports to the refinery sector saw a very major increase, boosting the revenues and bottom line of the company.

The Paint and Construction sectors have seen a growth of 20% over the previous year and could see similar momentum in the new year if some newer innovative products are commercialised as planned.

DAHEJ Plant:

The beginning of the calendar year saw the start-up of Phase I of our Dahej Plant. Since then the plant has been regularly exporting our oil field products to the Asia Pacific Markets. In the past 3 months it has been our endeavour to stabilize and ramp up operations.

Phase II is in the process of pre-commissioning and commercializing activities. Our Ethoxylation facility is currently going through technical trials with our Swiss technology partner, Buss Chemtech AG.

Dahej when fully functional will double the capacities of our Pune plant, manufacturing diverse products to world class standards for the specialized needs of our customers. The vision & aspiration for building the Dahej plant was to set up a world class facility focused on safety and the environment. This Facility capitalizes on the available technology and expertise of the Company built over 50 years, to develop customized need-based offerings to the market. In addition, 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.
The plant is equipped with a state-of-the-art Swiss Technology- 'Buss Loop Reactor' – the 1st of its kind in India. The gas dispersion in a liquid, without any moving parts inside the reactor, makes this the safest technology for an ethoxylation process.

The 300 KLD effluent treatment plant has primary, secondary and tertiary treatment units. The treatment plant has the State of Art 'Membrane Bio Reactor' technology (Huber Membranes) for separation. The treated water will be complexly recycled within the premises and has a Zero Liquid discharge unit.

The Dahej site facilitates the manufacture of our current product portfolio with significantly higher capacities whilst strengthening our range in newer markets like Agro & Personal care.

Working Capital Management:

The significant ratios of the Company such as Ratio of Inventory to Sales is 12.95%, Receivable to Sales is 20.03% and Net Working Capital to Sales is 18.94%.

The working capital was rotated 4 times in the year, showing effective working capital management.

The Company has made arrangement of loan facilities from Banks for ₹ 92 Crores for its Dahej project, of which ₹ 65 Crores are utlised till 31st March, 2018 for payments related to Dahej.

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, 2018, the Company has one subsidiary, Dai-ichi Gosei Chemicals (India) Limited. The Company continues to be a dormant company.

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

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

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

DIRECTORS:

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

The information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standards is given in the Notice of the 58th Annual General Meeting.

The Members of the Company had appointed Dr. Anil Naik, Mr. Kavas Patel and Mr. Keki Elavia as Independent Directors under the Companies Act, 2013 for a period of 5 years for a term upto 31st March, 2019. All Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

a) In the preparation of the annual accounts, for the financial year ended March 31, 2018, 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, 2018 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:

During the year under review, the Company has undertaken CSR activities through different Implementing Agencies in the areas of Health Care including Palliative Health Care and Childhood Cancer Treatment, Education, Sanitation and Conservation of Environment.

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

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

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED:

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

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

The Company pursues multiple developmental initiatives and ongoing training programs to reinforce a high-performance work ethic. Performance-based recognition drives company's culture of achievement and excellence.

The Company's Human Resource Policy over the years has resulted in a very low attrition ratio. 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;

- Succession plan based training programs to fill the Knowledge gap.
- Dai-ichi Employee Engagement Program (DEEP).
- Career growth plan through annual assessment.
- Supporting employment related legislative compliance.
- Promoting excellence in human resource management.
- Internal External Training Program.
- 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 2018, the total number of employees on the payrolls of the company at all the locations was 220.

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:

M/s. B S R & 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:

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

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Kaushik M. Jhaveri & Co., a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the F.Y. 2017-18 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 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, 2018 & March 31, 2019.

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, 2018 & March 31, 2019 is being placed at the 58th 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:

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

CORPORATE GOVERNANCE:

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

A separate report on Corporate Governance is attached as a part of the Annual Report along with the certificate from Practicing Company Secretary 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 2018-2019.

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

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

(c) Environment:

Regular environment monitoring carried out to ensure pollution levels for air and water are below the 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 and maintained and treated effluent is used in various processes, thus, increasing water conservation.

Sulphonation plant is also upgraded which has brought emission levels of Sulphur Trioxide (SO_3) & Sulphur Dioxide (SO_2) to a bare minimum.

INDUSTRIAL RELATIONS:

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

Considering the prolonged judicial process and financial hardships that workers face, the Company together with some of the workers has taken initiative to come to an amicable solution and have signed individual wage rise settlements.

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 2017-18;

- Number of complaints received: Nil
- Number 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 3, 2018

ANNEXURE ‘A‘ TO THE DIRECTORS’ REPORT

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

   The Company had undertaken CSR activities through Implementing Agencies in the areas of preventive Health Care including Palliative Health Care and Childhood Cancer Treatment, Education, Sanitation and Conservation of Environment.

   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:** The Committee comprises of Mr. Keki Elavia as Chairman, Mr. Adi Jehangir and Mrs. S.F. Vakil as members.

3. **Average net profit of the Company for the last three financial years:** ₹ 1394.59 lakhs

4. **Prescribed CSR Expenditure:** ₹ 27.89 lakhs

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

   a) Total amount to be spent for the financial year: ₹ 27.89 lakhs

   b) Amount unspent, if any: ₹ 11.89 lakhs

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

<table>
<tr><th>(1)</th><th>(2)</th><th>(3)</th><th>(4)</th><th>(5)</th><th>(6)</th><th>(7)</th><th>(8)</th></tr>
<tr><th>Sr. No.</th><th>CSR project or activity identified</th><th>Sector in which the Project is covered</th><th>Projects or Programs
1. Local area or other
2. Specify the State and District where projects or programs was undertaken</th><th>Amount outlay (budget) project or programs wise</th><th>Amount spent on projects or programs
1. Direct expenditure on projects or programs
2. Overheads</th><th>Cumulative expenditure up to the reporting period</th><th>Amount spent: Direct or through implementing agency</th></tr>
<tr><td>1.</td><td>Providing medical help for patients suffering from diseases such as:
•Renal failure
•Cancer
•Heart problems/ diseases
•Lung diseases
•Cataract etc.</td><td>Health Care</td><td>Maharashtra (Mumbai & Thane)</td><td rowspan="2">An amount of ₹ 10 lakhs were spent towards Education and Medical</td><td rowspan="2">An amount of ₹ 10 lakhs were spent towards Education and Medical</td><td rowspan="2">An amount of ₹ 10 lakhs were spent towards Education and Medical</td><td rowspan="2">Maneckji and Shirinbai Neterwala Foundation</td></tr>
<tr><td>2</td><td>• Providing Scholarship to deserving students*.
• Providing help to schools imparting special education by sponsoring fees of students or equipments, devices to help them cop up with the handicap faced by them*.</td><td>Education</td><td>Maharashtra (Mumbai & Thane)</td></tr>
</table>

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or Programs 1. Local area or other 2. Specify the State and District where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on projects or programs 1. Direct expenditure on projects or programs 2. Overheads**	**Cumulative expenditure up to the reporting period**	**Amount spent: Direct or through implementing agency**
3	Providing medical help for palliative health care	Health Care	Maharashtra	₹ 5 lakhs	₹ 5 lakhs	₹ 5 lakhs	The Jimmy S. Bilimoria Foundation
4	Providing medical help in battling childhood cancer	Health Care	Maharashtra	₹ 0.5 lakhs	₹ 0.5 lakhs	₹ 0.5 lakhs	The Tata Memorial Hospital
5	Environment sustainability.	Conservation of Environment	Maharashtra	₹ 0.5 lakhs	₹ 0.5 lakhs	₹ 0.5 lakhs	Bombay Environmental Action Group
	Total(1+2+3+4+5)			**₹ 16 Lakhs**	**₹ 16 Lakhs**	**₹ 16 Lakhs**	

* Subject to satisfying specified criteria's

6. **Reasons for not spending the entire amount:** The Company is in the process of identifying the areas where the amount of CSR could be spent.

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

Mrs. S. F. Vakil
Chairperson & Managing Director

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

Place: Mumbai
Date: May 3, 2018

ANNEXURE 'B' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

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

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

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

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 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, 2018 according to the provisions of:

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

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

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

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

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations,2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; (Not Applicable to the company during audit period)

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the company during audit period)

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the company during audit period)

  (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents)Regulations,1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations , 2009; (Not Applicable to the company during audit period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(Not Applicable to the company during audit period)

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

(a) The Water (Prevention and Control of Pollution) Act, 1974

(b) The Air (Prevention and Control of Pollution) Act, 1981

(c) The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

(d) The Environment Protection Act, 1986 and Environment (Protection) (Second Amendment) Rules, 1992

(e) The Legal Metrology Act, 2009

(f) The Electricity Act, 2003

(g) The Public Liability Insurance Act, 1991

(h) The Indian Gas Act, 1995

(i) The Petroleum Act, 1934

(j) The Factories Act, 1948

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

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

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

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

We further report that

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

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

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

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

We further report that during the audit period there were no such 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

Place: Mumbai
Date : 3 May, 2018

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

Annexure to Secretarial Audit Report of

Dai – ichi Karkaria Limited for the year ended 31st March, 2018

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

Place: Mumbai
Date : 3 May, 2018

ANNEXURE 'C' TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and
Rule 12(1) of the Companies(Management and Administration) Rules, 2014

Form No. MGT-9

I. REGISTRATION AND OTHER DETAILS:

CIN	L24100MH1960PLC011681
Registration Date	13.05.1960
Name of the Company	DAI-ICHI KARKARIA LIMITED
Category/ Sub-Category of the Company	Public Company having Share Capital
Address of the Registered office and contact details	Liberty Building, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400020
	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) Private Ltd. Unit 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed Pool, Andheri (E), Mumbai – 400 072 Tel: 2851 5606/2851 5644 email: sharexindia@vsnl.com website: www.sharexindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Oil Field Chemicals	2029	47%

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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	4482255	0	4482255	60.16	4482355	0	4482355	60.16	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	263384	0	263384	3.54	267875	0	267875	3.60	0.06
(e) Banks/FI	0	0	0	0	0	0		0	0
(f) Any Other	0	0	0	0		0	0	0	0
Sub-total (A) (1):-	**4745639**	**0**	**4745639**	**63.69**	**4750230**	**0**	**4750230**	**63.75**	**0.06**
(2) Foreign									
(a) NRIs Indiviuals	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**4745639**	**0**	**4745639**	**63.69**	**4750230**	**0**	**4750230**	**63.75**	**0.06**
B. Public Shareholding									
(1) Institutions									
(a) Mutual Funds	0	1600	1600	0.02	22060	0	22060	0.30	0.28
(b) Banks / FI	0	0	0	0	100	0	100	0.00	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	44036	0	44036	0.59	0.59
(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	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	**0**	**1600**	**1600**	**0.02**	**66196**	**0**	**66196**	**0.89**	**0.87**
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	228952	26400	255352	3.43	257744	26300	284044	3.81	0.38
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									

(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1153774	140677	1294451	17.37	1243346	113577	1356923	18.21	0.84
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	746044	0	746044	10.01	825141	0	825141	11.07	1.06
(c) Other (specify)									
(i) Non Resident Indians	150840	24600	175440	2.36	119066	11400	130466	1.75	-0.60
(ii) Overseas Corporate Bodies	0	20100	20100	0.27	9792	15000	24792	0.33	0.06
(iii) Clearing Members	212603	0	212603	2.85	13437	0	13437	0.18	-2.67
Sub-total (B)(2):-	**2492213**	**211777**	**2703990**	**36.29**	**2468526**	**166277**	**2634803**	**35.36**	**-0.93**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2492213**	**213377**	**2705590**	**36.31**	**2534722**	**166277**	**2700999**	**36.25**	**-0.06**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**7237852**	**213377**	**7451229**	**100.00**	**7284952**	**166277**	**7451229**	**100.00**	**0**

(ii) Shareholding of Promoters

Sr. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	
1	Shernaz F Vakil	3767963	50.57	0	3767963	50.57	0	0
2	Parveenbibi H. Malik	316083	4.24	0	316083	4.24	0	0
3	Roshan H. 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 A. Vakil	76009	1.02	0	76109	1.02	0	0
6	Mehernaz H. Gazdar	8833	0.12	0	8833	0.12	0	0
7	General Pharmaceuticals Private Limited	584	0.01	0	5075	0.07	0	0.06
8	Hamidkhan U. Malik	3200	0.04	0	3200	0.04	0	0
9	Shireen H. Gazdar	1300	0.02	0	1300	0.02	0	0
10	Hoshang R. 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 (01.04.2017) and end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Firoze A. Vakil	76009	1.02	01-04-2017				
				15-12-2017	100	Buy	76109	1.02
	-Closing Balance			31-03-2018			76109	1.02
2	General Pharmaceuticals Private Limited	584	0.01	01-04-2017				
				15-12-2017	3000	Buy	3584	0.05
				22-12-2017	1000	Buy	4584	0.06
				26-01-2018	491	Buy	5075	0.07
	-Closing Balance			31-03-2018			5075	0.07

(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 (01.04.2017) and end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	**PRATIKSHA SATISHCHANDRA DOSHI**	162128	2.18	01-04-2017	—	—	—	—
		—	—	07-04-2017	55000	Buy	217128	2.91
	-Closing Balance	—	—	31-03-2018	—	—	217128	2.91
2	**HITESH SATISHCHANDRA DOSHI**	90009	1.21	01-04-2017	—	—	—	—
		—	—	07-04-2017	50328	Buy	140337	1.88
	-Closing Balance	—	—	31-03-2018	—	—	140337	1.88
3	**AJINKYA ELECTROMELT PVT LTD.**	118362	1.59	01-04-2017	—	—	—	—
		—	—	21-04-2017	-360	Sold	118002	1.59
		—	—	26-05-2017	63	Buy	118065	1.59
		—	—	02-06-2017	288	Buy	118353	1.59
		—	—	09-06-2017	27	Buy	118380	1.59
		—	—	28-07-2017	-678	Sold	117702	1.58
		—	—	11-08-2017	703	Buy	118405	1.59
		—	—	25-08-2017	490	Buy	118895	1.60
		—	—	01-09-2017	747	Buy	119642	1.61
		—	—	15-09-2017	4	Buy	119646	1.61
		—	—	30-09-2017	297	Buy	119943	1.61

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2017) and end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
		—	—	10-11-2017	45	Buy	119988	1.61
		—	—	02-02-2018	111	Buy	120099	1.61
		—	—	09-02-2018	135	Buy	120234	1.61
	-Closing Balance	—	—	31-03-2018	—	—	120234	1.61
4	**ASHOKKUMAR PARMAR**	115000	1.54	01-04-2017	—	—	—	—
	-Closing Balance	—	—	31-03-2018	—	No Change	115000	1.54
5	**INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS**	44036	0.59	08-12-2017	—	—	—	—
	-Closing Balance	—	—	31-03-2018	—	No Change	44036	0.59
6	**SHIRISH JOSHI**	40200	0.54	01-04-2017	—	—	—	—
		—	—	12-05-2017	300	Buy	40500	0.54
		—	—	26-05-2017	700	Buy	41200	0.55
		—	—	09-06-2017	99	Buy	41299	0.55
		—	—	16-06-2017	101	Buy	41400	0.56
		—	—	23-06-2017	200	Buy	41600	0.56
		—	—	30-06-2017	400	Buy	42000	0.56
		—	—	11-08-2017	350	Buy	42350	0.57
		—	—	08-09-2017	300	Buy	42650	0.57
		—	—	15-09-2017	262	Buy	42912	0.58
		—	—	22-09-2017	88	Buy	43000	0.58
		—	—	30-09-2017	100	Buy	43100	0.58
		—	—	13-10-2017	100	Buy	43200	0.58
		—	—	20-10-2017	100	Buy	43300	0.58
		—	—	03-11-2017	100	Buy	43400	0.58
		—	—	24-11-2017	530	Buy	43930	0.59
	-Closing Balance	—	—	31-03-2018	—	—	43930	0.59

Sl. No.	Shareholder's name	Shareholding		Date	Increase / Decrease in share-holding	Reason	Cumulative Shareholding	
		No. of shares at the beginning (01.04.2017) and end of the year (31.03.2018)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
7	**DOLLY KHANNA**	90890	1.22	01-04-2017	—	—	—	—
		—	—	07-04-2017	-1000	Sold	89890	1.21
		—	—	19-05-2017	-500	Sold	89390	1.20
		—	—	26-05-2017	-500	Sold	88890	1.19
		—	—	16-06-2017	-1500	Sold	87390	1.17
		—	—	23-06-2017	-1190	Sold	86200	1.16
		—	—	07-07-2017	-725	Sold	85475	1.15
		—	—	14-07-2017	-1460	Sold	84015	1.13
		—	—	21-07-2017	-1500	Sold	82515	1.11
		—	—	04-08-2017	-10635	Sold	71880	0.97
		—	—	11-08-2017	-2500	Sold	69380	0.93
		—	—	18-08-2017	-1190	Sold	68190	0.92
		—	—	01-09-2017	-3000	Sold	65190	0.88
		—	—	08-09-2017	-740	Sold	64450	0.87
		—	—	15-09-2017	-2725	Sold	61725	0.83
		—	—	30-09-2017	-1280	Sold	60445	0.81
		—	—	06-10-2017	-750	Sold	59695	0.80
		—	—	27-10-2017	-500	Sold	59195	0.79
		—	—	03-11-2017	-2200	Sold	56995	0.77
		—	—	17-11-2017	-1000	Sold	55995	0.75
		—	—	24-11-2017	-1000	Sold	54995	0.74
		—	—	01-12-2017	-500	Sold	54495	0.73
		—	—	08-12-2017	-1530	Sold	52965	0.71
		—	—	15-12-2017	-2550	Sold	50415	0.68
		—	—	22-12-2017	-2000	Sold	48415	0.65
		—	—	29-12-2017	-1115	Sold	47300	0.64
		—	—	05-01-2018	-1900	Sold	45400	0.61
		—	—	16-02-2018	-1000	Sold	44400	0.60
		—	—	23-02-2018	-1000	Sold	43400	0.58
		—	—	02-03-2018	-1000	Sold	42400	0.57
		—	—	23-03-2018	-500	Sold	41900	0.56
	-Closing Balance	—	—	31-03-2018	—	—	41900	0.56
8	**BHUPESH KUMAR LODHA**	20000	0.27	16-02-2018	—	—	—	—
		—	—	23-02-2018	17000	Buy	37000	0.50
		—	—	02-03-2018	3500	Buy	40500	0.54
	-Closing Balance	—	—	31-03-2018	—	—	40500	0.54
9	**MAYA PATNAIK**	40000	0.54	03-11-2017	—	—	—	—
	-Closing Balance	—	—	31-03-2018		No Change	40000	0.54
10	**GANDHI SECURITIES & INVESTMENT PRIVATE LIMITED**	28610	0.38	01-04-2017	—	—	—	—
	-Closing Balance	—	—	31-03-2018	—	No Change	28610	0.38

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

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Directors and KMP	Shareholding at the beginning of the year		Date	Increase / 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	01-04-2017	-	-	-	-
	-Closing Balance	-	-	31-03-2018	-	-	3767963	50.57
2	Mr. A. H. Jehangir, Director	100	0.00	01-04-2017	-	-	-	-
	-Closing Balance	-	-	31-03-2018	-	-	100	0.00
3	Mrs. Kavita Thadeshwar, Company Secretary	1	0.00	01-04-2017	-	-	-	-
	-Closing Balance	-	-	31-03-2018	-	-	1	0.00

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

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accured but not due for payment: (Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year;				
i) Principal Amount	349.66	-	-	349.66
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.37	-	-	2.37
Total (i+ii+iii)	**352.03**	-	-	**352.03**
Change in Indebtedness during the financial year ;				
a) Addition	6,311.33	-	-	6,311.33
b) Reduction	(18.26)	-	-	(18.26)
Net Change	**6,293.07**	-	-	**6,293.07**
Indebtedness at the end 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)	**6696**	-	-	**6696**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director : (Amount 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	123.85
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12.08
	(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; Performance Incentive for F.Y. 2017-18	23.00
	Total (A)	**158.93**
	Ceiling as per the Companies Act: Remuneration paid as per Section 197 read with Schedule V to the Companies Act, 2013.	

B. Remuneration to other Directors: (Amount in 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	3.95	4.05	11.20
	b) Commission	N.A.	N.A.	N.A.	N.A.
	c) Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	**3.20**	**3.95**	**4.05**	**11.20**
2	Other Non-Executive Directors	**Mr. A. H. Jehangir**			
	a. Fee for attending Board/ Committee meetings	2.60			2.60
	b. Commission	N.A.			N.A.
	c. Others, please specify	Nil			Nil
	Total (2)	**2.60**			**2.60**
	Total (B)=(1+2)				**13.80**
	Total Managerial Remuneration (A)+(B)				**172.73**
	Overall Ceiling as per the Act:- 1% of net profits excluding sitting fees paid for attending Board/Committee Meetings.				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD (Amount in 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	51.52	39.05	25.27	115.84
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.01	0.22	-	5.23
	(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. 2017-18	12.00	-	-	12.00
	Total	**68.53**	**39.27**	**25.27**	**133.07**

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 2018.

Form A & B Report:

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

FORM 'A' FOR DISCLOSURE OF CONSERVATION OF ENERGY

I. Conservation of Energy:

(a) ENERGY CONSERVATION MEASURES TAKEN:

i. Power factor kept unity, few capacitors replaced resulting in significant cost savings.

ii. ETP treated water recycled for process cooling and water ring vacuum pumps resulting savings of MIDC fresh water up to 100m^3/day.

iii. LED bulbs installed for road lights to save energy.

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

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

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

ii. Replacement of two worm gear boxes with higher efficient Planetary gear box and VFD.

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

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

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

Sr. No	Description	2017-18	2016-17
A.	Power and fuel consumption		
	1. ELECTRICITY		
	(a) Purchased		
	Units(KWH)	**33,23,294**	27,04,966
	Purchased cost of units (₹)	**2,81,95,291**	2,17,44,527
	Rate per unit purchased	**8.48**	8.04
	(b) Own generation		
	(i) Through Diesel Generator		
	No of units Generated (KWH)	**14,007**	15,843
	Diesel Oil consumed (KL)	**5.05**	5.62
	Cost of Diesel Oil consumed (₹)	**3,09,664**	3,41,058
	Cost of Diesel/Unit generated (₹)	**22.11**	21.53
	(ii) Through Steam Turbine Generator	**Nil**	Nil
	2. COAL USED		
	No of Units consumed (KG)	**Nil**	Nil
	Purchase cost (₹)	**Nil**	Nil
	Rate per unit (KG)	**Nil**	Nil
	3. FURNACE OIL		
	Furnace oil consumed (KL)	**136.70**	205.04
	Cost of Furnace oil consumed (₹)	**37,81,381**	42,24,468
	Average rate (₹/Lt.)	**27.66**	20.60

Sr. No	Description	2017-18	2016-17
	4. BIO-FUEL BRIQUETTES		
	Bio fuel briquettes consumed (MT)	**3559.18**	2,380.54
	Cost of B.F. briquettes consumed (₹)	**1,79,01,172**	1,33,24,209
	Average rate (₹/KG)	**5.03**	5.60
B	Consumption per unit of production in MT		
	Electricity-KWH/Ton	**212.97**	200.94
	Furnace Oil -(Lt./ Ton)	**349.85**	344.19
	Briquettes – (Ton / Ton)	**0.23**	0.18

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 like New Pour Point Depressants (PPDs) for Crude oil and Transformer oils, Viscosity Index Improver for Lube oils, new range of APEO free anionic emulsifier for paint industry, Polymeric dispersant for paint industry, new additives for Rayon industry. Mercerizing wetting agents for Textile processing, Alkyl Polyglucosides, New spin finish for polyester and nylon, Cost effective all-in-one additives for sizing industry, Wetting agent and new silicone softeners for textile application and Neat ethoxylates for various applications as surfactants.
   - ii. Cost reduction through process modification of existing PPDs, performance improvement, reduction in Process cycle time, reduction in process waste generation, performance improvement of different Rayon additives and process modifications of Textiles softeners was carried out.
2. Benefits derived from research and development projects:
   - i. New range of value added Pour Point Depressants are introduced to the export market to increase the business volumes.
   - ii. Process modification of PPD was done which has resulted in overall cost reduction, process cycle time reduction, productivity improvement and minimization of disposable waste generation. The process modification has a wide range of application on other existing PPDs.
   - iii. Enhanced business with Rayon industry is anticipated.
   - iv. With the improved version of pigment dispersant, scope of increasing the volume of business is enhanced.
   - v. New type of surfactant from renewable resources would open up new applications based on green and value added chemistry.
   - vi. More APEO free surfactants were added into the current range.
3. Future Plan of research & development activities:

   R&D will focus on the development of Oilfield chemicals 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 and different grades of alkyl polyglucosides, in addition to efforts on process modification and product quality improvement of existing products.
4. Expenditure on R&D during the year

   Capital - Nil

   Recurring- ₹ 180.94 Lakhs

   Total R&D expenditure as a percentage of turnover: 1.21%

III. Technology absorption, adaptation and Innovation

During the year, Phase I (Oil Field Chemicals) of the Dahej Plant was commissioned. Phase II is in the process of pre-commissioning and commercializing activities. The commissioning of the Plant will significantly increase the existing capacities and help in diversifying the product portfolio of the Company with a special focus on safety and the environment.

For Phase II (Alkoxylation Unit), the Company has purchased from Buss Chem Tech AG, Switzerland best in class swiss technology, for augmenting its capability to manufacture a wider range of products with highest safety standards, better yields, quality, productivity and conversion costs.

IV. Foreign Exchange Earning and outgo:

Foreign Exchange Earned	₹ 2093.91 lakhs
Foreign Exchange used for imports and other remittance	₹ 1886.67 lakhs

CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2017-18.

CORPORATE GOVERNANCE DISCLOSURE

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

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

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

2. BOARD OF DIRECTORS:

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

During the financial year under review 5 (Five) Board Meetings were held on 5th May, 2017, 2nd August, 2017, 6th November, 2017, 8th December, 2017 and 5th February, 2018.

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

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

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

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

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

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

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

3. BOARD COMMITTEES:

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

(i) Audit Committee:

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

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

During the financial year under review, five (5) Audit Committee Meetings were held on 5th May, 2017, 2nd August, 2017, 6th November, 2017, 8th December, 2017 and 5th February, 2018.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings attended
1. Mr. K. D. Patel	5
2. Dr. A. M. Naik	4
3. Mr. K. M. Elavia	5

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

(ii) Stakeholders Relationship Committee:

The Stakeholders Relationship Committee consists of Mr. A. H. Jehangir as Chairman, Mrs. S F. Vakil and Dr. A.M. Naik as members. The Committee approves share transfers, transmissions, issue of duplicate share certificates, consolidation/ split of share certificates, approval of demat position and matters related to Investors Grievances as and when received. During the year under review, no complaint was received from the shareholder. There is no pending investor grievance as on March 31, 2018. The Committee holds fortnightly meetings. Mrs. Kavita Thadeshwar, Company Secretary acts as Secretary to the Committee.

(iii) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. K. D. Patel as Chairman, Dr. A. M. Naik, Mr. K.M. Elavia and Mrs. S.F. Vakil as Members. The terms of reference cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. During the financial year under review, meetings were held on 5th May, 2017 and 6th November, 2017. 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 5th May, 2017. 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

(v) Meeting of Independent Directors:

As mandated by the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate meeting of Independent Directors was held on 3rd May, 2018 for annual evaluation of the following;

a) the performance of non-independent directors and the Board of directors as a whole;

b) the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;

c) the quality, quantity and timeliness of flow of information between the company management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

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

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

4. REMUNERATION PAID TO DIRECTOR OF THE COMPANY:

a) Executive Directors:

There is only one Executive Director on the Board, i.e. Chairperson and Managing Director - Mrs. S. F. Vakil. Remuneration paid during the year includes Salary amounting to ₹ 71.90 Lakhs, Perquisites amounting to ₹ 64.03 Lakhs and Performance incentive amounting to ₹ 23 Lakhs. The remuneration excludes provision for gratuity and leave encashment, which are done based on actuarial value for Company as a whole.

b) Non-Executive Directors:

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

Name of Directors	Fees for Board meeting (₹ in Lakhs)	Fees for other Committees (₹ in Lakhs)
Mr. A. H. Jehangir	2.50	0.10
Dr. A. M. Naik	2.00	1.20
Mr. K. D. Patel	2.50	1.45
Mr. K. M. Elavia	2.50	1.55

5. a) GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2014 – 2015	31.07.2015	12.00 p.m	M.C. Ghia Hall, Mumbai
2015 – 2016	04.08.2016	11.30 a.m	M.C. Ghia Hall, Mumbai
2016 - 2017	17.07.2017	11.30 a.m	M.C. Ghia Hall, Mumbai

Special resolution passed at the last three Annual General Meeting:

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

b) POSTAL BALLOT: No resolution was required to be passed by means of postal ballot during the financial year under review

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. Exclusive email id of Nodal Office (IEPF) is kavita.thadeshwar@dai-ichiindia.com.

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

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

8. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting:

Date, Time and Venue:	August 8, 2018 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 2018 to 31st March 2019
First Quarter Results:	Second week of August, 2018
Half Yearly Results:	Second week of November, 2018
Third Quarter Results:	Second week of February, 2019
Audited results for the year ending 31st March, 2018:	Third week of May, 2019

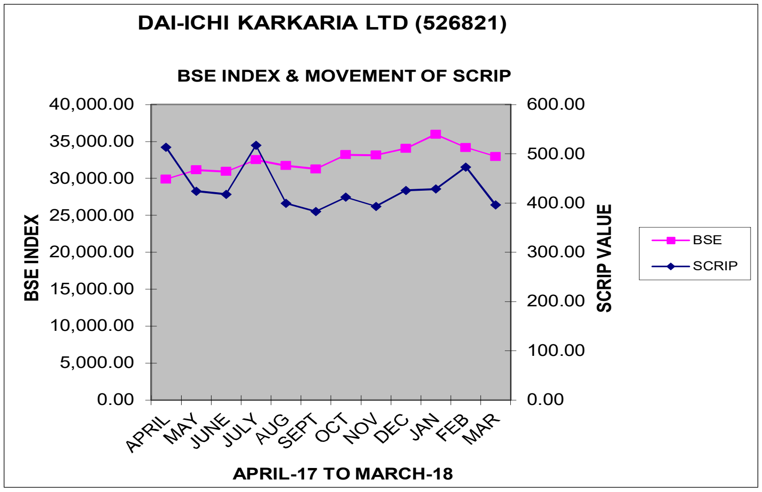
C. Date of Book Closure	August 2, 2018 to August 8, 2018
D. Dividend Payment Date	August 22, 2018
E. Listing on Stock Exchanges	BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Payment of Annual Listing Fee:	The Company has paid the annual listing fees for the financial year 2018-19
F. Stock Code -	DAI ICH KARK
Demat ISIN Number for NSDL & CDSL	INE928C01010

G. Market Price Data:

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

Month	High (₹)	Low (₹)
April 2017	545.00	444.05
May 2017	539.00	381.10
June 2017	433.80	400.00
July 2017	549.40	412.00
August 2017	522.90	390.10
September 2017	429.00	365.50
October 2017	427.00	380.00
November 2017	431.00	382.00
December 2017	475.00	340.00
January 2018	498.00	401.30
February 2018	520.00	370.00
March 2018	494.00	375.10

H. **Stock performance:**



I. **Registrar and Share Transfer Agents:**

Registrars & Transfer Agents	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Ind.Premises, Andheri Kurla Road, Safed Pool, Andheri (E), Mumbai - 400 072.
Persons to contact	Mr. Adi Patel/Mr. Sasikumar
Telephone No.	28515606/28515644
E-mail address:	sharexindia@vsnl.com

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, 2018:**

No. of shares slab	**Number of shareholders**	**(%)**	**Number of shares**	**(%)**
upto to 100	3415	61.45	197299	2.65
101 to 200	833	14.99	148475	1.99
201 to 500	736	13.24	277479	3.72
501 to 1000	274	4.93	205825	2.76
1001 to 5000	232	4.17	514896	6.91
5001 to 10000	33	0.59	244353	3.28
10001 to 100000	26	0.47	614990	8.25
100001 to above	8	0.14	5247912	70.43
TOTAL	**5557**	**100**	**7451229**	**100**

L. Shareholding pattern as on 31st March, 2018:

Categories of Shareholders		No. of shares held	%
A	**Promoters Holding**		
	Indian	47,50,230	63.75
	Foreign	Nil	Nil
	Persons acting in concert	Nil	Nil
	Sub Total	47,50,230	63.75
B	**Non-Promoters Holding**		
	Institutional Investors:		
	(i) Mutual Funds and UTI	22,060	0.30
	(ii) Banks, Financial Institutions, Insurance Companies	44,136	0.59
	(iii) FIIs	9,792	0.13
	Sub Total	75,988	1.02
	Others:		
	(i) Private Corporate Bodies	2,84,044	3.81
	(ii) Indian Public	21,82,064	29.29
	(iii) NRIs/OCBs	1,45,466	1.95
	(iv) Any other (Clearing Members)	13,437	0.18
	Sub Total	26,25,011	35.23
	GRAND TOTAL	**74,51,229**	**100.00**

M. Dematerialisation of shares:

As on 31st March 2018, 72,84,952 equity shares representing 97.77% 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

D-2/20, GIDC - II, Dahej, Vagra,
District Bharuch, Gujarat - 392130.

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

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

O. Address for correspondence:

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

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

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

9. DISCLOSURES:

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

- There were no instances of non-compliance nor have any penalties, strictures been imposed by stock exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
- The Company has a Vigil Mechanism / Whistle Blower Policy. No personnel have been denied access to the audit committee to lodge their grievances. The policy is uploaded on the website of the Company at the following link: https://www.dai-ichiindia.com/wp-content/uploads/2014/08/Vigil-Mechanism-Policy.pdf
- The Company has in place a Risk Management Policy which identifies elements of risk and the measures to counter it. The policy is reviewed by the Board every year, at the first Board Meeting held after the commencement of the financial year.
- All mandatory requirements are complied with.

10. CODE OF CONDUCT:

During the financial year under review, the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The Code has also been posted on the Company's website at the following link: 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 and
Managing Director

11. CERTIFICATE ON CORPORATE GOVERNANCE:

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

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Dai-ichi Karkaria Limited

We have examined the compliance of conditions of Corporate Governance by Dai-ichi Karkaria Limited, for the year ended on March 31, 2018, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange.

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

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

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

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

For Kaushik M. Jhaveri & Co.,

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

Place : Mumbai
Date : 3 May, 2018

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
DAI-ICHI KARKARIA LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Dai-ichi Karkaria Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit 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) prescribed under Section 133 of the Act.

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

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

Auditors' Responsibility

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

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

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

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

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory standalone financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 5 May 2017 and 14 May 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of 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.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 respect to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (g) 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 on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;

      ii. The Company did not have any other 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 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
3 May 2018

Annexure A to the Independent Auditors' Report – 31 March 2018

(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, Sales-tax, Goods and Service Tax (GST), Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there are slight delay in few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, 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 2018 for a period of more than six months from the date they became payable.

(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 2018 on account of disputes are given below:

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	3,587,442	-	3,587,442	FY 2005-06	ITAT
Income-tax Act, 1961	Income-tax, interest and penalty	2,981,358	-	2,981,358	FY 2005-06	High Court
Income-tax Act, 1961	Income-tax, interest and penalty	183,969	-	183,969	FY 2006-07	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	29,539,577	7,500,000	22,039,577	FY 2008-09	ITAT
Income-tax Act, 1961	Income-tax, interest and penalty	23,943,546	-	23,943,546	FY 2008-09	CIT (A)
Income-tax Act, 1961	Income-tax, interest and penalty	1,309,654	-	1,309,654	FY 2010-11	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	2,532,031	-	2,532,031	FY 2011-12	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	1,978,861	-	1,978,861	FY 2012-13	CIT (A)
Maharashtra Value Added Tax Act, 2002	Value added tax	1,494,908	400,000	1,094,908	FY 2008-09	DCST
Central Sales Tax Act, 1956	Central sales tax	6,238,165	90,000	6,148,165	FY 2008-09	DCST
Central Sales Tax Act, 1956	Central sales tax	325,000	-	325,000	FY 2009-10	DCST
Service tax under Finance Act	Service tax	4,864,155	-	4,864,155	FY 2008-09 to FY 2011-12	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 2018 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.

Annexure A to the Independent Auditors' Report – 31 March 2018 (Continued)

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 give 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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
3 May 2018

Annexure B to the Independent Auditors' Report on standalone Ind AS financial statements– 31 March 2018

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

We have audited the internal financial controls with reference to financial statements of Dai-ichi Karkaria Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
3 May 2018

Balance Sheet as at 31 March 2018

(₹ in lakhs)

		Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I.		**ASSETS**				
		NON-CURRENT ASSETS				
	(a)	Property, plant and equipment	4	**9,335**	1,998	1,553
	(b)	Capital work-in-progress		**4,282**	3,226	1,382
	(c)	Intangible assets		**28**	-	-
	(d)	Intangible assets under development		**-**	18	13
	(e)	Financial assets				
		(i) Investments in Subsidiary & Joint Venture	5(a)	**70**	70	70
		(ii) Other Investments	5(b)	**360**	342	139
		(iii) Loans	6	**262**	267	192
	(f)	Deferred tax assets (net)	20	**-**	-	18
	(g)	Non current Tax assets (Net)	7	**409**	389	325
	(h)	Other non-current assets	8	**885**	435	35
		Total non-current assets		**15,631**	6,745	3,727
		CURRENT ASSETS				
	(a)	Inventories	9	**1,931**	1,628	1,244
	(b)	Financial Assets				
		(i) Investments	10	**1,708**	3,983	4,545
		(ii) Trade receivables	11	**3,029**	2,050	1,838
		(iii) Cash and Cash Equivalents	12	**365**	198	370
		(iv) Bank balances other than (iii) above	13	**325**	280	316
		(v) Other Financial assets	14	**135**	82	10
	(c)	Other Current Assets	15	**2,496**	879	440
		Total Current Assets		**9,989**	9,100	8,763
		TOTAL ASSETS		**25,620**	15,845	12,490
II.		**EQUITY AND LIABILITIES**				
		EQUITY				
	(a)	Equity Share Capital	16	**745**	745	745
	(b)	Other Equity	17	**13,142**	12,213	10,155
		Total Equity		**13,887**	12,958	10,900
		LIABILITIES				
		NON-CURRENT LIABILITIES				
	(a)	Financial Liabilities				
		(i) Borrowings	18	**6,042**	362	96
	(b)	Provisions	19	**165**	173	132
	(c)	Deferred Tax Liabilities (net)	20	**109**	21	-
		Total Non-Current Liabilities		**6,316**	556	228
		CURRENT LIABILITIES				
	(a)	Financial Liabilities				
		(i) Borrowings	21	**1,006**	-	-
		(ii) Trade Payables	22	**2,161**	1,416	1,018
		(iii) Other Financial Liabilities	23	**2,107**	768	129
	(b)	Other liabilities	24	**46**	36	84
	(c)	Provisions	25	**97**	111	131
		Total Current Liabilities		**5,417**	2,331	1,362
		TOTAL EQUITY AND LIABILITIES		**25,620**	15,845	12,490
		Notes forming part of the financial statements	1-48			

The accompanying notes are an integral part of these 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

Sadashiv Shetty
Partner
Membership No. 048648
Place : Mumbai
Date : 3 May 2018

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)

Anil Naik
Director (DIN: 00002670)

Keki Elavia
Director (DIN: 00003940)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Statement of Profit and Loss for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations	26	**15,121**	13,398
Other income	27	**354**	1,215
Total income		**15,475**	14,613
Expenses			
Cost of materials consumed	28	**9,476**	7,844
Changes in inventories of finished goods and work-in-progress	29	**(7)**	(217)
Employee benefits expense	30	**1,501**	1,372
Finance costs	31	**14**	10
Depreciation and amortisation expense	32	**447**	202
Excise duty		**210**	800
Other expenses	33	**2,197**	1,853
Total Expenses		**13,838**	11,864
Profit before tax		**1,637**	2,749
Tax Expenses:	47		
Current tax		**352**	605
Deferred tax (net)		**87**	55
Total Tax Expenses		**439**	660
Profit for the year		**1,198**	2,089
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employement benefit obligation		* **0**	(46)
Income tax related to items that will not be reclassified to profit or loss		* **(0)**	16
Other comprehensive income for the year, (net of income tax)		* **0**	(30)
Total comprehensive income for the period		**1,198**	2,059
* Amount below Rupees One Lakh			
Earnings per equity share Basic and Diluted (of ₹ 10/- each)	39	**16.08**	28.03

Notes forming part of the financial statements

The accompanying notes are an integral part of these 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
Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 3 May 2018

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
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Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Statement of Changes in Equity

A - Equity share capital

(₹ in lakhs)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	**Amount**	Number of shares	Amount	Number of shares	Amount
Note 3 : Share Capital						
Equity shares of ₹ 10/- each with voting rights						
Balance at the beginning of the reporting period	**7,451,229**	**745**	7,451,229	745	7,451,229	745
Changes in equity share capital during the year	**-**	**-**	-	-	-	-
Balance at the end of the reporting period	**7,451,229**	**745**	7,451,229	745	7,451,229	745

B - Other Equity

	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 2016	77	2,594	16	519	6,948	-	10,154
Total Comprehensive Income for the year ended 31 March 2017							
Profit for the year	-	-	-	-	2,089	-	2,089
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	(30)	(30)
Total Comprehensive Income for the year	-	-	-	-	2,089	(30)	2,059
Transactions with owners of the company							
Dividend on Equity Shares	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-
Balance as at 31 March 2017	77	2,594	16	519	9,037	(30)	12,213
Total Comprehensive Income for the year ended 31 March 2018							
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**

* Amount below Rupees One Lakh

Notes forming part of the financial statements 1-48

The accompanying notes are an integral part of these 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
Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 3 May 2018

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

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

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Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Statement of Cash Flow for the year ended 31 March, 2018

(₹ in lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash Flow from Operating Activities:**		
	Profit before tax	**1,637**	2,749
	Adjustments for:		
	Depreciation and amortisation	**447**	202
	Profit on sale of investments (net)	**(43)**	(14)
	Net gain on Investments at fair value through profit and loss	**(8)**	(377)
	Dividend income	**(199)**	(686)
	Interest income	**(34)**	(39)
	Interest expenses	**14**	10
	Liabilities no longer required written back	**(4)**	(5)
	Unrealised foreign currency (gain)/loss on revaluation (net)	**(65)**	(39)
	Subtotal of Adjustments	**108**	(948)
	Operating profit before working capital changes	**1,745**	1,801
	Changes in working capital:		
	Increase/(Decrease) in trade receivables	**(915)**	(186)
	Increase/(Decrease) in loans,other financial assets and other assets	**(1,658)**	(705)
	Increase/(Decrease) in inventories	**(303)**	(384)
	Increase/(Decrease) in trade payable, other financial liabilities and other liabilities	**745**	398
	Increase/(Decrease) in provisions	**(22)**	21
	Subtotal of Adjustments	**(2,153)**	(856)
	Cash generated from operations	**(408)**	945
	Less: Income taxes paid (net of refund)	**(371)**	(685)
	Net cash from operating activities	**(779)**	260
B	**Cash Flow from Investing Activities:**		
	Purchases of property,plant and equipment	**(8,196)**	(2,161)
	Purchase of current investments	**(556)**	(925)
	Proceeds for sale of current investments	**2,864**	1,675
	Movement in bank deposits having maturity of more than 3 months	**(43)**	31
	Dividend received	**199**	686
	Interest received	**34**	43
	Net Cash (used in)/from investing activities	**(5,698)**	(651)

Statement of Cash Flow for the year ended March 31, 2018 (Contd.)

(₹ in lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C	**Cash Flow from Financing Activities:**		
	Repayment towards non-current borrowings	**(20)**	(14)
	Proceeds from non-current borrowings	**6,311**	300
	Proceeds from current borrowings (net)	**1,006**	-
	Dividends and corporate dividend tax paid	**(269)**	(1)
	Interest paid	**(389)**	(54)
	Net cash used in financing activities	**6,639**	231
D	**Net Increase/(decrease) in cash and cash equivalents (A+B+C)**	**162**	(160)
E	**Cash and cash equivalents as at beginning of the year**	**198**	370
	Net Comphrehensive Income	**0**	(30)
	Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	**5**	18
F	**Cash and cash equivalents as at end of the year (D+E)**	**365**	198

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 and capital creditors) during the year.

3

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 17)	344	-	344
Add : Proceeds	6,311	1,006	7,317
Less : Repayment	20	-	20
Closing Balance (as at 31 March 18)	**6,635**	**1,006**	**7,641**

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022
Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 3 May 2018

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

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

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Director (DIN: 00003940)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Notes forming part of the financial statements for the year ended 31 March 2018

(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 speciality chemicals.

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

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 the Companies (Indian Accounting Standards) Rules, 2015 (as amended), notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.

The Company's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standard) Rules, 2014, notified under Section 133 of the Act and the other relevant provisions of the Act (Indian GAAP).

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected previously reported financial position, financial performance and cash flows of the Company is provided in Note 3.

The financial statements were authorised for issue by the Company's Board of Directors on 3 May 2018.

Details of the Company's accounting policies are included in Note 2A.

B. Functional and presentation currency

These 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, except for share data and per share data, unless otherwise stated.

C. Basis of measurement

These 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. Use of estimates and judgements

The preparation of these 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 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, valuation 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.

Useful lives of property, plant and equipment

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

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

Valuation of deferred tax assets (including MAT credit entitlement)

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2A K.

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 financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

Fair value measurement of financial instruments

When the fair value 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 under note 2A A.

E. 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 realization 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.

2A. 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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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.

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

(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 labor, 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.

(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”.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(iv) Depreciation

Depreciation of property, plant and equipment located at Dahej and Kasarwadi is calculated using written down value method. Property, plant and equipment located at Kurkumbh is calculated using the Straight-line method. Freehold land is not depreciated.

Depreciation for the year has been provided as per the useful life prescribed under Part C of Schedule II of the Act as stated below:

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.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

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 realizable 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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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.

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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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. Government grants

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants that are receivable towards capital investments under state investment promotion scheme are recognised in the statement of profit and loss in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the statement of profit and loss.

I. Leases

The Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Company as lessee are classified as operating leases. Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increase.

J. Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates, sales tax, value added taxes (VAT) and goods and service tax (GST) and includes excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfer of risks and rewards varies depending the individual terms of sale.

(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 sales tax, value added taxes (VAT), 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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

K. 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 assets 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.

L. 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.

M. 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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

N. Foreign currency transactions

In preparing the 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.

O. Investment in subsidiary and joint venture

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

P. 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.

Q. Standards issued but not yet effective

Ind AS 115- Revenue from Contract with Customers ("Standard")

On 28 March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers'.

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the impact of this Standard on its financial statements.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

Note 3 First- time adoption of Ind AS

I. First-time adoption of Ind AS

The consolidated financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS as issued and effective as at March 31, 2017. The Company's opening Ind AS balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS. In preparing the opening balance sheet, the Company's has applied the mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'.

This note explains the principal adjustments made by the Company's in restating its Indian GAAP financial statements to Ind AS, in the opening balance sheet as at April 1, 2016 and in the financial statements as at and for the year ended 31 March 2017.

II. Optional exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets

The Group has elected to measure all the items of PPE and intangible assets at its previous GAAP carrying values which shall be the deemed cost as at the date of transition. As per FAQs issued by Accounting Standards Board (ASB) by Ind AS Transition Facilitation Group of Ind AS (IFRS) Implementation Committee of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Previous GAAP has been disclosed by way of a note forming part of the financial statements.

b) Deemed cost for investment in subsidiary and joint venture

The Company has elected to use the previous GAAP carrying amount of its investment in subsidiaries and joint venture on the date of transition as its deemed cost on that date, in its standalone financial statements. Consequently, deemed investment arising on account of financial guarantee contract on behalf of the subsidairies or joint venture, for no conisderation, has not been recognised.

b) Deemed cost for Government Grants

Ind AS 101 – First-time adoption of Indian Accounting Standards permits the Group to apply the requirements in Ind AS 109 – Financial Instruments, and Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind AS.

Accordingly, the Group has opted for exemption from retrospective application for fair valuation of such Government Grants (i.e. Sales Tax Deferral Loan)

III. Mandatory exemptions from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

i. Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

ii. Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

IV Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i. Reconciliation of Equity as at 1st April 2016

ii. Reconciliation of Equity as at 31 March 2017

iii. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2017

iv. Adjustments to Statement of Cash Flows for the year ended 31 March 2017

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

IV. Reconciliations under Ind AS 101

(i) Reconciliation of Equity as at 1 April 2016

(₹ in lakhs)

Particulars	Note Ref.	Indian GAAP	Adjustments - Others	IND AS
		As at 1 April, 2016	As at 1 April, 2016	As at 1 April, 2016
A - Assets				
1 - Non-current assets				
(a) Property, plant and equipment		1,553	-	1,553
(b) Capital work-in-progress		1,382	-	1,382
(c) Intangible assets		-	-	-
(d) Intangible assets under development		13	-	13
(f) Financial assets				
(i) Investments in Subsidiary and Joint Venture		70	-	70
(ii) Other Investments	(a)	131	8	139
(iii) Loans		192	-	192
(f) Deferred tax assets (net)	(c)	129	(111)	18
(g) Non Current Tax assets (Net)		325	-	325
(h) Other non-current assets		35	-	35
Total non-current assets		**3,830**	**(103)**	**3,727**
2 - Current assets				
(a) Inventories		1,244	-	1,244
(b) Financial Assets		-	-	-
(i) Investments	(b')	3,838	707	4,545
(ii) Trade receivables		1,838	-	1,838
(iii) Cash and cash equivalents		370	-	370
(iv) Bank balances other than (iii) above		316	-	316
(v) Other Financial assets		10	-	10
(b) Other Current assets		440	-	440
Total current assets		**8,056**	**707**	**8,763**
Total assets		**11,886**	**604**	**12,490**
B - Equity & liabilities				
1 - Equity				
(a) Equity share capital		745	-	745
(b) Other equity	(d)	9,551	604	10,155
Total equity		**10,296**	**604**	**10,900**
2 - Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		96	-	96
(b) Provisions		132	-	132
Total non-current liabilities		**228**	**-**	**228**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		1,018	-	1,018
(iii) Other financial liabilities		129	-	129
(b) Other Current liabilities		84	-	84
(c) Provisions		131	-	131
Total current liabilities		**1,362**	**-**	**1,362**
Total equity and liabilities		**11,886**	**604**	**12,490**

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

Notes to reconciliation of equity as at 1 April 2016 between Indian GAAP to Ind AS:

(a) Fair valuation of investment in quoted equity shares:

The Company has investment in quoted equity shares of other companies. These investments have been fair valued on the date of transition with a corresponding unrealised gain of ₹ **8 lakhs**, being recognised in retained earnings.

(b) Fair valuation of investments in Mutual Fund

The Company has investment in mutual funds. These investments have been fair valued on the date of transition with a corresponding unrealised gain of ₹ **707 lakhs**, being recognised in retained earnngs.

(c) Deferred tax

The Company has recoginsed a deferred tax liability of ₹ **111 lakhs** on the temporary differences arising on account of the above Ind AS adjustments

(d) Other equity

Other equity as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments

(ii) Reconciliation of Equity as at 31 March 2017 (₹ in lakhs)

Particulars	Note Ref.	Indian GAAP	Adjustments	IND AS
		As at 31 March, 2017	As at 31 March, 2017	As at 31 March, 2017
A - Assets				
1 - Non-current assets				
(a) Property, plant and equipment		1,998	-	1,998
(b) Capital work-in-progress		3,226	-	3,226
(c) Intangible assets		-	-	-
(d) Intangible assets under development		18	-	18
(f) Financial assets		-	-	
(i) Investments in Joint Venture		70	-	70
(ii) Other Investments	(a)	341	1	342
(iii) Loans		267	-	267
(g) Non Current Tax assets (Net)		389	-	389
(h) Other non-current assets		435	-	435
Total non-current assets		**6,744**	**1**	**6,745**
2 - Current assets				
(a) Inventories		1,628	-	1,628
(b) Financial Assets		-	-	-
(i) Investments	(b)	3,661	322	3,983
(ii) Trade receivables		2,050	-	2,050
(iii) Cash and cash equivalents		198	-	198
(iv) Bank balances other than (iii) above		280	-	280
(v) Other Financial assets		82	-	82
(b) Other Current assets		879	-	879
Total current assets		**8,778**	**322**	**9,100**
Total assets		**15,522**	**323**	**15,845**
B - Equity & liabilities				
1 - Equity				
(a) Equity share capital		745	-	745
(b) Other equity	(a,b,c)	11,939	274	12,213
Total equity		**12,684**	**274**	**12,958**

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	Note Ref.	Indian GAAP	Adjustments	IND AS
		As at 31 March, 2017	As at 31 March, 2017	As at 31 March, 2017
2 - Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings		362	-	362
(b) Provisions		173	-	173
(c) Deferred Tax Liabilities (net)	(c)	(28)	49	21
Total non-current liabilities		**507**	**49**	**556**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		1,416	-	1,416
(iii) Other financial liabilities		768	-	768
(b) Other Current liabilities		36	-	36
(c) Provisions		111	-	111
Total current liabilities		**2,331**	**-**	**2,331**
Total equity and liabilities		**15,522**	**323**	**15,845**

Notes to reconciliation of equity as at 31 March 2017 between Indian GAAP to Ind AS:

(a) Fair valuation of investment in quoted equity shares:

Under Previous GAAP, equity shares of other companies were measured at cost or market value, which ever is lower. Under Ind As, the Company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and the carrying value under Previous GAAP has been recognised in retained earnings. Fair value changes ₹ **1 lakh** are recognised in the Statement of Profit and Loss for the year ended 31 March 2017.

(b) Fair valuation of investments in Mutual Fund

Under Previous GAAP, the mutual funds were measured at cost or market value, whichever is lower. Under Ind AS, the Company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and the carrying value under Previous GAAP has been recognised in retained earnings. Fair value changes ₹ **322** lakhs are recognised in the Statement of Profit and Loss for the year ended 31 March 2017.

(c) Deferred tax

The Company has recoginsed a deferred tax asset of ₹ **49 lakhs** on the temporary differences arising on account of the above Ind AS adjustments.

(d) Other equity

Other equity as at 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustment.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(iii) Reconciliation of Statement of profit and loss for the year ended 31 March 2017 (₹ in lakhs)

Particulars	Note	Indian GAAP 2016-17	Adjustments 2016-17	IND AS 2016-17
Revenue from operations	(a)	12,598	800	13,398
Other income	(b)	891	324	1,215
Total income		**13,489**	**1,124**	**14,613**
Expenses				
Cost of materials consumed		7,844	-	7,844
Changes in inventories of finished goods and work-in-progress		(217)	-	(217)
Employee benefits expense	(c')	1,418	(46)	1,372
Finance costs		10	-	10
Depreciation and amortisation expense		202	-	202
Excise duty	(a)	-	800	800
Other expenses		1,853	-	1,853
Total expenses		**11,110**	**754**	**11,864**
Profit before tax		2,379	370	2,749
Tax expenses:				
Current tax		602	-	602
Tax adjustment of earlier years		3	-	3
Deferred tax	(d)	(10)	65	55
		595	65	660
Profit for the year		**1,784**	**305**	**2,089**
Other comprehensive income				
Items that will not be reclassified to profit and loss				
Remeasurements of post-employement benefit obligation	(c)	-	(46)	(46)
Income tax related to items that will not be reclassified to profit or loss	(c)	-	16	16
Other comprehensive income for the year, net of income tax		**-**	**(30)**	**(30)**
Total Comprehensive Income for the Period		**1,784**	**275**	**2,059**
Earnings per equity share		23.94	4.09	28.03
Earnings per equity share (Basic / Diluted)				

(iii) Notes to reconciliation of Statement of profit and loss for the year ended 31 March 2017 between Indian GAAP to Ind AS:

(a) Reclassification of excise duty

Excise duty (net of excise benefits) of ₹ **800 Lakhs** has been reclassified from revenue to other expenses. This has resulted in increase of revenue and other expenses by ₹ **800 Lakhs.**

(b) Fair valuation of quoted equity shares and mutual fund investments recognised in earlier period

The Company has recognised mark to market gain on quoted equity shares and mutual fund investments amounting to ₹ **324 Lakhs** in Retained Earnings on transition to Ind AS. Accordingly, the realised gain accounted under Indian GAAP on sale of such equity shares and mutual fund investments in the year ended 31 March 2017 was reversed.

(c) Actuarial gain/loss

Under Ind AS, all actuarial gain and loss are recognised in other comprehensive income. Under previous indian GAAP the Company has recognised actuarial gains and losses in the statement of profit and loss amounting to ₹ **46 Lakhs.**

(d) Deferred tax

The Company has recoginsed a deferred tax expense of ₹ **65 Lakhs** on the temporary differences arising on account of the above Ind AS adjustments.

(e) Adjustments to Statement of Cash Flows for the year ended 31 March 2017

There are no material differences between the Statement of Cash Flows presented under Ind AS and Indian GAAP.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

4. Fixed assets

(₹ in lakhs)

A. Property, Plant & Equipment

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	As at 31 March 2017
Leasehold Land	528	673	-	1,201	23	7	-	30	1,171	505
Freehold Land	505	-	-	505	-	-	-	-	505	505
Buildings Residential	46	-	-	46	10	8	-	18	28	36
Buildings: Non Residential										
Own lease	203	2,114	-	2,317	33	68	-	101	2,216	170
Road	-	468	-	468	-	25	-	25	443	-
Plant & Machinery	740	4,263	-	5,003	110	256	-	366	4,637	630
Furniture & Fixtures	29	11	-	40	4	5	-	9	31	25
Laboratory, Office and Factory Equipment and Air conditioners	84	198	-	282	22	41	-	63	219	62
Vehicles	71	47	-	118	22	26	-	48	70	49
Scientific Research-										
Capital Expenditure :										
Buildings - Non Residential	1	-	-	1	-	-	-	-	1	1
Plant & Machinery	7	-	-	7	1	1	-	2	5	6
Furniture & Fixtures	* -	-	-	* -	* -	* -	* -	* -	* -	* -
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	* -	* -	-	* -	9	9
Total	**2,223**	**7,774**	**-**	**9,997**	**225**	**437**	**-**	**662**	**9,335**	**1,998**
B. Intangible Assets										
Computer Software	* -	38		38	* -	10	-	10	28	* -
Total	**2,223**	**7,812**	**-**	**10,035**	* * **225**	**447**	**-**	**672**	**9,363**	**1,998**
C. Capital Work-in-Progress									4,282	3,226
D. Intangible Assets under development									-	18

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

₹ in lakhs

Notes

* Amount below Rupees One Lakh

1) - Out of the total depreciation on property, plant and equipment for the year ₹ 447 lakhs (**Previous year: ₹ 225 lakhs), depreciation on leasehold land of ₹ Nil. (**Previous year: ₹ 23 lakhs) being depreciation for Dahej project is transferred to capital work-in-progress and ₹ 447 lakhs (Previous year: ₹ 202 lakhs) has been charged off to the Statement of Profit and Loss (Refer Note 32).

2) - Capital work in process comprises of expenditure in respect of Dahej Plant under construction. Borrowing cost capitalised related to construction of the plant aggregates ₹ 373 lakhs (previous year ₹ 43 lakhs)

3) - The Company has availed the deemed cost exemption in relation to the property, plant and equipment and intangible assets on the date of transition and hence the net block carrying amount of the earlier GAAP as at 31 March 2016 has been considered as the gross block carring amount as at 1 April 2016.

4) - Kindly refer note 18 on borrowing, for the details related to charged on property, plant and equipment of the Company.

Deemed cost as defined under Ind AS 101 is calculated as follows:

Table below details the gross block value and the accumulated depriciation on 1 April 2016 under previous GAAP

Property, Plant & Equipment	**Gross Block under previous GAAP**	**Accumulated Depreciation under previous GAAP**	**Deemed Cost recognised under Ind AS**
Leasehold Land	19	4	15
Freehold Land	505		505
Buildings Residential	165	119	46
Buildings: Non Residential			
Own lease	937	734	203
Given under operating lease			
Plant & Machinery	3,467	2,817	650
Furniture & Fixtures	203	188	15
Laboratory, Office and Factory Equipment and Air conditioners	307	273	34
Vehicles	180	112	68
Scientific Research-			
Capital Expenditure :			
Buildings - Non Residential	14	13	1
Plant & Machinery	80	73	7
Furniture & Fixtures	6	6	-
Laboratory, Office and Factory Equipment and Air conditioners	161	152	9

Intangible Assets	**Gross Block under previous GAAP**	**Accumulated Depreciation under previous GAAP**	**Deemed Cost recognised under Ind AS**
Software	9	9	* -

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

4. Fixed assets (Continued)

(₹ in lakhs)

A. Property, Plant & Equipment

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2016 (at deemed cost)	**Additions**	**Deductions**	**As at 31 March 2017**	**As at 1 April 2016 (at deemed cost)**	**For the year**	**Deductions**	**As at 31 March 2017**	**As at 31 March 2017**	**As at 31 March 2016**
Leasehold Land	15	513	-	**528**	-	23	-	**23**	**505**	15
Freehold Land	505	-	-	**505**	-	-	-	**-**	**505**	505
Buildings Residential	46	-	-	**46**	-	10	-	**10**	**36**	46
Buildings: Non Residential										
Own lease	203	-	-	**203**	-	33	-	**33**	**170**	203
Plant and machinery	650	90	-	**740**	-	110	-	**110**	**630**	650
Furniture and fixtures	15	14	-	**29**	-	4	-	**4**	**25**	15
Laboratory, office and factory equipment and air conditioners	34	50	-	**84**	-	22	-	**22**	**62**	34
Vehicles	68	3	-	**71**	-	22	-	**22**	**49**	68
Scientific Research-Capital Expenditure :	1	-	-	**1**	-	* -	-	**-**	**1**	1
Buildings - Non Residential	7	-	-	**7**	-	1	-	**1**	**6**	7
Plant & Machinery	* -	-	-	* **-**	-	* -	-	* **-**	* **-**	* 0
Furniture & Fixtures	9	-	-	**9**	-	-	-	**-**	**9**	9
Laboratory, Office and Factory Equipment and Air conditioners										
Total	**1,553**	**670**	**-**	**2,223**	**-**	**225**	**-**	**225**	**1,998**	**1,553**

Intangible Assets										
Computer Software	* -	-	-	* -	-	* -		* -	* -	-
Total	**1,553**	**670**	**-**	**2,223**	**-**	* * **225**	**-**	**225**	**1,998**	**1,553**

Capital Work In Progress					
Capital Work In Progress				**3,226**	1,382

Intangible asset under development				**18**	13

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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, 1st April 2016 : 48,500 shares)	**5**	5	5
(ii) Nalco Champion Dai-ichi India Pvt. Ltd.			
11,25,000 shares (previous year 11,25,000 shares, 1st April 2016 : 11,25,000 shares)	**68**	68	68
Total	**73**	73	73
Less : Provision for diminution in value of investment - Investment in Equity Shares of Dai-ichi Gosei Chemicals (India) Limited	**3**	3	3
Total	**70**	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, 1st April 2016 : 4,000 shares)	**1**	1	1
(b) in debentures and bonds (at fair value through profit and loss)			
(i) Quoted:			
Tata Power Perpetual Bonds 10 units (Previous year : 10 units, 1st April 2016 : 10 units)	**112**	113	110
NHAI Bonds 2,472 units (Previous year 2,472 units, 1st April 2016 : 2,472 units)	**27**	28	28
(ii) Unquoted:			
J M Financial Debentures 20 units (Previous year 20 units, 1st April 2016 : Nil)	**220**	200	-
Total	**360**	342	139
6. Loans			
(Unsecured, considered good)			
Security Deposits	**262**	267	192
Total	**262**	267	192
7. Non Current Tax Assets			
(Unsecured, considered good)			
Advance payment of Tax (Net of Provision ₹ 38 lakh (Previous year ₹ 33 lakh, 1st April 2016 ₹ 27 lakh))	**409**	389	325
Total	**409**	389	325

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
8. Other non current assets			
(Unsecured, considered good)			
Capital advances	**781**	327	2
Indirect Tax receivables	**97**	100	30
Prepaid expenses	**7**	8	3
Total	**885**	435	35
9. Inventories			
(At lower of cost and net realisable value)			
Raw materials	**998**	742	579
Packing material	**37**	19	14
Work-in-progress	**-**	-	45
Finished goods	**606**	624	436
Semi finished goods	**253**	228	153
Spare and consumables	**37**	15	17
Total	**1,931**	1,628	1,244
Goods in transit (included above)			
Raw Materials	**59**	5	53
Finished Goods	**153**	157	159
10. Current investments			
(a) in equity instruments (at fair value through profit and loss)			
(i) Quoted:			
57,167 shares (previous year 57,167 shares, 1st April 2016: 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited	**304**	410	340
8,100 shares (Previous year 8,100 shares, 1st April 2016 : 8,100 shares) of ₹ 10 each fully paid up in Bank of India	**8**	11	8
2,000 shares (Previous year : 2,000 shares, 1st April 2016 : 2,000 shares) of ₹ 2 each in Bharat Seats Limited	**3**	1	1
(ii) Unquoted:***			
1,000 shares (Previous year : 1,000 shares, 1st April 2016 : 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	* **0**	* 0	* 0
2,500 shares (Previous year : 2,500 shares, 1st April 2016 : 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited	* **0**	* 0	* 0
(b) in Goldbees funds (at fair value through profit and loss)			
Quoted:			
Nil Grams (Previous year : nil, 1st April 2016 : 1,580 grams) of Benchmark MF Gold Bees	**-**	-	40
(c) In Mutual Funds (at fair value through profit and loss)			
Unquoted Mutual Funds	**1,393**	3,561	4,156
Total	**1,708**	3,983	4,545

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
***The Market value of current investments is equal to the carring value.			
11. Trade receivables (Unsecured)			
Considered good	**3,029**	2,050	1,838
Considered doubtful	**3**	9	12
Less :- Loss allowance	**(3)**	(9)	(12)
Total	**3,029**	2,050	1,838
Of the above, dues include amount due from related parties ₹ 176 lakhs (31 March 2017 ₹ 62 lakhs, 1 April 2016 ₹ 183 lakhs)			
12. Cash and cash equivalents			
Cash on Hand	* **0**	* 0	* 0
Balances with Banks			
(i) In current accounts	**360**	174	145
(ii) In Exchange Earners Foreign Currency (EEFC) Account	**5**	24	225
Total	**365**	198	370
13. Bank balances other than cash and cash equvivalents			
Unpaid dividend	**23**	21	26
Deposits with original maturity of more than three months but less than 12 months	**302**	259	290
(Balances held as margin money against guarantees and other commitments)			
Total	**325**	280	316
14. Other financial assets			
(unsecured, considered good)			
To parties other than related parties:			
Export Incentive receivable	**129**	76	-
Interest Receivable	**6**	6	10
Total	**135**	82	10
15. Other current assets			
(unsecured, considered good)			
Prepaid expenses	**11**	29	21
Advance to suppliers	**138**	100	97
Advance to employees	**1**	2	1
Balances with government authorities	**2,346**	748	321
Total	**2,496**	879	440

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

16 Equity share capital

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	Amount	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	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	7,451,229	745
Total	**7,451,229**	**745**	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, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
Opening balance	**7,451,229**	**745**	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	7,451,229	745

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

Class of shares / Name of shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights						
Mrs. S. F Vakil	**3,767,963**	**50.57**	3,767,963	50.57	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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

17. Other Equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Capital reserve			
At the commencement and at the end of the year	**77**	77	77
(b) Capital redemption reserve			
At the commencement and at the end of the year	**16**	16	16
(c) Securities premium account			
At the commencement and at the end of the year	**2,594**	2,594	2,594
(d) General reserve			
At the commencement and at the end of the year	**519**	519	519
(e) Retained Earnings			
Balance as at the commencement of the year	**9,037**	6,946	5,059
Add: Profit for the year	**1,198**	2,089	2,161
	10,235	9,035	7,220
Less : Dividend to equity shareholders (₹ 3 per share (Previous Year ₹ Nil per share, 1 April 2016 ₹ 3 per share)	**224**	-	224
Tax on dividend	**46**	-	46
Tax on dividend pertaining to earlier year	**-**	-	1
	269	-	271
Balance as at the end of the year	**9,966**	9,037	6,949
(f) Other items of other comprehensive income			
Balance as at the commencement of the year	**(30)**		
Add: Remeasurements of post-employement benefit obligation	* **0**	(46)	-
Less :	* **(0)**	16	-
Balance as at the end of the year	**(30)**	(30)	-
Total	**13,142**	12,213	10,155

* Amount below Rupees One Lakh

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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18 Non - current borrowings			
(a) Term loans from banks - Secured (Refer Note (i) below) ...	**5,985**	300	1
(b) Term loans from others - Secured (Refer Note (ii) below) ...	**39**	29	43
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below)	**18**	33	52
Total	**6,042**	362	96

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 Fixed assets of the Company, both present and future at Dahej;

b) Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including stock and book debts, both present and future;

c) First pari-passu charge on entire movable and non movable Fixed Assets of the Company, both present and future at Kasarwadi and Kurkumbh.

Terms of Loan - Axis Bank

Name of lender	Principal Loan amount	Rate of Interest
	₹ in Lakhs	**%**
Axis Bank	5,000	9.30
HDFC Bank	4,200	9.20

Interest is paid on a monthly basis.

Axis Bank repayment Schedule

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

Particulars	Total Nos. of Installments	Outstanding Nos. of Installments	Monthly Installments	Principal Loan availed amount ₹ in Lakhs
Financial Year 2018-19	6	6	67	401
Financial Year 2019-20	12	12	76	908
Financial Year 2020-21	12	12	85	1,015
Financial Year 2021-22	12	12	85	1,015
Financial Year 2022-23	11	11	89	979
Financial Year 2022-23	1	1	134	134
Total	**54**	**54**		**4,452**

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

HDFC Bank Repayment Schedule

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

Particulars	Total Nos. of Installments	Outstanding Nos. of Installments	Monthly Installments	Principal Loan availed amount ₹ in Lakhs
Financial Year 2018-19	6	6	32	191
Financial Year 2019-20	12	12	36	433
Financial Year 2020-21	12	12	40	484
Financial Year 2021-22	12	12	40	484
Financial Year 2022-23	11	11	42	467
Financial Year 2022-23	1	1	64	64
Total	**54**	**54**		**2,123**

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 Rupees	Rate of Interest	EMI Amount	Total Nos. of EMI	Outstanding EMI
	₹ in Lakhs	%	₹	Nos.	Nos.
HDFC Bank Ltd.	5	12.50%	10,268	60	5
Kotak Mahindra Prime Ltd.	13	9.50%	32,656	48	44
Daimler Financial Services Pvt Ltd.	48	9.25%	119,476	48	42

Note (iii)

Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 upto an amount of ₹ 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 installments which commenced from year 2011.

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial Year 2016-17	-	-	22
Financial Year 2017-18	-	19	19
Financial Year 2018-19	**15**	15	15
Financial Year 2019-20	**10**	10	10
Financial Year 2020-21	**6**	6	6
Financial Year 2021-22	**2**	2	2
Total	**33**	52	74

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	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Term loans from banks & others	**611**	15	14
- Deferred sales tax liabilities	**15**	19	22

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
19 Provision for Employee Benefits : (refer note no. 37)			
Gratuity	**38**	52	25
Compensated Absences	**127**	121	107
Total	**165**	173	132
20 Deferred Tax Liabilities / Assets (net)			
Deferred Tax Assets			
Retirement benefits	**76**	100	92
Loss allowance on trade receivables	**1**	5	4
Commission	**5**	4	3
Bonus	**11**	10	12
MAT Credit entitlement	**60**	-	-
On Cenvat on Closing stock	**-**	16	-
Retirement benefits (OCI)	**16**	16	-
Total Deferred Tax Assets (a)	**169**	151	111
Deferred Tax Liabilities			
Property, plant and equipment & Intangible assets	**175**	(4)	(18)
Investments	**103**	176	111
Total Deferred Tax Liabilites (b)	**278**	172	93
Net Deferred Tax Liabilities (a-b)	**109**	21	(18)
21 Borrowings			
Cash Cedit (secured)	**1,006**	-	-
Total	**1,006**	-	-
Note :-			
Cash Credit Facility from Axis Bank is secured by stock and book debts of the Company, rate of interest 9.25%			
22 Trade payables			
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note (i) below)	**-**	-	-
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	**2,161**	1,416	1,018
Total	**2,161**	1,416	1,018
Note (i)			
(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year	**-**	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act	-	-	-

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

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.

23 Other financial liabilities			
Current maturities of long term borrowings			
- Term loans from banks and others	**611**	15	14
- Deferred sales tax liabilities	**15**	19	22
Unpaid dividends**	**23**	21	26
Interest accrued but not due on term loan	**-**	2	-
Accrual for expenses	**11**	41	18
Employee benefits payable	**85**	43	36
Security deposits	**2**	2	2
Payables on purchase of fixed assets	**1,360**	625	11
Total	**2,107**	768	129

** 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 liabilities			
Advance from customers	**15**	8	12
Payable to statutory authorities	**31**	28	72
Total	**46**	36	84
25 Provisions			
Short-term provision for employee benefits : (refer note no. 37)			
Gratuity	**41**	65	91
Compensated absences	**56**	46	40
Total	**97**	111	131

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
26 Revenue from operations		
(a) Sale of products (Gross)	**14,773**	13,112
(b) Sale of services (Job work)	**75**	69
(c) Other operating revenues (Refer Note (i) below)	**273**	217
Total	**15,121**	13,398

Notes:

(i) Other operating revenues comprises:		
Export Incentive	**223**	182
Scrap sales	**30**	29
Others	**20**	6
Total - Other operating revenues	**273**	217

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
27 Other income		
Interest income - others (Refer Note (i) below)	**34**	39
Dividend Income on :		
Current Investment	**15**	61
Non Current Investment		
Joint Venture	**169**	619
Others	**15**	6
Net gain on Investments at fair value through profit and loss	**8**	377
Profit on sale of investments	**43**	14
Others (refer Note (ii) below)	**70**	99
Total	**354**	1,215
Note (i) Interest income comprises:		
Interest from banks on deposits	**15**	18
Interest from banks on other balances	**-**	* -
Interest income from long term investments	**19**	13
Others Interest	**-**	8
Total	**34**	39
Note (ii) Other non-operating Income		
Net gain on foreign currency transactions and translation	**65**	39
Miscellaneous receipts	**5**	60
Total	**70**	99
28 Cost of materials consumed		
Opening Stock	**761**	593
Add : Purchases	**9,750**	8,012
Less : Closing Stock	**(1,035)**	(761)
Cost of materials consumed	**9,476**	7,844
Raw Materials consumed comprise (Refer Note (i) below)		
Ethylene Oxide	**1,377**	1,281
Fatty Alcohol, Phenol & Glycol	**2,903**	2,548
Oils & Fatty Acids	**584**	332
Acrylamide	**269**	210
Amines	**198**	218
Other items	**4,145**	3,255
Total	**9,476**	7,844

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
29 Changes in inventories of finished goods, work-in-progress		
Inventories at the end of the year		
Finished goods	**606**	624
Semi finished goods	**253**	228
	859	852
Inventories at the beginning of the year		
Finished goods	**624**	437
Semi finished goods	**228**	153
Work-in-progress	**-**	45
	852	635
Net (increase)	**(7)**	(217)
30 Employee Benefits Expense		
Salaries, wages and bonus	**1,293**	1,206
Contribution to provident and other funds (refer note no. 37)	**99**	73
Staff welfare expenses	**109**	93
Total	**1,501**	1,372
31 Finance costs		
Interest expenses - On borrowings	**6**	5
- Others	**8**	5
Total	**14**	10
32 Depreciation and amortisation expense		
Depreciation on Property, plant and equipment [refer note no. 4 (i)]	**440**	202
Amortisation of intangible asset	**7**	* -
Total	**447**	202
33 Other expenses		
Consumption of stores and spare parts	**49**	78
Power and fuel	**549**	456
Repairs to Buildings	**3**	11
Repairs to Plant and Machinery	**58**	76
Repairs to Others	**79**	37
Insurance	**22**	21
Rates and Taxes, excluding, taxes on income	**24**	28
Traveling Expenses	**59**	52
Legal and Professional Fees	**110**	85
Auditors Remuneration (refer note below)	**38**	39
Freight and forwarding on sales	**532**	327

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Commission on sales	**128**	140
Contract Labour Charges	**218**	149
Directors' fees	**14**	11
Donations	**-**	3
Corporate Social Responsibility (refer note no. 36)	**16**	22
Miscellaneous Expenses	**298**	318
Total	**2,197**	1,853
Auditors Remuneration		
Statutory Audit	**23**	25
Tax Audit	**2**	5
Other Services (Limited Review)	**12**	9
Out of Pocket Expenses	**1**	-
Total	**38**	39

* Amount below Rupees One Lakh

34 Contingent Liabilities and Commitments

a) Contingent liabilities not provided for

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
	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 29.1 (i) (c).	**243**	243	243
(ii)	Disputed income tax demands in respect of deductions/ disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	**66**	361	316
(iii)	Labour matters (back wages and compensation under Workmen Compensation Act)	**19**	31	25
(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)	**299**	299	372
(v)	Disputed Sales Tax demands for set off claimed on unmatched input credit	**-**	81	79
(vi)	Service Tax (Dispute on mode of payment)	**-**	-	60
(vii)	Guarantees issued to others by Bank secured by counter guarantee of the company and by charge on the fixed assets, inventories and book debts of the company	**142**	142	142
(viii)	Customs duty bonds** **Includes ₹ 73 lakhs (previous year ₹ 76 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**	76	76

The wage agreement with employees at Kasarwadi Plant had expired on 30th November, 2008. Negotiations with employees are in progress. Pending finalisation of an agreement, the Company has made an accrual of ₹ 85 Lakhs (Previous year ₹ 83 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 financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

b) Commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant & Equipment (net of advances)	**872**	1,495	1

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 2018 (previous year Nil, 1 April 2016 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, 2018		As at 31 March, 2017		As at 1 April, 2016	
Receivable/ (Payable)	**Receivable/ (Payable)**	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	in Foreign currency		in Foreign currency		in Foreign currency
₹ in Lakhs	**(USD in lakhs)**	₹ in Lakhs	(USD in lakhs)	₹ in Lakhs	(USD in lakhs)
1,360	**21**	884	14	717	11
(174)	**(3)**	(31)	* (0)	(78)	(1)

* Amount below One Lakh

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 ₹ 28 lakhs (previous year ₹ 22 lakhs) during the year on corporate social responsibility activities.

Amount spent during the year on:

Particulars	31st March 2018	31st March 2017
1) Construction/acquisition of any asset	**-**	-
2) On purposes other than (i) above	**16**	22

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 2018	For the year ended 31 March 2017
- Contribution to Provident Fund	**73**	70
- Contribution to Employee state insurance corporation	**6**	3
Total	**79**	73

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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

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.

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 2018 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 Company's financial statements as at 31 March 2018

(₹ in lakhs)

Sr. No.	Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
i)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :			
	Current Service Cost	**18**	16	14
	Interest Cost	**25**	29	29
	Past Service Cost	**12**	-	-
	Actuarial (gain) / losses	**2**	42	31
	Benefits paid	**(74)**	(100)	(79)
	PVO at the beginning of the year	**428**	459	464
	PVO at end of the year	**394**	428	459
ii)	Change in fair value of plan assets			
	Expected return on plan assets	**21**	27	30
	Actuarial gain/(losses)	**2**	(1)	(1)
	Contributions by the employer	**55**	42	12
	Benefits paid	**(74)**	(100)	(79)
	Fair value of plan assets at beginning of the year	**311**	343	381
	Fair value of plan assets at end of the year	**315**	311	343
iii)	Analysis of Defined Benefit Obligation :			
	Defined Benefit Obligation at the end of the year	**394**	428	459
	Fair Value of Plan assets at the end of the year	**315**	311	343
	Net Asset/(Liabilites) recognized in the Balance Sheet	**(79)**	(117)	(116)
	Current / Non current classifications			
	Current	**41**	65	91
	Non current	**38**	52	25
	Total	**79**	117	116

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

	Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
iv)	Reconciliation of PVO and fair value of plan assets:			
	PVO at end of year	**394**	428	459
	Fair Value of plan assets	**315**	311	343
	Funded status	**(79)**	(117)	(116)
	Unrecognised actuarial gain/ (loss)	**-**	-	-
	Net asset/ (liability) recognised in the balance sheet	**(79)**	(117)	(116)
v)	Net cost for the year			
	Current Service cost	**18**	16	14
	Interest cost	**25**	29	29
	Expected return on plan assets	**(21)**	(27)	(30)
	Past Service cost	**12**	-	-
	Actuarial (gain) / losses	* **(0)**	46	36
	Protected gratuity	**(14)**	(21)	-
	Net cost	**20**	44	49
vi)	Assumption used in accounting for the gratuity plan:			
	Discount rate (%)	**7**	7	8
	Expected return on plan assets	**7**	7	8
	Salary escalation rate (%)	**7**	7	8
	Attrition	**5**	5	5
	Mortality Table	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

* Amount below Rupees One Lakh

Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under: (continued)

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 :

(₹ in lakhs)

Experience adjustments	**31 March 2018**	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Gratuity					
Experience gain / (loss) adjustments on plan liabilities	**12**	29	31	34	(5)
Experience gain / (loss) adjustments on plan assets	**2**	(1)	(1)	(2)	(1)
Defined Benefit Obligation at the end of the period	**394**	428	459	464	462
Plan Assets at the end of the period	**315**	311	343	381	414
Funded status [Surplus / (Deficit)	**(79)**	(117)	(116)	(83)	(48)
Contributions expected to be paid to the plan during the next financial year	**60**	45	44	20	10

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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 (₹ in lakhs)

Particulars	**As at 31 March 2018**	As at 31 March 2017
Delta Effect of +1% Change in Rate of Discounting	**(13)**	(13)
Delta Effect of -1% Change in Rate of Discounting	**14**	15
Delta Effect of +1% Change in Rate of Salary Increase	**13**	14
Delta Effect of -1% Change in Rate of Salary Increase	**(13)**	(13)
Delta Effect of +1% Change in Rate of Employee attrition	* **0**	(0)
Delta Effect of -1% Change in Rate of Employee attrition	* **(0)**	0

* Amount below Rupees One Lakh

38 Disclosure under Indian Accounting Standard (Ind AS) 17 - Leases

Note	Note	**For the year ended 31 March 2018 Rupees**	For the year ended 31 March 2017 Rupees
1.	Details of leasing arrangements		
	As Lessor		
1.a	The Company has entered into operating lease arrangements for commercial premises at Worli.		
	Depreciation recognised on the leased assets	**-**	-
	Accumulated depreciation on the leased assets	**-**	-
	Rent income recognised in the Statement of Profit and Loss		
1.b	As Lessee		
1.b.(i)	The Company has entered into operating lease arrangements for two facilities. One of lease was non-cancellable for the period from 15 November, 2015 to 14 November, 2016. The lease agreements provide for an increase in the lease payments by 5% after first 12 months.		
	Future Minimum lease payment		
	Not later than one year	**-**	-
	Later than one year and not later than five years	**-**	-
	later than five years	**-**	-
1.b.(ii)	Lease payments recognised in the Statement of Profit and Loss	**58**	73

Particulars			**Year ended 31 March 2018**	Year ended 31 March 2017
39 Earnings per share (EPS)				
Profit after tax attributable to equity shareholders	₹	A	**1,198**	2,089
Weighted average number of equity shares outstanding during the year	Nos.	B	**7,451,229**	7,451,229
Basic and diluted earnings per equity share (Rs) - Face value of ₹ 2 per share	In ₹	(A / B)	**16.08**	28.03

Since the split in face value of equity shares from ₹ 10 each to ₹ 2 each fully paid up and the issue of bonus shares in the ratio of 1 fully paid up equity shares of face value of ₹ 2 each for each existing equity shares of face value of ₹ 2 each is an issue without consideration, the issue is treated as if it had occurred prior to the beginning of the year 2014-15, the earliest period reported.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

40. Dividend paid and proposed: (₹ in lakhs)

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

Particulars	Dividend Per Equity Shares (₹)	Year ended 31 March 2018	Dividend Per Equity Shares (₹)	Year ended 31 March 2017
Final Dividend on Equity Shares	**3.0**	**224**	-	-
Dividend Distribution Tax	**-**	**46**	-	-
Total		**270**		**-**

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

Particulars	Dividend Per Equity Shares (₹)	Year ended 31 March 2018	Dividend Per Equity Shares (₹)	Year ended 31 March 2017
Final Dividend on Equity Shares	**2.5**	**186**	3.0	224
Dividend Distribution Tax		**38**		46
Total		**224**		**270**

41 Disclosures in respect of Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018. Corresponding amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed.

Details of SBN held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on 8 November, 2016	1	* 0	1
(+) Permitted receipts	-	-	-
(+) Advances given to employees returned back**	* 0	-	* 0
(+) Withdrawal from Bank Account	-	6	6
(+) Other receipts - scrap sales	* -	* 0	* 0
(-) Permitted payments	-	-	-
(-) Reimbursement of expense to employees	-	6	6
(-) Amount deposited in Banks	1	* 0	1
Closing cash in hand as on 30 December, 2016	-	* 0	* 0

* Amount below Rupees One Lakh

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

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

42 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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

43 Related party disclosures

Description of relationship	Names of related parties
Subsidiary	Dai-ichi Gosei Chemicals (India) Limited (DGCIL)
Jointly controlled entities (JCE)	Nalco Champion Dai-ichi India Pvt. Ltd. (NCD)
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) Dr. Anil Naik (Independent Director)
	iv) Mr. Kavas Patel (Independent Director)
	v) Mr. Keki Elavia (Independent Director)
Relatives of KMP	i) Mr. D. M. Neterwala -Father of Managing Director (DMN-Since deceased)
	ii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
Entities in which KMP / Relatives of KMP	i) Indian Oxides & Chemicals Limited (IOCL)
can exercise significant influence	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)
Enterprizes over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation

(₹ 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
Purchase of goods:							
IOCL					**101**		**101**
					(77)		(77)
GPPL					**42**		**42**
					(41)		(41)
UKL					-		-
					(1)		(1)
NIL					-		-
					* (0)		* (0)
Purchase of fixed assets :		-					-
		(3)					(3)
UKL					**119**		**119**
					(-)		(-)

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (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
Sale of goods:		**624**					**624**
		(838)					(838)
GPPL					**48**		**48**
					(42)		(42)
Sale of service (Job Work)							
IOCL					**84**		**84**
					(69)		(69)
Rendering of services/ Reimbursement of expenses:		**12**					**12**
		(11)					(11)
SDNC					-		-
					(2)		(2)
IOCL					**3**		**3**
					(-)		(-)
Receiving of services/ Reimbursement of expenses:			**6**				**6**
			(1)				(1)
NCCSL					* **0**		* **0**
					(1)		(1)
AFIPL					-		-
					* (0)		* (0)
NIL					-		-
					* (0)		* (0)
MFV				**6**			**6**
				(-)			(-)
Compensation/ others: SFV			**26**				**26**
			(27)				(27)
Remuneration :							
SFV			**159**				**159**
			(149)				(149)
MFV			**69**				**69**
			(58)				(58)
CSR						**10**	**10**
						(13)	(13)

* Amount below Rupees One Lakh

Notes forming part of the financial statements for the year ended 31 March 2018 (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		**169**					**169**
		(619)					(619)
Dividend paid:							
SFV			**113**				**113**
			(0)				(0)
FAV				**2**			**2**
				(0)			(0)
PRM				-			-
				(0)			(0)
RIL					**8**		**8**
					(0)		(0)
GPPL					* **0**		* **0**
					(0)		(0)
Balances outstanding at the end of the year							
Investments :	**2**	**68**					**70**
	(2)	(68)					(70)
Trade receivables:		**129**					**129**
		(40)					(40)
IOCL					**34**		**34**
					(22)		(22)
GPPL					**13**		**13**
					* (0)		* (-)
CFAPL					* **0**		* **0**
					* (0)		* (0)
Deposits for office :			**32**				**32**
			(32)				(32)
Trade payable :							
UKL					**7**		**7**
					(-)		(-)
GPPL					-		-
					(4)		(4)

* Amount below Rupees One Lakh

Note: Figures in bracket relate to the previous year

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Payment of sitting fees to Independent directors	**Year ended 31 March 2018**	Year ended 31 March 2017
Sitting fees	**11**	9

*Key management personnel compensation

Key management personnel compensation comprised the following :

Particulars	**Year ended 31 March 2018**	Year ended 31 March 2017
Post-employment benefits	**37**	22
Other long-term benefits	**53**	40

Based on the recomandation 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.

44 Interest in joint ventures

Jointly controlled entity (JCE):

Name of joint venture and country of incorporation	**% of interest / ownership**	**Amount of interest based on accounts for the year ended 31 March 2018**					
		Assets	**Liabilities**	**Income**	**Expenditure**	**Contingent liabilities**	**Capital commitments**
Nalco Champion Dai-ichi India Pvt. Ltd.- India	**50**	**2,541**	**2,541**	**2,262**	**1,996**	**750**	**751**
Previous year	50	2,635	2,635	5,487	4,846	751	4

45 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 financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

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

	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 Balance			**325**	**325**				**-**
Non-current investments				**-**	**-**			**-**
Current investments	**1,708**			**1,708**	**1,708**			**1,708**
Non current investments (other than in subsidiary and joint venture)			**360**	**360**				**-**
Non current loans			**262**	**262**				**-**
Trade receivables			**3,029**	**3,029**				**-**
Other Non-current financial assets				**-**				**-**
Other Current financial assets			**135**	**135**				**-**
	1,708	**-**	**4,476**	**6,184**	**1,708**	**-**	**-**	**1,708**
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**	**-**	**-**	**-**	**-**

	As at 31st March 2017							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents			198	198				-
Other Bank Balances			280	280				-
Non-current investments				-	-			-
Current investments	3,983			3,983	3,983			3,983
Non current investments (other than im subsidiary and joint venture)			342	342				-
Non current loans			267	267				-
Trade receivables			2,050	2,050				-
Other Non-current financial assets				-				-
Other Current financial assets			82	82				-
	3,983	**-**	**3,219**	**7,202**	**3,983**	**-**	**-**	**3,983**

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Financial liabilities								
Non current borrowings (Including current maturity of long term debts)	-	-	396	396	-	-	-	-
Current borrowings			-	-				
Trade payables			1,416	1,416				
Other Current financial liabilities ..			734	734				
	-	**-**	**2,546**	**2,546**	**-**	**-**	**-**	**-**
	As at 1st April 2016							
	Carrying amount				**Fair value**			
	FVTPL	**FVTOCI**	**Amotised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets								-
Cash and cash equivalents			370	370				-
Other Bank Balances			316	316				-
Non-current investments				-	-			-
Current investments	4,545			4,545	4,545			4,545
Non current investments (other than im subsidiary and joint venture)			139	139				-
Non current loans			192	192				-
Trade receivables			1,838	1,838				-
Other Non-current financial assets				-				-
Other Current financial assets			10	10				-
	4,545	**-**	**2,865**	**7,410**	**4,545**	**-**	**-**	**4,545**
Financial liabilities								
Non current borrowings (Including current maturity of Long term debts)			132	132				
Current borrowings				-				
Trade payables			1,018	1,018				
Other Current financial liabilities ..			93	93				
	-	**-**	**1,243**	**1,243**	**-**	**-**	**-**	**-**

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilites 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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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 audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2018, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2018	31 March 2017	1 April 2016
India	**1,669**	1,166	1,121
Other regions	**1,360**	884	717
	3,029	2,050	1,838

Impairment

At March 31, 2017, the ageing of trade and other receivables that were not impaired was as follows. (₹ in lakhs)

	31 March 2018	31 March 2017	1 April 2016
Neither past due nor impaired			
Past due 1–180 days	**3,015**	2,044	1,833
Past due more than 180 days	**14**	6	5
	3,029	2,050	1,838

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 2018	31 March 2017	1 April 2016
Balance as at the beginning of the year	**8**	12	18
Impairment loss recognised			
Amounts written off / back	**(6)**	(4)	(6)
Balance as at the end of the year	**2**	8	12

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.

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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, 2018	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	**6,668**	**6,668**	**18**	**608**	**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**	**1,383**	**96**	**-**	**-**	**2**
		Contractual cash flows					
31 March, 2017	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	396	396	2	32	58	229	75
Working capital loans from banks	-	-	-	-	-	-	-
Trade payables	1,416	1,416	1,416	-	-	-	-
Other Current financial liabilities	734	734	648	84			2
		Contractual cash flows					
1 April, 2016	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
INR							
Non-derivative financial liabilities							
Term loans from banks	132	132	2	34	34	60	2
Working capital loans from banks	-	-	-	-	-	-	-
Trade payables	1,018	1,018	1,018	-	-	-	-
Other Current financial liabilities	93	93	37	54	-	-	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.

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

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at 31 March 2018, 31 March 2017 and 1 April 2016 are as below:

	31 March 2018	31 March 2017	1 April 2016
	$ in Lakhs	$ in Lakhs	$ in Lakhs
Financial assets			
Trade and other receivables	**21**	14	11
	21	14	11
Financial liabilities	**3**	0	1
Trade and other payables *	**3**	0	1

* Amount less than lakh USD

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

	Year-end spot rate		
INR	**31 March 2018**	31 March 2017	1 April 2016
USD	**65.17**	63.82	65.13

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 2018		
10% movement	**121**	(121)
USD	**-**	-
	121	(121)
* Amount less than lakh USD		
	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
31 March 2017		
10% movement	85	(85)
USD	-	-
	85	**(85)**
	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
1 April 2016		
10% movement	64	(64)
USD	-	-
	64	**(64)**

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

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 Compant 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 2018	31 March 2017	1 April 2016
Fixed-rate instruments			
Financial assets bonds	**360**	341	138
Financial liabilities vehcile loans	**62**	44	58
	298	297	80
Variable-rate instruments			
Financial liabilities - term loan & CC	**7,579**	300	
	7,579	300	-
Total	**(7,281)**	(3)	80

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.

A change of 100 basis points in interest rates would not have any material impact on the equity

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates would not have any material impact on the equity

46 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.

The Company's adjusted net debt to equity ratio at the year end is as follows:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total Borrowing	**7,641**	344	58
Less : Cash and cash equivalent	**365**	198	370
Adjusted net debt	**7,276**	146	(312)
Total equity	**13,887**	12,958	10,900
Net debt to equity ratio	**0.52**	0.01	-

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

47 Income Taxes

(A) Components of Income Tax Expenses

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
Current period tax	**352**	602
Income tax of previous periods	**-**	3
Total Current tax expense	**352**	605
Deferred tax		
Decrease/Increase in Deferred Tax Asset	**147**	55
Increase/Decrease in Deferred Tax Liability		
Mat Credit entitlement	**(60)**	-
Total Deferred Tax Expense/(benefit)	**87**	55
Tax expense for the year	**439**	660

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

	For the year ended 31 March 2018			**For the year ended 31 March 2017**		
	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	**0**	**(0)**	**0**	(46)	16	(30)
	0	**(0)**	**0**	(46)	16	(30)

(B) Reconciliation of effective tax rate (₹ in lakhs)

	(%)	**For the year ended 31 March 2018**	(%)	For the year ended 31 March 2017
Profit before tax		**1,637**		2,749
Tax using the Company's domestic tax rate (Current year 34.6% and Previous Year 34.6%)	**34.6%**	**567**	34.6%	951
Tax effect of:				
Decrease in substantialy enacted tax rate	**-2.0%**	**(32)**	0.0%	-
Long term capital gains taxable at lower rate	**-0.4%**	**(6)**	-0.1%	(3)
Long term capital gains exempt under income tax	**-0.5%**	**(9)**	-0.8%	(22)
Income exempt from income taxes	**-4.2%**	**(69)**	-8.6%	(237)
Others	**-0.7%**	**(12)**	-1.1%	(29)
	26.8%	**439**	24.0%	660

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(C) Movement in deferred tax assets and liabilities

(₹ in lakhs)

	March 31, 2018						
	Net balance April 1, 2017	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**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)**
Deferred Tax Assets:							
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)**	**(87)**	**-**	**-**	**(109)**	**169**	**(278)**
Offsetting of deferred tax assets and deferred tax liabilities						**(278)**	**278**
Net Deferred Tax assets (Liabilities)	**(21)**	**(87)**	**-**	**-**	**(109)**	**(109)**	**-**

* Amount below ₹ 1 Lakh

	March 31, 2017						
	Net balance April 1, 2016	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred Tax Liabilities:							
Investment	(111)	(65)			(176)	-	(176)
Deferred Tax Assets:					-		
Property, plant and equipment and Intangible assets	18	(14)			4	4	
Employee benefits	92	8	16		116	116	-
Bonus	12	(2)			10	10	
Trade receivables	4	1			5	5	-
Cenvat credit on closing stock	-	16			16	16	
Commission	3	1			4	4	-
Deferred Tax assets (Liabilities)	18	(55)	16	-	(21)	155	(176)
Offsetting of deferred tax assets and deferred tax liabilities						(176)	176
Net Deferred Tax assets (Liabilities)	**18**	**(55)**	**16**	**-**	**(21)**	**(21)**	**-**

Notes forming part of the financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

	1 April 2016						
	Net balance 1st April, 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Net	Deferred tax asset	Deferred tax liability
Deferred Tax Liabilities:							
Investment				(111)	(111)	-	(111)
Deferred Tax Assets:							
Property, plant and equipment and Intangible assets	16	2			18	18	
Employee benefits	73	19			92	92	-
Bonus	12	-			12	12	
Trade receivables	6	(2)			4	4	-
Commission	13	(10)			3	3	-
Deferred Tax assets (Liabilities)	120	9	-	(111)	18	129	(111)
Offsetting of deferred tax assets and deferred tax liabilities						(111)	111
Net Deferred Tax assets (Liabilities)	120	9	-	(111)	18	18	-

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 (₹ in lakhs)

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Non Current tax assets (net)	**409**	389	325
Current tax assets (net)	**-**	-	-
Current tax liabilities (net)	**-**	-	-

48 The comparative financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by auditors other than B S R & Co. LLP, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 3 May 2018

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)

Anil Naik
Director (DIN: 00002670)

Keki Elavia
Director (DIN: 00003940)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
DAI-ICHI KARKARIA LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Dai-ichi Karkaria Limited (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), and its joint venture, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit 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 the Group and its joint venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

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

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

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

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its joint venture to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 1 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

1 We did not audit the financial statements of one subsidiary, whose financial statements/ financial information reflect total assets of ₹ 2.44 lakhs and net assets of ₹ 2.35 lakhs as at 31 March 2018, total revenues of ₹ 0.12 lakhs and net cash outflows amounting to ₹ 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 of ₹ 170.08 lakhs for the year ended 31 March 2018, as considered in the consolidated financial statements, 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 Ind AS financial statements, in so far as it relates to the amounts and sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and joint venture is based solely on the reports of the other auditors.

2 The comparative financial information of the Group and its joint venture for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2017 and 31 March 2016 dated 5 May 2017 and 14 May 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Group and its joint venture on transition to the Ind AS, which have been audited by us.

Our opinion above 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 Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and joint venture, 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 Ind AS financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

   d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards 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 2018 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, none of the directors of the Group companies and its joint ventures incorporated in India is disqualified as on 31 March 2018 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, its subsidiary and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

Report on Other Legal and Regulatory Requirements

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture - Refer Note 34 to the consolidated Ind AS 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 2018;

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary company and joint venture incorporated in India during the year ended 31 March 2018; and

iv. The disclosures in the consolidated Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed.

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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
3 May 2018

Annexure A to the Independent Auditors' Report of even date on the consolidated Ind AS financial statements of Dai-ichi Karkaria Limited– 31 March 2018

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of Dai-ichi Karkaria Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their reports in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 financial statements

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

Opinion

In our opinion, the Holding Company, its subsidiary company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary company and one joint venture, 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

Sadashiv Shetty
Partner
Membership No: 048648

Mumbai
3 May 2018

Consolidated Balance Sheet as at 31 March 2018

(₹ in lakhs)

	Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A	**ASSETS**				
	NON-CURRENT ASSETS				
(a)	Property, plant and equipment	4	**9,335**	1,998	1,553
(b)	Capital work-in-progress		**4,282**	3,226	1,382
(c)	Intangible assets		**28**	-	-
(d)	Intangible assets under development		**-**	18	13
(e)	Financial assets				
	(i) Investments in Joint Venture	5(a)	**2,063**	2,096	2,436
	(ii) Other Investments	5(b)	**360**	342	139
	(iii) Loans	6	**262**	267	192
(f)	Deferred tax assets (net)	20	**-**	-	18
(g)	Non current Tax assets (Net)	7	**409**	389	325
(h)	Other non-current assets	8	**885**	435	35
	Total non-current assets		**17,624**	8,771	6,093
	CURRENT ASSETS				
(a)	Inventories	9	**1,931**	1,628	1,244
(b)	Financial Assets				
	(i) Investments	10	**1,708**	3,983	4,545
	(ii) Trade receivables	11	**3,029**	2,050	1,838
	(iii) Cash and Cash Equivalents	12	**365**	199	370
	(iv) Bank balances other than (iii) above	13	**327**	283	318
	(v) Other Financial assets	14	**135**	82	10
(c)	Other Current Assets	15	**2,496**	879	440
	Total Current Assets		**9,991**	9,104	8,765
	TOTAL ASSETS		**27,615**	17,875	14,858
B	**EQUITY AND LIABILITIES**				
	EQUITY				
(a)	Equity Share Capital	16	**745**	745	745
(b)	Other Equity	17	**15,138**	14,242	12,522
	Total equity attributable to equity holders of the Company		**15,883**	14,987	13,267
	LIABILITIES				
	NON-CURRENT LIABILITIES				
(a)	Financial Liabilities				
	(i) Borrowings	18	**6,042**	362	96
(b)	Provisions	19	**165**	173	132
(c)	Deferred Tax Liabilities (net)	20	**109**	22	-
	Total Non-Current Liabilities		**6,316**	557	228
	CURRENT LIABILITIES				
(a)	Financial Liabilities				
	(i) Borrowings	21	**1,006**	-	-
	(ii) Trade Payables	22	**2,161**	1,416	1,018
	(iii) Other Financial Liabilities	23	**2,107**	768	130
(b)	Other liabilities	24	**46**	36	84
(c)	Provisions	25	**97**	111	131
	Total Current Liabilities		**5,417**	2,331	1,363
	TOTAL EQUITY AND LIABILITIES		**27,615**	17,875	14,858

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

Sadashiv Shetty
Partner
Membership No. 048648
Place : Mumbai
Date : 3 May 2018

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)

Anil Naik
Director (DIN: 00002670)

Keki Elavia
Director (DIN: 00003940)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Statement of Consolidated Profit and Loss for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	26	**15,121**	13,398
Other income	27	**354**	1,215
Total income		**15,475**	14,613
Expenses			
Cost of materials consumed	28	**9,476**	7,844
Changes in inventories of finished goods and work-in-progress	29	**(7)**	(217)
Employee benefits expense	30	**1,501**	1,372
Finance costs	31	**14**	10
Depreciation and amortisation expense	32	**447**	202
Excise duty		**210**	800
Other expenses	33	**2,197**	1,853
Total Expenses		**13,838**	11,864
Profit before tax	47	**1,637**	2,749
Tax Expenses:			
Current tax		**352**	605
Deferred tax (net)		**87**	55
Total Tax Expenses		**439**	660
Net profit after tax before share of Joint Venture		**1,198**	2,089
Share of Profit in Joint Venture (net of tax)	48	**167**	402
Net profit after tax		**1,365**	2,491
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employement benefit obligation		* **0**	(46)
Income tax related to items that will not be reclassified to profit or loss		* **(0)**	16
Share of Profit in Joint Ventures (net of tax)		**3**	2
Other comprehensive income for the year, (net of income tax)		**3**	(28)
Total comprehensive income for the period		**1,368**	2,463
* Amount below Rupees One Lakh			
Earnings per equity share Basic and Diluted (of ₹ 10/- each)	39	**18.32**	33.43

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
Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
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Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Statement of Consolidated Changes in Equity

A - Equity share capital

(₹ in lakhs)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	**Amount**	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each with voting rights						
Balance at the beginning of the reporting period	**7,451,229**	**745**	7,451,229	745	7,451,229	745
Changes in equity share capital during the year	**-**	**-**	-	-	-	-
Balance at the end of the reporting period	**7,451,229**	**745**	7,451,229	745	7,451,229	745

B - Other Equity

	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 2016	77	2,594	16	519	6,950	2,368	-	12,524
Total Comprehensive Income for the year ended 31 March 2017								
Profit for the year	-	-	-	-	2,491	(744)	-	1,747
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-		(28)	(28)
Total Comprehensive Income for the year	-	-	-	-	**2,491**	**(744)**	**(28)**	**1,719**
Transactions with owners of the company								
Dividend on Equity Shares	-	-	-	-	-		-	-
Dividend Distribution Tax	-	-	-	-	-		-	-
Balance as at 31 March 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)**	**-**	**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**

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements 1-49
The accompanying notes are an integral part of these 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
Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 3 May 2018

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
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Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Statement of Consolidated Cash Flow for the year ended 31 March 2018

(₹ in lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A.	**Cash Flow from Operating Activities:**		
	Profit before tax	**1,804**	3,151
	Adjustments for:		
	Depreciation and amortisation	**447**	202
	Profit on sale of investments (net)	**(43)**	(14)
	Net gain on Investments at fair value through profit and loss	**(8)**	(377)
	Dividend income	**(199)**	(686)
	Interest income	**(34)**	(39)
	Interest expenses	**14**	10
	Liabilities no longer required written back	**(4)**	(5)
	Share of Profit in Joint Venture	**(167)**	(402)
	Unrealised foreign currency (gain)/loss on revaluation (net)	**(65)**	(39)
	Subtotal of Adjustments	**(59)**	(1,350)
	Operating profit before working capital changes	**1,745**	1,801
	Changes in working capital:		
	Increase/(Decrease) in trade receivables	**(919)**	(186)
	Increase/(Decrease) in loans,other financial assets and other assets	**(1,658)**	(705)
	Increase/(Decrease) in inventories	**(303)**	(384)
	Increase/(Decrease) in trade payable, other financial liabilities and other liabilities	**745**	398
	Increase/(Decrease) in provisions	**(22)**	21
	Subtotal of Adjustments	**(2,157)**	(856)
	Cash generated from operations	**(412)**	945
	Less: Income taxes paid (net of refund)	**(372)**	(684)
	Net cash from operating activities	**(784)**	260
B	Cash Flow from Investing Activities:		
	Purchases of property,plant and equipment	**(8,196)**	(2,161)
	Purchase of current investments	**(556)**	(925)
	Proceeds for sale of current investments	**2,864**	1,675
	Movement in bank deposits having maturity of more than 3 months	**(42)**	30
	Dividend received	**199**	686
	Interest received	**34**	43
	Net Cash (used in)/from investing activities	**(5,697)**	(652)

Statement of Consolidated Cash Flow for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
C	**Cash Flow from Financing Activities:**		
	Repayment towards non-current borrowings	**(20)**	(14)
	Proceeds from non-current borrowings	**6,311**	300
	Proceeds from current borrowings (net)	**1,006**	-
	Dividends and corporate dividend tax paid	**(269)**	(1)
	Interest paid	**(389)**	(54)
	Net cash used in financing activities	**6,639**	231
D	**Net Increase/(decrease) in cash and cash equivalents (A+B+C)**	**158**	(161)
E	**Cash and cash equivalents as at beginning of the year**	**199**	370
	Net Comphrehensive Income	**3**	(28)
	Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	**5**	18
F	**Cash and cash equivalents as at end of the year (D+E)**	**365**	199

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 and capital creditors) during the year.

3

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 17)	344	-	344
Add : Proceeds	6,311	1,006	7,317
Less : Repayment	20	-	20
Closing Balance (as at 31 March 18)	**6,635**	**1,006**	**7,641**

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

Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 3 May 2018

For and on behalf of the Board of Directors
Dai-ichi Karkaria Limited
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Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

Notes forming part of the consolidated financial statements for the year ended 31 March 2018

(Currency: Indian Rupees)

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 speciality chemicals.

The manufacturing activities of the Company are carried out from its plants located at Kasarwadi and 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 (as amended), notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.

The Group's financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standard) Rules, 2014, notified under Section 133 of the Act and the other relevant provisions of the Act (Indian GAAP).

As these are the Group's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected previously reported financial position, financial performance and cash flows of the Group is provided in Note 3.

The financial statements were authorised for issue by the Group's Board of Directors on 3 May 2018.

Details of the Group's accounting policies are included in Note 2A.

B. Functional and presentation currency

These 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, except for share data and per share data, unless otherwise stated.

C. Basis of measurement

These 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. Use of estimates and judgements

The preparation of these 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, valuation 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.

Useful lives of property, plant and equipment

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

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

Valuation of deferred tax assets (including MAT credit entitlement)

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been explained under note 2A K.

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.

Fair value measurement of financial instruments

When the fair value 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 under note 2A A.

E. 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 derecognizes 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.

Joint ventures (equity accounted investees)

Investment in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognized 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 exceed 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.

2. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized 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 2018	As at 31 March 2017	As at 1 April 2016
Dai-ichi Gosei Chemicals (India) Limited	Subsidiary	India	**97%**	97%	97%
Nalco Champion Dai-ichi India Pvt. Ltd.	Joint venture	India	**50%**	50%	50%

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

F. 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 realization 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.

2A. 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.

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

(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 labor, 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.

(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.

(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 Kasarwadi is calculated using written down value method. Property, plant and equipment located at Kurkumbh and Jejuri is calculated using the Straight-line method. Freehold land is not depreciated.

Depreciation for the year has been provided as per the useful life prescribed under Part C of Schedule II of the Act as stated below:

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.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

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.

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 realizable 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 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.

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. Government grants

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises the related costs for which the grants are intended to compensate.

Government grants that are receivable towards capital investments under state investment promotion scheme are recognised in the statement of profit and loss in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the statement of profit and loss.

I. Leases

The Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Group as lessee are classified as operating leases. Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless the payments are structured to increase in line with the expected general inflation so as to compensate for the lessor's expected inflationary cost increase.

J. Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, volume rebates, sales tax, value added taxes (VAT) and goods and service tax (GST) and includes excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfer of risks and rewards varies depending the individual terms of sale.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(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 sales tax, value added taxes (VAT), 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.

K. 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 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 assets 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 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.

L. 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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

M. 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.

N. 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.

O. Investment in subsidiary and joint venture

The Group's investment in its subsidiary and joint venture are carried at cost.

P. 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.

Q. Standards issued but not yet effective

Ind AS 115- Revenue from Contract with Customers ("Standard")

On 28 March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 'Revenue from Contracts with Customers'.

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group is evaluating the impact of this Standard on its financial statements.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

Note 3 First- time adoption of Ind AS

I. First-time adoption of Ind AS

The consolidated financial statements for the year ended March 31, 2017 have been prepared in accordance with Ind AS as issued and effective as at March 31, 2017. The Group's opening Ind AS balance sheet was prepared as at 1 April 2016, the Group's date of transition to Ind AS. In preparing the opening balance sheet, the Group has applied the mandatory exceptions and certain optional exemptions from full retrospective application of Ind AS in accordance with the guidance in Ind AS 101 'First Time Adoption of Indian Accounting Standards'.

This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements to Ind AS, in the opening balance sheet as at April 1, 2016 and in the financial statements as at and for the year ended 31 March 2017.

II. Optional exemptions from retrospective application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Deemed cost for Property, Plant and Equipment (PPE), Intangible assets

The Group has elected to measure all the items of PPE and intangible assets at its previous GAAP carrying values which shall be the deemed cost as at the date of transition. As per FAQs issued by Accounting Standards Board (ASB) by Ind AS Transition Facilitation Group of Ind AS (IFRS) Implementation Committee of ICAI, deemed cost, is the amount used as a surrogate for the cost or depreciated cost and for the purpose of subsequent depreciation or amortisation, deemed cost becomes the cost as the starting point. Information regarding gross block of assets, accumulated depreciation and provision for impairment under Previous GAAP has been disclosed by way of a note forming part of the financial statements.

b) Deemed cost for Government Grants

Ind AS 101 – First-time adoption of Indian Accounting Standards permits the Group to apply the requirements in Ind AS 109 – Financial Instruments, and Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to Ind AS.

Accordingly, the Group has opted for exemption from retrospective application for fair valuation of such Government Grants (i.e. Sales Tax Deferral Loan)

III. Mandatory exemptions from retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101:

i. Estimates

On assessment of the estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under Previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date.

ii. Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

IV Transition to Ind AS - Reconciliations

The following reconciliations provide the explanations and quantification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

i. Reconciliation of Equity as at 1st April 2016

ii. Reconciliation of Equity as at 31 March 2017

iii. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2017

iv. Adjustments to Statement of Cash Flows for the year ended 31 March 2017

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

IV. Reconciliations under Ind AS 101

(i) Reconciliation of Equity as at 1 April 2016

(₹ in lakhs)

Particulars	Note Ref.	Indian GAAP	Adjustments - Joint venture	Adjustments - Others	IND AS
		As at 1 April, 2016	As at 1 April, 2016 * note (e)	As at 1 April, 2016	As at 1 April, 2016
A - Assets					
1 - Non-current assets					
(a) Property, plant and equipment		1,745	(192)	-	1,553
(b) Capital work-in-progress		1,387	(5)	-	1,382
(c) Intangible assets		-	-	-	-
(d) Intangible assets under development		13	-	-	13
(e) Financial assets					
(i) Investments in Subsidiary and Joint Venture		-	2,436	-	2,436
(ii) Other Investments	(a)	131	-	8	139
(iii) Loans		192	-	-	192
(f) Deferred tax assets (net)	(c)	170	(41)	(111)	18
(g) Non Current Tax assets (Net)		325	-	-	325
(h) Other non-current assets		1,343	(1,308)	-	35
Total non-current assets		**5,306**	**890**	**(103)**	**6,093**
2 - Current assets					
(a) Inventories		1,595	(351)	-	1,244
(b) Financial Assets					
(i) Investments	(b')	3,871	(33)	707	4,545
(ii) Trade receivables		3,697	(1,859)	-	1,838
(iii) Cash and cash equivalents		421	(51)	-	370
(iv) Bank balances other than (iii) above		537	(219)	-	318
(v) Other Financial assets		32	(22)	-	10
(c) Other Current assets		464	(24)	-	440
Total current assets		**10,617**	**(2,559)**	**707**	**8,765**
Total assets		**15,923**	**(1,669)**	**604**	**14,858**
B - Equity & liabilities					
1 - Equity					
(a) Equity share capital		745		-	745
(b) Other equity	(d)	11,898	20	604	12,522
Total equity		**12,643**	**20**	**604**	**13,267**
2 - Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings		96	-	-	96
(b) Provisions		138	(6)	-	132
Total non-current liabilities		**234**	**(6)**	**-**	**228**
Current liabilities					
(a) Financial liabilities					
(i) Borrowings		-	-	-	-
(ii) Trade payables		2,564	(1,546)	-	1,018

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

(iii) Other financial liabilities		130		-	130
(b) Other Current liabilities		129	(45)	-	84
(c) Provisions		223	(92)	-	131
Total current liabilities		**3,046**	**(1,683)**	**-**	**1,363**
Total equity and liabilities		**15,923**	**(1,669)**	**604**	**14,858**

Notes to reconciliation of equity as at 1 April 2016 between Indian GAAP to Ind AS:

(a) Fair valuation of investment in quoted equity shares:

The Group has investment in quoted equity shares of other companies. These investments have been fair valued on the date of transition with a corresponding unrealised gain of ₹ **8 lakhs**, being recognised in retained earnings.

(b) Fair valuation of investments in Mutual Fund

The Group has investment in mutual funds. These investments have been fair valued on the date of transition with a corresponding unrealised gain of ₹ **707 lakhs**, being recognised in retained earnings.

(c) Deferred tax

The Group has recoginsed a deferred tax liability of ₹ **111 lakhs** on the temporary differences arising on account of the above Ind AS adjustments.

(d) Other equity

Other equity as at 1 April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

(e) Investments in Joint Venture

Under Previous GAAP, the investment in the joint venture in Nalco Champion Dai-ichi India Pvt. Ltd. was proportionately consolidated along with the consolidated assets and liabilities. Under Ind AS , the investment in Nalco Champion Dai-ichi India Pvt. Ltd. will be measured using the equity method . The f ollowing previously proportionately consolidated assets and liabilities and items of Income and expenditure under Previous GAAP have been aggregated into a single line investment balance in the joint venture at the date of transition to Ind AS.

(ii) Reconciliation of Equity as at 31 March 2017 (₹ in lakhs)

Particulars	**Note Ref.**	**Indian GAAP**	**Adjustments - Joint venture**	**Adjustments - Others**	**IND AS**
		As at 31 March, 2017	**As at 31 March, 2017 * note (e)**	**As at 31 March, 2017**	**As at 31 March, 2017**
A - Assets					
1 - Non-current assets					
(a) Property, plant and equipment		2,241	(243)	-	1,998
(b) Capital work-in-progress		3,234	(8)	-	3,226
(c) Intangible assets		-	-	-	-
(d) Intangible assets under development		18	-	-	18
(f) Financial assets					
(i) Investments in Joint Venture			2,096	-	2,096
(ii) Other Investments	(a)	341		1	342
(iii) Loans		267		-	267
(g) Non Current Tax assets (Net)		389		-	389
(h) Other non-current assets		1,088	(653)	-	435
Total non-current assets		**7,578**	**1,192**	**1**	**8,771**
2 - Current assets					
(a) Inventories		2,029	(401)	-	1,628
(b) Financial Assets					
(i) Investments	(b)	2,981	680	322	3,983

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

(ii) Trade receivables		2,475	(425)	-	2,050
(iii) Cash and cash equivalents		712	(513)	-	199
(iv) Bank balances other than (iii) above		568	(285)	-	283
(v) Other Financial assets		82	-	-	82
(b) Other Current assets		864	15	-	879
Total current assets		**9,711**	**(929)**	**322**	**9,104**
Total assets		**17,289**	**263**	**323**	**17,875**
B - Equity & liabilities					
1 - Equity					
(a) Equity share capital		745	-	-	745
(b) Other equity	(a,b,c,d)	13,354	614	274	14,242
Total equity attributable to the shareholders of the Company		**14,099**	**614**	**274**	**14,987**
2 - Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings		362	-	-	362
(b) Provisions		189	(16)	-	173
(c) Deferred Tax Liabilities (net)	(c)	(189)	162	49	22
Total non-current liabilities		**362**	**146**	**49**	**557**
Current liabilities					
(a) Financial liabilities					
(i) Borrowings		26	(26)	-	-
(ii) Trade payables		1,853	(437)	-	1,416
(iii) Other financial liabilities		768	-	-	768
(b) Other Current liabilities		56	(20)	-	36
(c) Provisions		125	(14)	-	111
Total current liabilities		**2,828**	**(497)**	**-**	**2,331**
Total equity and liabilities		**17,289**	**263**	**323**	**17,875**

Notes to reconciliation of equity as at 31 March 2017 between Indian GAAP to Ind AS:

(a) Fair valuation of investment in quoted equity shares:

Under Previous GAAP, equity shares of other companies were measured at cost or market value, which ever is lower. Under Ind As, the Group has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and the carrying value under Previous GAAP has been recognised in retained earnings. Fair value changes ₹ **1 lakh** are recognised in the Statement of Profit and Loss for the year ended 31 March 2017.

(b) Fair valuation of investments in Mutual Fund

Under Previous GAAP, the mutual funds were measured at cost or market value, whichever is lower. Under Ind AS, the Group has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value. At the date of transition to Ind AS, difference between the fair value of the instruments and the carrying value under Previous GAAP has been recognised in retained earnings. Fair value changes ₹ **322 lakhs** are recognised in the Statement of Profit and Loss for the year ended 31 March 2017.

(c) Deferred tax

The Group has recoginsed a deferred tax asset of ₹ **49 lakhs** on the temporary differences arising on account of the above Ind AS adjustments.

(d) Other equity

Other equity as at 31 March 2017 has been adjusted consequent to the above Ind AS transition adjustments.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(e) Investments in Joint Venture

Under Previous GAAP, the investment in the joint venture in Nalco Champion Dai-ichi India Pvt. Ltd. was proportionately consolidated along with the consolidated assets and liabilities. Under Ind AS, the investment in Nalco Champion Dai-ichi India Pvt. Ltd. will be measured using the equity method . The following previously proportionately consolidated assets and liabilities and items of Income and expenditure under Previous GAAP have been aggregated into a single line investment balance in the joint venture at the date of transition to Ind AS.

(iii) Reconciliation of Statement of profit and loss for the year ended 31 March 2017 (₹ in lakhs)

Particulars	Notes	Indian GAAP	Adjustments - Joint venture	Adjustments - Others	IND AS
		2016-17	2016-17 * note (e)	2016-17	2016-17
Revenue from operations	(a)	17,587	(4,989)	800	13,398
Other income	(b)	321	570	324	1,215
Total income		**17,908**	**(4,419)**	**1,124**	**14,613**
Expenses					
Cost of materials consumed		10,536	(2,692)	-	7,844
Changes in inventories of finished goods and work-in-progress		(172)	(45)	-	(217)
Employee benefits expense	(c)	1,815	(397)	(46)	1,372
Finance costs		14	(4)	-	10
Depreciation and amortisation expense		225	(23)	-	202
Excise duty	(a)	-		800	800
Other expenses		3,077	(1,224)	-	1,853
Total expenses		**15,495**	**(4,385)**	**754**	**11,864**
Profit Before share of Profit of Equity accounted investee and Income tax					
Share of Profit in Joint Ventures (net of Tax)		-	402	-	402
Profit before tax		2,413	368	370	3,151
Tax expenses:					
Current tax		848	(243)	-	605
Tax adjustment of earlier years		3	(3)	-	-
Deferred tax	(d)	(19)	9	65	55
		832	(237)	65	660
Profit for the year		**1,581**	**605**	**305**	**2,491**
Other comprehensive income					
Items that will not be reclassified to profit and loss					
Remeasurements of post-employement benefit obligation	(c)	-	-	(46)	(46)
Income tax related to items that will not be reclassified to profit or loss	(c)	-	-	16	16
Share of Profit in Joint Ventures (net of Tax)		-	2	-	2
Other comprehensive income for the year, net of income tax		**-**	**2**	**(30)**	**(28)**
Total Comprehensive Income for the Period		**1,581**	**607**	**275**	**2,463**
Earnings per equity share		21.22	8.12	4.09	33.43
Earnings per equity share (Basic / Diluted)					

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(iii) Notes to reconciliation of Statement of profit and loss for the year ended 31 March 2017 between Indian GAAP to Ind AS:

(a) Reclassification of excise duty

Excise duty (net of excise benefits) of ₹ **800 Lakhs** has been reclassified from revenue to other expenses. This has resulted in increase of revenue and other expenses by ₹ **800 Lakhs**.

(b) Fair valuation of quoted equity shares and mutual fund investments recognised in earlier period

The Group has recognised mark to market gain on quoted equity shares and mutual fund investments amounting to ₹ **324 Lakhs** in Retained Earnings on transition to Ind AS. Accordingly, the realised gain accounted under Indian GAAP on sale of such equity shares and mutual fund investments in the year ended 31 March 2017 was reversed.

(c) Actuarial gain/loss

Under Ind AS, all actuarial gain and loss are recognised in other comprehensive income. Under previous indian GAAP the Group has recognised actuarial gains and losses in the statement of profit and loss amounting to ₹ **46 Lakhs**.

(d) Deferred tax

The Group has recoginsed a deferred tax expense of ₹ **65 Lakhs** on the temporary differences arising on account of the above Ind AS adjustments.

(e) Investments in Joint Venture

Under Previous GAAP, the investment in the joint venture in Nalco Champion Dai-ichi India Pvt. Ltd. was proportionately consolidated along with the consolidated assets and liabilities. Under Ind AS , the investment in Nalco Champion Dai-ichi India Pvt. Ltd. will be measured using the equity method . The following previously proportionately consolidated assets and liabilities and items of Income and expenditure under Previous GAAP have been aggregated into a single line investment balance in the joint venture at the date of transition to Ind AS.

(f) Adjustments to Statement of Cash Flows for the year ended 31 March 2017

There are no material differences between the Statement of Cash Flows presented under Ind AS and Indian GAAP.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

as at 31 March 2018

4. Fixed assets

(₹ in lakhs)

A. Property, Plant & Equipment

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	As at 31 March 2017
Leasehold Land	528	**673**	-	**1,201**	23	**7**	-	**30**	**1,171**	505
Freehold Land	505	**-**	-	**505**	-	**-**	-	**-**	**505**	505
Buildings: Residential	46	**-**	-	**46**	10	**8**	-	**18**	**28**	36
Buildings: Non Residential										
Own lease	203	**2,114**	-	**2,317**	33	**68**	-	**101**	**2,216**	170
Road	-	**468**	-	**468**	-	**25**	-	**25**	**443**	-
Plant and Machinery	740	**4,263**	-	**5,003**	110	**256**	-	**366**	**4,637**	630
Furniture and Fixtures	29	**11**	-	**40**	4	**5**	-	**9**	**31**	25
Laboratory, Office and Factory Equipment and Air conditioners	84	**198**	-	**282**	22	**41**	-	**63**	**219**	62
Vehicles	71	**47**	-	**118**	22	**26**	-	**48**	**70**	49
Scientific Research-										
Capital Expenditure :										
Buildings - Non-Residential	1	**-**	-	**1**	-	**-**	-	**-**	**1**	1
Plant and Machinery	7	**-**	-	**7**	1	**1**	-	**2**	**5**	6
Furniture and Fixtures	* -	**-**	-	* **-**	* -	* **-**	* -	* **-**	* **-**	* -
Laboratory, Office and Factory Equipment and Air conditioners	9	**-**	-	**9**	* -	* **-**	-	* **-**	**9**	9
Total	**2,223**	**7,774**	**-**	**9,997**	**225**	**437**	**-**	**662**	**9,335**	**1,998**
B. Intangible Assets									-	
Computer Software	* -	**38**		38	* -	10	-	10	28	* -
Total	**2,223**	**7,812**	**-**	**10,035**	* * **225**	**447**	**-**	**672**	**9,363**	**1,998**
C. Capital Work-in-Progress									4,282	3,226
D. Intangible Assets under development									-	18

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

Notes

* Amount below Rupees One Lakh (₹ in lakhs)

1) - Out of the total depriciation on property, plant and equipment for the year ₹ 447 lakhs (** Previous year: ₹ 225 lakhs), deprecaition on leasehold land of ₹ Nil. (**Previous year: ₹ 23 lakhs) being depreciation for Dahej project is transferred to capital work-in-progress and ₹ 447 lakhs (Previous year: ₹ 202 lakhs) has been charged off to the Statement of Profit and Loss (Refer Note 32).

2) - Capital work in process comprises of expenditure in respect of Dahej Plant under construction. Borrowing cost capitalised related to construction of the plant aggregates ₹ 373 lakh (previous year ₹ 43 lakh).

3) - The Company has availed the deemed cost exemption in relation to the property, plant and equipment and intangible assets on the date of transition and hence the net block carrying amount of the earlier GAAP as at 31 March 2016 has been considered as the gross block caring amount as at 1 April 2016.

4) - Kindly refer note 18 on borrowing, for the details related to charged on property, plant and equipment of the Company.

Deemed cost as defined under Ind AS 101 is calculated as follows:

Table below details the gross block value and the accumulated depriciation on 1 April 2016 under previous GAAP

Property, Plant & Equipment	**Gross Block under previous GAAP**	**Accumulated Depreciation under previous GAAP**	**Deemed Cost recognised under Ind AS**
Leasehold Land	19	4	15
Freehold Land	505	-	505
Buildings Residential	165	119	46
Buildings: Non Residential			
Own lease	937	734	203
Given under operating lease			
Plant & Machinery	3,467	2,817	650
Furniture & Fixtures	203	188	15
Laboratory, Office and Factory Equipment and Air conditioners	307	273	34
Vehicles	180	112	68
Scientific Research-			
Capital Expenditure :			
Buildings - Non Residential	14	13	1
Plant & Machinery	80	73	7
Furniture & Fixtures	6	6	-
Laboratory, Office and Factory Equipment and Air conditioners	161	152	9

Intangible Assets	**Gross Block under previous GAAP**	**Accumulated Depreciation under previous GAAP**	**Deemed Cost recognised under Ind AS**
Software	9	9	* -

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

as at 31 March 2018

4. Fixed assets (Continued)

(₹ in lakhs)

A. Property, Plant & Equipment

Particulars	Gross block				Depreciation				Net Block	
	As at 1 April 2016 (at deemed cost)	Additions	Deductions	As at 31 March 2017	As at 1 April 2016 (at deemed cost)	For the year	Deductions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
Leasehold Land	15	513	-	**528**	-	23	-	**23**	**505**	15
Freehold Land	505	-	-	**505**	-	-	-	**-**	**505**	505
Buildings Residential	46	-	-	**46**	-	10	-	**10**	**36**	46
Buildings: Non Residential										
Own lease	203	-	-	**203**	-	33	-	**33**	**170**	203
Plant & Machinery	650	90	-	**740**	-	110	-	**110**	**630**	650
Furniture & Fixtures	15	14	-	**29**	-	4	-	**4**	**25**	15
Laboratory, Office and Factory Equipment and Air conditioners	34	50	-	**84**	-	22	-	**22**	**62**	34
Vehicles	68	3	-	**71**	-	22	-	**22**	**49**	68
Scientific Research-Capital Expenditure :										
Buildings - Non Residential	1	-	-	**1**	-	* -	-	**-**	**1**	1
Plant & Machinery	7	-	-	**7**	-	1	-	**1**	**6**	7
Furniture & Fixtures	* -	-	-	* **-**	-	* -	-	* **-**	* **-**	* 0
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	**9**	-	* -	-	* **-**	**9**	9
Total	**1,553**	**670**	**-**	**2,223**	**-**	**225**	**-**	**225**	**1,998**	**1,553**

B. Intangible Assets										
Computer Software	* -	-	-	* -	-	* -		* -	* -	-
Total	**1,553**	**670**	**-**	**2,223**	**-**	* * **225**	**-**	**225**	**1,998**	**1,553**

C. Capital Work In Progress					
Capital Work In Progress				**3,226**	1,382
D. Intangible asset under development				**18**	13

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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, 1st April 2016 : 11,25,000 shares)	**68**	68	68
Add :- Shares of Profit in Joint Ventures	**1,995**	2,028	2,368
Total	**2,063**	2,096	2,436
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, 1st April 2016 : 4,000 shares)	**1**	1	1
(b) in debentures and bonds (at fair value through profit and loss)			
(i) Quoted:			
Tata Power Perpetual Bonds 10 units (Previous year : 10 units, 1st April 2016 : 10 units)	**112**	113	110
NHAI Bonds 2,472 units (Previous year 2,472 units, 1st April 2016 : 2,472 units)	**27**	28	28
(ii) Unquoted:			
J M Financial Debentures 20 units (Previous year 20 units, 1st April 2016 : Nil)	**220**	200	-
Total	**360**	342	139
6. Loans			
(Unsecured, considered good)			
Security Deposits	**262**	267	192
Total	**262**	267	192
7. Non Current Tax Assets			
(Unsecured, considered good)			
Advance payment of Tax (Net of Provision ₹ 38 lakh (Previous year ₹ 33 lakh, 1st April 2016 ₹ 27 lakh))	**409**	389	325
Total	**409**	389	325
8. Other non current assets			
(Unsecured, considered good)			
Capital advances	**781**	327	2
Indirect Tax receivables	**97**	100	30
Prepaid Expenses	**7**	8	3
Total	**885**	435	35

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
9. Inventories			
(At lower of cost and net realisable value)			
Raw materials	**998**	742	579
Packing material	**37**	19	14
Work-in-progress	**-**	-	45
Finished goods	**606**	624	436
Semi finished goods	**253**	228	153
Spare and consumables	**37**	15	17
Total	**1,931**	1,628	1,244
Goods in transit (included above)			
Raw Materials	**59**	5	53
Finished Goods	**153**	157	159
10. Current investments			
(a) in equity instruments (at fair value through profit and loss)			
(i) Quoted:			
57,167 shares (previous year 57,167 shares, 1st April 2016: 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited	**304**	410	340
8,100 shares (Previous year 8,100 shares, 1st April 2016 : 8,100 shares) of ₹ 10 each fully paid up in Bank of India	**8**	11	8
2,000 shares (Previous year : 2,000 shares, 1st April 2016 : 2,000 shares) of ₹ 2 each in Bharat Seats Limited	**3**	1	1
(ii) Unquoted:***			
1,000 shares (Previous year : 1,000 shares, 1st April 2016 : 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	* **0**	* 0	* 0
2,500 shares (Previous year : 2,500 shares, 1st April 2016 : 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited	* **0**	* 0	* 0
(b) in Goldbees funds (at fair value through profit and loss)			
Quoted:			
Nil Grams (Previous year : nil, 1st April 2016 : 1,580 grams) of Benchmark MF Gold Bees	**-**	-	40
(c) In Mutual Funds (at fair value through profit and loss)			
Unquoted Mutual Funds	**1,393**	3,561	4,156
Total	**1,708**	3,983	4,545
* Amount below Rupees One Lakh			
***The Market value of current investments is equal to the carring value.			
11. Trade receivables (Unsecured)			
Considered good	**3,029**	2,050	1,838
Considered doubtful	**3**	9	12
Less :- Loss allowance	**(3)**	(9)	(12)
Total	**3,029**	2,050	1,838
Of the above, dues include amount due from related parties ₹ 176 lakhs (31 March 2017 ₹ 62 lakhs, 1 April 2016 ₹ 183 lakhs)			

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
12. Cash and cash equivalents			
Cash on Hand	* **0**	* 0	* 0
Balances with Banks			
(i) In current accounts	**361**	175	145
(ii) In Exchange Earners Foreign Currency (EEFC) Account	**4**	24	225
Total	**365**	199	370
13. Bank balances other than cash and cash equivalents			
Unpaid dividend	**23**	21	26
Deposits with original maturity of more than three months but less than 12 months	**304**	262	292
(Balances held as margin money against guarantees and other commitments)			
Total	**327**	283	318
14. Other financial assets			
(Unsecured, considered good)			
To parties other than related parties			
Export Incentive receivable	**129**	76	-
Interest Receivables	**6**	6	10
Total	**135**	82	10
15. Other current assets			
(Unsecured, considered good)			
Prepaid Expenses	**11**	29	21
Advances to suppliers	**138**	100	97
Advance to employees	**1**	2	1
Balances with Government Authorities	**2,346**	748	321
Total	**2,496**	879	440

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

16 Equity share capital

(₹ in lakhs)

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	Amount	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	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	7,451,229	745
Total	**7,451,229**	**745**	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, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares						
Opening balance	**7,451,229**	**745**	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	7,451,229	745

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

Class of shares / Name of shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Number of shares held	% holding	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights						
Mrs. S. F Vakil	**3,767,963**	**50.57**	3,767,963	50.57	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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

17 Other equity (₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Capital reserve			
At the commencement and at the end of the year	**77**	77	77
(b) Capital redemption reserve			
At the commencement and at the end of the year	**16**	16	16
(c) Securities premium account			
At the commencement and at the end of the year	**2,594**	2,594	2,594
(d) General reserve			
At the commencement and at the end of the year	**519**	519	519
(e) Retained Earnings			
Balance as at the commencement of the year	**9,439**	6,948	5,656
Add: Profit for the year	**1,365**	2,491	1,561
	10,804	9,439	7,217
Less : Dividend to equity shareholders (₹ 3 per share (Previous Year ₹ Nil per share, 1 April 2016 ₹ 3 per share)	**224**	-	223
Tax on dividend	**46**	-	46
Tax on dividend pertaining to earlier year	**-**	-	1
	270	-	270
Balance as at the end of the year	**10,534**	9,439	6,948
(f) Share of Joint Venture			
Share in Profit in Joint Venture	**1,421**	1,625	2,368
(g) Other items of other comprehensive income			
Balance as at the commencement of the year	**(28)**		
Add: Remeasurements of post-employement benefit obligation	* **0**	(46)	-
Add : Income tax related to items that will not be reclassified to profit or loss	* **(0)**	16	-
Add : Share of Profit in Joint Ventures (net of Tax)	**3**	2	-
Balance as at the end of the year	**(25)**	(28)	-
Total	**15,138**	14,242	12,522

* Amount below Rupees One Lakh

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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(f) Other items of other comprehensive income

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

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
18 Non - current borrowings			
(a) Term loans from banks - Secured (Refer Note (i) below) ...	**5,985**	300	1
(b) Term loans from others - Secured (Refer Note (ii) below) ...	**39**	29	43
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below)	**18**	33	52
Total	**6,042**	362	96

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 Fixed assets of the Company, both present and future at Dahej;

b) Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including stock and book debts, both present and future;

c) First pari-passu charge on entire movable and non movable Fixed Assets of the Company, both present and future at Kasarwadi and Kurkumbh.

Terms of Loan - Axis Bank

Name of lender	Principal Loan Sanction amount	Rate of Interest
	₹ in Lakhs	%
Axis Bank	5,000	9.30
HDFC Bank	4,200	9.20

Interest is paid on a monthly basis.

Axis Bank repayment Schedule

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

(₹ in lakhs)

Particulars	Total Nos. of Installments	Outstanding Nos. of Installments	Monthly Installments	Principal Loan availed Amount ₹ in Lakhs
Financial Year 2018-19	6	6	67	401
Financial Year 2019-20	12	12	76	908
Financial Year 2020-21	12	12	85	1,015
Financial Year 2021-22	12	12	85	1,015
Financial Year 2022-23	11	11	89	979
Financial Year 2022-23	1	1	134	134
Total	**54**	**54**		**4,451**

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

HDFC Bank Repayment Schedule

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

(₹ in lakhs)

Particulars	Total Nos. of Installments	Outstanding Nos. of Installments	Monthly Installments	Principal Loan availed Amount ₹ in Lakhs
Financial Year 2018-19	6	6	32	191
Financial Year 2019-20	12	12	36	433
Financial Year 2020-21	12	12	40	484
Financial Year 2021-22	12	12	40	484
Financial Year 2022-23	11	11	42	467
Financial Year 2022-23	1	1	64	64
Total	**54**	**54**		**2,123**

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.	5	12.50%	10,268	60	5
Kotak Mahindra Prime Ltd.	13	9.50%	32,656	48	44
Daimler Financial Services Pvt Ltd.	48	9.25%	119,476	48	42

Note (iii)

Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 upto an amount of ₹ 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 installments which commenced from year 2011.

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

Particulars	As at 31 March 2018 ₹ in lakhs	As at 31 March 2017 ₹ in lakhs	As at 1 April 2016 ₹ in lakhs
Financial Year 2016-17	**-**	-	22
Financial Year 2017-18	**-**	19	19
Financial Year 2018-19	**15**	15	15
Financial Year 2019-20	**10**	10	10
Financial Year 2020-21	**6**	6	6
Financial Year 2021-22	**2**	2	2
Total	**33**	52	74

Note (iv)

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

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

Note (v) (₹ in lakhs)

Current maturities of long term borrowings

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
- Term loans from banks & others	**611**	15	14
- Deferred sales tax liabilities	**15**	19	22
19 Provision			
Provision for Employee Benefits (refer note no. 37)			
Gratuity	**38**	52	25
Compensated Absences	**127**	121	107
Total	**165**	173	132
20 Deferred Tax Liabilities/assets (net)			
Deferred Tax Assets			
Retirement benefits	**76**	100	92
Loss allowance on trade receivables	**1**	5	4
Commission	**5**	4	3
Bonus	**11**	10	12
MAT Credit entitlement	**60**	-	-
On Cenvat on Closing stock	**-**	16	-
Retirement benefits (OCI)	**16**	16	-
Total Deferred Tax Assets (a)	**169**	151	111
Deferred Tax Liabilities			
Property, plant and equipment and Intangible assets	**175**	(3)	(18)
Investments	**103**	176	111
Total Deferred Tax Liabilites (b)	**278**	173	93
Net Deferred Tax Liabilities/assets (a-b)	**109**	22	(18)
21 Borrowings			
Cash Credit (secured)	**1,006**	-	-
Total	**1,006**	-	-
Note :-			
Cash Credit Facility from Axis Bank is secured by stock and book debts of the Company, rate of interest 9.25%			
22 Trade payables			
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note (i) below)	**-**	-	-
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises	**2,161**	1,416	1,018
Total	**2,161**	1,416	1,018

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Note (i)			
(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year	**-**	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	**-**	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	**-**	-	-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act	**-**	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	**-**	-	-

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
23 Other financial liabilities			
Current maturities of long term borrowings			
- Term loans from banks & others	**611**	15	14
- Deferred sales tax liabilities	**15**	19	22
Unpaid dividends**	**23**	21	26
Interest accrued but not due on Term Loan	**-**	2	-
Accrual for expenses	**11**	41	18
Employee benefits payable	**85**	43	36
Security Deposits	**2**	2	2
Payables on purchase of fixed assets	**1,360**	625	11
Total	**2,107**	768	130

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
24 Other liabilities			
Advance from customers	**15**	8	12
Payable to statutory authorities	**31**	28	72
Total	**46**	36	84
25 Provisions			
Short-term provision for employee benefits (refer note no. 37)			
Gratuity	**41**	65	91
Compensated Absences	**56**	46	40
Total	**97**	111	131

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
26 Revenue from operations		
(a) Sale of products (Gross)	**14,773**	13,112
(b) Sale of services (Job work)	**75**	69
(c) Other operating revenues (Refer Note (i) below)	**273**	217
Total	**15,121**	13,398
Notes:		
(i) Other operating revenues comprises:		
Export Incentive	**223**	182
Scrap sales	**30**	29
Others	**20**	6
Total - Other operating revenues	**273**	217

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
27 Other income		
Interest income - others (Refer Note (i) below)	**34**	39
Dividend Income on:		
Current Investment	**15**	61
Non Current Investment		
Joint Venture	**169**	619
Others	**15**	6
Net gain on Investments at fair value through profit and loss	**8**	377
Profit on Sale of Investments	**43**	14
Others (refer Note (ii) below)	**70**	99
Total	**354**	1,215
Note (i) Interest income comprises:		
Interest from banks on deposits	**15**	18
Interest from banks on other balances	**-**	* -
Interest income from long term investments	**19**	13
Others Interest	**-**	8
Total	**34**	39
Note (ii) Other non-operating Income		
Net gain on foreign currency transactions and translation	**65**	39
Miscellaneous receipts	**5**	60
Total	**70**	99

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
28 Cost of materials consumed		
Opening Stock	**761**	593
Add : Purchases	**9,750**	8,012
Less : Closing Stock	**(1,035)**	(761)
Cost of materials consumed	**9,476**	7,844
Raw Materials consumed comprise (Refer Note (i) below)		
Ethylene Oxide	**1,377**	1,281
Fatty Alcohol, Phenol & Glycol	**2,903**	2,548
Oils & Fatty Acids	**584**	332
Acrylamide	**269**	210
Amines	**198**	218
Other items	**4,145**	3,255
Total	**9,476**	7,844
29 Changes in inventories of finished goods, work-in-progress		
Inventories at the end of the year		
Finished goods	**606**	624
Semi finished goods	**253**	228
	859	852
Inventories at the beginning of the year		
Finished goods	**624**	437
Semi finished goods	**228**	153
Work-in-progress	**-**	45
	852	635
Net (increase)	**(7)**	(217)
30 Employee Benefits Expense		
Salaries, wages and bonus	**1,293**	1,206
Contribution to provident and other funds (refer note no. 37)	**99**	73
Staff welfare expenses	**109**	93
Total	**1,501**	1,372
31 Finance costs		
Interest expenses - On borrowings	**6**	5
- Others	**8**	5
Total	**14**	10

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
32 Depreciation and amortisation expense (refer note no. 4(i))		
Depreciation on Property, plant and equipment	**440**	202
Amortisation of intangible asset	**7**	* -
Total	**447**	202
33 Other expenses		
Consumption of stores and spare parts	**49**	78
Power and fuel	**549**	456
Repairs to Buildings	**3**	11
Repairs to Plant and Machinery	**58**	76
Repairs to Others	**79**	37
Insurance	**22**	21
Rates and Taxes, excluding, taxes on income	**24**	28
Traveling Expenses	**59**	52
Legal and Professional Fees	**110**	85
Auditors Remuneration (refer note below)	**38**	39
Freight and forwarding on sales	**532**	327
Commission on sales	**128**	140
Contract Labour Charges	**218**	149
Directors' fees	**14**	11
Donations	**-**	3
Corporate Social Responsibility (refer note no. 36)	**16**	22
Miscellaneous Expenses	**298**	318
Total	**2,197**	1,853
Auditors Remuneration		
Statutory Audit	**23**	25
Tax Audit	**2**	5
Other Services (Limited Review)	**12**	9
Out of Pocket Expenses	**1**	* -
Total	**38**	39

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
34 Contingent Liabilities and 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 29.1 (i) (c).	**243**	243	243
(ii) Disputed income tax demands in respect of deductions/ disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	**66**	361	316
(iii) Labour matters (back wages and compensation under Workmen Compensation Act)	**19**	31	25
(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)	**299**	299	372
(v) Disputed Sales Tax demands for set off claimed on unmatched input credit	**-**	81	79
(vi) Service Tax (Dispute on mode of payment)	**-**	-	60
(vii) Guarantees issued to others by Bank secured by counter guarantee of the company and by charge on the fixed assets, inventories and book debts of the company	**142**	142	142
(viii) Customs duty bonds** **Includes ₹ 73 lakhs (previous year ₹ 76 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**	76	76

The wage agreement with employees at Kasarwadi Plant had expired on 30th November, 2008. Negotiations with employees are in progress. Pending finalisation of an agreement, the Company has made an accrual of ₹ 85 Lakhs (Previous year ₹ 83 Lakhs) based on its estimate of likely settlement with the employees. The Company does not expect any further significant additional liability on this account.

b) Commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant & Equipment (net of advances)	**872**	1,495	1

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 2018 (previous year Nil, 1 April 2016 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, 2018		As at 31 March, 2017		As at 1 April, 2016	
Receivable/ (Payable)	**Receivable/ (Payable)**	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	in Foreign currency		in Foreign currency		in Foreign currency
₹ in Lakhs	**(USD in lakhs)**	₹ in Lakhs	(USD in lakhs)	₹ in Lakhs	(USD in lakhs)
1,360	**21**	884	14	717	11
(174)	**(3)**	(31)	* (0)	(78)	(1)

* Amount below One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

36 Corporate Social Responsibility Expenditure

As per Section 135 of the Act, a Group 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 ₹ 28 lakhs (previous year ₹ 22 lakhs) during the year on corporate social responsibility activities.

Amount spent during the year on:

Particulars	31st March 2018	31st March 2017
1) Construction/acquisition of any asset	-	-
2) On purposes other than (i) above	16	22

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 Group 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 Group has recognised the following amounts in the statement of Profit and Loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
- Contribution to Provident Fund	73	70
- Contribution to Employee state insurance corporation	6	3
Total	79	73

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 2018 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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

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 2018

Sr. No.	Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
I)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :			
	Current Service Cost	**18**	16	14
	Interest Cost	**25**	29	29
	Past Service Cost	**12**	-	-
	Actuarial (gain) / losses	**2**	42	31
	Benefits paid	**(74)**	(100)	(79)
	PVO at the beginning of the year	**428**	459	464
	PVO at end of the year	**394**	428	459
II)	Change in fair value of plan assets			
	Expected return on plan assets	**21**	27	30
	Actuarial gain/(losses)	**2**	(1)	(1)
	Contributions by the employer	**55**	42	12
	Benefits paid	**(74)**	(100)	(79)
	Fair value of plan assets at beginning of the year	**311**	343	381
	Fair value of plan assets at end of the year	**315**	311	343
III)	Analysis of Defined Benefit Obligation :			
	Defined Benefit Obligation at the end of the year	**394**	428	459
	Fair Value of Plan assets at the end of the year	**315**	311	343
	Net Asset/(Liabilites) recognized in the Balance Sheet	**(79)**	(117)	(116)
	Current / Non current classifications			
	Current	**41**	65	91
	Non current	**38**	52	25
	Total	**79**	117	116
IV)	Reconciliation of PVO and fair value of plan assets:			
	PVO at end of year	**394**	428	459
	Fair Value of plan assets	**315**	311	343
	Funded status	**(79)**	(117)	(116)
	Unrecognised actuarial gain/ (loss)	**-**	-	-
	Net asset/ (liability) recognised in the balance sheet	**(79)**	(117)	(116)
V)	Net cost for the year			
	Current Service cost	**18**	16	14
	Interest cost	**25**	29	29
	Expected return on plan assets	**(21)**	(27)	(30)
	Past Service cost	**12**	-	-
	Actuarial (gain) / losses	**(0)**	46	36
	Protected gratuity	**(14)**	(21)	-
	Net cost	**20**	44	49

* Amount below Rupee One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

VI) Assumption used in accounting for the gratuity plan:

Discount rate (%)	**7**	7	8
Expected return on plan assets	**7**	7	8
Salary escalation rate (%)	**7**	7	8
Attrition	**5**	5	5
Mortality Table	**Indian Assured Lives Mortality (2006-08)**	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

* Amount below Rupees One Lakh

Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under: (continued)

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	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Gratuity					
Experience gain / (loss) adjustments on plan liabilities	**12**	29	31	34	(5)
Experience gain / (loss) adjustments on plan assets	**2**	(1)	(1)	(2)	(1)
Defined Benefit Obligation at the end of the period	**394**	428	459	464	462
Plan Assets at the end of the period	**315**	311	343	381	414
Funded status [Surplus / (Deficit)	**(79)**	(117)	(116)	(83)	(48)
Contributions expected to be paid to the plan during the next financial year	**60**	45	44	20	10

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 2018	As at 31 March 2017
Delta Effect of +1% Change in Rate of Discounting	**(13)**	(13)
Delta Effect of -1% Change in Rate of Discounting	**14**	15
Delta Effect of +1% Change in Rate of Salary Increase	**13**	14
Delta Effect of -1% Change in Rate of Salary Increase	**(13)**	(13)
Delta Effect of +1% Change in Rate of Employee attrition	* **0**	* (0)
Delta Effect of -1% Change in Rate of Employee attrition	* **(0)**	* 0

* Amount below One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

38 Disclosure under Indian Accounting Standard (Ind AS) 17 - Leases			
Note	Note	**For the year ended 31 March 2018 Rupees**	For the year ended 31 March 2017 Rupees
1	Details of leasing arrangements		
	As Lessor		
1.a	The Company has entered into operating lease arrangements for commercial premises at Worli.		
	Depreciation recognised on the leased assets	**-**	-
	Accumulated depreciation on the leased assets	**-**	-
	Rent income recognised in the Statement of Profit and Loss		
1.b	As Lessee		
1.b.(i)	The Company has entered into operating lease arrangements for two facilities. One of lease was non-cancellable for the period from 15 November, 2015 to 14 November, 2016. The lease agreements provide for an increase in the lease payments by 5% after first 12 months.		
	Future Minimum lease payment		
	Not later than one year	**-**	-
	Later than one year and not later than five years	**-**	-
	later than five years	**-**	-
1.b.(ii)	Lease payments recognised in the Statement of Profit and Loss	**58**	73

Particulars			**Year ended 31 March 2018**	Year ended 31 March 2017
39 Earnings per share (EPS)				
Profit /(loss) after tax attributable to equity shareholders	₹	A	**1,365**	2,491
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 ₹ 2 per share	In ₹	(A / B)	**18.32**	33.43

40 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 2018	Dividend Per Equity Shares (₹)	Year ended 31 March 2017
Final Dividend on Equity Shares	**3.0**	**224**	-	-
Dividend Distribution Tax	**-**	**46**	-	-
Total		**270**		**-**

After the reporting dates the following dividends (excluding dividend distribution tax) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	Dividend Per Equity Shares (₹)	Year ended 31 March 2018	Dividend Per Equity Shares (₹)	Year ended 31 March 2017
Final Dividend on Equity Shares	**2.5**	**186**	3.0	224
Dividend Distribution Tax		**38**		46
Total		**224**		270

41 Disclosures in respect of Specified Bank Notes (SBN)

The disclosures regarding details of specified bank notes held and transacted during 8th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018. Corresponding amounts as appearing in the audited financial statements for the period ended 31 March 2017 have been disclosed.

Details of SBN held and transacted during the period from 8 November 2016 to 30 December 2016 is given below:

Particulars	SBNs *	Other Denomination Notes	Total
Closing cash in hand as on 8 November, 2016	1	* 0	1
(+) Permitted receipts	-	-	-
(+) Advances given to employees returned back**	* 0	-	* 0
(+) Withdrawal from Bank Account	-	6	6
(+) Other receipts - scrap sales	-	* 0	* 0
(-) Permitted payments	-	-	-
(-) Reimbursement of expense to employees	-	6	6
(-) Amount deposited in Banks	1	* 0	1
Closing cash in hand as on 30 December, 2016	-	* 0	* 0

* Amount below Rupees One Lakh

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

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

42 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 2018	Segment assets as at 31 March 2018	Capital expenditure incurred during the year ended 31 March 2018
	₹ in lakhs	₹ in lakhs	₹ in lakhs
Outside India	**7,082**	**1,360**	**-**
Previous Year	5,628	884	-
Within India	**8,394**	**26,255**	**7,811**
Previous Year	8,661	16,991	670

(iii) Information about Major Customers

Revenues from one customer of Outside India represented approximately INR 4,753 lakhs (31 March 2017: INR 4,042 lakhs) of the Company's total revenues

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

43 Related party disclosures

Description of relationship	Names of related parties
Jointly controlled entities (JCE)	Nalco Champion Dai-ichi India Pvt. Ltd. (NCD)
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) Dr. Anil Naik (Independent Director)
	iv) Mr. Kavas Patel (Independent Director)
	v) Mr. Keki Elavia (Independent Director)
Relatives of KMP	i) Mr. D. M. Neterwala -Father of Managing Director (DMN-Since deceased)
	ii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
Entities in which KMP / Relatives of KMP	i) Indian Oxides & Chemicals Limited (IOCL)
can exercise significant influence	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)
Enterprizes over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation

(₹ in lakhs)

Particulars	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
Purchase of goods:						
IOCL				**101**		**101**
				(77)		(77)
GPPL				**42**		**42**
				(41)		(41)
UKL				-		-
				(1)		(1)
NIL				-		-
				* (0)		* (0)
Purchase of fixed assets :	-					-
	(3)					(3)
UKL				**119**		**119**
				(-)		(-)

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	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
Sale of goods:	**624**					**624**
	(838)					(838)
GPPL				**48**		**48**
				(42)		(42)
Sale of service (Job Work)						
IOCL				**84**		**84**
				(69)		(69)
Rendering of services/ Reimbursement of expenses:	**12**					**12**
	(11)					(11)
SDNC				-		-
				(2)		(2)
IOCL				**3**		**3**
				(-)		(-)
Receiving of services/ Reimbursement of expenses:		**6**				**6**
		(1)				(1)
NCCSL				* 0		* 0
				(1)		(1)
MFV			**6**			**6**
			(-)			(-)
Compensation/others: SFV		**26**				**26**
		(27)				(27)
Remuneration :						
SFV		**159**				**159**
		(149)				(149)
MFV		**69**				**69**
		(58)				(58)
CSR					**10**	**10**
					(13)	(13)
Dividend received	**169**					**169**
	(619)					(619)
Dividend paid:						
SFV		**113**				**113**
		(0)				(0)
FAV			**2**			**2**
			(0)			(0)
PRM			-			-
			(0)			(0)

* Amount below One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

Particulars	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
RIL				**8**		**8**
				(0)		(0)
Balances outstanding at the end of the year						
Investments :	**68**					**68**
	(68)					(68)
Trade receivables:	**129**					**129**
	(40)					(40)
IOCL				**34**		**34**
				(22)		(22)
GPPL				**13**		**13**
				(0)		(-)
Deposits for office :		**32**				**32**
		(32)				(32)
Trade payable :						
UKL				**7**		**7**
				(-)		(-)
GPPL				-		-
				(4)		(4)

* Amount below One Lakh

Note : Figures in bracket relate to the previous year.

Particulars	**Year ended 31 March 2018**	Year ended 31 March 2017
Payment of sitting fees to Independent directors		
Sitting fees	**11**	9

*Key management personnel compensation

Key management personnel compensation comprised the following :

	Year ended 31 March 2018	Year ended 31 March 2017
Post-employment benefits	**37**	22
Other long-term benefits	**53**	40

Based on the recomandation 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 2018 (Contd.)

(₹ in lakhs)

44 Interest in joint ventures

Jointly controlled entity (JCE):							
Name of joint venture and country of incorporation	**% of interest / ownership**	**Amount of interest based on accounts for the year ended 31 March 2018**					
		Assets	**Liabilities**	**Income**	**Expenditure**	**Contingent liabilities**	**Capital commitments**
Nalco Champion Dai-ichi India Pvt. Ltd.- India	**50**	**2,541**	**2,541**	**2,262**	**1,996**	**750**	**751**
Previous year	50	2,635	2,635	5,487	4,846	751	4

45 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 :

	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**	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Current investments	**1,708**	-	-	**1,708**	**1,708**	-	-	**1,708**
Non current investments (other than in subsidiary and joint venture)	-	-	**360**	**360**	-	-	-	-
Non current loans	-	-	**262**	**262**	-	-	-	-
Trade receivables	-	-	**3,029**	**3,029**	-	-	-	-
Other Non-current financial assets	-	-	-	-	-	-	-	-
Other Current financial assets	-	-	**135**	**135**	-	-	-	-
	1,708	-	**4,478**	**6,186**	**1,708**	-	-	**1,708**
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**	-	-	-	-

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

45 Financial instruments – Fair values and risk management (Continued)

A. Accounting classification and fair values (Continued) (₹ in lakhs)

The carring value of financial instruments by categories is as follows (Continued):

	As at 31st March 2017							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	199	199	-	-	-	-
Other Bank Balances	-	-	283	283	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Current investments	3,983	-	-	3,983	3,983	-	-	3,983
Non current investments (other than im subsidiary and joint venture)	-	-	342	342	-	-	-	-
Non current loans	-	-	267	267	-	-	-	-
Trade receivables	-	-	2,050	2,050	-	-	-	-
Other Non-current financial assets	-	-	-	-	-	-	-	-
Other Current financial assets	-	-	82	82	-	-	-	-
	3,983	**-**	**3,223**	**7,206**	**3,983**	**-**	**-**	**3,983**
Financial liabilities								
Non current borrowings (Including current maturity of long term debts)	-	-	396	396	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,416	1,416	-	-	-	-
Other Current financial liabilities	-	-	734	734	-	-	-	-
	-	**-**	**2,546**	**2,546**	**-**	**-**	**-**	**-**

The carring value of financial instruments by categories is as follows (Continued):

	As at 1st April 2016							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Cash and cash equivalents	-	-	370	370	-	-	-	-
Other Bank Balances	-	-	318	318	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Current investments	4,545	-	-	4,545	4,545	-	-	4,545
Non current investments (other than in subsidiary and joint venture)	-	-	139	139	-	-	-	-
Non current loans	-	-	192	192	-	-	-	-
Trade receivables	-	-	1,838	1,838	-	-	-	-
Other Non-current financial assets	-	-	-	-	-	-	-	-
Other Current financial assets	-	-	10	10	-	-	-	-
	4,545	**-**	**2,867**	**7,412**	**4,545**	**-**	**-**	**4,545**
Financial liabilities								
Non current borrowings (Including current maturity of Long term debts)	-	-	132	132	-	-	-	-
Current borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,018	1,018	-	-	-	-
Other Current financial liabilities	-	-	94	94	-	-	-	-
	-	**-**	**1,244**	**1,244**	**-**	**-**	**-**	**-**

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

45 Financial instruments – Fair values and risk management (Continued)

B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilites 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 audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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:

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.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2018, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2018	31 March 2017	1 April 2016
India	**1,669**	1,166	1,121
Other regions	**1,360**	884	717
	3,029	2,050	1,838

45 Financial instruments – Fair values and risk management (Continued) (₹ in lakhs)

Impairment

At March 31, 2017, the ageing of trade and other receivables that were not impaired was as follows.

	31 March 2018	31 March 2017	1 April 2016
Neither past due nor impaired			
Past due 1–180 days	**3,015**	2,044	1,833
Past due more than 180 days	**14**	6	5
	3,029	2,050	1,838

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.

	31 March 2018	31 March 2017	1 April 2016
Balance as at the beginning of the year	**8**	12	18
Impairment loss recognised			
Amounts written off / back	**(6)**	(4)	(6)
Balance as at the end of the year	**2**	8	12

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.

		Contractual cash flows					
March 31, 2018	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	**6,668**	**6,668**	**18**	**608**	**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**	**1,383**	**96**			**2**
		Contractual cash flows					
March 31, 2017	**Carrying amount**	**Total**	**2 months or less**	**2-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities							
Term loans from banks	396	396	2	32	58	229	75
Working capital loans from banks	-	-					
Trade payables	1,416	1,416	1,416				
Other Current financial liabilities	734	734	648	84			2
		Contractual cash flows					

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

45 Financial instruments – Fair values and risk management (Continued) (₹ in lakhs)

April 1, 2016	Carrying amount	Total	2 months or less	2-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Term loans from banks	132	132	2	34	34	60	2
Working capital loans from banks	-	-					
Trade payables	1,018	1,018	1,018				
Other Current financial liabilities	94	93	37	54			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 2018, 31 March 2017 and 1 April 2016 are as below:

	31 March 2018	31 March 2017	1 April 2016
	$ in Lakhs	$ in Lakhs	$ in Lakhs
Financial assets			
Trade and other receivables	**21**	14	11
	21	14	11
Financial liabilities			
Trade and other payables	**3**	0	1
	3	0	1

* Amount in USD Million

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

	Year-end spot rate		
INR	**31 March 2018**	31 March 2017	1 April 2016
USD	**65.17**	63.82	65.13

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.

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
31 March 2018		
10% movement	**121**	**(121)**
USD	**-**	**-**
	121	**(121)**
* Amount less than lakh USD		

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

45 Financial instruments – Fair values and risk management (Continued) (₹ in lakhs)

	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
31 March 2017		
10% movement	85	(85)
USD	-	-
	85	**(85)**
	Profit or loss	
Effect in INR	**Strengthening**	**Weakening**
1 April 2016		
10% movement	64	(64)
USD	-	-
	64	**(64)**

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

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

	31 March 2018	31 March 2017	1 April 2016
Fixed-rate instruments			
Financial assets bonds	**360**	341	138
Financial liabilities vehcile loans	**62**	44	58
	298	297	80
Variable-rate instruments			
Financial liabilities - term loan & CC	**7,579**	300	
	7,579	300	-
Total	**(7,281)**	(3)	80

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.

A change of 100 basis points in interest rates would not have any material impact on the equity

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates would not have any material impact on the equity

46 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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

The Company's adjusted net debt to equity ratio at the year end is as follows:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total Borrowing	**7,641**	344	58
Less : Cash and cash equivalent	**365**	199	370
Adjusted net debt	**7,276**	145	(312)
Total equity	**15,882**	14,987	13,267
Net debt to equity ratio	**0.46**	0.01	-

47 Income Taxes

(A) Components of Income Tax Expenses

(i) Tax Expense recognised in profit and loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax		
Current period tax	**352**	602
Income tax of previous periods	**-**	3
Total Current tax expense	**352**	605
Deferred tax		
Decrease/Increase in Deferred Tax Asset	**147**	55
Increase/Decrease in Deferred Tax Liability		
Mat Credit entitlement	**(60)**	-
Total Deferred Tax Expense/(benefit)	**87**	55
Tax expense for the year	**439**	660

(ii) Tax recognised in other comprehensive income

	For the year ended 31 March 2018			**For the year ended 31 March 2017**		
	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	**0**	**(0)**	**3**	**(46)**	16	(28)
	0	**(0)**	**3**	**(46)**	16	(28)

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(B) Reconciliation of effective tax rate (₹ in lakhs)

	(%)	For the year ended 31 March 2018	(%)	For the year ended 31 March 2017
Profit before tax		**1,804**		3,151
Tax using the Company's domestic tax rate (Current year 34.6% and Previous Year 34.6%)	**34.6%**	**624**	34.6%	1,090
Tax effect of:				
Decrease in substantialy enacted tax rate	**-1.8%**	**(32)**	0.0%	-
Long term capital gains taxable at lower rate	**-0.3%**	**(6)**	-0.1%	(3)
Long term capital gains exempt under income tax	**-0.5%**	**(9)**	-0.7%	(22)
Share of Joint Ventures	**-3.2%**	**(57)**	-4.4%	(139)
Income exempt from income taxes	**-3.8%**	**(69)**	-7.5%	(237)
Others	**-0.7%**	**(12)**	-0.9%	(29)
	24.3%	**439**	20.9%	660

(C) Movement in deferred tax assets and liabilities (₹ in lakhs)

	March 31, 2018						
	Net balance 1 April, 2017	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**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)**
Deferred Tax Assets:							
Employee benefits	**115**	**(24)**	**1**		**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)	**(22)**	**(87)**	**1**	**-**	**(109)**	**169**	**(278)**
Offsetting of deferred tax assets and deferred tax liabilities						**(278)**	**278**
Net Deferred Tax assets (Liabilities)	**(22)**	**(87)**	**1**	**-**	**(109)**	**(109)**	**-**

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

(₹ in lakhs)

	31 March, 2017						
	Net balance 1 April, 2016	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred Tax Liabilities:							
Investment	(111)	(65)			(176)	-	(176)
Deferred Tax Assets:							
Property, plant and equipment and Intangible assets	18	(14)	-	-	4	4	-
Employee benefits	92	8	15	-	115	115	-
Bonus	12	(2)	-	-	10	10	-
Trade receivables	4	1	-	-	5	5	-
Cenvat credit on closing stock	-	16	-	-	16	16	-
Commission	3	1	-	-	4	4	-
Deferred Tax assets (Liabilities)	18	(55)	15	-	(22)	154	(176)
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-	(176)	176
Net Deferred Tax assets (Liabilities)	**18**	**(55)**	**15**	**-**	**(22)**	**(22)**	**-**

	1 April, 2016						
	Net balance 1 April, 2015	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Net**	**Deferred tax asset**	**Deferred tax liability**
Deferred Tax Liabilities:							
Investment	-	-	-	(111)	(111)	-	(111)
Deferred Tax Assets:							
Property, plant and equipment and Intangible assets	16	2	-	-	18	18	-
Employee benefits	73	19	-	-	92	92	-
Bonus	12	-	-	-	12	12	
Trade receivables	6	(2)	-	-	4	4	-
Commission	13	(10)	-	-	3	3	-
Deferred Tax assets (Liabilities)	120	9	-	(111)	18	129	(111)
Offsetting of deferred tax assets and deferred tax liabilities	-	-	-	-	-	(111)	111
Net Deferred Tax assets (Liabilities)	120	9	-	(111)	18	18	-

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 2018**	As at 31 March 2017	As at 1 April 2016
Non Current tax assets (net)	**409**	389	325
Current tax assets (net)	**-**	-	-
Current tax liabilities (net)	**-**	-	-

Notes forming part of the consolidated financial statements for the year ended 31 March 2018 (Contd.)

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.

(₹ in lakhs)

Particulars	**31 March 2018**	31 March 2017	1 April 2016
Current assets	**2,281**	2,419	3,532
Non- current assets	**2,807**	2,855	4,887
Non- current liabilites	**27**	33	12
Current liabilities	**934**	1,048	3,535
Equity	**4,126**	4,192	4,872
Proportion of the Group ownership	**50%**	50%	50%
Group's share of net assets	**2,063**	2,096	2,936

Summarised Statement of Profit and Loss of the Joint Venture

Particulars	**31 March 2018**	31 March 2017
Revenue from operation	**4,361**	10,878
Other Income	**80**	96
Total	**4,441**	10,974
Cost of materials consumed	**2,637**	6,067
Changes in inventories of finished goods and work-in-progress	**(84)**	121
Employee benefits expense	**51**	802
Finance costs	**416**	34
Depreciation and amortisation expense	**13**	47
Excise duty	**57**	214
Other expenses	**825**	2,409
Total	**3,915**	9,694
Profit before tax	**526**	1,280
Tax Expenses	**192**	476
Profit for the year	**334**	804
Group's Share of Profit (%)	**50%**	50%
Group's Share of Profit	**167**	402

49 The comparative consolidated financial information for the year ended 31 March 2017 and the transition date opening balance sheet as at 1 April 2016 included in these consolidated financial statements, are based on the previously issued statutory consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by auditors other than B S R & Co. LLP, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS.

As per our report of even dated attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022
Sadashiv Shetty
Partner
Membership No. 048648

Place : Mumbai
Date : 3 May 2018

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)

Anil Naik
Director (DIN: 00002670)

Keki Elavia
Director (DIN: 00003940)

Kavas Patel
Director (DIN: 00002634)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

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	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	2
8	Total Liabilities	2
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 are 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	31/03/2018
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	2,064
6	Profit for the year	
	1. Considered in consolidation	170
	2. Not considered in consolidation	170
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)

Anil Naik
Director
(DIN: 00002670)

Kavas Patel
Director
(DIN: 00002634)

Keki Elavia
Director
(DIN: 00003940)

Nitin Nimkar
Chief Financial Officer

Kavita Thadeshwar
Company Secretary

Place : Mumbai
Date : 3 May 2018

NOTES

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]

58TH ANNUAL GENERAL MEETING ON AUGUST 8, 2018

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 58th Annual General meeting of the Company, to be held on Wednesday, August 8, 2018 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, 2018. (b) Audited Consolidated Financial Statements and Auditors report for the financial year ended March 31, 2018.		
2	Declaration of dividend for the year ended 31st March, 2018		
3	Re-appointment of Mr. A. H. Jehangir (DIN: 00001752), who retires by rotation.		
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 31.3.2018 & 31.3.2019.		

Signed this .... day of 2018

Affix Revenue Stamp of ₹ 1/-

_____________________ _________________________

Signature of shareholder Signature of Proxy holder(s)

*Applicable for investors holding shares in electronic form.

NOTES:

(1) The proxy in order to be effective should be duly filled up, stamped, signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

(2) A proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

DAHEJ PLANT

If undelivered please return to:

DAI-ICHI KARKARIA LIMITED
Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

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