# INDEPENDENT AUDITOR'S REPORT

**To the Members Of Deepak Nitrite Limited**

## REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Deepak Nitrite Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the 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 Parent'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 financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Parent, as aforesaid.

## AUDITOR'S RESPONSIBILITY

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 Parent'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 by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the 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 of the subsidiaries, 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## OTHER MATTERS

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 128,803.92 Lakhs as at March 31, 2018, total revenues of ₹ 20,395.22 Lakhs and net cash inflows amounting to ₹ 360.44 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. 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 disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

(b) The comparative financial information of the Group for the year ended March 31, 2017 and the related transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended March 31, 2017 and March 31, 2016 dated April 28, 2017 and May 9, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us after taking into considerations reports of other auditors.

(c) The comparative financial information for the year ended March 31, 2017 in respect of two subsidiaries prepared in accordance with the Ind AS (Deepak Phenolics Limited) and US GAAP (Deepak Nitrite Corporation Inc.) included in this Statement have been audited by other auditors whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in this Statement, is based solely on the reports of the other auditors

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements, referred in para (a) of the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated 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 prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

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

**Kartikeya Raval**
Partner
(Membership No. 106189)

Ahmedabad, May 4, 2018

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

## REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Deepak Nitrite Limited (hereinafter referred to as "Parent") and its subsidiary company which is company incorporated in India, as of that date.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

## AUDITOR'S RESPONSIBILITY

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

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

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

## MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## OTHER MATTER

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

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

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

**Kartikeya Raval**
Partner
(Membership No. 106189)

Ahmedabad, May 4, 2018

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

₹ in Lakhs

| | | Notes | 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 | 2 | 58,291.07 | 58,008.36 | 59,250.30 |
| | (b) Capital Work-in-Progress | 2 | 95,450.66 | 34,919.04 | 3,192.89 |
| | (c) Other Intangible Assets | 3 | 465.26 | 585.12 | 591.19 |
| | (d) Financial Assets | | | | |
| | Investments | 4 | 234.99 | 374.19 | 372.30 |
| | Loans | 5 | 131.01 | 135.94 | 185.87 |
| | Other Financial Assets | 6 | 992.02 | 1,217.24 | 1,108.58 |
| | (e) Non-Current Tax Assets (Net) | 7 | 265.62 | 169.79 | - |
| | (f) Other Non-Current Assets | 8 | 3,937.54 | 8,281.08 | 4,383.18 |
| | **Total Non-Current Assets** | | **1,59,768.17** | **1,03,690.76** | **69,084.31** |
| | **Current Assets** | | | | |
| | (a) Inventories | 9 | 32,541.59 | 16,714.72 | 13,403.98 |
| | (b) Financial Assets | | | | |
| | Investments | 10 | 2,941.69 | 11,434.16 | 8,442.78 |
| | Trade Receivables | 11 | 41,177.18 | 36,033.11 | 31,249.65 |
| | Cash and Cash Equivalents | 12.A | 942.66 | 584.02 | 476.84 |
| | Bank Balances Other than Cash and Cash Equivalents above | 12.B | 3,877.28 | 865.10 | 172.20 |
| | Other Financial Assets | 13 | 1,871.07 | 1,390.85 | 748.07 |
| | (c) Other Current Assets | 14 | 15,936.36 | 8,035.74 | 4,982.48 |
| | **Total Current Assets** | | **99,287.83** | **75,057.70** | **59,476.00** |
| | **TOTAL ASSETS** | | **2,59,056.00** | **1,78,748.46** | **1,28,560.31** |
| **II.** | **EQUITY AND LIABILITIES** | | | | |
| | **Equity** | | | | |
| | (a) Equity Share Capital | 15 | 2,727.87 | 2,614.23 | 2,325.76 |
| | (b) Other Equity | 16 | 89,485.96 | 68,872.37 | 46,806.89 |
| | **Total Equity** | | **92,213.83** | **71,486.60** | **49,132.65** |
| | **Non-Current Liabilities** | | | | |
| | (a) Financial Liabilities | | | | |
| | Borrowings | 17 | 55,045.79 | 21,843.82 | 15,862.21 |
| | (b) Provisions | 18 | 793.73 | 780.12 | 481.34 |
| | (c) Deferred Tax Liabilities (Net) | 19 | 4,540.19 | 3,907.75 | 3,373.52 |
| | (d) Other Non-Current Liabilities | 20 | 1,702.99 | - | - |
| | **Total Non-Current Liabilities** | | **62,082.70** | **26,531.69** | **19,717.07** |
| | **Current Liabilities** | | | | |
| | (a) Financial Liabilities | | | | |
| | Borrowings | 21 | 33,157.01 | 37,662.43 | 26,851.67 |
| | Trade Payables | 22 | 48,243.44 | 21,457.85 | 17,427.25 |
| | Other Financial Liabilities | 23 | 11,069.47 | 13,420.76 | 10,655.91 |
| | (b) Provisions | 17 | 353.82 | 409.97 | 345.94 |
| | (c) Current Tax Liabilities (Net) | 24 | - | - | 18.34 |
| | (d) Other Current Liabilities | 25 | 11,935.73 | 7,779.16 | 4,411.48 |
| **Total Current Liabilities** | | | **1,04,759.47** | **80,730.17** | **59,710.59** |
| **Total Liabilities** | | | **1,66,842.17** | **1,07,261.86** | **79,427.66** |
| **TOTAL EQUITY AND LIABILITIES** | | | **2,59,056.00** | **1,78,748.46** | **1,28,560.31** |
| Significant Accounting Policies | | 1 | | | |

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**KARTIKEYA RAVAL**
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

**D.C. MEHTA**
Chairman & Managing Director
DIN No: 00028377

**SANJAY UPADHYAY**
Director-Finance & CFO
DIN No: 01776546

**UMESH ASAIKAR**
Executive Director & CEO
DIN No: 06595059

**ARVIND BAJPAI**
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

**SUDHIN CHOKSEY**
DIN No: 00036085

**SUDHIR MANKAD**
DIN No: 00086077

**SANDESH ANAND**
DIN No: 00001792

Directors

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

**FOR THE YEAR ENDED MARCH 31, 2018**

₹ in Lakhs

| | | Notes | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|---|
| I. | Revenue from Operations | 26 | 1,67,618.20 | 1,45,470.73 |
| II. | Other Income | 27 | 1,240.04 | 1,090.60 |
| III. | **Total Income (I+II)** | | **1,68,858.24** | **1,46,561.33** |
| IV. | **Expenses** | | | |
| | (a) Cost of Materials Consumed | 28 | 84,058.07 | 70,600.77 |
| | (b) Purchase of Traded Goods | 29 | 18,749.93 | 16,575.91 |
| | (c) Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods | 30 | 1,070.78 | (2,591.15) |
| | (d) Excise Duty on Sale of Goods | | 2,472.80 | 8,400.24 |
| | (e) Employee Benefits Expense | 31 | 13,615.26 | 12,229.08 |
| | (f) Power & Fuel Expenses | 32 | 11,987.90 | 10,243.94 |
| | (g) Finance Costs | 33 | 4,514.74 | 3,412.19 |
| | (h) Depreciation and Amortisation Expense | 34 | 5,259.97 | 4,803.53 |
| | (i) Other Expenses | 35 | 16,043.62 | 16,464.76 |
| | **Total Expenses (IV)** | | **1,57,773.07** | **1,40,139.27** |
| V. | **Profit Before Exceptional Items, Share of Net Profit of Investments accounted for using Equity Method and Tax (III-IV)** | | **11,085.17** | **6,422.06** |
| VI. | Exceptional Items (Refer Note 2.4) | | - | 7,048.38 |
| VII. | **Profit Before Share of Net Profit of Investments Accounted for Using Equity Method and Tax (V+VI)** | | **11,085.17** | **13,470.44** |
| VIII. | Share of Loss of Associate Company accounted for using the Equity Method | | - | (14.21) |
| IX. | **Profit Before Tax (VII+VIII)** | | **11,085.17** | **13,456.23** |
| X. | **Tax Expense** | | | |
| | (a) Current Tax | | 2,595.30 | 3,188.30 |
| | (b) Deferred Tax | | 876.81 | 636.42 |
| | (c) Excess Provision of Earlier Years | | (288.51) | - |
| XI. | **Profit for the Year (IX-X)** | | **7,901.57** | **9,631.51** |
| XII. | **Other Comprehensive Income** | | | |
| | (A) Items that will not be Reclassified to Profit and Loss: | | | |
| | (a) Remeasurement of Defined Benefit Obligations (Net) | | 108.69 | (343.44) |
| | (b) Tax Effect of Remeasurement of Defined Benefit Liabilities / (Assets) | | (37.01) | 102.18 |
| | (B) Items that will be Reclassified to Profit and Loss: | | | |
| | (a) Fair Value Gains on Investments | | 20.97 | - |
| | (b) Tax Effect of Fair Value Gains on Investments | | (7.13) | - |
| | **Total Other Comprehensive Income for the Year (XII)** | | **85.52** | **(241.26)** |
| XIII. | **Total Comprehensive Income for the Year (XI+XII)** | | **7,987.09** | **9,390.25** |
| XIV. | **Profit is Attributable to** | | | |
| | Owners of the Company | | **7,901.57** | **9,631.51** |
| | Non-Controlling Interest | | **-** | **-** |
| XV. | **Other Comprehensive Income is Attributable to** | | | |
| | Owners of the Company | | **85.52** | **(241.26)** |
| | Non-Controlling Interest | | **-** | **-** |
| XVI. | **Total Comprehensive Income is Attributable to** | | | |
| | Owners of the Company | | **7,987.09** | **9,390.25** |
| | Non-Controlling Interest | | **-** | **-** |
| | **Earnings Per Equity Share** | | | |
| | (a) Basic (Nominal Value per Share ₹ 2) | | 6.00 | 8.21 |
| | (b) Diluted (Nominal Value per Share ₹ 2) | | 6.00 | 8.21 |

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**KARTIKEYA RAVAL**
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

**D.C. MEHTA**
Chairman & Managing Director
DIN No: 00028377

**SANJAY UPADHYAY**
Director-Finance & CFO
DIN No: 01776546

**UMESH ASAIKAR**
Executive Director & CEO
DIN No: 06595059

**ARVIND BAJPAI**
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

**SUDHIN CHOKSEY**
DIN No: 00036085

**SUDHIR MANKAD**
DIN No: 00086077

**SANDESH ANAND**
DIN No: 00001792

Directors

# CONSOLIDATED CASH FLOW STATEMENT

**FOR THE YEAR ENDED MARCH 31, 2018**

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| **(A)** | **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| | Profit Before Tax | 11,085.17 | 13,470.44 |
| | **Profit Before Tax** | **11,085.17** | **13,470.44** |
| | **Non-Cash Adjustment to Reconcile Profit Before Tax to Net Cash Flows** | | |
| | 1. Depreciation / Amortisation | 5,275.97 | 4,803.53 |
| | 2. Loss on Sale of Fixed Assets | 558.11 | 161.33 |
| | 3. Profit on Sale of Fixed Assets (including exceptional items) | (10.77) | (7,062.11) |
| | 4. Provision for Doubtful Debts | 314.57 | (113.46) |
| | 6. Gain on Redemption of Investment | (395.37) | (273.89) |
| | 7. Interest Expenses | 4,514.74 | 3,412.19 |
| | 8. Interest Income | (155.88) | (167.88) |
| | 9. Dividend Income | (0.01) | (0.07) |
| | 10. Fair Value (Gains)/Loss | (9.64) | 11.36 |
| | 11. Amortisation Expense | 1.05 | 0.53 |
| | **Operating Profit Before Change in Operating Assets and Liabilities** | **21,177.94** | **14,241.97** |
| | **Movements in Working Capital :** | | |
| | 1. (Increase)/Decrease in Inventories | (15,825.23) | (3,309.74) |
| | 2. (Increase)/Decrease in Trade Receivables | (5,304.06) | (4,494.37) |
| | 3. (Increase)/Decrease in Non-Current Loans | 4.93 | 49.93 |
| | 4. (Increase)/Decrease in Other Financial Assets | 508.13 | (1,920.06) |
| | 5. (Increase)/Decrease in Other Assets | (7,982.04) | (525.96) |
| | 6. Increase/(Decrease) in Trade Payables | 26,612.13 | 3,261.60 |
| | 7. Increase/(Decrease) in Other Financial Liabilities | (6.28) | 14.22 |
| | 8. Increase/(Decrease) in Other Liabilities | 1,834.03 | (779.44) |
| | 9. Increase/(Decrease) in Provisions | 66.29 | (15.43) |
| | **Cash Generated from Operations** | **21,085.84** | **6,522.72** |
| | Less: | | |
| | Income Tax Paid (Net of refund) | 2,785.90 | 1,622.12 |
| | **Net Cash Inflow from Operating Activities (A)** | **18,299.94** | **4,900.60** |
| **(B)** | **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| | 1. Purchase of Property, Plant & Equipment, including Capital Work in Progress, Capital Advances & Payable for Capital Expenditure | (62,228.24) | (29,623.25) |
| | 2. Proceeds from Sale of Property, Plant & Equipment Net of Receivable | 111.96 | 5,503.38 |
| | 3. Insurance Claims Received | 750.00 | - |
| | 4. Proceeds from Sale of Investment | 527.96 | - |
| | 5. Purchase of Current Investments | (29,664.77) | (71,354.11) |
| | 6. Proceeds from Sale/Maturity of Current Investments | 38,194.47 | 68,390.15 |
| | 7. Deposit with Bank | (3,026.22) | - |
| | 8. Interest Received | 155.44 | 90.76 |
| | 9. Dividend Received | 0.01 | 0.07 |
| | 10. Taxes paid on Transfer/Sale of Land | - | (1,626.20) |
| | 11. Decrease / (Increase) in Long-Term Loans and Advances & Other Non-Current Assets Related to Capital Assets | 2,706.62 | (6,636.21) |
| | **Net Cash Outflow from Investing Activities (B)** | **(52,472.77)** | **(35,255.41)** |

₹ in Lakths

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| **(C)** | **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| | 1. Proceeds from Issue of Equity Shares including Securities Premium | 14,627.98 | 14,643.23 |
| | 2. Proceeds from Long-Term Borrowings | 47,575.75 | 21,839.02 |
| | 3. Repayment of Long-Term Borrowings | (16,812.08) | (8,505.29) |
| | 4. Net Proceeds from Working Capital Borrowings | (4,336.32) | 7,261.74 |
| | 5. Proceeds/(Repayment) from/of Short-Term Borrowings | (169.10) | 1,000.00 |
| | 6. Interest Paid | (4,496.72) | (3,415.05) |
| | 7. Dividend Paid on Equity Shares | (1,560.31) | (1,389.27) |
| | 8. Tax on Equity Dividend Paid | (319.32) | (284.08) |
| | 9. Margin Money Deposit | 21.58 | (688.31) |
| | **Net Cash Outflow from Financing Activities (C)** | **34,531.46** | **30,461.99** |
| | **Net Increase/Decrease in Cash and Cash Equivalents (A+B+C)** | **358.64** | **107.18** |
| | Cash and Cash Equivalents at the Beginning of the Financial Year | **584.02** | **476.84** |
| | **Cash and Cash Equivalents at the end of the Financial Year** | **942.66** | **584.02** |
| | **Reconciliation of Cash and Cash Equivalents** | | |
| | **Balances with Banks** | | |
| | In Current Accounts | 929.74 | 568.81 |
| | In EEFC Accounts | 11.45 | 15.21 |
| | Cash on Hand | 1.47 | - |
| | **Total Cash and Cash Equivalents as per Note 12 A.** | **942.66** | **584.02** |

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**KARTIKEYA RAVAL**
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

**D.C. MEHTA**
Chairman & Managing Director
DIN No: 00028377

**SANJAY UPADHYAY**
Director-Finance & CFO
DIN No: 01776546

**UMESH ASAIKAR**
Executive Director & CEO
DIN No: 06595059

**ARVIND BAJPAI**
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

**SUDHIN CHOKSEY**
DIN No: 00036085

**SUDHIR MANKAD**
DIN No: 00086077

**SANDESH ANAND**
DIN No: 00001792

Directors

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

## (A) EQUITY SHARE CAPITAL

₹ in Lakhs

| | Note | Amount |
|---|---|---|
| **As at April 1, 2016** | | **2,325.76** |
| Issued during the year (Refer Note 15 (b) (iv)) | | 288.47 |
| **As at March 31, 2017** | **15** | **2,614.23** |
| Issued during the year (Refer Note 15 (b) (iv)) | | 113.64 |
| **As at March 31, 2018** | | **2,727.87** |

## (B) OTHER EQUITY

₹ in Lakhs

| | Reserves and Surplus | | | | | Other Comprehensive Income | Total |
|---|---|---|---|---|---|---|---|
| | Retained Earnings | Capital Reserve | General Reserve | Capital Redemption Reserve | Securities Premium Reserve | Equity Instruments through Other Comprehensive Income | |
| **Balance as at April 1, 2016** | **24,765.00** | **71.27** | **7,390.13** | **15.00** | **14,547.45** | **18.04** | **46,806.89** |
| Profit for the year | 9,631.51 | - | - | - | - | - | 9,631.51 |
| Other Comprehensive Income | (241.26) | - | - | - | - | - | (241.26) |
| Dividend | (1,395.46) | - | - | - | - | - | (1,395.46) |
| Tax on Dividend | (284.08) | - | - | - | - | - | (284.08) |
| Transfer to/from Retained Earnings | - | - | - | - | - | - | - |
| Receipt of Securities Premium from Issue of Equity Shares to Qualified Institutional Buyers (Net) (Refer Note 15 (b) (iv)) | - | - | - | - | 14,354.77 | - | 14,354.77 |
| **Balance as at March 31, 2017** | **32,475.71** | **71.27** | **7,390.13** | **15.00** | **28,902.22** | **18.04** | **68,872.37** |
| Profit for the year | **7,901.57** | **-** | **-** | **-** | **-** | **-** | **7,901.57** |
| Other Comprehensive Income | 71.68 | - | - | - | - | 13.84 | 85.52 |
| Dividend | (1,568.53) | - | - | - | - | - | (1,568.53) |
| Tax on Dividend | (319.31) | - | - | - | - | - | (319.31) |
| Transfer to/from Retained Earnings | (500.00) | - | 500.00 | - | - | - | - |
| Receipt of Securities Premium from Issue of Equity Shares to Qualified Institutional Buyers (Net)(Refer Note 15 (b) (iv)) | - | - | - | - | 14,514.34 | - | 14,514.34 |
| **Balance as at March 31, 2018** | **38,061.12** | **71.27** | **7,890.13** | **15.00** | **43,416.56** | **31.88** | **89,485.96** |

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

**KARTIKEYA RAVAL**
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

**D.C. MEHTA**
Chairman & Managing Director
DIN No: 00028377

**SANJAY UPADHYAY**
Director-Finance & CFO
DIN No: 01776546

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Company Secretary
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Mumbai: May 4, 2018

**SUDHIN CHOKSEY**
DIN No: 00036085

**SUDHIR MANKAD**
DIN No: 00086077

**SANDESH ANAND**
DIN No: 00001792

Directors

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**AS AT AND FOR THE YEAR ENDED MARCH 31, 2018**

**COMPANY OVERVIEW**

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at 9/10, Kunj Society, Alkapuri, Vadodara- 390 007, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company and its subsidiary Companies are referred to as the Group here under.

**1. Significant Accounting Policies**

This Note provides a list of the significant Accounting Policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the Group consisting of the Company and its subsidiary companies.

**(a) I. Basis of Preparation**

**(i) Compliance with Ind AS**

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) "Previous GAAP" and other relevant provisions of the Companies Act, 2013. These Consolidated Financial Statements are the first Financial Statements of the Company in accordance with Ind AS. The date of transition to Ind AS is April 1, 2016. Refer 'Note 47' for details of first-time adoption exemptions availed by the Company.

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain items of Property, Plant and Equipment

(b) Certain financial assets and financial liabilities measured at fair value

(c) Derivative Financial instruments

(d) Defined benefit plan – plan assets measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**(ii) Functional and Presentation Currency**

Items included in the Consolidated Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Consolidated Financial Statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

**(iii) Use of Estimates and Critical Accounting Judgements**

Preparation of the Consolidated Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

**Critical Judgements in Applying Accounting Policies**

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

**Useful Lives and Residual Value of Property, Plant and Equipment** The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**Allowance for Expected Credit Losses** The expected credit allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

**Fair Value of Investments** The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Group with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

**Income Taxes** Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

**(a) II. Principles of Consolidation**

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Deepak Nitrite Limited and its subsidiaries as at March 31, 2018. The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The basis for preparing the consolidated financial statements is given below:

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies are consistent with the policies adopted by the Group.

In case of foreign subsidiary, being Integral Foreign Operations, revenue items are consolidated at the average rate that approximates the actual rate at the date of transaction. All monetary items are translated in to Consolidated financial statements at exchange rate in effect at the balance sheet date. Any exchange difference arising on consolidation is recognised in the Consolidated Statement of Profit and Loss.

| Name of Entity | Ownership in % Either Directly or Through Subsidiaries | | Nature | Country of Incorporation |
|---|---|---|---|---|
| | 2017-18 | 2016-17 | | |
| Deepak Phenolics Limited | 100% | 100% | Subsidiary | India |
| Deepak Nitrite Corporation, Inc. | 100% | 100% | Subsidiary | United States of America |

**Changes in Ownership Interest**

When the Group ceases to consolidate or equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company or financial asset.

**(b) Current Versus Non-Current Classification**

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Company's normal operating cycle.

An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Group has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

**(c) Revenue Recognition**

**(i) Timing of Recognition**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of goods are transferred to the buyer, recoverability of consideration is probable, the amount of revenue and cost incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing managerial involvement over the goods sold.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

**(ii) Measurement of Revenue**

**Sale of Goods**

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not. The revenue is reported net of GST as per Ind AS 18. Discounts given include rebates, price reductions and other incentives given to customers. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

**Revenue from Services** is recognised when the services are rendered or when contracted milestones have been achieved.

**Interest Income**

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

**(d) Foreign Currency Transactions**

In preparing the Consolidated Financial Statements of the Group, transactions in currencies other than the entity's functional currency (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 retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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 not retranslated.

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

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

**(e) Income Taxes**

The income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit /(tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognised in consolidated statement of changes in equity as part of associated dividend payment.

**(f) Property, Plant and Equipment**

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'Capital work-in-progress'.

**Depreciation Methods, Estimated Useful Lives and Residual Value:**

Depreciation is provided, pro rata for the period of use, under the Straight Line Method (SLM) except in respect of Aromatics Amines plant where depreciation in respect of plant & equipment is provided on Written Down Value method (WDV).

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the company, chemical process & chemical industry norms.

| Asset Category | Estimated Useful Life |
|---|---|
| Building | 30 years |
| Plant & Equipment | 3 to 40 years |
| Furniture & Fixture | 10 years |
| Vehicle | 8 years |
| Office Equipment | 5 years |
| Road | 5 years |

Freehold land is stated at historical cost and is not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each Financial Year end and adjusted prospectively, if appropriate.

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Consolidated Statement of Profit and Loss.

**(g) Intangible Assets**

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

| | |
|---|---|
| Software and related implementation costs | 6 years |
| Rights to use facilities | 5 years |
| Technical Know How | 10 years |

**(h) Impairment of Tangible and Intangible Assets**

The carrying amount of cash generating units/assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**(i) Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

**(j) Inventories**

Raw materials and components, stores and spares other than specific spares for plant and equipment are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Stock-in-process are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable price.

**(k) Investments and Other Financial Assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

(1) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through the Statement of Profit and Loss)

(2) Those measured at amortised cost

The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

**(ii) Initial Recognition and Measurement**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

**(iii) Subsequent Measurement**

After initial recognition, financial assets are measured at:

(1) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

(2) Amortised cost

**(iv) Debt Instruments**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

**Measured at Amortised Cost**

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

**Measured at Fair Value Through Other Comprehensive Income (OCI)**

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain/(loss) previously recognised in OCI is reclassified from the equity to other income in the Consolidated Statement of Profit and Loss.

**Measured at Fair Value Through Profit or Loss**

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Consolidated Statement of Profit and Loss.

**(v) Equity Instruments**

The Company subsequently measures all investments in equity instruments other than subsidiary companies at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments, except for strategic investments, in the Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Consolidated Statement of Profit and Loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(vi) Investments in Subsidiary Companies**

Investments in subsidiary companies carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

**(vii) Impairment of Financial Assets**

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

**(viii) De-Recognition**

A financial asset is de-recognised only when the Company

(1) has transferred the rights to receive cash flows from the financial asset or

(2) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the

Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(l) Financial Liabilities**

**(i) Classification**

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

**(ii) Initial Recognition and Measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

**(iii) Subsequent Measurement**

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

**(iv) De-Recognition**

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

**(m) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**(n) Borrowing Costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

**(o) Provisions and Contingent Liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**(p) Employee Benefits**

**(i) Short-Term Employee Benefits**

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in Consolidated Statement of Profit and Loss.

**(ii) Defined Contribution Plan**

Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund are recognised in the Consolidated Statement of Profit and Loss.

**(iii) Defined Benefit Plan**

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the consolidated statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

**(iv) Compensated Absence and Earned Leaves**

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the consolidated statement of profit and loss in the period in which they arise.

**(q) Government Grants**

(i) Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

(iii) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

**(r) Research and Development Expenditure**

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

**(s) Earnings Per Share**

Basic Earnings Per Share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

**(t) Segment Reporting - Basis of Information**

The Group has determined 3 (three) reporting Segments, based on the information reviewed by chief operating decision maker as primary segments viz. (i) Basic Chemicals , (ii) Fine & Speciality Chemicals and (iii) Performance Products .

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Company.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under "Other unallocable". Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis have been included under "Unallocable Assets/Liabilities".

Secondary segment have been indentified with reference to geographical location of external customers. Composition of secondary segment is as follows: (i) India and (ii) Outside India

## 2. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

| | Owned assets | | | | | | | | Total | Capital Work-in-Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Leasehold Land | Building | Plant and Equipment | Furniture and Fixture | Vehicle | Office Equipment | Road | | |
| **Deemed Cost as at April 1, 2016** | **578.68** | **2,769.05** | **9,506.57** | **44,966.53** | **378.54** | **560.91** | **192.94** | **297.08** | **59,250.30** | **3,192.89** |
| Additions during the year 2016-17 | - | 483.52 | 118.68 | 2,948.29 | 200.34 | 134.51 | 90.36 | - | 3,975.70 | 35,701.85 |
| Deductions during the year 2016-17 | - | - | (256.81) | (1,497.11) | (138.16) | (158.32) | (111.67) | - | (2,162.07) | (3,975.70) |
| Depreciation for the year 2016-17 | - | (31.52) | (414.91) | (3,289.77) | (78.70) | (105.37) | (89.11) | (102.70) | (4,112.08) | - |
| Depreciation impact on account of Fair Valuation | - | - | - | (531.21) | - | - | - | - | (531.21) | - |
| Depreciation on disposal during the year 2016-17 | - | - | 100.06 | 1,160.55 | 134.85 | 85.37 | 106.89 | - | 1,587.72 | - |
| **Net Carrying Amount as at March 31, 2017** | **578.68** | **3,221.05** | **9,053.59** | **43,757.28** | **496.87** | **517.10** | **189.41** | **194.38** | **58,008.36** | **34,919.04** |
| Additions during the year 2017-18 | - | 314.24 | 289.06 | 4,812.58 | 71.31 | 21.97 | 81.98 | 10.24 | 5,601.38 | 66,081.33 |
| Deductions during the year 2017-18 | - | - | - | (211.01) | (0.34) | (29.07) | (6.08) | - | (246.50) | (5,549.71) |
| Depreciation for the year 2017-18 | - | (40.31) | (434.61) | (4,246.06) | (93.95) | (105.45) | (77.36) | (104.40) | (5,102.14) | - |
| Depreciation on disposal during the year 2017-18 | - | - | - | 16.32 | 0.30 | 7.92 | 5.42 | - | 29.97 | - |
| **Net Carrying Amount as at March 31, 2018** | **578.68** | **3,494.98** | **8,908.04** | **44,129.11** | **474.20** | **412.47** | **193.37** | **100.22** | **58,291.07** | **95,450.66** |

## 3. INTANGIBLE ASSETS

₹ in Lakhs

| | Computer Software | Others | Total |
|---|---|---|---|
| **Deemed Cost as at April 1, 2016** | **290.29** | **300.90** | **591.19** |
| Additions during the year 2016-17 | 185.85 | - | 185.85 |
| Deductions during the year 2016-17 | (96.82) | - | (96.82) |
| Depreciation for the year 2016-17 | (105.18) | (55.06) | (160.24) |
| Depreciation on disposal during the year 2016-17 | 65.14 | - | 65.14 |
| **Net Carrying Amount as at March 31, 2017** | **339.28** | **245.84** | **585.12** |
| Additions during the year 2017-18 | 53.95 | - | 53.95 |
| Depreciation for the year 2017-18 | (99.21) | (74.60) | (173.81) |
| **Net Carrying Amount as at March 31, 2018** | **294.02** | **171.24** | **465.26** |

**Notes:**

1 Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

2 Building includes ₹ 1,080.00 Lakhs (₹ 1,080.00 Lakhs at March 31, 2017 and April 1, 2016) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

3 The useful lives of Plant & Machinery have been changed from Financial Year 2017-18 which is based on technical evaluation done by the Management experts which are in accordance to the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets.

4 During the previous year, company has sold a parcel of freehold land situated at Pune for a consideration of ₹ 6,960.00 Lakhs and has also surrendered / assigned its leasehold rights in respect of adjoining land for consideration of ₹ 966.00 Lakhs. The profit on sale of land and surrender / assignment of its leasehold rights amounting to ₹ 7,048.38 Lakhs has been recognised in the Consolidated Statement of Profit and Loss as an exceptional item.

5 Property Plant & Equipment- Deemed Cost as on 01.04.2016

₹ in Lakhs

| | Owned Assets | | | | | | | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Freehold Land | Leasehold Land | Building | Plant and Equipment | Furniture and Fixture | Vehicle | Office Equipment | Road | Computer Software | Other | |
| **Gross Carrying amount as on April 1, 2016** | **581.11** | **3,001.70** | **12,087.30** | **69,902.70** | **860.45** | **884.56** | **568.11** | **537.48** | **746.63** | **499.84** | **89,669.88** |
| Accumulated depreciation as on April 1, 2016 | - | (232.65) | (2,580.73) | (25,007.47) | (481.91) | (323.65) | (375.17) | (240.40) | (456.34) | (198.94) | (29,897.26) |
| Impact of Fair Valuation | - | - | - | 71.30 | - | - | - | - | - | - | 71.30 |
| Regrouping to Asset Held for Sale | (2.43) | - | - | - | - | - | - | - | - | - | (2.43) |
| **Deemed Cost as on April 1, 2016** | **578.68** | **2,769.05** | **9,506.57** | **44,966.53** | **378.54** | **560.91** | **192.94** | **297.08** | **290.29** | **300.90** | **59,841.49** |

6 Capitalised borrowing costs

Addition to Fixed Assets include borrowing costs (including exchange difference considered as adjustments to borrowings cost) amounting to ₹ 5.31 Lakhs (Previous year, ₹ (113.27) Lakhs)

₹ in Lakhs

| | Capitalised during the Current Year | Capitalised during the Previous Year |
|---|---|---|
| **Exchange Loss/(Gain) Capitalised (Refer Note Below)** | | |
| (a) Plant & Machinery | 5.01 | (106.82) |
| (b) Factory & Other Building | 0.30 | (6.45) |
| **Total** | **5.31** | **(113.27)** |

**Note:** Pursuant to the provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009, and related notifications of Ministry of Corporate Affairs, the Company in 2017-18 has adjusted to Property, Plant & Equipment, foreign exchange differences amounting to ₹ 5.31 Lakhs (Previous year, ₹ (113.27) Lakhs) on revaluation of long term foreign currency borrowing for acquisition of Property, Plant & Equipment as an adjustment to borrowing costs.

7 Capital Work in Progress

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at March 31, 2016 |
|---|---|---|---|
| (a) Capital Work in Progress (Building) | 397.88 | 397.88 | 397.88 |
| (b) Capital Work in Progress (Projects) | 76,286.90 | 23,896.26 | - |
| (c) Capital Work in Progress (Others) | 18,765.87 | 11,022.78 | 3,192.89 |
| Provision for Impairment | - | (397.88) | (397.88) |
| **Capital Work in Progress (Net)** | **95,450.65** | **34,919.04** | **3,192.89** |

## 4. NON-CURRENT INVESTMENTS

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| (a) | Investments in equity instruments of associate company measured at cost | - | 133.65 | 147.86 |
| (b) | Investments in equity instruments of other companies measured at FVTPL | 10.71 | 103.09 | 86.99 |
| (c) | Investments in equity instruments of other companies measured at FVOCI | 224.27 | 137.44 | 137.44 |
| (d) | Investments in Government or Trust Securities measured at amortised cost | 0.01 | 0.01 | 0.01 |
| **Total** | | **234.99** | **374.19** | **372.30** |

₹ in Lakhs

| | Face Value | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|---|
| | | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| **(a) Investment in Equity Instruments (Fully Paid-Up)** | | | | | | | |
| **(i) Associate Measured at Cost (Unquoted)** | | | | | | | |
| **In Foreign Associate Measured at Cost** | | | | | | | |
| Deepak Gulf LLC (Refer Note 4.1 below) | Omani Riyal 1/- | - | - | 1,22,500 | 147.86 | 1,22,500 | 164.94 |
| Share of Loss of Associate Company | | - | - | - | (14.21) | - | (17.08) |
| Balance at the end of year | | - | - | 1,22,500 | 133.65 | 1,22,500 | 147.86 |
| **(ii) Other Companies Measured at FVTPL** | | | | | | | |
| **Quoted** | | | | | | | |
| Bank of Baroda | ₹ 2/- | - | - | 50,000 | 86.48 | 50,000 | 73.50 |
| IDBI Bank | ₹ 10/- | 6,240 | 4.51 | 6,240 | 4.68 | 6,240 | 4.34 |
| Dena Bank | ₹ 10/- | 29,400 | 5.53 | 29,400 | 11.26 | 29,400 | 8.48 |
| **Unquoted** | | | | | | | |
| Nandesari Environment Control Limited | ₹ 10/- | 800 | 0.08 | 800 | 0.08 | 800 | 0.08 |
| Baroda Co-operative Bank Ltd. | ₹ 50/- | 20 | 0.01 | 20 | 0.01 | 20 | 0.01 |
| Shamrao Vitthal Co-op Bank Ltd. | ₹ 25/- | 2,000 | 0.50 | 2,000 | 0.50 | 2,000 | 0.50 |
| New India Co-op Bank Ltd. | ₹ 10/- | 798 | 0.08 | 798 | 0.08 | 798 | 0.08 |
| **(iii) Other Companies Measured at FVOCI** | | | | | | | |
| **Unquoted** | | | | | | | |
| Jedimetla Effluent Treatment Ltd. | ₹ 100/- | 52,342 | 80.08 | 52,342 | 80.08 | 52,342 | 80.08 |
| Deepak International Limited | GBP 1/- | 73,706 | 68.01 | 73,706 | 57.36 | 73,706 | 57.36 |
| Deepak Gulf LLC (Refer Note 4.1 below) | Omani Riyal 1/- | 45,000 | 76.18 | - | - | - | - |
| **(b) Investments in Government or Trust Securities Measured at Amortised Cost** | | | | | | | |
| National Savings Certificate | | - | 0.01 | - | 0.01 | - | 0.01 |
| **Total** | | **2,10,306** | **234.99** | **3,37,806** | **374.19** | **3,37,806** | **372.30** |

**Notes:**

4.1 During the year, 31% shares out of 49% holding of Deepak Gulf LLC was transferred for a consideration of ₹ 131.13 Lakhs. Deepak Gulf LLC ceased to be associate company and remaining investment is measured at FVOCI as on March 31, 2018. The gain on redemption of Investment of ₹ 17.70 Lakhs has been recognised in the Statement of Profit and Loss. (Refer Note 27 (e))

4.2

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| (a) | Aggregate amount of Unquoted Investments | 224.95 | 271.77 | 285.98 |
| (b) | Aggregate amount of Quoted Investments | 10.04 | 102.42 | 86.32 |

## 5. LOANS

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Loans to Employees | | | |
| Unsecured, considered good | | | |
| (a) Key Managerial Personnel and Directors | 0.89 | 1.51 | 2.13 |
| (b) Others | 130.12 | 134.43 | 183.74 |
| **Total** | **131.01** | **135.94** | **185.87** |

These financial assets are carried at amortised cost.

## 6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Security Deposits | | | |
| Unsecured, considered good | | | |
| (a) Related parties (Refer Note Below) | 383.09 | 348.26 | 316.60 |
| (b) Others | 608.93 | 868.98 | 791.98 |
| **Total** | **992.02** | **1,217.24** | **1,108.58** |

Security Deposits from Related Parties include Deposit towards lease of Residential Premises of ₹ 400 Lakhs accounted at Fair value using appropriate discount rate.

## 7. NON-CURRENT TAX ASSETS

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Non-Current Tax Assets** | | | |
| Advance Income Tax (Net of provisions ) | 265.62 | 169.79 | - |
| **Total** | **265.62** | **169.79** | **-** |

## 8. OTHER NON-CURRENT ASSETS

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (a) Capital Advances | 3,834.69 | 8,113.53 | 3,380.10 |
| (b) Prepaid Expenses | 37.31 | 108.91 | 239.19 |
| (c) Advance against Salary | 65.54 | 58.12 | 44.13 |
| (d) Balance with tax authorities | - | - | 718.72 |
| (e) Unamortised expenditure | - | 0.52 | 1.04 |
| **Total** | **3,937.54** | **8,281.08** | **4,383.18** |

## 9. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| (a) | Raw materials and components | 18,410.58 | 3,752.76 | 3,440.18 |
| | Goods-in-transit | 3,427.14 | 1,541.41 | 1,302.16 |
| | | 21,837.72 | 5,294.17 | 4,742.34 |
| (b) | Work-in-progress | 3,820.16 | 3,529.68 | 2,358.42 |
| (c) | Finished goods | 3,406.80 | 4,086.43 | 5,300.44 |
| (d) | Traded goods | 1,967.45 | 2,649.08 | 15.18 |
| (e) | Stores and Spares | 1,683.39 | 1,325.56 | 1,197.25 |
| | | 32,715.52 | 16,884.92 | 13,613.63 |
| | Provision for obsolescence | (173.93) | (170.20) | (209.65) |
| **Total** | | **32,541.59** | **16,714.72** | **13,403.98** |

Inventories hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

## 10. CURRENT INVESTMENTS

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Investments Measured at FVTPL (Quoted)** | | | |
| Investments in Mutual Funds | 2,941.69 | 11,434.16 | 8,442.78 |
| **Total** | **2,941.69** | **11,434.16** | **8,442.78** |

## 11. TRADE RECEIVABLES

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| **Current** | | | | |
| (a) | Unsecured, Considered Good | | | |
| | (i) Trade Receivables | 40,668.72 | 35,222.16 | 31,096.73 |
| | (ii) Related Parties | 508.46 | 810.95 | 152.92 |
| (b) | Unsecured, Considered Doubtful | 645.73 | 331.15 | 444.61 |
| | Allowance for Credit Losses | (645.73) | (331.15) | (444.61) |
| **Total** | | **41,177.18** | **36,033.11** | **31,249.65** |

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk related to Trade Receivables refer note 41.5 & 41.6.

Trade receivables hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

## 12A. CASH AND CASH EQUIVALENTS

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| (a) | Cash on hand | 1.47 | - | - |
| (b) | Balances with banks | | | |
| | In Current accounts | 929.74 | 568.81 | 476.83 |
| | In EEFC Accounts | 11.45 | 15.21 | 0.01 |
| **Total** | | **942.66** | **584.02** | **476.84** |

### 12B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| (a) | Earmarked Balances with Bank | 64.33 | 56.79 | 52.20 |
| (b) | Deposits with banks with maturity less than 3 months | 3,026.22 | - | - |
| (c) | Margin Money Deposits | | | |
| | Maturity less than 3 months | 707.43 | 582.51 | - |
| | Maturity more than 3 months but less than 12 months | 79.30 | 225.80 | 120.00 |
| **Total** | | **3,877.28** | **865.10** | **172.20** |

### 13. OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| **Unsecured, Considered Good** | | | | |
| (a) | Loans to employees | | | |
| | (i) Key Managerial Personnel and Directors | 0.62 | 0.62 | 0.62 |
| | (ii) Others | 124.07 | 178.49 | 201.16 |
| (b) | Interest Receivable | 68.86 | 68.42 | 50.05 |
| (c) | Insurance Claim Receivable (Refer Note (i) below) | 1,446.03 | 421.43 | - |
| (d) | Security Deposits | 9.62 | 9.87 | 35.24 |
| (e) | Earnest Money | 11.23 | 26.28 | 15.07 |
| (f) | Loan to Company (Refer Note (ii) below) | 187.90 | 187.90 | 187.90 |
| (g) | Others | 22.74 | 497.84 | 258.03 |
| **Total** | | **1,871.07** | **1,390.85** | **748.07** |

(i) With respect to fire incident in October 2016, the Company has lodged insurance claims, both for replacement value of the damaged facilities and loss of profits due to business interruption. The above includes ₹ 1,832.90 Lakhs (Net of loss on account of fire of ₹ 417.10 Lakhs) against expected settlement under Fine & Speciality Chemicals Segment which was recognised during the year ended March 31, 2018. Remaining balance shall be accounted upon final settlement of claims. The Company received ₹ 750.00 Lakhs as an interim payment against the above claims during the year ended March 31, 2018.

(ii) Loans to Company have been given for business purpose.

### 14. OTHER CURRENT ASSETS

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| **Unsecured, Considered Good** | | | | |
| (a) | Assets held for Disposal | 63.87 | 63.87 | 83.29 |
| (b) | Balance with Tax Authorities/Benefits Receivable | 14,243.91 | 6,399.01 | 3,861.42 |
| (c) | Prepaid Expenses | 387.65 | 121.38 | 22.03 |
| (d) | Advances to Suppliers | 1,224.82 | 1,436.41 | 1,010.71 |
| (e) | Other Receivables | 16.11 | 15.07 | 5.03 |
| **Total** | | **15,936.36** | **8,035.74** | **4,982.48** |

## 15. EQUITY SHARE CAPITAL

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Authorised:** | | | |
| 15,00,00,000 Equity shares of ₹ 2 each | 3,000.00 | 3,000.00 | 3,000.00 |
| 20,00,000 Preference shares of ₹ 100 each | 2,000.00 | 2,000.00 | 2,000.00 |
| **Total** | **5,000.00** | **5,000.00** | **5,000.00** |
| **Issued, Subscribed and Fully Paid Up** | | | |
| Equity shares of ₹ 2 each | 2,727.87 | 2,614.23 | 2,325.76 |
| **Total** | **2,727.87** | **2,614.23** | **2,325.76** |

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

₹ in Lakhs

| | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| **Equity Shares** | | | | | | |
| Shares outstanding at the beginning of the year | 13,07,11,266 | 2,614.23 | 11,62,88,190 | 2,325.76 | 10,45,38,190 | 2,090.76 |
| Issued during the year- issued to QIB (Refer Note (b) (iv) below) | 56,81,775 | 113.64 | 1,44,23,076 | 288.47 | 1,17,50,000 | 235.00 |
| **Shares outstanding at the end of the year** | **13,63,93,041** | **2,727.87** | **13,07,11,266** | **2,614.23** | **11,62,88,190** | **2,325.76** |

(b) Shares: Terms/Rights

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the Company, the holders of Equity Shares shall 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 Shares held by the Shareholders. No preferential amounts exist as on the Balance Sheet date.

(iv) The Company offered Equity Shares to Qualified Institutional Buyers ("QIBs") through Qualified Institutions Placement in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The year wise details are:

**For Financial Year 2015-16** - 1,17,50,000 Equity Shares of ₹ 2/- each were allotted to QIBs on January 06, 2016 at an issue price of ₹ 70.90 per Equity Share (including premium of ₹ 68.90 per Equity Share). The issue proceeds of ₹ 8,330.75 Lakhs from the Qualified Institutions Placements has been fully utilised for the object stated in the offer document.

**For Financial Year 2016-17** - 1,44,23,076 Equity Shares of ₹ 2/- each were allotted to QIBs on March 7, 2017 at an issue price of ₹ 104 per Equity Share (including premium of ₹ 102 per Equity Share). The issue proceeds of ₹ 15,000.00 Lakhs from the Qualified Institutions Placements has been fully utilised for the object stated in the offer document.

**For Financial Year 2017-18** - 56,81,775 Equity Shares of ₹ 2/- each were allotted to QIBs on January 30, 2018 at an issue price of ₹ 264 per Equity Share (including premium of ₹ 262 per Equity Share).

Out of issue proceeds of ₹ 15,000.00 Lakhs from the Qualified Institutions Placements during the current year, ₹ 371.91 Lakhs were utilised towards share issue expenses and ₹ 9,546.44 Lakhs has been utilised for the object stated in the offer document. Pending utilisation, ₹ 5,081.65 Lakhs have been invested in Liquid Mutual Funds and Fixed Deposits.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company :

| Name of the Shareholder | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | No. | % Holding | No. | % Holding | No. | % Holding |
| Mr. Deepak Chimanlal Mehta | 2,12,36,331 | 15.57 | 2,12,36,331 | 16.25 | 2,09,04,040 | 18.01 |
| Stiffen Credits & Capital Pvt. Ltd. | 83,79,940 | 6.14 | 83,79,940 | 6.41 | 83,79,940 | 7.21 |
| Checkpoint Credits & Capital Pvt. Ltd. | 72,06,050 | 5.28 | 72,06,050 | 5.51 | 72,06,050 | 6.20 |
| Stepup Credits & Capital Pvt. Ltd. | 69,15,580 | 5.07 | 69,15,580 | 5.29 | 69,15,580 | 5.95 |
| Stigma Credits & Capital Pvt. Ltd. | 61,78,100 | 4.53 | 61,78,100 | 4.73 | 61,78,100 | 5.31 |
| Franklin India Smaller Companies Fund | 56,22,951 | 4.12 | 71,99,495 | 5.51 | 61,00,000 | 5.25 |

(d) During the year 2014-15, Company has allotted 52,269,095 Bonus Equity Shares of ₹ 2/- (Rupees Two Only) each, fully paid up, in the ratio of 1:1 (one Bonus Equity Shares of ₹ 2/- each).

## 16. OTHER EQUITY

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Reserves & Surplus** | | | |
| (a) Retained Earnings | 38,061.12 | 32,475.71 | 24,765.00 |
| (b) General Reserve | 7,890.13 | 7,390.13 | 7,390.13 |
| (c) Capital Reserve | 71.27 | 71.27 | 71.27 |
| (d) Capital Redemption Reserve | 15.00 | 15.00 | 15.00 |
| (e) Securities Premium Reserve | 43,416.56 | 28,902.22 | 14,547.45 |
| **Reserves Representing Unrealised Gains/(Losses)** | | | |
| Equity instruments through other comprehensive income | 31.88 | 18.04 | 18.04 |
| **Total** | **89,485.96** | **68,872.37** | **46,806.89** |

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| **(a) Retained Earnings** | | |
| Balance at beginning of year | 32,475.71 | 24,765.00 |
| Add: Profit attributable to owners of the Company (Profit for the year) | 7,973.26 | 9,390.25 |
| Less: Payment of Dividend on Equity Shares | 1,568.53 | 1,395.46 |
| Less: Payment of Dividend distribution tax | 319.32 | 284.08 |
| Less: Transferred to General Reserve | 500.00 | - |
| **Balance at end of year** | **38,061.12** | **32,475.71** |
| Retained earnings represents the Group's undistributed earnings after taxes. | | |
| **(b) General Reserve** | | |
| Balance at beginning of year | 7,390.13 | 7,390.13 |
| Add: Transferred from Surplus Balance in the Statement of Profit and Loss | 500.00 | - |
| **Balance at end of year** | **7,890.13** | **7,390.13** |
| The general reserve is used for the purposes specified under the Companies Act, 2013. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified to the subsequently Statement of Profit and Loss. | | |

| | | ₹ in Lakhs | |
|---|---|---|---|
| | | **As at March 31, 2018** | **As at March 31, 2017** |
| **(c)** | **Capital Reserve** | | |
| | Balance at beginning of year | 71.27 | 71.27 |
| | Movements | - | - |
| | **Balance at end of year** | **71.27** | **71.27** |
| **(d)** | **Capital Redemption Reserve** | | |
| | Balance at beginning of year | 15.00 | 15.00 |
| | Movements | - | - |
| | **Balance at end of year** | **15.00** | **15.00** |
| | Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the debentures. The Company has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares. | | |
| **(e)** | **Securities Premium Reserve** | | |
| | Balance at beginning of year | 28,902.22 | 14,547.45 |
| | Add: Receipt of Securities Premium from issue of Equity Shares to QIBs | 14,886.25 | 14,711.54 |
| | Less: Share issue Expenses | 371.91 | 356.77 |
| | **Balance at end of year** | **43,416.56** | **28,902.22** |
| | Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Companies Act, 2013. Share issue expenses includes fees of Statutory Auditors of ₹ 15.00 Lakhs (Previous year, ₹ 15.00 Lakhs) for work related to Qualified Institutions Placement. | | |
| **(f)** | **Reserve for Equity Instruments Through Other Comprehensive Income** | | |
| | Balance at beginning of year | 18.04 | 18.04 |
| | Movements | 13.84 | - |
| | **Balance at end of year** | **31.88** | **18.04** |
| | This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off | | |

## 17. NON-CURRENT BORROWINGS

| | | | ₹ in Lakhs |
|---|---|---|---|
| | **As at March 31, 2018** | **As at March 31, 2017** | **As at April 1, 2016** |
| **Secured Loans** | | | |
| **Term Loan from Banks** | | | |
| Foreign Currency Loan from Banks | - | 4,993.35 | - |
| Loan from Banks | 53,045.79 | 12,578.31 | 6,608.77 |
| External Commercial Borrowings | - | 2,322.16 | 9,253.44 |
| **Unsecured Loans** | | | |
| Term Loan from Banks | 2,000.00 | 1,950.00 | - |
| **Total** | **55,045.79** | **21,843.82** | **15,862.21** |

**Secured Term Loans**

Term loan from Banks are secured by first pari passu charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Company, both present and future and second charge on entire current assets of the Company, both present and future. The Company is in the process of executing necessary charge on the assets.

**Repayment Schedule**

(i) Rate of interest of Foreign Currency Loan from Bank is 3.35% p.a. including LIBOR

(ii) Rate of interest of Rupee loan from Banks are in the range of Base rate/MCLR plus 0.00% to 2.20% p.a. and is repayable on monthly/quarterly basis with last installment payable from April, 2020 to December, 2028.

(iii) Rate of interest of External Commercial Borrowings are in the range of LIBOR plus 2.50% to 3.00% p.a. and is repayable on quarterly/half-yearly basis with a step up repayment schedule and last installment payable on November, 2018.

(iv) Unsecured Term Loan from Banks is repayable on quarterly basis with last installment payable in September, 2019.

## 18. PROVISIONS

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Non-Current** | | | |
| Provision for Employee benefit obligations | | | |
| Provision for leave benefits (Refer Note 39 (B)) | 793.73 | 758.76 | 481.34 |
| Provision for Gratuity (Refer Note 39 (A)(iii)) | - | 21.36 | - |
| **Total-Non-Current** | **793.73** | **780.12** | **481.34** |
| **Current** | | | |
| Provision for Employee benefit obligations | | | |
| Provision for leave benefits (Refer Note 39 (B)) | 341.39 | 288.86 | 293.49 |
| Provision for Gratuity (Refer Note 39 (A)(iii)) | 12.43 | 121.11 | 52.45 |
| **Total-Current** | **353.82** | **409.97** | **345.94** |

## 19. DEFERRED TAX LIABILITY (NET)

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **(a) Break up of Deferred Tax Liability as at year end** | | | |
| **Nature of Timing Difference** | | | |
| Property, Plant and Equipment | 8,204.75 | 7,056.60 | 6,232.47 |
| **Total Deferred Tax Liability** | **8,204.75** | **7,056.60** | **6,232.47** |
| **(b) Break up of Deferred Tax Asset as at year end** | | | |
| **Nature of Timing Difference** | | | |
| Disallowances u/s 43B and Others | 1,186.71 | 562.21 | 484.41 |
| MAT Credit Entitlement | 2,477.85 | 2,586.64 | 2,374.54 |
| **Total Deferred Tax Asset** | **3,664.56** | **3,148.85** | **2,858.95** |
| **Deferred Tax Liability (Net) (a-b)** | **4,540.19** | **3,907.75** | **3,373.52** |

## 20. NON-CURRENT LIABILITIES

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Export Obligations | 1,702.99 | - | - |
| **Total** | **1,702.99** | **-** | **-** |

## 21. CURRENT BORROWINGS

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Working Capital Borrowings from Banks** | | | |
| (a) Secured | 21,012.82 | 22,427.48 | 19,243.75 |
| (b) Unsecured | 9,488.35 | 11,412.25 | 5,607.92 |
| Unsecured Short term borrowings from Banks | - | - | 2,000.00 |
| Unsecured Short term Borrowings from Related Parties (Refer note (iv) below) | 2,650.00 | 3,000.00 | - |
| Buyers Credit for capital goods (Refer note (v) below) | 5.84 | 822.70 | - |
| **Total** | **33,157.01** | **37,662.43** | **26,851.67** |

(i) Working Capital borrowings from banks represent Cash Credit, Working Capital Demand Loan, Export Packing Credit with rate of interest as Base Rate/MCLR of respective banks plus spread ranging from 0% - 2.00% p.a., Packing Credit in Foreign Currency, Buyers' Credit against Letter of Undertaking with rate of interest ranging from LIBOR/EURIBOR plus spread ranging from 0.20% p.a. to 1.10% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts and second charge on all Property, Plant & Equipment by way of hypothecation and mortgage.

(iii) Commercial Paper placed by the Company during the year are unsecured and carries interest rate ranging from 6.40% p.a. to 7.75% p.a., tenure of each placement ranging from 60 days to 90 days.

(iv) Short term Borrowings from Related parties includes unsecured loan taken from related parties carrying interest rate of 10.50% p.a.

(v) Buyers Credit for capital goods against Letter of Undertaking carrying rate of interest ranging from 0.27% p.a. to 0.40 % p.a. availed against sublimit of project loan of ₹ 84,000.00 Lakhs.

## 22. TRADE PAYABLES

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (a) To outstanding dues of Micro, Small and Medium Enterprises | 104.43 | 85.00 | 143.51 |
| (b) To outstanding dues of creditors other than Micro, Small and Medium Enterprises | 48,139.01 | 21,372.85 | 17,283.74 |
| **Total** | **48,243.44** | **21,457.85** | **17,427.25** |

The average credit period on goods purchased or services received ranges between 30 days to 180 days.

## 23. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| (a) Current maturities of Long term Borrowings | 10,451.59 | 12,882.83 | 10,136.53 |
| (b) Security Deposits | 330.42 | 286.16 | 290.80 |
| (c) Investor Education and Protection Fund will be credited by following amounts (as and when due) | | | |
| Unpaid Dividend | 61.06 | 52.83 | 46.64 |
| Unclaimed Matured Deposits (Refer Note below) | 7.84 | 7.84 | 9.23 |
| Unpaid Interest on Matured Fixed Deposits | 3.27 | 3.96 | 5.55 |
| (d) Interest accrued but not due on Borrowings | 201.27 | 165.89 | 167.16 |
| (e) Others | 14.02 | 21.25 | - |
| **Total** | **11,069.47** | **13,420.76** | **10,655.91** |

The Unclaimed Matured deposits of ₹ 7.84 Lakhs outstanding as at March 31, 2018 represents an aggregate amount of certain cheques issued towards compulsory repayment of the outstanding fixed deposits as on March 31, 2015, which have not been presented to the bank for payment by the depositors.

## 24. CURRENT TAX LIABILITIES

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| **Current Tax Liabilities** | | | |
| Provision for Tax (Net of Advances) | - | - | 18.34 |
| **Total** | **-** | **-** | **18.34** |

## 25. OTHER CURRENT LIABILITIES

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|---|
| (a) | Advances Received from Customers | 90.65 | 118.26 | 176.71 |
| (b) | Payable for Capital Expenditure | 10,530.04 | 6,506.72 | 458.05 |
| (c) | Excise duty on Finished Goods | - | 330.21 | 356.30 |
| (d) | Statutory Dues | 562.51 | 370.45 | 144.04 |
| (e) | Employee Benefits Payable | 752.53 | 453.52 | 1,776.38 |
| (f) | Advance received against Sale of Land | - | - | 1,500.00 |
| **Total** | | **11,935.73** | **7,779.16** | **4,411.48** |

## 26. REVENUE FROM OPERATIONS

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (a) | Sale of Products | | |
| | Finished Goods | 1,43,010.21 | 1,28,947.16 |
| | Traded Goods | 19,647.60 | 13,942.81 |
| (b) | Sale of Services | 884.21 | 865.75 |
| (c) | Other operating revenues | | |
| | Export Incentives | 1,605.45 | 1,462.97 |
| | Scrap Sale | 218.76 | 216.44 |
| | Insurance Claims (Refer Note 13 (i)) | 2,251.97 | 35.60 |
| **Total** | | **1,67,618.20** | **1,45,470.73** |

## 27. OTHER INCOME

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (a) | Profit on sale of Property, Plant & Equipment | 10.77 | 13.73 |
| (b) | Interest Income | 155.88 | 167.88 |
| (c) | Dividend Income | 0.01 | 0.07 |
| (d) | Profit on redemption of Investments | 395.36 | 273.89 |
| (e) | Rent | 10.48 | 1.67 |
| (f) | Miscellaneous Receipts | 36.59 | 24.67 |
| (g) | Foreign Exchange Gains | 223.42 | 549.69 |
| (h) | Fair Value Gains on Financial Assets | 9.65 | 59.00 |
| (i) | Write back of provision for Impairment | 397.88 | - |
| **Total** | | **1,240.04** | **1,090.60** |

## 28. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| (a) Raw Material and Components Consumed | | |
| Inventory at the beginning of the year | 5,292.93 | 3,439.03 |
| Add: Purchases during the year | 94,738.58 | 70,235.84 |
| | 1,00,031.51 | 73,674.87 |
| Less: Inventory at the end of the year | 18,410.58 | 5,292.93 |
| Cost of Raw Material and Components Consumed | **81,620.93** | **68,381.94** |
| (b) Packing Material Consumed | 2,437.14 | 2,218.83 |
| Cost of Packing Material Consumed | **2,437.14** | **2,218.83** |
| **Total** | **84,058.07** | **70,600.77** |

## 29. PURCHASE OF TRADED GOODS

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| Purchase of Finished Goods for Resale | 18,749.93 | 16,575.91 |
| **Total** | **18,749.93** | **16,575.91** |

## 30. CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| Inventories at the beginning of the year | | |
| Stock in Process | 3,529.68 | 2,358.42 |
| Finished Goods | 4,086.43 | 5,300.44 |
| Traded Goods | 2,649.08 | 15.18 |
| | **10,265.19** | **7,674.04** |
| Less: | | |
| Inventories at the end of the year | | |
| Stock in Process | 3,820.16 | 3,529.68 |
| Finished Goods | 3,406.80 | 4,086.43 |
| Traded Goods | 1,967.45 | 2,649.08 |
| | **9,194.41** | **10,265.19** |
| **Total** | **1,070.78** | **(2,591.15)** |

## 31. EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| (a) Salaries & Wages | 12,126.95 | 10,854.51 |
| (b) Contribution to Provident Fund and Other Funds (Refer Note 39 C) | 696.41 | 645.78 |
| (c) Gratuity Expenses (Refer Note 39A(iv)) | 129.30 | 108.65 |
| (d) Staff Welfare Expenses | 662.60 | 620.14 |
| **Total** | **13,615.26** | **12,229.08** |

## 32. POWER & FUEL EXPENSES

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (a) | Consumption of Gas | 2,404.45 | 898.51 |
| (b) | Consumption of Furnace Oil | 714.61 | 677.30 |
| (c) | Consumption of High Speed Diesel | 93.80 | 110.27 |
| (d) | Consumption of Coal & Coke | 3,556.30 | 3,230.58 |
| (e) | Electricity Expenses | 4,565.45 | 4,845.29 |
| (f) | Water Charges | 621.33 | 476.57 |
| (g) | Other Expenses | 31.96 | 5.42 |
| **Total** | | **11,987.90** | **10,243.94** |

## 33. FINANCE COSTS

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (a) | Interest on Borrowings | 4,116.81 | 3,071.99 |
| (b) | Exchange difference to the extent considered as an adjustment to Borrowing Costs | 397.93 | 340.20 |
| **Total** | | **4,514.74** | **3,412.19** |

## 34. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (a) | Depreciation on Tangible Assets | 5,102.14 | 4,643.29 |
| | Less: Transferred to Pre-operative expenses | 15.98 | - |
| | | **5,086.16** | **4,643.29** |
| (b) | Amortisation of Intangible Assets | 173.81 | 160.24 |
| **Total** | | **5,259.97** | **4,803.53** |

## 35. OTHER EXPENSES

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (a) | Conversion Charges | 542.61 | 604.06 |
| (b) | Excise Duty Paid | - | 22.86 |
| (c) | Excise Duty Relating to Increase / (Decrease) in Closing Stocks | (330.22) | (26.08) |
| (d) | Other Manufacturing Expenses | 962.47 | 840.20 |
| (e) | Rent | 242.99 | 468.97 |
| (f) | Repairs & Maintenance | | |
| | Repairs to Building | 100.55 | 200.42 |
| | Repairs and Maintenance to Plant and Equipment | 2,200.36 | 2,068.51 |
| | Repairs and Maintenance to Others | 70.64 | 67.51 |
| (g) | Consumption of Stores & Spare Parts | 1,520.16 | 1,532.53 |
| (h) | Insurance | 369.60 | 284.49 |
| (i) | Rates & Taxes | 271.26 | 398.51 |
| (j) | Bank Charges | 227.46 | 241.56 |
| (k) | Travelling & Conveyance | 469.35 | 513.13 |
| (l) | Freight & Forwarding Charges | 4,383.95 | 4,174.52 |
| (m) | Loss on Sale of Assets | 558.11 | 160.46 |
| (n) | Commission on Sales | 463.94 | 304.77 |
| (o) | CSR Expenses | 225.00 | 207.71 |
| (p) | Provision for Doubtful Debts (Gross) | 326.83 | 6.57 |
| | Add: Bad Debts | 9.76 | 25.20 |
| | Less: Transfer from Provision for Doubtful Debts | 12.26 | 120.03 |
| | Provision for Doubtful Debts (Net) | 324.33 | (88.26) |

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (q) | Vehicle Expenses | 309.72 | 273.90 |
| (r) | Legal & Professional | 1,022.14 | 1,737.89 |
| (s) | General Expenses | 2,015.87 | 2,450.55 |
| (t) | Payment to Auditors | 68.44 | 48.55 |
| (u) | Director's Sitting Fees | 21.16 | 17.45 |
| (v) | Provision/(Reversal) for Inventory Obsolescence | 3.73 | (39.45) |
| **Total** | | **16,043.62** | **16,464.76** |

**Note: Payment to Auditors**

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| (a) | As Auditor: | | |
| | Audit fees | 38.40 | 31.62 |
| | Tax Audit fees | 3.00 | 4.02 |
| | Quarterly Limited Review | 21.00 | 4.50 |
| (b) | In Other Capacity: | | |
| | Taxation Matters | 2.76 | 4.50 |
| | Other Services (Certification fees) | 3.28 | 3.91 |
| **Total** | | **68.44** | **48.55** |

## 36. RELATED PARTIES DISCLOSURES

**A) Name of Related Party and Nature of Relationship**

**(i) Subsidiary Companies**

Deepak Nitrite Corporation Inc., United States of America

Deepak Phenolics Limited

**(ii) Key Management Personnel**

| | |
|---|---|
| Mr. D.C. Mehta | Chairman & Managing Director |
| Mr. M.D. Mehta | Whole Time Director |
| Mr. Umesh Asaikar | Executive Director & Chief Executive Officer |
| Mr. Sanjay Upadhyay | Director-Finance & Chief Financial Officer |

**(iii) Entities Over Which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence**

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited * Deepak Gulf LLC* Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Pranawa Leafin Private Limited * Skyrose Finvest Private Limited * Sofotel Infra Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credit & Capital Private Limited * Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

**(iv) Relative of Key Management Personnel**

Mr. C.K. Mehta

Mr. A.C. Mehta

Mr. Meghav D. Mehta

## B) Transaction with Related Parties

₹ in Lakhs

| Sr. No. | Nature of Transaction | March 31, 2018 | | | | March 31, 2017 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Key Management Personnel | Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence | Relative of Key Management Personnel | Total | Key Management Personnel | Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence | Relative of Key Management Personnel | Total |
| 1 | **Purchase of Goods** | | | | | | | | |
| | Deepak Fertilisers & Petrochemicals Corporation Limited | - | 10,245.25 | - | **10,245.25** | - | 8,201.53 | - | **8,201.53** |
| | Deepak Novochem Technologies Limited | - | 34.19 | - | **34.19** | - | - | - | **-** |
| 2 | **Sale of Goods** | | | | | | | | |
| | Deepak Novochem Technologies Limited | - | 902.21 | - | **902.21** | - | 712.69 | - | **712.69** |
| 3 | **Conversion Charges Received** | | | | | | | | |
| | Deepak Novochem Technologies Limited | - | 1,032.50 | - | **1,032.50** | - | 894.86 | - | **894.86** |
| 4 | **Rendering of Services / Reimbursement of Expenses** | | | | | | | | |
| | Deepak Novochem Technologies Limited | - | 0.38 | - | **0.38** | - | 0.39 | - | **0.39** |
| | Storewell Credits and Capital Private Limited | - | 8.80 | - | **8.80** | - | - | - | - |
| 5 | **Receiving of services / Reimbursement of Expenses** | | | | | | | | |
| | Deepak Fertilisers & Petrochemicals Corporation Limited | - | 7.47 | - | **7.47** | - | 14.03 | - | **14.03** |
| | Deepak Novochem Technologies Limited | - | 1.19 | - | **1.19** | - | 1.72 | - | **1.72** |
| | Deepak Foundation | - | 0.78 | - | **0.78** | - | 2.37 | - | **2.37** |
| | Deepak Medical Foundation | - | 12.52 | - | **12.52** | - | 18.12 | - | **18.12** |
| | Deepak Cybit Private Limited | - | 42.07 | - | **42.07** | - | 16.61 | - | **16.61** |
| | Mr. Deepak C. Mehta | 9.60 | - | - | **9.60** | 9.60 | - | - | **9.60** |
| | Mr. C.K. Mehta | - | - | - | **-** | 0.60 | - | 1.00 | **1.60** |
| | Mr. Maulik D.Mehta | - | - | - | **-** | - | - | 8.76 | **8.76** |
| | Mr. Meghav D. Mehta | - | - | 53.55 | **53.55** | - | - | 30.05 | **30.05** |
| | Mr. Ajay C. Mehta | - | - | 0.60 | **0.60** | - | - | - | **-** |
| 6 | **Sale of Investments** | | | | | | | | |
| | Forex Leafin Private Ltd | - | 131.13 | - | **131.13** | - | - | - | - |
| 7 | **Loan taken from related Parties** | | | | | | | | |
| | Mr. Deepak C. Mehta | - | - | - | **-** | 700.00 | - | - | **700.00** |
| | Storewell Credits & Capital Private Limited | - | - | - | **-** | - | 2,300.00 | - | **2,300.00** |
| 8 | **Interest paid to Related Parties** | | | | | | | | |
| | Mr. Deepak C. Mehta | 72.59 | - | - | **72.59** | 38.66 | - | - | **38.66** |
| | Storewell Credits & Capital Private Limited | - | 241.50 | - | **241.50** | - | 147.75 | - | **147.75** |
| 9 | **Managerial Remuneration** | | | | | | | | |
| | Mr. Deepak C. Mehta | 496.16 | - | - | **496.16** | 322.51 | - | - | **322.51** |

₹ in Lakhs

| Sr. No. | Nature of Transaction | March 31, 2018 Key Management Personnel | March 31, 2018 Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence | March 31, 2018 Relative of Key Management Personnel | March 31, 2018 Total | March 31, 2017 Key Management Personnel | March 31, 2017 Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence | March 31, 2017 Relative of Key Management Personnel | March 31, 2017 Total |
|---|---|---|---|---|---|---|---|---|---|
| | Mr. Ajay C. Mehta | 72.79 | - | - | **72.79** | 98.17 | - | - | **98.17** |
| | Mr. Maulik D. Mehta | 103.02 | - | - | **103.02** | 75.35 | - | - | **75.35** |
| | Mr. Umesh Asaikar | 470.73 | - | - | **470.73** | 387.82 | - | - | **387.82** |
| | Mr. Sanjay Upadhyay | 205.67 | - | - | **205.67** | - | - | - | - |
| 10 | **Dividend Paid** | | | | | | | | |
| | Checkpoint Credits & Capitals Private Limited | - | 86.47 | - | **86.47** | - | 86.47 | - | **86.47** |
| | Stigma Credits & Capital Private Limited | - | 74.14 | - | **74.14** | - | 74.14 | - | **74.14** |
| | Stiffen Credits & Capital Private Limited | - | 100.56 | - | **100.56** | - | 100.56 | - | **100.56** |
| | Stepup Credits & Capital Private Limited | - | 82.99 | - | **82.99** | - | 82.99 | - | **82.99** |
| | Skyrose Finvest Private Limited | - | 44.30 | - | **44.30** | - | 44.30 | - | **44.30** |
| | Mr. Deepak C. Mehta | 284.54 | - | - | **284.54** | 251.28 | - | - | **251.28** |
| | Mr. C.K. Mehta | - | - | 0.94 | **0.94** | 1.04 | - | - | **1.04** |
| | Mr. Maulik D. Mehta | 1.58 | - | - | **1.58** | - | - | 1.58 | **1.58** |
| | Mr. Meghav D. Mehta | - | - | 0.57 | **0.57** | - | - | 0.57 | **0.57** |
| | Others | - | 66.89 | 16.39 | **83.28** | - | 65.66 | 16.39 | **82.05** |
| 11 | **Donation / CSR Activity** | | | | | | | | |
| | Deepak Foundation - PHTI | - | - | - | **-** | - | 148.26 | - | **148.26** |
| | Deepak Medical Foundation | - | 16.65 | - | **16.65** | - | 23.84 | - | **23.84** |
| | Deepak Foundation | - | 211.33 | - | **211.33** | - | 33.10 | - | **33.10** |
| 12 | **Net Accounts Receivable / (Payable)** | | | | | | | | |
| | Deepak Fertilisers & Petrochemicals Corporation Limited | - | (1,795.43) | - | **(1,795.43)** | - | (851.42) | - | **(851.42)** |
| | Deepak Novochem Technologies Limited | - | 508.46 | - | **508.46** | - | 810.95 | - | **810.95** |
| | Mr. Deepak C. Mehta | (150.00) | - | - | **(150.00)** | (326.00) | - | - | **(326.00)** |
| | Mr. Ajay C. Mehta | (20.60) | - | - | **(20.60)** | (26.00) | - | - | **(26.00)** |
| | Mr. C.K. Mehta | - | - | - | **-** | - | - | (1.00) | **(1.00)** |
| | Mr. Maulik D. Mehta | (11.34) | - | - | **(11.34)** | (20.25) | - | - | **(20.25)** |
| | Mr. Umesh Asaikar | (45.44) | - | - | **(45.44)** | (72.13) | - | - | **(72.13)** |
| | Mr. Sanjay Upadhyay | (24.25) | - | - | **(24.25)** | - | - | - | **-** |
| | Deepak Medical Foundation | - | 15.00 | - | **15.00** | - | - | - | **-** |
| | Deepak Cybit Ltd. | - | (2.50) | - | **(2.50)** | - | - | - | **-** |
| | Storewell Credits and Capital Pvt Ltd | - | (2,300.00) | - | **(2,300.00)** | - | (2,300.00) | - | **(2,300.00)** |

**Notes:**

(a) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(b) All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis.

## 37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lakhs

| | | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|---|
| **I.** | **Claims Against the Company Not Acknowledged as Debts in Respects of** | | |
| (a) | Matters relating to Income Tax from AY 1991-92 & AY 2012-13 is being contested at various levels of Tax authorities | 98.60 | 98.60 |
| (b) | Matters relating to Sales Tax/VAT from AY 2005-06 to FY 2013-14 is being contested at various level of Indirect Tax authorities. | 86.41 | 72.84 |
| (c) | Matters relating to Excise duty from FY 1998-99 to FY 2016-17 is being contested at various level of Indirect Tax authorities. | 479.33 | 493.23 |
| (d) | Bank Guarantees: | | |
| | Financial | 3,060.55 | 980.48 |
| | Performance | 2,717.92 | 2,525.51 |
| (e) | In respect of Stamp duty matter | - | 22.85 |
| (f) | Disputed Labour Matters | Amount Not ascertainable | Amount Not ascertainable |
| | Management is not expecting any future cash outflow in respect of (a) to (c), (e) & (f), | | |
| | **Total** | **6,442.81** | **4,193.51** |
| **II.** | **Commitments** | | |
| | Capital Commitments (Net of Advances) | 16,239.18 | 378.46 |
| | **Total** | **16,239.18** | **378.46** |

## 38. TAX EXPENSE

### A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Lakhs

| | | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|---|
| **I.** | **Expense / (Benefit) Recognised in the Statement of Profit and Loss** | | |
| | Current tax on profit for the year | 2,595.30 | 3,188.30 |
| | Increase in deferred tax liabilities | 876.81 | 636.42 |
| | Excess provision of earlier years | (288.51) | - |
| | **Total** | **3,183.60** | **3,824.72** |
| **II.** | **Expense / (Benefit) Recognised in Statement of Other Comprehensive Income** | | |
| | Re-measurement gains / (losses) on defined benefit plans | 37.01 | (102.18) |
| | Equity instruments through other comprehensive income | 7.13 | - |
| | **Total** | **44.14** | **(102.18)** |

### B. The Reconciliation Between the Provision of Income Tax and Amounts Computed by Applying the Indian Statutory Income Tax Rate to Profit Before Taxes is as Follows

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| **Profit Before Taxes** | **11,085.17** | **13,470.44** |
| Enacted income tax rate in India | 34.61% | 34.61% |
| **Computed Expected Tax Expense** | **3,836.36** | **4,661.85** |
| Effect of | | |
| Weighted deduction for R&D Expenditure | (155.66) | (263.97) |
| Income taxed at higher/ (lower) rates | (21.48) | (970.23) |
| Others (Net) | (187.11) | 397.06 |
| Excess provision of earlier years | (288.51) | - |
| **Total Income Tax Expense** | **3,183.60** | **3,824.71** |

### C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets)

₹ in Lakhs

| | As at March 31, 2018 | Recognised in Statement of Profit and Loss /OCI | As at March 31, 2017 | Recognised in Statement of Profit and Loss /OCI | As at April 1, 2016 |
|---|---|---|---|---|---|
| Property, Plant and Equipment | 8,204.75 | 1,148.15 | 7,056.60 | 824.13 | 6,232.47 |
| **Total Deferred Tax Liabilities (a)** | **8,204.75** | **1,148.15** | **7,056.60** | **824.13** | **6,232.47** |
| Disallowances u/s 43B and Others | 1,186.71 | 624.50 | 562.21 | 77.80 | 484.41 |
| MAT Credit Entitlement | 2,477.85 | (108.79) | 2,586.64 | 212.10 | 2,374.54 |
| **Total Deferred Tax Assets (b)** | **3,664.56** | **515.71** | **3,148.85** | **289.90** | **2,858.95** |
| **Net Deferred Tax (Asset)/Liabilities (a-b)** | **4,540.19** | **632.44** | **3,907.75** | **534.23** | **3,373.52** |

## 39. EMPLOYEE BENEFIT OBLIGATIONS

### A. Gratuity

The Group has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

#### (i) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Balance at the beginning of the year | 1,815.60 | 1,343.89 |
| Current Service Cost | 120.44 | 98.41 |
| Interest Cost | 132.51 | 106.54 |
| Actuarial (gain)/losses | (99.08) | 354.20 |
| Benefits Paid | (106.77) | (87.44) |
| **Balance at the end of the year** | **1,862.70** | **1,815.60** |

#### (ii) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Balance at the beginning of the year | 1,673.13 | 1,286.55 |
| Expected Return on Plan Assets | 122.91 | 102.25 |
| Actuarial gain/(losses) | 9.25 | 2.73 |
| Contribution by the Company | 156.25 | 372.10 |
| Benefits Paid | (111.27) | (90.50) |
| **Balance at the end of the year** | **1,850.27** | **1,673.13** |
| Actual Return on Plan Assets | 7.12% to 7.88% | 7.56% to 8.07% |

**(iii) Assets and Liabilities Recognised in the Balance Sheet**

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Present Value of Defined Benefit Obligation | 1,862.70 | 1,815.60 |
| Less: Fair Value of Plan Assets | 1,850.27 | 1,673.13 |
| **Amounts Recognised as Liability** | **12.43** | **142.47** |
| Recognised under | | |
| Long Term provision (Refer Note 18) | - | 21.36 |
| Short Term provision (Refer Note 18) | 12.43 | 121.11 |
| **Total** | **12.43** | **142.47** |

**(iv) Expenses Recognised in the Statement of Profit and Loss**

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| Current Service Cost | 119.70 | 98.41 |
| Net Interest Cost | 9.60 | 4.29 |
| Liability Transferred | - | 5.95 |
| **Total Expenses (Refer Note No. 31)** | **129.30** | **108.65** |

**(v) Expenses Recognised in the Other Comprehensive Income**

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| Actuarial gain/(losses) on Obligation for the year | 99.44 | 346.17 |
| Return on Plan assets excluding Interest Income | 9.25 | (2.72) |
| **Total Expenses Recognised in OCI** | **108.69** | **343.45** |

**(vi) Major Category of Plan Assets**

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | ₹ in Lakhs | % | ₹ in Lakhs | % |
| GOI Securities | - | - | - | - |
| Public Securities | - | - | - | - |
| State Government Securities | - | - | - | - |
| Insurance Policies | 1,850.27 | 100.00 | 1,673.13 | 100.00 |
| Others | - | - | - | - |

**Risk Exposure**

The Group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

**(vii) Actuarial Assumptions**

**₹ in Lakhs**

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Discount Rate | 7.85% | 7.34% |
| Expected Return on Plan Assets | 7.85% | 7.34% |
| Salary Growth Rate | 6.50% | 6.50% |
| Attrition Rate | 2.00% | 2.00% |

**(viii) Sensitivity Analysis**

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

| | Change in Assumptions | | Impact on Defined Benefit Obligation | | | |
|---|---|---|---|---|---|---|
| | | | Increase in Assumptions | | Decrease in Assumptions | |
| | As at March 31, 2018 % | As at March 31, 2017 % | As at March 31, 2018 ₹ in Lakhs | As at March 31, 2017 ₹ in Lakhs | As at March 31, 2018 ₹ in Lakhs | As at March 31, 2017 ₹ in Lakhs |
| Discount Rate | 1.00% | 1.00% | (98.62) | (97.33) | 111.89 | 110.61 |
| Salary Growth Rate | 1.00% | 1.00% | 112.24 | 110.42 | (100.65) | (98.91) |
| Attrition Rate | 1.00% | 1.00% | 7.28 | 4.20 | (8.33) | (4.85) |

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

**B. Leave Encashment**

(a) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2018, is ₹ 1,081.54 Lakhs (Previous year ₹ 1018.70 Lakhs), which is determined on actuarial basis using Projected Unit Credit Method.

(c) **Principal Actuarial Assumptions**

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| Discount Rate | 7.85% | 7.34% |

**C. Defined Contribution Plan**

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| Employer's Contribution to Provident Fund | 531.09 | 488.76 |
| Employer's Contribution to Superannuation Fund | 165.32 | 162.06 |

| **Expected Contribution for the next year** | ₹ in Lakhs |
|---|---|
| Employer's Contribution to Provident Fund | 638.58 |
| Employer's Contribution to Superannuation Fund | 178.55 |

## 40. CAPITAL MANAGEMENT

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Group focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

For the purposes of Capital Management, the Group considers the following components of its Balance Sheet to manage capital.

**The Capital Structure of the Group was as Follows**

₹ in Lakhs

| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Total Equity (A) | 92,213.83 | 71,486.60 | 49,132.65 |
| Non-Current Borrowings (including current maturities) | 65,497.38 | 34,726.65 | 25,998.74 |
| Current Borrowings | 33,157.01 | 37,662.43 | 26,851.67 |
| Total Borrowings (B) | 98,654.39 | 72,389.08 | 52,850.41 |
| **Total Capital (A+B)** | **1,90,868.22** | **1,43,875.68** | **1,01,983.06** |
| Total Borrowing as % of Total Equity | 106.98% | 101.26% | 107.57% |

Borrowings represented 51.69%, 50.31% and 51.82% of Total Capital as of March 31, 2018, March 31, 2017, and April 1, 2016 respectively.

The Interest Coverage Ratio for the reporting period was as follows

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| EBITDA (excluding other income & exceptional items) | 19,619.84 | 13,532.97 |
| Interest | 4,514.74 | 3,412.19 |
| **Interest Coverage Ratio** | **4.35** | **3.97** |

**41. FINANCIAL INSTRUMENTS**

**41.1. Categories of Financial Instruments**

**The Carrying Value of Financial Instruments by Categories as of March 31, 2018 is as Follows**

₹ in Lakhs

| | Fair Value through Other Comprehensive Income | Fair Value through Profit or Loss | Amortised Cost |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and Cash Equivalents | - | - | 942.66 |
| Other Balances with Banks | - | - | 3,877.28 |
| Quoted Investments (Level 1) | - | 2,951.73 | - |
| Unquoted Investments (Level 3) | 224.27 | 0.67 | - |
| Government Securities | - | - | 0.01 |
| Trade Receivables | - | - | 41,177.18 |
| Loans | - | - | 131.01 |
| Other Financial Assets | - | - | 2,863.09 |
| **Total** | **224.27** | **2,952.40** | **48,991.23** |
| **Financial Liabilities** | | | |
| Current Borrowings | - | - | 33,157.01 |
| Non-Current Borrowings (including current maturities) | - | - | 65,497.38 |
| Trade Payables | - | - | 48,243.44 |
| Other Financial Liabilities | - | 14.02 | 603.86 |
| **Total** | **-** | **14.02** | **1,47,501.69** |

**The Carrying Value of Financial Instruments by Categories as of March 31, 2017 is as Follows**

₹ in Lakhs

| | Fair Value through Other Comprehensive Income | Fair Value through Profit or Loss | Amortised Cost |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and Cash Equivalents | - | - | 584.02 |
| Other Balances with Banks | - | - | 865.10 |
| Quoted Investments (Level 1) | - | 11,536.58 | - |
| Unquoted Investments (Level 3) | 137.44 | 0.67 | 133.65 |
| Government Securities | - | - | 0.01 |
| Trade Receivables | - | - | 36,033.11 |
| Loans | - | - | 135.94 |
| Other Financial Assets | - | - | 2,608.09 |
| **Total** | **137.44** | **11,537.25** | **40,359.92** |
| **Financial Liabilities** | | | |
| Current Borrowings | - | - | 37,662.43 |
| Non-Current Borrowings (including current maturities) | - | - | 34,726.65 |
| Trade Payables | - | - | 21,457.85 |
| Other Financial Liabilities | - | 21.25 | 516.68 |
| **Total** | **-** | **21.25** | **94,363.61** |

**The Carrying Value of Financial Instruments by Categories as of April 1, 2016 is as Follows**

₹ in Lakhs

| | Fair Value through Other Comprehensive Income | Fair Value through Profit or Loss | Amortised Cost |
|---|---|---|---|
| **Financial Assets** | | | |
| Cash and Cash Equivalents | - | - | 476.84 |
| Other Balances with Banks | - | - | 172.20 |
| Quoted Investments (Level 1) | - | 8,529.10 | - |
| Unquoted Investments (Level 3) | 137.44 | 0.67 | 147.86 |
| Government Securities | - | - | 0.01 |
| Trade Receivables | - | - | 31,249.65 |
| Loans | - | - | 185.87 |
| Other Financial Assets | - | 91.49 | 1,765.16 |
| **Total** | **137.44** | **8,621.26** | **33,997.59** |
| **Financial Liabilities** | | | |
| Current Borrowings | - | - | 26,851.67 |
| Non-Current Borrowings (including current maturities) | - | - | 25,998.74 |
| Trade Payables | - | - | 17,427.25 |
| Other Financial Liabilities | - | - | 519.38 |
| **Total** | **-** | **-** | **70,797.04** |

**41.2. Fair Value Hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

**Fair Value Hierarchy as at March 31, 2018**

₹ in Lakhs

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments in Quoted equity instruments | 2,951.73 | - | - | 2,951.73 |
| Investments in Unquoted equity instruments | - | - | 224.94 | 224.94 |

**Fair Value Hierarchy as at March 31, 2017**

₹ in Lakhs

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments in Quoted equity instruments | 11,536.58 | - | - | 11,536.58 |
| Investments in Unquoted equity instruments | - | - | 138.11 | 138.11 |

**Fair Value Hierarchy as at March 31, 2016**

₹ in Lakhs

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Investments in Quoted equity instruments | 8,529.10 | - | - | 8,529.10 |
| Investments in Unquoted equity instruments | - | - | 138.11 | 138.11 |
| Others | 91.49 | - | - | 91.49 |

**Reconciliation of Level 3 Fair Value Measurements**

₹ in Lakhs

| | Investment in Unquoted Shares Irrevocably Designated as FVTOCI |
|---|---|
| **Opening Balance as on April 1, 2016** | 137.44 |
| Purchases | |
| Total gains/losses in other comprehensive income | - |
| Disposals / settlements | - |
| **Closing Balance as on March 31, 2017** | **137.44** |
| Reclassification of Investments (Refer Note 4.1) | 65.86 |
| Total gains in other comprehensive income | 20.97 |
| Disposals / settlements | - |
| **Closing Balance as on March 31, 2018** | **224.27** |

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

**41.3. Financial Risk Management Objectives**

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts and interest swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

| Item | Primarily Effected by | Risk Management Policies | Reference |
|---|---|---|---|
| Market risk - currency risk | Foreign Currency balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings | Mitigating foreign currency risk using foreign currency forward contracts and option contracts. | Note 41.4.1 |
| Market risk - interest rate risk | Change in market interest rates | Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies | Note 41.4.2 |
| Credit risk | Ability of customers or counterparties to financial instruments to meet contractual obligations. | Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions | Note 41.5 |
| Liquidity risk | Fluctuations in cash flows | Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities | Note 41.6 |

**41.4. Market Risk**

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks

- Foreign currency risk
- Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

**41.4.1 Foreign Currency Risk Management**

The Group is exposed to foreign exchange risk on account of following:

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign currency borrowings in the form of Term loans, external commercial borrowings, buyers credit, packing credit etc. availed for meeting its funding requirements.

The Group has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure.

**(a) The Carrying Amounts of the Company's Foreign Currency Denominated Monetary Assets and Monetary Liabilities Based on Gross Exposure at the End of the Reporting Period is as Under**

| Currency | Liabilities | | | Assets | | |
|---|---|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| USD (Lakhs) | 549.32 | 255.25 | 274.17 | 280.66 | 248.35 | 221.65 |
| INR (Lakhs) | 35,547.31 | 17,038.87 | 18,395.88 | 18,162.49 | 16,510.49 | 14,798.56 |
| GBP (Lakhs) | 1.31 | - | - | - | 0.10 | - |
| INR (Lakhs) | 112.44 | - | - | - | 8.15 | - |
| JPY (Lakhs) | 7.09 | - | - | - | - | - |
| INR (Lakhs) | 4.35 | - | - | - | - | - |
| CHF (Lakhs) | 0.05 | - | - | - | - | |
| INR (Lakhs) | 3.62 | - | - | - | - | - |
| EURO (Lakhs) | 23.99 | 0.15 | 0.98 | 11.14 | - | 6.00 |
| INR (Lakhs) | 1,927.67 | 12.14 | 73.22 | 893.45 | - | 440.90 |

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows

**(b) Foreign Currency Forward, Option Contracts and Interest Rate Swaps Outstanding as at the Balance Sheet Date**

| | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|---|---|---|---|---|---|
| | Buy | Sell | Buy | Sell | Buy | Sell |
| Forward Contracts (USD Lakhs) | 110.72 | 60.00 | 91.99 | - | - | 72.61 |
| Forward Contracts (EURO Lakhs) | 6.39 | - | - | - | - | 6.31 |
| Option Contracts ( USD Lakhs) | - | 35.00 | - | - | - | - |
| Interest rate Swaps ECB (USD Lakhs) | - | 36.00 | - | 139.50 | - | 259.75 |

The forward and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables. The swap contracts have been entered into to hedge the interest rate risks on the external commercial borrowings of the Company.

**(c) Net Open Exposures Outstanding as at the Balance Sheet Date**

| Currency | Liabilities | | | Assets | | |
|---|---|---|---|---|---|---|
| | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
| USD (Lakhs) | 217.94 | - | 125.13 | - | 85.09 | - |
| GBP (Lakhs) | 1.31 | - | - | - | 0.10 | - |
| JPY (Lakhs) | 7.09 | - | - | - | - | - |
| CHF (Lakhs) | 0.05 | - | - | - | - | - |
| EURO (Lakhs) | 6.46 | 0.15 | 1.29 | - | - | - |

**(d) Foreign Currency Sensitivity Analysis**

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a INR 1 increase and decrease against the US Dollar. INR 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by INR 1 against the US Dollar. For a INR 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Lakhs

| Currency USD Impact on Profit or Loss | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|---|---|---|
| Impact of INR 1 strengthening against US Dollar | 33.70 | (124.57) | 72.52 |
| Impact of INR 1 weakening against US Dollar | (23.70) | (88.04) | (72.52) |

The above sensitivity analysis does not include effect of Foreign Exchange (loss)/gain capitalised as the same does not affect profit or loss or total equity.

**41.4.2 Interest Rate Risk Management**

The Group issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

**(a) Interest Rate Swap Contract**

The Company had entered into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 41.4.1(b).

**(b) Interest Rate Sensitivity Analysis**

The sensitivity analysis in para below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended March 31, 2018 would decrease/ increase by ₹ 230.80 Lakhs (March 31, 2017: ₹ 141.85 Lakhs and April 1, 2016 ₹ 66.07 Lakhs)

### 41.5 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through financial institutions. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

**Reconciliation of Loss Allowance Provision - Trade Receivables**

| | ₹ in Lakhs |
|---|---|
| **Loss Allowance on April 1, 2016** | **444.61** |
| Changes in loss allowance | (113.46) |
| **Loss Allowance on March 31, 2017** | **331.15** |
| Changes in loss allowance | 314.58 |
| **Loss Allowance on March 31, 2018** | **645.73** |

### 41.6 Liquidity Risk Management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2018

₹ in Lakhs

| | Amount | Upto 1 year | 1-3 year | More than 3 year | Total Cash Flows |
|---|---|---|---|---|---|
| Accounts payable | (48,243.44) | (48,243.44) | - | - | (48,243.44) |
| Borrowings | (98,654.39) | (89,358.53) | (9,295.86) | - | (98,654.39) |
| Other Financial Liabilities | (11,069.47) | (11,069.47) | - | - | (11,069.47) |
| Foreign Currency Forward Contracts, option contracts and interest swaps | (14.02) | (14.02) | - | - | (14.02) |
| Trade Receivables (Gross) | 41,822.91 | 41,152.40 | 504.73 | 165.78 | 41,822.91 |

The table below provides details of financial assets as at March 31, 2018

₹ in Lakhs

| | Carrying Amount |
|---|---|
| Loans | 131.01 |
| Other financial assets | 2,863.09 |
| **Total** | **2,994.10** |

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2017

₹ in Lakhs

| | Amount | Upto 1 year | 1-3 year | More than 3 year | Total Cash Flows |
|---|---|---|---|---|---|
| Accounts payable | (21,457.85) | (21,457.85) | - | - | (21,457.85) |
| Borrowings | (72,389.08) | (58,669.43) | (11,527.13) | (2,192.52) | (72,389.08) |
| Other Financial Liabilities | (13,420.76) | (13,420.76) | - | - | (13,420.76) |
| Foreign Currency Forward Contracts, option contracts and interest swaps | (20.25) | (20.25) | - | - | (20.25) |
| Trade Receivables (Gross) | 36,364.26 | 35,867.95 | 336.63 | 159.69 | 36,364.26 |

The table below provides details of financial assets as at March 31, 2017

₹ in Lakhs

| | Carrying Amount |
|---|---|
| Loans | 135.94 |
| Other financial assets | 2,608.09 |
| **Total** | **2,744.03** |

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at April 1, 2016

₹ in Lakhs

| | Amount | Upto 1 year | 1-3 year | More than 3 year | Total Cash Flows |
|---|---|---|---|---|---|
| Accounts payable | (17,427.25) | (17,427.25) | - | - | (17,427.25) |
| Borrowings | (52,850.41) | (36,988.20) | (13,543.04) | (2,319.17) | (52,850.41) |
| Other Financial Liabilities | (10,655.91) | (10,655.91) | - | - | (10,655.91) |
| Foreign Currency Forward Contracts, option contracts and interest swaps | 91.49 | 91.49 | - | - | 91.49 |
| Trade receivables (Gross) | 31,694.26 | 31,187.21 | 475.22 | 31.83 | 31,694.26 |

The table below provides details of financial assets as at April 1, 2016

₹ in Lakhs

| | Carrying Amount |
|---|---|
| Loans | 185.87 |
| Other financial assets | 1,765.16 |
| **Total** | **1,951.03** |

## 42. SEGMENT INFORMATION

### (a) Primary Segment Information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods delivered. Accordingly, the Group's reportable segments under Ind AS 108 are as follows

(i) Basic Chemicals
(ii) Fine & Speciality Chemicals
(iii) Performance Products

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| **I) Segment Revenue** | | |
| (a) Basic Chemicals | 74,697.86 | 69,596.61 |
| (b) Fine & Speciality Chemicals | 46,324.06 | 37,481.68 |
| (c) Performance Products | 30,000.03 | 26,470.69 |
| (d) Un- allocable | 19,633.39 | 13,656.85 |
| **Total** | **1,70,655.33** | **1,47,205.83** |
| Less: Inter Segment Revenue | 3,037.14 | 1,735.10 |
| Net Sales/Income from operations | **1,67,618.20** | **1,45,470.73** |
| **II) Segment Results** | | |
| Profit + Loss (-) Before Tax & Interest | | |
| (a) Basic Chemicals | 10,669.28 | 8,818.39 |
| (b) Fine & Speciality Chemicals | 11,479.05 | 8,236.12 |
| (c) Performance Products | (814.13) | (1,844.82) |
| **Total** | **21,334.20** | **15,209.69** |
| Less : (i) Interest Expenses | 4,514.77 | 3,412.18 |
| (ii) Other un-allocable expenditure net of un-allocable Income | 5,734.26 | (1,658.72) |
| **III) Profit Before Tax** | **11,085.17** | **13,456.23** |
| **IV) Segment Assets** | | |
| (a) Basic Chemicals | 41,046.49 | 38,975.58 |
| (b) Fine & Speciality Chemicals | 43,321.63 | 34,964.95 |
| (c) Performance Products | 36,631.30 | 36,087.37 |
| (d) Un- allocable | 1,38,056.58 | 68,720.56 |
| **Total** | **2,59,056.00** | **1,78,748.46** |
| **V) Segment Liabilities** | | |
| (a) Basic Chemicals | 17,587.81 | 8,487.45 |
| (b) Fine & Speciality Chemicals | 7,932.09 | 4,232.37 |
| (c) Performance Products | 6,477.80 | 4,961.04 |
| (d) Un- allocable | 1,34,844.47 | 89,581.00 |
| **Total** | **1,66,842.17** | **1,07,261.86** |

₹ in Lakhs

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| **VI) Capital Expenditure** | | |
| (a) Basic Chemicals | 1,125.52 | 2,522.70 |
| (b) Fine & Speciality Chemicals | 2,940.25 | 340.01 |
| (c) Performance Products | 1,251.27 | 90.59 |
| (d) Un- allocable | 338.29 | 1,208.25 |
| **Total** | **5,655.33** | **4,161.55** |
| **VII) Depreciation** | | |
| (a) Basic Chemicals | 1,638.38 | 1,568.96 |
| (b) Fine & Speciality Chemicals | 1,403.54 | 1,257.79 |
| (c) Performance Products | 1,720.26 | 1,499.53 |
| (d) Un- allocable | 497.39 | 477.25 |
| **Total** | **5,259.57** | **4,803.53** |

**(b) Secondary Segment Information**

The following table shows the distribution of the Group's Revenue and Assets by geographical market

₹ in Lakhs

| Revenue | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| In India | 1,16,421.84 | 98,385.74 |
| Outside India | 51,196.36 | 47,084.99 |
| **Total** | **1,67,618.20** | **1,45,470.73** |

₹ in Lakhs

| Carrying Amount of Segment Assets | As at March 31, 2018 | As at March 31, 2017 |
|---|---|---|
| In India | 2,39,713.65 | 1,62,643.86 |
| Outside India | 19,342.36 | 16,104.60 |
| **Total** | **2,59,056.00** | **1,78,748.46** |

₹ in Lakhs

| Addition to Fixed Assets | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| **In India** | | |
| Tangible | 5,601.38 | 3,963.10 |
| Intangible | 53.95 | 185.85 |
| **Outside India** | | |
| Tangible | - | 12.60 |
| Intangible | - | - |
| **Total** | **5,655.33** | **4,161.55** |

## 43. EARNINGS PER SHARE

| | For the year March 31, 2018 | For the year March 31, 2017 |
|---|---|---|
| **Basic and Diluted Earnings Per Share** | | |
| Number of Shares at the beginning (Nos. in Lakhs). | 1,307.11 | 1,162.88 |
| Number of Shares at the end (Nos. in Lakhs). | 1,363.93 | 1,307.11 |
| Weighted Average Number of Shares considered for Basic Earnings Per Share (Nos. in Lakhs). | 1,316.45 | 1,172.76 |
| Weighted Average Number of Shares considered for Diluted Earnings Per Share (Nos. in Lakhs). | 1,316.45 | 1,172.76 |
| Net Profit after Tax available for Equity Shareholders (₹ in Lakhs) | 7,901.57 | 9,631.51 |
| Basic Earnings (in Rupees) Per Share of ₹ 2/- each. | 6.00 | 8.21 |
| Diluted Earnings (in Rupees) Per Share of ₹ 2/- each. | 6.00 | 8.21 |

**44.** During FY 2017-18, the Company has spent ₹ 225.00 Lakhs on Corporate Social Responsibility activities.

**45.** Previous year's figures are shown in bracket and have been re-classified / regrouped to conform to Ind AS presentation requirements.

**46.** The Financial Statements were authorised for issue by the Board of Directors on May 4, 2018.

## 47. TRANSITION TO IND AS

These are the first Financial Statements of the Group prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Group is set out in the following tables and notes

### A) Exemptions and Exceptions Availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 1, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

#### (a) Ind AS Optional Exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

##### (i) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 'Investment Property'. The company has determined that the values of items of Plant, Property and Equipment; except for Plant & Machinery, as at March 31, 2016 do not differ materially from fair valuation as at April 1, 2016 (date of transition to Ind AS). Accordingly, the company has not revalued the items of property plant and equipment at April 1, 2016 except for Plant and Machinery which have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., April 1, 2016.

**(ii) Designation of Previously Recognised Financial Instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity investments.

**(iii) Investments in Subsidiary Companies and Associate Company**

Ind AS 101 permits a first-time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies and associate company at the IGAAP carrying amount as its deemed cost on the transition date.

**(iv) Long-Term Foreign Currency Monetary Items**

Under IGAAP, para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates', provided an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets can be added | deducted from the cost of the depreciable asset, which will be depreciated over the balance life of the asset. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the Financial Statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Group has opted to apply this exemption.

**(b) Ind AS Mandatory Exceptions**

The Group has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101.

**(i) Estimates**

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for Investment in equity instruments carried at FVTPL or FVOCI in accordance with Ind AS at the date of transition as these were not required under IGAAP

**(ii) Classification and Measurement of Financial Assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(B) Reconciliations Between IGAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, Total Comprehensive Income and cash flows for prior periods. The following tables represent the reconciliations from IGAAP to Ind AS.

**I) Reconciliation of Equity**

₹ in Lakhs

| | As at March 31, 2017 | | | As at April 1, 2016 | | |
|---|---|---|---|---|---|---|
| | Regrouped IGAAP* | Adjustments | Ind AS | Regrouped IGAAP* | Adjustments | Ind AS |
| **ASSETS** | | | | | | |
| **Non- Current Assets** | | | | | | |
| Property, Plant and Equipment (a) | 58,468.27 | (459.91) | 58,008.36 | 59,179.00 | 71.30 | 59,250.30 |
| Capital Work-in-Progress (b) | 34,931.07 | (12.03) | 34,919.04 | 3,192.89 | - | 3,192.89 |
| Intangible Assets | 585.12 | - | 585.12 | 591.19 | - | 591.19 |
| Financial Assets | | | | | | |
| Investments (c) | 266.57 | 107.62 | 374.19 | 280.78 | 91.52 | 372.30 |
| Loans (d) | 169.40 | (33.46) | 135.94 | 257.24 | (71.37) | 185.87 |
| Other Financial Assets (d) | 1,268.98 | (51.74) | 1,217.24 | 1,191.98 | (83.40) | 1,108.58 |
| Non-Current Tax Assets (Net) | 169.79 | - | 169.79 | - | - | - |
| Other Non-Current assets (d) & (e) | 10,792.87 | (2,511.79) | 8,281.08 | 6,602.96 | (2,219.78) | 4,383.18 |
| **Total Non-Current Assets** | **1,06,652.07** | **(2,961.31)** | **1,03,690.76** | **71,296.04** | **(2,211.73)** | **69,084.31** |
| **Current Assets** | | | | | | |
| Inventories | 16,714.72 | - | 16,714.72 | 13,403.98 | - | 13,403.98 |
| Financial Assets | | | | | | |
| Investments (c) | 11,391.27 | 42.89 | 11,434.16 | 8,387.38 | 55.40 | 8,442.78 |
| Trade Receivables (f) | 36,033.11 | - | 36,033.11 | 31,249.65 | - | 31,249.65 |
| Cash and Cash Equivalents | 1,449.12 | - | 1,449.12 | 649.04 | - | 649.04 |
| Other Financial Assets (b) | 1,390.85 | - | 1,390.85 | 656.58 | 91.49 | 748.07 |
| Other Current Assets (d) | 8,038.03 | (2.29) | 8,035.74 | 5,012.88 | (30.40) | 4,982.48 |
| **Total Current Assets** | **75,017.09** | **40.61** | **75,057.70** | **59,359.52** | **116.49** | **59,476.01** |
| **Total Assets** | **1,81,669.17** | **(2,920.71)** | **1,78,748.46** | **1,30,655.56** | **(2,095.25)** | **1,28,560.31** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **Equity** | | | | | | |
| Equity Share Capital | 2,614.23 | - | 2,614.23 | 2,325.76 | - | 2,325.76 |
| Other Equity (g) | 69,095.66 | (223.29) | 68,872.37 | 44,900.98 | 1,905.91 | 46,806.89 |
| **Total Equity** | **71,709.89** | **(223.29)** | **71,486.60** | **47,226.75** | **1,905.91** | **49,132.65** |
| **Liabilities** | | | | | | |
| **Non-Current Liabilities** | | | | | | |
| Financial Liabilities | | | | | | |
| Borrowings | 21,880.89 | (37.07) | 21,843.82 | 15,892.61 | (30.40) | 15,862.21 |
| Provisions | 780.12 | - | 780.12 | 481.34 | - | 481.34 |
| Deferred Tax Liabilities (Net) (e) | 6,572.37 | (2,664.62) | 3,907.75 | 5,664.73 | (2,291.21) | 3,373.52 |
| **Total Non-Current Liabilities** | **29,233.38** | **(2,701.69)** | **26,531.69** | **22,038.68** | **(2,321.61)** | **19,717.07** |
| **Current Liabilities** | | | | | | |
| Financial Liabilities | | | | | | |
| Borrowings | 37,662.43 | - | 37,662.43 | 26,851.67 | - | 26,851.67 |
| Trade Payables (b) | 21,473.83 | (15.98) | 21,457.85 | 17,427.25 | - | 17,427.25 |
| Other Financial Liabilities (b) | 13,400.51 | 20.25 | 13,420.76 | 10,655.91 | - | 10,655.91 |
| Provisions (h) | 409.97 | - | 409.97 | 2,025.48 | (1,679.54) | 345.94 |
| Current Tax Liabilities(Net) | - | - | - | 18.34 | - | 18.34 |
| Other Current Liabilities | 7,779.16 | - | 7,779.16 | 4,411.49 | - | 4,411.49 |
| **Total Current Liabilities** | **80,725.90** | **4.27** | **80,730.17** | **61,390.14** | **(1,679.54)** | **59,710.60** |
| **Total Liabilities** | **1,09,959.28** | **(2,697.42)** | **1,07,261.86** | **83,428.83** | **(4,001.16)** | **79,427.67** |
| **Total Equity and Liabilities** | **1,81,669.17** | **(2,920.71)** | **1,78,748.46** | **1,30,655.57** | **(2,095.25)** | **1,28,560.32** |

*The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this Note.

II) **Reconciliation of Total Comprehensive Income**

₹ in Lakhs

| | For the year March 31, 2017 | | |
|---|---|---|---|
| | Regrouped IGAAP* | Adjustments | Ind AS |
| Revenue from Operations | 1,45,470.73 | - | 1,45,470.73 |
| Other Income (c) & (d) | 1,058.00 | 32.60 | 1,090.60 |
| **Total Income** | **1,46,528.73** | **32.60** | **1,46,561.33** |
| **Expenses** | | | |
| Cost of Materials Consumed | 70,600.77 | - | 70,600.77 |
| Purchase of Traded Goods | 16,575.91 | - | 16,575.91 |
| Changes in Inventories of Finished Goods, Stock-in-trade, Work-in-Progress | (2,591.15) | - | (2,591.15) |
| Excise Duty on Sale of Goods | 8,400.24 | - | 8,400.24 |
| Employee Benefits Expense (i) | 12,559.28 | (330.20) | 12,229.08 |
| Power & Fuel Expenses | 10,243.94 | - | 10,243.94 |
| Finance Costs | 3,412.19 | - | 3,412.19 |
| Depreciation and Amortisation Expense (a) | 4,272.32 | 531.21 | 4,803.53 |
| Other Expenses (b) & (d) | 16,434.43 | 30.33 | 16,464.76 |
| **Total Expenses** | **1,39,907.93** | **231.34** | **1,40,139.27** |
| **Profit Before Exceptional and Extra-Ordinary Items and Tax** | **6,620.80** | **(198.74)** | **6,422.06** |
| Exceptional items | 7,048.38 | - | 7,048.38 |
| **Profit Before Share of Net Profit of Investments Accounted for Using Equity Method and Tax** | **13,669.18** | **(198.74)** | **13,470.44** |
| Share of loss of associate company accounted for using the equity method | (14.21) | - | (14.21) |
| **Profit Before Tax** | **13,654.97** | **(198.74)** | **13,456.23** |
| Tax expense | | | |
| Current tax | 2,976.21 | - | 2,976.21 |
| Deferred tax (e) | 907.66 | (59.15) | 848.51 |
| **Total Tax Expenses** | **3,883.87** | **(59.15)** | **3,824.72** |
| **Profit for the year** | **9,771.11** | **(139.60)** | **9,631.51** |
| **Other Comprehensive Income** (j) | **-** | **(241.26)** | **(241.26)** |
| **Total Comprehensive Income for the year** | **9,771.11** | **(380.86)** | **9,390.25** |

*The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this Note.

III) **Notes to the Reconciliations**

(a) **Plant & Machinery - Fair Value as Deemed Cost** As at the date of Transition April 1, 2016, the company has elected to measure Plant & Equipment at fair value and use the fair value as deemed cost with impact of ₹ 71.30 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. During FY 2016-17, depreciation impact on account of Fair valuation amounted to ₹ 531.21 Lakhs which was recognised in the Statement of Profit or Loss.

(b) **Forward Contract** The Company has recognised the forward contracts at Fair value as on the Balance sheet date and resulting gains losses on the contracts are recognised in the Reserves as on transition date and in the Statement of Profit and Loss for subsequent periods. The underlying assets and liabilities will be measured at the exchange rate prevailing on the balance sheet date.

(c) **Fair valuation of investments** Under IGAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity and as part of 'Other reserves - FVOCI Equity instruments' at the date of transition and in the Statement of Profit and Loss for subsequent periods.

(d) **Loans & Other Financial Assets** Under IGAAP, the Company accounted for Long Term Security Deposits paid and long-term loans to employees at nominal value. Under Ind AS, these financial assets are measured at Fair Value through Profit or Loss. The difference between Fair Value and Nominal value is accounted for as prepaid employee benefit and Deferred Rent Asset. Also under Ind AS, below market interest rate loan received is recorded at fair value by using an appropriate discount rate on date of obtaining the loan. The interest income is recorded periodically till the maturity of the loan and the prepaid account is discounted based on effective interest method.

(e) **Deferred Tax** MAT credit entitlement which was presented under Other Now Current assets has been presented under Deferred Tax as per the Ind AS requirement. The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods.

(f) **Trade Receivables** The Company has applied impairment requirements of Ind AS 109.

(g) **Retained earnings** Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

(h) **Proposed Dividend** Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date, but before the approval of the Financial Statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the General Meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) included under current provisions has been reversed with corresponding adjustment to Retained earnings. Consequently, the total equity has increased by an equivalent amount.

(i) **Remeasurement of Gratuity Recognised in Other Comprehensive Income** Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss.

(j) **Other Comprehensive Income** Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans and fair value gain / (loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

**48.** Additional Information in Consolidated Financial Statements as per Schedule III of Companies Act,2013

| | Net Assets, i.e., Total Assets Minus Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount ₹ in Lakhs | As % of Consolidated Profit or Loss | Amount ₹ in Lakhs | As % of Consolidated Other Comprehensive Income | Amount ₹ in Lakhs | As % of Consolidated Total Comprehensive Income | Amount ₹ in Lakhs |
| **Parent** | | | | | | | | |
| Deepak Nitrite Limited | 55.08% | 50,814.69 | 106.14% | 8,386.59 | 100.16% | 85.66 | 106.08% | 8,472.25 |
| **Subsidiaries** | | | | | | | | |
| 1. Deepak Phenolics Limited | 44.84% | 41,360.87 | (6.12)% | (483.48) | (0.16)% | (0.14) | (6.06)% | (483.62) |
| 2. Deepak Nitrite Corporation Inc. | 0.08% | 71.37 | (0.02)% | (1.54) | - | - | (0.02)% | (1.54) |
| **Non Controlling Interests in All Aubsidiaries** | - | - | - | - | - | - | - | - |

For and on behalf of the Board

**D.C. MEHTA**
Chairman & Managing Director
DIN No: 00028377

**SANJAY UPADHYAY**
Director-Finance & CFO
DIN No: 01776546

**UMESH ASAIKAR**
Executive Director & CEO
DIN No: 06595059

**ARVIND BAJPAI**
Company Secretary
Membership No: F6713

**SUDHIN CHOKSEY**
DIN No: 00036085

**SUDHIR MANKAD**
DIN No: 00086077

**SANDESH ANAND**
DIN No: 00001792

Directors

Mumbai: May 4, 2018

# INVESTOR'S WELFARE SCHEME

The Company's scheme covers the risk of death and permanent (total/partial) disablement sustained due to an accident by first-named shareholder of the Company solely and directly from external, violent and visible means.

Details of entitlement under the Personal Accident Policy are as under:

**I. COVERAGE:**

a. Death
b. Permanent (total/partial) disablement

**EXPLANATION:**

i. Permanent Total Disablement:
Loss of sight of both eyes or of actual loss by physical separation of the two entire hands or two entire feet.

ii. Permanent Partial Disablement:
Loss of sight of one eye or actual loss by physical separation of one entire hand or one entire foot.

**II. SUM INSURED:**

| No. of Equity Shares held | Sum Insured |
|---|---|
| Up to 1500 | ₹ 40,000/- |
| 1501 to 5000 | ₹ 60,000/- |
| 5001 and above | ₹ 80,000/- |

**III. BENEFITS:**

The benefits available under the Group Personal Accident Insurance Policy are as under:

| | | | |
|---|---|---|---|
| 1. | Fatal Accident (Death) | : | Sum Insured* |
| 2. | Permanent Total Disablement | : | Sum Insured* |
| 3. | Loss of two limbs or two eyes or one limb and one eye | : | Sum Insured* |
| 4. | Loss of one limb or one eye | : | 50% of the Sum Insured |
| 5. | Permanent Partial Disablement | : | Specific percentage of the Sum Insured* depending on the extent of disablement. |

[* Sum Insured as explained in para (II) above]

**Note:**

1. Temporary disablement, medical / hospitalisation expenses are out of the purview of the scheme.
2. Members who have not filed the Nomination Form earlier in respect of Personal Accident Policy may approach the Company for obtaining the Nomination Form and return the same duly filled in and signed for registration with the Company.