



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

READY
FOR THE **NEXT
PHASE**

ANNUAL REPORT
2016-17

This phase has been a good one.

We notched up our performances: by providing the fastest and finest product & service solutions to our customers.

We made new acquisitions: to move further up the echelons of the industry.

And we have raised our vision: by getting ready for the next phase.

Because for us, growth & success is not some destination you reach. It's an ever going process!

FORWARD LOOKING STATEMENT

We have exercised utmost care in the preparation of this report. It contains forecasts and/or information relating to forecasts. Forecasts are based on facts, expectations, and/or past figures. As with all forward looking statements, forecasts are connected with known and unknown uncertainties, which may mean the actual result deviate significantly from the forecast. Forecasts prepared by the third parties, or data or evaluations used by third parties and mentioned in this communication, may be inappropriate, incomplete, or falsified. We cannot assess whether information in this report has been taken from third parties, or these provide the basis of our own evaluations, such use is made known in this report. As a result of the above mentioned circumstances, we can provide no warranty regarding the correctness, completeness, and upto-date nature of information taken, and declared as being taken, from third parties, as well as for forward looking statements, irrespective of whether these derive from third parties or ourselves. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

To view this report online please log on to
www.bodal.com



Summary of financials, 2016-17

Income from operations

₹11841.44 Mn +30.2%

2015-16: ₹9097.88 Mn

EBIDTA

₹2319.22 Mn +36.6%

2015-16: ₹1698.43 Mn

Cash profit

₹1581.07 Mn +36.0%

2015-16: ₹1162.11 Mn

EPS

₹11.79 +49.0%

2015-16: ₹7.94



"OUR CONTINUED EFFORTS TOWARDS IMPLEMENTING OUR GROWTH STRATEGIES HAS RESULTED IN A YEAR OF GOOD PERFORMANCE."

Mr. Ankit Patel

Executive Director

Corporate Overview

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BODAL IN BRIEF

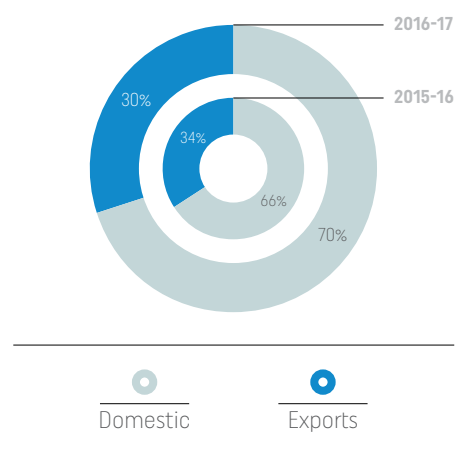
With the aim to be leading manufacturers of dye intermediates and dyestuff in the world, we are building our business while creating value for our stakeholders. Our integrated business model enables us to offer customized and holistic solutions to global and national customers.

Bodal at a glance

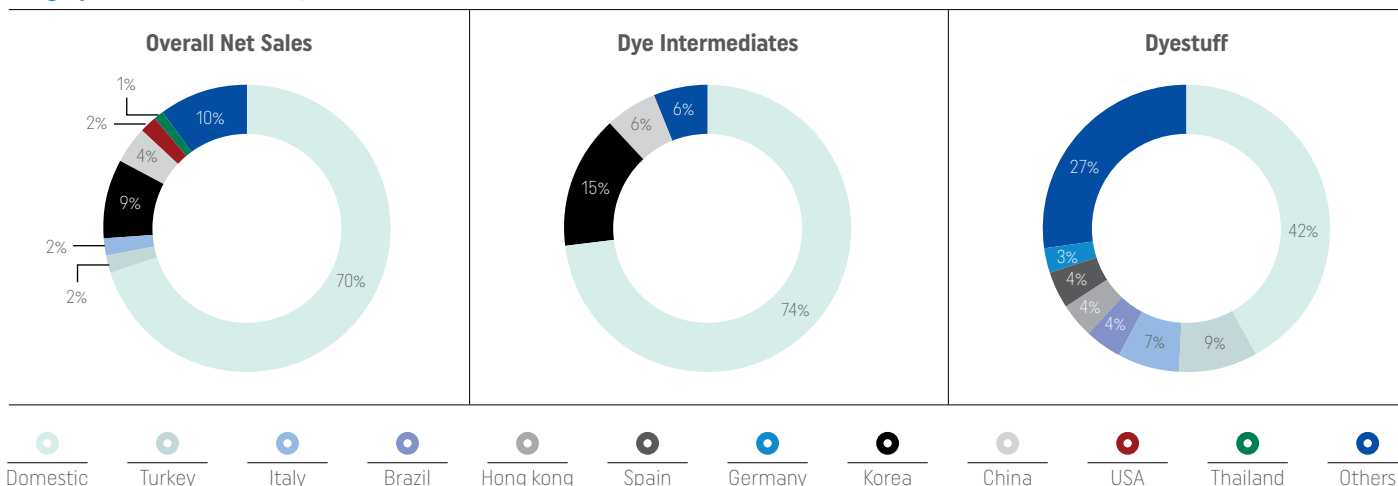
Our market presence



Net Sales by geography



Geographic sales distribution, 2016-17



*Basic chemicals are only sold in India

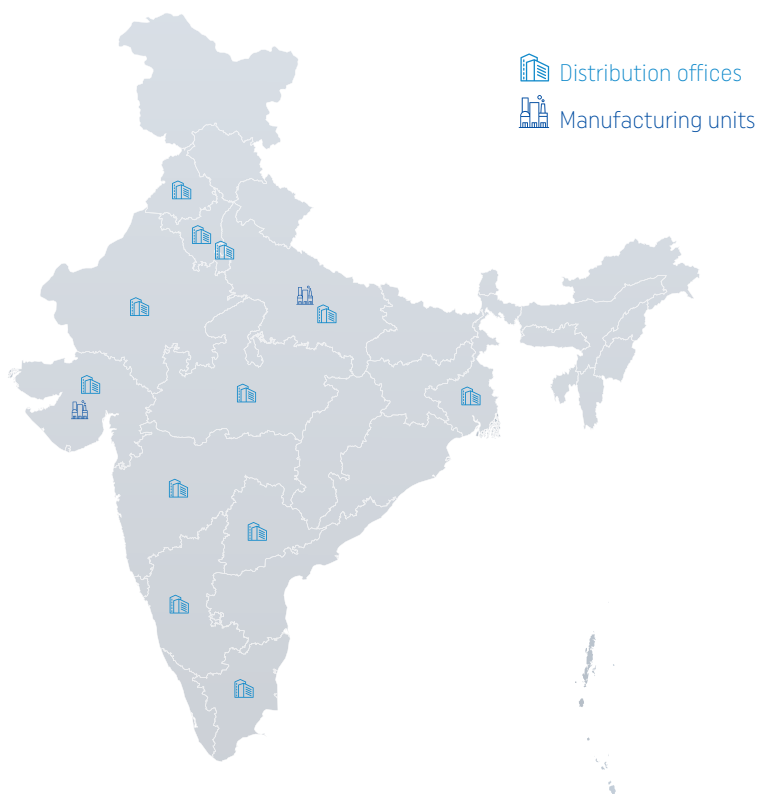
Our manufacturing presence

| Location | Plant | Basic Chemicals | Dye Intermediates | Dyestuff | LABSA | Speciality Chemicals |
|---|--|-----------------|-------------------|----------|-------|----------------------|
| Ahmedabad, Gujarat | Unit-I | X | X | X | | |
| Ahmedabad, Gujarat | Unit-II | X | X | | | |
| Ahmedabad, Gujarat | Unit-III | | X | | | |
| Ahmedabad, Gujarat | Unit-IV | | | X | | |
| Vadodara, Gujarat | Unit-VII | X | X | X | | |
| Vadodara, Gujarat | Unit-VIII | | X | | | |
| Bharuch, Gujarat | Unit-IX | X | | | | |
| Vadodara, Gujarat | Unit-X | | | | X | |
| Kosi, UP SPS Processors Pvt Ltd (70% Equity Stake) | SPS Processors Pvt Ltd (70% Equity Stake) | | X | | | |
| Khambhat, Trion Chemicals Pvt Ltd (42% Equity Stake) | Trion Chemicals Pvt Ltd (42% Equity Stake) | | | | | X |

*Unit V has been sold and Unit VI has been closed

* 70% of total company production is at Unit VII which is one of the most integrated BC-DI-DS plants in India; DS capacity at this plant to be expanded by 8,000 MTPA in the first phase

Our presence



Our product portfolio

Basic Chemicals

Among the India's
leading
manufacturers

Dye Intermediates

India's
largest
manufacturer

Dyestuff

The country's most
integrated
player

BODAL IN NUMBERS

13.7%

7-year CAGR in revenues leading to 2016-17

38.0%

7-year CAGR in net profit leading to 2016-17

1 Mn
ltrs/day



Effluent disposal permission (Unit-VII) – only player in the industry with such large capacity

40%

of Dye intermediates used in-house



1294

Number of employees across its operating offices and plants as on March 31, 2017



59%

Contribution of Dye Intermediates to total revenue



1 million
ltrs/day

In-house ETP plant (Unit-VII)



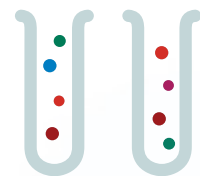
₹3489.20 Mn

Revenue earned through exports in 2016-17



45%

of Basic Chemicals used in-house



50+

Countries of export presence



OUR STORY

1989

Started business with the name of J K Pharma

1991

Inaugurated Unit-II

1994

Started operations of Unit-III

2004

Acquired Dintex Dychem Ltd and started the Dyestuff division

2006

- Listed on BSE as public limited company
- Expanded operations with setting up Unit-IV

2007

Started Unit-VII

2008

Acquired Milestone Organics Ltd as Unit VIII

2009

Started building Sulphur and Chemical Division

2010

Emerged as the most integrated Dyestuff Company in India

2013

Got GDMA award for highest self manufacturing turnover from domestic and export of Dyes and Dye intermediates

2015

Added new division in water treatment chemicals production with the understanding to acquire 42% stake in Trion

2016

Started production of L.A.B.S.A

2017

Acquired 70% stake in SPS Processors (P) Ltd in Uttar Pradesh adding to capacity of Dye intermediates manufacturing

MESSAGE FROM THE CHAIRMAN

Suresh J. Patel

—○—
CHAIRMAN



Dear Shareholders

In the years to come 2016-17 will be remembered as a pivotal year in the growth journey of Bodal. A year that has helped us built a platform to take the company to level-next growth. While we have consolidated our position as one of the faster growing dyestuff companies in India, we now aspire to emerge as a globally recognized one.

Among our many laurels, one of the key aspects that separate us from our peers is our integrated business model. We are the most integrated dyestuff company in the country today from bulk chemicals and dye intermediates to dyestuff, with bulk chemicals and dye intermediates being produced in-house for captive use as well as for direct sales. We started with dye intermediates, graduating to a backward and forward integrated business model with our ever-widening product portfolio.

As the dyestuff industry evolves, we too have adapted to the changing consumer and industry needs. With stringent effluent treatment norms in place, we proactively invested ₹400 million to set up the country's largest ETP plant in our dyes and Dye intermediates industry space. Our eco-friendly business model has further strengthened our long-term business with global MNCs, making us a preferred supplier on a global platform. As other countries are regulating their dyestuff industry with mandatory norms for waste treatment, it eliminates their domestic companies' ability to dump the goods to global companies. This level-playing field of competitive pricing only adds to our advantage to expand our market share globally with quality conscious products and solutions.

These changing dynamics make a strong case in point for Bodal. Our philosophy of 'ready for the next phase' is relevant in true context, as we strive to achieve ambitious targets. Our acquisition of SPS Processors with a 70% stake has helped us expand our dye intermediates

capacity up to 7200 TPA. An equity buy-out, this acquisition also helps us expand our presence in domestic market. SPS' locational advantage in the north at crossroads of four states, strengthens our competitive position expanding the foundation for future success.

Our joint venture with Trion is yet another strategic investment to expand our product portfolio. With specialty chemicals gaining prominence, this venture further enriches our presence in dyes and chemicals industry. Our plant at Khambat, Gujarat has an annual capacity of 12000MT for TCCA has started a new line of business at group level.

In addition, we continue to make high-quality products, with a number of variants across our three business divisions. We have invested in new plant and technologies, to better our quality benchmarks, produce more efficiently and further reduce the impact on environment. Our captive power and steam generation adds to our cost competitiveness, adding to our margin growth. The result of these operational achievements was visible during the consolidated year under review, as we registered 35% growth in revenues to ₹12431.27 million (from ₹9218.66 million in previous year), EBITDA to ₹2374.77 million (from ₹1685.15 million in previous year) (with EBITDA margins of 19.2% and 18.5% respectively), and grew profit after tax by 49.5% to ₹1285.84 million (against ₹859.87 Million in previous year). We continue to make sustained investments for our capacity expansion and keep a comfortable debt profile. Our debt-equity ratio for the year was low at 0.42, with a healthy interest coverage ratio of 24. Our financial achievements and health underpin our long-term vision and strategies.

Our people form an integral part of our growth journey. We continue to engage actively with our employees, with training and motivation that helps them perform consistently to deliver greater efficiencies. We also put a strong focus on health and safety aspects,

conducting proper training and mock drills to ensure that the team is vigilant and agile for any unforeseen circumstances.

While we march ahead towards our business goals, we also make conscious efforts towards making active contributions to society and environment. Our regular contributions and initiatives towards uplifting several people in various aspects are our humble endeavor to make our world a better place.

I am thankful to the Board of Directors, for their continued support and guidance towards taking the Company ahead. I would also like to place on record our appreciation towards our bankers, suppliers and customers for their continued trust in us, and building an enriching association.

Bodal Chemicals is an Indian Company, serving customers in India and across the world. We are keenly promoting the 'Make in India' philosophy with our enriched product portfolio. We are determined to continue to grow in the 'next phase' of our corporate journey and emerge as an even stronger and customer-focused company, delivering performance that matters to all stakeholders.

Regards

Suresh J. Patel

Chief Executive Officer,
Chairman & Managing Director

FINANCIAL REVIEW

Bodal has reported another year of strong financial growth. Increasing cash flow has enabled us to reinvest in our business and identify high growth opportunities in the international dyestuff industry.



"THE PERFORMANCE FOR THE YEAR REFLECTS OUR INCREASING FINANCIAL MATURITY TRANSLATING INTO SUSTAINED PROFITABLE GROWTH."

Mr. Bhavin S. Patel
Executive Director

In Profit & Loss Statement

Income from operations (₹ in Million)

| | |
|----------------|-----------------|
| 30.15% | Y-O-Y |
| 2016-17 | 11841.44 |
| 2015-16 | 9097.88 |
| 2014-15 | 10453.12 |
| 2013-14 | 9594.57 |
| 2012-13 | 5238.34 |

EBIDTA (₹ in Million)

| | |
|----------------|----------------|
| 36.54% | Y-O-Y |
| 2016-17 | 2319.22 |
| 2015-16 | 1698.44 |
| 2014-15 | 1889.84 |
| 2013-14 | 1927.12 |
| 2012-13 | 247.56 |

Profit before tax (₹ in Million)

| | |
|----------------|----------------|
| 51.24% | Y-O-Y |
| 2016-17 | 1994.35 |
| 2015-16 | 1318.66 |
| 2014-15 | 1394.60 |
| 2013-14 | 470.84 |
| 2012-13 | (308.62) |

PAT (₹ in Million)

| | |
|----------------|----------------|
| 48.51% | Y-O-Y |
| 2016-17 | 1286.12 |
| 2015-16 | 865.99 |
| 2014-15 | 920.17 |
| 2013-14 | 306.53 |
| 2012-13 | (211.23) |

In Balance Sheet

Gross Block (₹ in Million)

| | |
|----------------|----------------|
| 8.32% | Y-0-Y |
| 2016-17 | 4584.32 |
| 2015-16 | 4231.26 |
| 2014-15 | 4039.11 |
| 2013-14 | 3603.00 |
| 2012-13 | 3584.65 |

Net Worth (₹ in Million)

| | |
|----------------|----------------|
| 49.99% | Y-0-Y |
| 2016-17 | 3593.14 |
| 2015-16 | 2395.46 |
| 2014-15 | 1858.27 |
| 2013-14 | 939.21 |
| 2012-13 | 537.67 |

Debt-Equity

| | |
|----------------|--------------|
| 21 bps | Y-0-Y |
| 2016-17 | 0.39 |
| 2015-16 | 0.60 |
| 2014-15 | 1.12 |
| 2013-14 | 3.96 |
| 2012-13 | 6.38 |

Interest coverage

| | |
|-----------------|--------------|
| 1925 bps | Y-0-Y |
| 2016-17 | 31.06 |
| 2015-16 | 11.81 |
| 2014-15 | 6.11 |
| 2013-14 | 2.01 |
| 2012-13 | 0.21 |

Margin analysis

EBIDTA margin (%)

| | |
|----------------|--------------|
| 9 bps | Y-0-Y |
| 2016-17 | 19.6 |
| 2015-16 | 18.7 |
| 2014-15 | 18.1 |
| 2013-14 | 20.1 |
| 2012-13 | 4.7 |

PBT margin (%)

| | |
|----------------|--------------|
| 23 bps | Y-0-Y |
| 2016-17 | 16.8 |
| 2015-16 | 14.5 |
| 2014-15 | 13.3 |
| 2013-14 | 4.9 |
| 2012-13 | (5.9) |

PAT margin (%)

| | |
|----------------|--------------|
| 14 bps | Y-0-Y |
| 2016-17 | 10.9 |
| 2015-16 | 9.5 |
| 2014-15 | 8.8 |
| 2013-14 | 3.2 |
| 2012-13 | (4.0) |

Dividend payout (%)

| | |
|----------------|--------------|
| (8) bps | Y-0-Y |
| 2016-17 | 6.8 |
| 2015-16 | 7.6 |
| 2014-15 | 0 |
| 2013-14 | 0 |
| 2012-13 | 0 |

READY FOR THE NEXT PHASE ONE STEP AHEAD

Our core capabilities form an integral part of our business model, ensuring we are ahead in an evolving market. This has helped us build an integrated organization to optimize resources, gain market share and reduce costs.

Understanding market dynamics and adapting to it

The changing regulatory laws in China and positive reforms in India have given the dyestuff industry a positive outlook in the near long-term. At Bodal, we were proactive in building our business model, adapting to meet the environment norms and build a sustainable business.

Innovation and integration

We emerged as the most preferred dyestuff and intermediates' supplier to leading MNCs based on our integrated business model. Being among the most integrated players in the industry in India, we derive an increased market share both in local and global markets due to higher economies of scale.

Our integrated business model further transcends into our ability to innovate products that are customized to the needs of our customers. Within our three core businesses segments, we produce a number of product variants, serving a wide customer base.

Building a sustainable value chain

We have built our business model to effectively contribute to sustainable development of stakeholders in our entire value chain.



Raw materials

We work closely with our suppliers, sourcing quality raw materials



Production

Producing dyes and chemicals that add value to the customers, demands processes that are certified and benchmarked globally



Waste treatment

Our investments of ₹400 million in setting up effluent treatments plants, ensure that we remain among the world's most recognized and clean producers of dyestuff

Using technological prowess to drive operational performance

Our investments in technologies across our mainly eight (8) operating units enable us to produce solutions that find acceptance on a global level. Using state-of-the-art machineries across our multiple business segments, we achieve optimum efficiencies of scale with reduce costs.

Investing in intellectual capital

We continue to attract and retain the best talent towards our organization, and invest adequately in strengthening their skills. With strong human resource policies, continuous training and freedom to express their ideas for business growth, our people continue to be a strong foundation of our business sustainability.

Creating a business built on robust financials

Financial discipline remains one of the strong operating drivers for the Company. At Bodal, we have always worked to expand our business with financial efficiencies, investing through accruals, borrowing at competitive rates, maintain a low debt-equity ratio and generate healthy cash flows.



Customers

We listen and respond to the requirements of our clients to produce products using our expertise and technical knowledge



Social investments

We remain responsible as a business corporate, making sustained investments towards communities around us. With various social activities, we empower people's lives to the best of our abilities

Creating value

Over the years we have grown and helped our stakeholders grow as well. With a widening market presence, growing business portfolio and expanding capacities we have also repaid the trust reposed by our investors. Our market capitalization today has grown 11x times since 1st December 2011 - ₹158.64 Crore Market Cap to ₹1748.45 Crore as on March 31, 2017, while we continue to pay dividends continuously since last 2 years.



Delivering value to stakeholders

- Sustainable financial growth in last five years;
- Building team strength consistently with low attrition rate;
- Long-term association with customers delivering quality products;
- Empowering communities and societies;
- Creating wealth for shareholders with consistent dividend policy

READY FOR THE NEXT PHASE

OPPORTUNITIES IN AN EVOLVING WORLD

Bodal is well positioned to meet the world's rapidly changing dye and chemical industry. Leveraging our three decades of industry experience, we continue to build a robust brand that our customers believe in.

In a rapidly changing economic landscape, business dynamics are changing too. Global downstream companies are fast moving to source dye and chemicals from markets that offer competitive pricing. A world that is becoming globalized, urbanized and digitalized, today demands more complex yet high-qualitative solutions.

In an industry like dyestuff and chemicals that requires mandatory certification and clearance to ensure adherence to eco-system, to create a balance in eco-system it becomes imperative to have innovation and responsibility go hand-in-hand.

Industry challenges

The dyestuff industry cycle in India now stands at maturity level, where industry growth and supply is largely organized. With stringent effluent treatment laws, which cascade into higher operating costs, unorganized and small-scale players have found it increasingly tough to survive. The industry requires players to ensure 'zero discharge' and compliance to environment laws, making it increasingly important to invest in setting up eco-friendly manufacturing facilities.

"WE ARE OPTIMISTIC OF OUR FUTURE PLANS WITH EXPANDING OUR OWN CAPACITIES AS WELL AS THROUGH INORGANIC MODE."

Mr. Mayur Padhya

Chief Financial Officer

Next-level growth

China dyestuff industry – A boon for India

- Chemical and dyestuff companies are facing stricter environmental regulations, which were not present earlier. The cost-benefit factor, which gave the companies in China an edge to supply to global countries on account of no investments in effluent treatment, now stand at threshold on shutdown.
- With several lives being in danger due to improper disposal of chemical waste, effluent treatment became a prerequisite mechanism to carry on business to receive export incentive, substantially increasing operating cost for the companies in China
- The investments required to set up new effluent treatment plants also seem difficult as that would mean lowering their existing capacity utilization levels and longer gestation period to recover investments and costs
- This has resulted in reduction of exports of dyestuff from China, with competitive pricing being offered by Indian compatriots

India's competitive advantage

Usage of dyes is multiple downstream sectors have created an increasing demand trend. With India's share in dyestuff production globally increasing steadily over the years, the organized sector continues to gain advantage and increase their market share.

The government's incentives and reforms have also contributed to the growth of the industry. The export incentives, cheap labour costs and reduced electricity cost per unit play a critical role in adding to the benefits of the driving the dyestuff industry ahead.

Bodal's edge

Ensuring sustainable profitability forms an important aspect of our business. We are oncourse for this journey as we take a holistic view of our overall business and are working in close dialogue with our customers.

We strategically entered into backward integration of our business value-chain as well as enhance the qualitative aspect of the products. The integrated business model allows us to produce at competitive prices to capture a larger market share. Being among the most integrated dyestuff player in the country with efficient waste management systems, we have been able to capture a growing domestic as well global market, backed by robust financials and operational discipline. Together, these qualities make Bodal a resilient and strong market leadership in an increasingly competitive landscape.

3%

Market share in
global Dyestuff

6%

Market share in global
Dye intermediates

9%

Market share in
Indian Dyestuff

25%

Market share in Indian
Dye intermediates

RESPONDING TO THE WORLD AROUND US

As a part of our business and sustainability philosophy, we continuously engage with communities and society around us, to leave a positive impact in their lives.





Highlights, 2016-17

During the year under review, we made active contributions in the field of education, rural infrastructure, research and development, government bodies and sports to empower lives in each of these sectors.

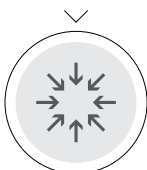
- We partnered with YUVA Unstoppable (a renowned NGO), who works for the development of schools in the country with their pan-India network. Bodal and Yuva volunteers identified five schools during the year, which need infrastructure and financial support. Together, we worked towards development of classrooms, sanitation, drinking water facility, canteen and other educational needs.

- We worked towards enhancement of rural infrastructure and healthcare, providing funds for construction for drinking water pipeline and conducting regular health check up camps.
- We also promote sports with substantial contributions to Sports Council of the Deaf Basketball Club and promoting individual talents to represent the country in any sporting event
- We spent a total of ₹21.5 million during the year, aimed at improving the lives of people

Guiding principles for Corporate Social Responsibility

Impact

All CSR initiatives will have well-defined KPIs to measure impact on target groups



Partnership

We shall forge collaborations with NGOs or organisations those who have expertise to implement the projects related to CSR



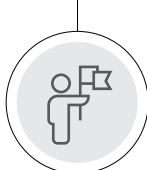
Affirmative action

We will design targeted interventions for the specific group to promote education, employability and entrepreneurship



Volunteerism

We shall provide opportunity to our employees and their families to engage in volunteering activities that will benefit the community in which they live and work



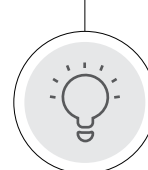
Communication

We believe it is extremely important to have a two-way communication channel, where we communicate with the stakeholders to understand their needs, expectations and aspirations



Innovation

We will endeavor to develop innovative solutions to solve social issues to the best of our abilities.



AWARDS AND RECOGNITION

Our long-term business and sustainability ambitions, translate into our company being recognized among the best in our industry.



Mr. Ankit S. Patel, Executive Director receiving "Award of Excellency" under category of Panel-I Dyes & Dye Intermediates (LSM) for the outstanding export performance



Mr. Mayur B. Padhya, Chief Financial Officer receiving Award in recognition of excellent performance in Domestic Market by a Large Scale Unit for 2016-17.



Mr. Bipin R. Patel, Independent Director receiving Gold Award" under category of Panel-I Dyes & Dye Intermediates (LSM) for the outstanding export performance



Mr. Mayur B. Padhya, Chief Financial Officer receiving Award in recognition of excellent performance in exports of Dye Intermediates by a Large Scale Unit for 2016-2017.

Recently we were humbled and proud to be a part of India's Top 500 companies, 2016 by dun & bradstreet. We have also been consistently receiving the prestigious Chemexcil awards for our outstanding performance in exports. This validates our mission to promote 'Make in India' vision and take the company beyond borders.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Suresh J. Patel
Chairman and Managing Director

Mr. Bhavin S. Patel
Executive Director

Mr. Ankit S. Patel
Executive Director

Mr. Surendra N. Shah
Independent Director

Mr. Bipin R. Patel
Independent Director

Mr. Nalin Kumar
Independent Director

Mrs. Neha Huddar
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mayur B. Padhya

COMPANY SECRETARY

Mr. Ashutosh B. Bhatt

REGISTERED OFFICE

Plot No.: 123-124, Phase-I,
G.I.D.C. Estate, Vatva,
Ahmedabad-382 445.

PROPOSED STATUTORY AUDITORS

Deloitte Haskins & Sells LLP
Chartered Accountants
19th Floor, Shapath-V,
B/s. Crowne Plaza Hotel,
Opp. Karnavati Club, S.G. Highway,
Ahmedabad 380 015

RETIRING STATUTORY AUDITORS

Mayank Shah & Associates
Chartered Accountants
706-708-A, Mahakant,
Opp. V.S. Hospital, Ellisbridge,
Ahmedabad-380 009

BANKERS

Union Bank of India
Bank of India

BOARD'S REPORT

To
The Members, of
Bodal Chemicals Limited

Your Directors have pleasure in presenting the "31st ANNUAL REPORT" on the business and operations of the Company along with the Audited financial statement for the Financial Year ended 31st March, 2017.

Financial Result

Financial Results of the Company for the year under review along with figures of the previous year are as follows:

| Particulars | Standalone | | Consolidated | |
|---|-----------------|----------------|-----------------|----------------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Total Revenue | 11909.05 | 9218.02 | 12431.27 | 9218.86 |
| Profit before Interest, Depreciation and Taxation (EBITDA) | 2319.22 | 1698.43 | 2374.77 | 1685.15 |
| Less: Depreciation | 258.52 | 257.78 | 288.94 | 257.90 |
| Profit Before Interest & Taxation (EBIT) | 2060.70 | 1440.65 | 2085.83 | 1427.25 |
| Less: Finance Cost | 66.34 | 121.99 | 86.91 | 121.99 |
| Profit Before Tax (PBT) | 1994.36 | 1318.66 | 1998.92 | 1305.26 |
| Less: Tax Expenses | 708.24 | 452.67 | 712.46 | 445.39 |
| Less : Minority Interest and Share in Profit of Associates | - | - | 0.62 | - |
| Profit After Tax (PAT) | 1286.12 | 865.99 | 1285.84 | 859.87 |
| Addition on Amalgamation with Bodal Agrotech Ltd. | -49.04 | 0.00 | 0.00 | 0.00 |
| Balance brought forward from previous year | 1450.56 | 913.36 | 1401.08 | 870.01 |
| Amount available for appropriation | 2687.64 | 1779.35 | 2686.92 | 1729.87 |
| Appropriations: | | | | |
| Interim Dividend | 32.73 | 65.47 | 32.73 | 65.47 |
| Dividend Distribution tax | 6.67 | 13.32 | 6.67 | 13.32 |
| Capital Redemption Reserve | Nil | 250.00 | Nil | 250.00 |
| Balance carried to Balance Sheet | 2648.24 | 1450.56 | 2647.52 | 1401.08 |

Note: Previous year's figures have been recast whenever necessary

The Financial Year under Review 2016-17

Performance Discussion

The Financial year 2016-2017 is a successive year in which the Company has posted the highest ever Net Profit in its history. During the year under review, the Company has achieved another historic milestone by reaching its highest ever Total Revenue of ₹11909.05 million. The Company is committed towards expansion of its market share in the domestic market as well as in the overseas market. The major highlights of financial performance of the Company for the financial year 2016-2017, are as follows:

Standalone Performance of Company

- Total Revenue increased from ₹9218.02 million to ₹11909.05 million - increase by 29.19%.
- Cash Profit for the year stood at ₹1581.07 million and Cash EPS stood at ₹14.49.
- EBITDA increased from ₹1698.43 million to ₹2319.22 Million. - an increase by 36.55%.

- Profit before tax increased from ₹1318.66 million to ₹1994.36 Million –an increase by 51.24%.
- Net Profit stood at ₹1286.12 Million compared to Net Profit of ₹865.99 Million an increase by 48.51%.
- Earning per Shares was ₹11.79

The Company has performed well during the financial year 2016-17, with productivity gains, volume growth and sustained margins notwithstanding rise in input costs. The Company has absorbed cost increases and yet improved margins with purchasing efficiencies, improvement in manufacturing yield/usage and overall expenditure control.

Bodal Chemicals Limited (BCL)

We believe that Bodal Chemicals Limited is the most integrated Dyestuffs Company in India and also the biggest manufacturer of Dye Intermediates in India. The Company's product range covers Dyestuffs, Dye Intermediates and Basic Chemicals broadly classified under Specialty Chemicals. It has a unique and integrated product line covering forward and backward integration to dye intermediates. It contributes about 20% of India's capacity and about 5% of the world's capacity for Dye Intermediates. Bodal Chemicals has capacity of manufacturing upto about 25 varieties of Dye Intermediates and upto about 150 variants of Dyestuff which are principally used as raw materials in Textiles, Leather, Paper & other Dyestuff consuming industries. Out of the total production, about 30% is exported to over 50 countries across the world.

Company is listed on BSE Ltd. (Bombay Stock Exchange) and the National Stock Exchange of India Ltd. (NSE).

The broad areas of operations of the Company are as under:

Dyes

The Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal can manufacture upto about 150 variants of Dyes products to cater to Textiles, Leather and Paper Industry.

Dye Intermediates

Bodal the largest manufacturer of Dye Intermediates in India and among the leading manufacturers of Dye Intermediates in the world. The Company can manufacture upto about 25 Dyes Intermediates products. These Dyes Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

Other/Basic Chemicals

Bodal is also a manufacturer of other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Napthol, and Acetanilide. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the Company.

Subsidiaries, Associates & Joint Ventures

During the period under review, Bodal Chemicals had one Subsidiary Company and one Associate Company namely, S P S Processors Pvt. Ltd. And Trion Chemicals Pvt. Ltd., respectively, and pursuant to section 129(3) of the Companies Act, 2013 and Accounting Standard-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its associates companies and Subsidiaries and form part of this Annual Report. A statement containing the salient features of the financial statement of the Company's Subsidiaries, Associates and Joint Ventures is enclosed as Annexure 1 in Form AOC-1 annexed to this Annual Report. In terms of provisions of sections 136 of the Companies act, 2013, the Company shall place separate audited accounts of the Subsidiary and Associate Companies on the website of the Company- www.bodal.com

S P S Processors Pvt. Ltd. (SPS)

S P S Processors Pvt. Ltd. is a company engaged in manufacturing of dye intermediates.

The Company has made an investment of ₹40.9 Million for acquisition of 70% equity stake in S P S Processors Pvt. Ltd, which is therefore now a subsidiary company of Bodal Chemicals Ltd.

S P S Processors Pvt. Ltd. has a manufacturing plant located at Kosi, Uttar Pradesh, India having running operational capacity to produce 3,000 tons per annum (TPA) of H-Acid, a key Dye Intermediate. The manufacturing plant is a "zero discharge" unit and only about one and half year old.

S P S Processors Pvt. Ltd. also has all necessary permissions to manufacture Vinyl Sulphone - another key Dye Intermediate, as well as Dyestuff, at the same plant.

With the available permissions, the Company has started building a 4,200 TPA Vinyl Sulphone plant, which is estimated to cost about ₹100 million. The project is expected to completed in the first half of FY2017-18.

This investment will help the Company increase its manufacturing capacity of Dye Intermediates by about 25% and consolidate its position in the local and global markets of Dye Intermediates and Dyestuff.

Trion Chemicals Pvt. Ltd. (TCPL)

In line with the Company's diversification strategy, Bodal Chemicals has made an investment of ₹29 Million in TCPL, and had acquired 42% ownership of the Company. The investment in TCPL opens a new line of activity for the Company and enables expansion and diversification in Specialty Chemicals.

TCPL is producing Specialty chemicals which is a disinfectant, algaecide and bactericide mainly for Swimming pools and water treatment; also used as a bleaching agent in the textile industry.

TCPL has commissioned a plant to manufacture Trichloroisocyanuric Acid (TCCA) at Neja, near Khambhat, Gujarat. TCCA is a disinfectant - an algacide and bactericide used mainly by swimming pools and water treatment plants. It is also used as a bleaching agent by the textiles industry.

TCPL's TCCA plant is the first plant of this specialty chemical in India. TCPL's business plan is focused on the US market. It has already secured EPA licence in USA for environment protection.

Apart from the above companies, Bodal Chemicals Ltd. Does not have any other subsidiary, associate or joint venture company.

Scheme of Arrangement (Amalgamation of Bodal Agrotech Ltd.)

During the financial under review, the Hon'ble Gujarat High Court approved a Scheme of Arrangement (Scheme) in the nature of Amalgamation between Bodal Chemicals Limited (Amalgamated Company) and its wholly owned subsidiary company Bodal Agrotech Limited (Amalgamating Company) vide its Order dated 11th November, 2016. The Company has filed the said Order with the Registrar of Companies on 20th December, 2016.

Capital Structure & Liquidity

Authorised Share Capital

During the year under review, upon coming into effect of the above mentioned Scheme, the Authorised Share Capital of Bodal Agrotech Limited (Transferor Company) amounting to ₹3,00,00,000/- has been added to the Authorised Share Capital of the Bodal Chemicals Ltd. (Transferee Company). Hence, the Authorised Capital of the Company has been increased to ₹52,00,00,000/- (Rupees Fifty Two Crore Only) divided into 13,50,00,000 (Thirteen Crore Fifty Lacs only) Equity Shares of ₹2/- (Rupees Two) each and 2,50,00,000 (Two Crore Fifty Lacs only) Preference Shares of ₹10/- (Rupees Ten) each.

Issued and paid up Share Capital

The Issued, Subscribed & Paid-up Equity Share Capital of the Company as at 31st March, 2017 was ₹218.21 million divided into 109107370 Equity Shares, having face value of ₹2 each. There was no change in the paid-up Equity Share Capital, during the financial year under review.

General Reserve

During the year under review, your Directors do not propose to transfer any amount to the General Reserve.

Term Loan and Working Capital

As on 31st March, 2017, the Total Debt was ₹1418.71 million and Cash and Cash Equivalents were ₹38.11 million resulting in Net Debt of ₹1380.60 million (1424.35 million as on 31st March 2016). Total Debt consisted of ₹1411.52 million of working capital loans and ₹7.19 million of long term loans, including long term loans maturing within 12 months of the balance sheet date.

Ratings

Based on the recent developments at the Company as well as its operational and financial performance, Credit Analysis & Research Ltd (CARE) has upgraded the credit of the Company as follows:

| Type of Credit Rating | Revised Rating | Earlier Rating |
|---------------------------------------|---|-----------------------------|
| Rating for Long-Term Bank Facilities | CARE A; Stable [Single A; Outlook: Stable] | CARE A- [Single A Minus] |
| Rating for Short Term Bank Facilities | CARE A1 [A One] | CARE A2+ [A Two Plus] |

| Symbols | Rating Definition (source from www.careratings.com) |
|---------|--|
| CARE A | Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. |
| CARE A1 | Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. |

Dividend

During FY 2016-17, the Company declared Interim Dividend of ₹0.30 Per share (or 15% of face value ₹2) which will absorb ₹39.40 million, including dividend distribution tax of ₹6.67 million. Further, Final Dividend of ₹0.50 (or 25% of face value ₹2) per share absorbed ₹65.66 million, including dividend distribution tax of ₹11.11 million.

During FY 2015-16, the Company declared 2(two) Interim Dividends of ₹0.20 per share (or 10% of face value ₹2) and ₹0.40 per share (or 20% of face value ₹2). The Total Dividend for the financial year, including the two interim dividends, amounting to ₹0.60 per equity share and absorbed ₹78.79 million, including dividend distribution tax of ₹13.32 million.

Transfer of Amount to Investor Education & Protection Fund (IEPF)

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend that remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Un-claimed dividend which has been transferred to IEPF, has been disclosed in the Corporate Governance report forming part of Directors Report

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company, on the Company's website- www.bodal.com

Capital Expenditure

During the financial year 2017, Bodal chemicals incurred capital expenditure of ₹309.03 million. This expenditure was mainly towards improvement in production facilities, implementation of better technology and regular maintenance capex. This expenditure was also towards betterment of Effluent Treatment Plant and purchase of new equipments at Laboratory.

Particulars of Loans, Guarantees and Investments

Details of Loans, Guarantees and Investments covered under the provisions of Sections 186 of the Companies Act, 2013 are given in the Notes to Accounts that form part of this Annual Report.

Public /Fixed Deposits

The Company has not accepted any deposit during the financial year under review. There were no deposits remaining unpaid/ unclaimed as at the end of the financial year 2016-17 and as such no amount of principal or interest was outstanding, as on the date of the balance sheet.

Listing of Securities

Bodal Chemicals has 10,91,07,370 Equity Shares of ₹2 each fully paid, listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company confirms that it has paid annual listing fees for the financial year 2017-18 to both the Exchanges where the Company's equity shares are listed.

Directors and Key Managerial Personnel

Directors' Appointment, Retirement and Resignation

Bodal Chemicals has 7(Seven) Directors including 3(Three) Executive Directors and 4(Four) Independent Directors.

Appointment

On the recommendation of the Nomination and Remuneration Committee, Mr. Nalin Kumar (having DIN:03060741) was appointed as an Additional Director of the Company with effect from 13th February, 2017. In accordance with Section 161 of the Companies Act, 2013, Mr. Nalin Kumar will hold office upto the date of the forthcoming AGM of the Company and being eligible, offers his candidature for appointment as a Director accustomed to act as an Independent Director, on the Board of the Company for 5 years w.e.f. 13th February 2017. Your approval for his appointment as Director has been sought in the Notice convening the forthcoming AGM of the Company.

On the recommendation of the Nomination and Remuneration Committee, Mrs. Neha Huddar (having DIN: 00092245) was appointed as an Additional Director of the Company with effect from 10th May, 2017. In accordance with Section 161 of the Companies Act, 2013, Mrs. Neha Huddar (having DIN: 00092245) holds office upto the date of the forthcoming

AGM of the Company and being eligible, offer her candidature for appointment as Director accustomed to act as Independent Woman Director, on the Board of the Company for 5 years w.e.f. 10th May, 2017. Your approval for her appointment as Director has been sought in the Notice convening the forthcoming AGM of the Company.

Resignation

Mr. Sunil K. Mehta, (having DIN: 01736527) Independent Director resigned from the post of Director (Independent) of the Company with effect from 11th February, 2017 and the Board of Directors took note of the same at the Board Meeting held on 13th February, 2017. The Board of Directors place on record their deep appreciation of the valuable guidance and immense contribution made by Mr. Sunil K. Mehta, during his tenure as Independent Director of the Company.

Mrs. Kajal R Soni, (having DIN: 06926972) Independent (woman) Director resigned from the post of Director (Independent) of the Company with effect from 11th February, 2017 and the Board of Directors took note of the same at the Board Meeting held on 13th February, 2017. The Board of Directors place on record their deep appreciation of the valuable guidance and immense contribution made by Mrs. Kajal R. Soni, during her tenure as Independent Director of the Company.

Mr. Bhavin S. Patel, Executive Director retires by rotation at the ensuring Annual General Meeting. He, being eligible, offers himself for re-appointment. None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013. Details of all the Directors have been covered in the Corporate Governance Report which forms a part of the Annual Report.

For the perusal of Shareholders, a brief resume all the above Directors, nature of their expertise, their shareholding in the Company and other required details are given in the section of the Corporate Governance Report, which forms a part of the Directors' Report in the Annual Report.

Declaration by Independent Directors

The Company has received declaration from all Independent Directors that they meet the Criteria of Independence as laid down in Section 149 (6) of the Companies Act, 2013 and regulations 27 (2) of the SEBI (LODR) regulations, 2015 (Listing regulations). There were no pecuniary transactions entered into with the Independent Directors apart from sitting fees.

Familiarization Programme for Independent Directors:

The Company has an ongoing programme where Directors in the course of meetings of the Board of Directors give information about developments and amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (LODR) Regulations, 2015 (herein referred to as "Listing Agreement"), Prohibition & Insider Trading Regulations and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company.

Details of the same are available on the website of the Company-
www.bodal.com

Diversity of The Board

The Company recognizes and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-www.bodal.com

Board Meetings

During the year under review, 6(six) meetings of the Board of Directors were held. Details of the Composition of the Board and its committees and meetings held and attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

Meeting of Independent Directors

The Independent Directors of the Company met separately on 02nd February, 2017 without the presence of Non-Independent Directors and the members of management. In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following matters were, inter-alia discussed in the meeting:

- Review the performance of Non-Independent Directors and the Board as a whole
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non Executive Directors.
- Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties

Board's Annual Evaluation

In terms of the requirements of the Companies Act, 2013, and the Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and the Directors. The Evaluation framework adopted by the Board is set out in the Corporate Governance Report.

Key Managerial Personnel (KMP)

During the Financial year 2016-17, the Company designated the following personnel as KMPs as per the definition under section 2(51) and Section 203 of the Act:

| Sr. No | Name of KMPs | Designation |
|--------|-----------------------|------------------------------|
| 1 | Mr. Suresh J. Patel | Chairman & Managing Director |
| 2 | Mr. Bhavin S. Patel | Executive Director |
| 3 | Mr. Ankit S. Patel | Executive Director |
| 4 | Mr. Mayur B. Padhya | Chief Financial Officer |
| 5 | Mr. Ashutosh B. Bhatt | Company Secretary |

Remuneration of Directors and KMP

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, disclosures pertaining to remuneration of Managerial employees a Statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is attached as Annexure 2 which forms part of this Report.

Remuneration Policy

The Company has in place a Remuneration Policy for the Directors, KMP and other employees pursuant to the provisions of the Act and the Listing Regulations which is explained in the Corporate Governance Report, which forms a part of the this Report.

Auditors

Statutory Auditors

Your Directors recommend, as identified and suggested the Audit Committee of Company, to appoint M/s Deloitte Haskins & Sells LLP, (FRN No. 117366W/W-100018) as statutory Auditor of the Company for FY 2017-18, subject to approval of the Members of the Company, to hold office from the conclusion of the Thirty First (31st) Annual General Meeting until the conclusion of the Thirty Second (32nd) Annual General Meeting of the Company in place of the retiring auditors M/s Mayank Shah and Associates.

The Company has received a certificate from the Auditors stating that their appointment, if made, will be within the limit specified under Sections 139 and 141 of the Companies Act, 2013.

Further, tenure of M/s Mayank Shah and Associates, Chartered Accountants (Firm Registration No.; 106109W), Statutory Auditors of the Company is going to expire from the conclusion of the 31st Annual General Meeting of the Company. Under the Companies Act, 2013, they are not eligible to be reappointed to work as Auditor of the Company, as a cooling period is required.

The report of the Statutory Auditors along with Notes to Schedules is enclosed with this Report. The Auditor's Comments on the Company's Accounts for the financial year ended on 31st March, 2017 are self explanatory in nature and do not require any explanation as per

provisions of Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

Internal Auditors

M/s. Rashmin R. Patel & Co., Chartered Accountants (FRN: 132265W), Ahmedabad are Internal Auditors of the Company. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditors reports their findings on the internal audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

Secretarial Auditor

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Tapan Shah, practicing Company Secretary as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2017-18.

The Report of Secretarial Auditor for the financial year 2016-17 is set out as Annexure-3 and it forms a part of this Report.

Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed cost audit related to the Company's product Dyes Intermediates and Dyes. Based on this requirement and the recommendation made by the Audit Committee, the Board of Directors have appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor for the Financial Year 2017-18. The Company has received a written from Cost Auditors stating that their re-appointment, if made, would be within the prescribed limits under sections 141 of the Companies Act, 2013. The Cost Audit report for the financial year 2016- 2017 has been filed within the prescribed time limits. The Cost Auditor's Report does not contain any qualification, reservation or adverse remark.

Management Discussion & Analysis

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review is presented in a separate section, forming part of the Annual Report.

Corporate Governance

Bodal Chemicals Ltd. is committed to ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. The Company understands and respects its fiduciary duty to all stakeholders and strives to meet their expectations. The core principles of independence, accountability, responsibility, transparency, fair and timely disclosures serve as the basis of the Company's approach to Corporate Governance.

A Separate Section on Corporate Governance forming part of the Director's Report and the certificate from the Practising Chartered Accountants confirming compliance of the Corporate Governance norms as stipulated in the Listing regulations is included in the Annual Report.

Industrial Relations & Human Resources

Industrial relations at all divisions of your Company have always been cordial and continue to be so. Your Directors wish to place on record their appreciation for the co-operation received from employees at all levels.

Human Resources

Bodal Chemicals Ltd. values its employees. We trust our employees to do the right thing and this approach forms the core foundation of all people related initiatives. To educate all team members we have continuously improved our induction programme, in which we Cover company policies, special safety induction and also brief new team members about the Company's history.

As we are growing vertically as well as horizontally in business, which requires lots of skill development, we are continuously working on development of the in our team. We are also working on new expansions where we are bringing new technology, which requires technical knowledge, for this we are working on two fronts, one, to bring new technical experts from outside onboard and second, working on the skill development of existing team members, where we use class room training and on-the-job training platforms.

From this year, we have started celebrating Safety Week with the full participation of team members from all the departments, by organizing quiz competition, poster drawing, speech competition, display of different PPEs with its demonstration and awareness, and by inviting external trainer for imparting training. Being a chemical company, we are keenly aware about the environment, and by keeping this in mind we continuously spread awareness about the same among our team members and annually we celebrate the "World Environment Day"

Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

Extract of The Annual Report

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return of the Company in Form MGT-9 is annexed herewith as Annexure-4 to this Annual Report.

Environment Protection

The Company has undertaken various environment friendly measures in its different Units for promoting a better environment. The Company has in place adequate pollution control equipment and all the equipment is in operation.

Safety & Wellbeing of Woman at Work Place

Bodal Chemicals Ltd. has taken various initiatives to ensure a safe and healthy workplace for its women employees. The Company has zero tolerance of sexual harassment at the work place and is fully compliant with the prevailing laws on the prevention of sexual harassment of women at the workplace. As per the provisions of Sections 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Report on the details of the number of cases filed under sexual harassment and their disposal is as under:

| Sr. No. | Complaints Under Sexual Harassment (From 01-04-2016 To 31-03-2017) | Status |
|---------|---|--------|
| 1 | Number of Complaints/Cases pending as at the beginning of FY 2016-17 i.e.01-04-2016 | NIL |
| 2 | Number of Complaints/ Cases filed during the year (from 01-04-2016 to 31-03-2017) | NIL |
| 3 | Number of Complaints/ Cases as at the end of FY 2016-17 i.e.31-03-2017 | NIL |

Vigil Mechanism and Whistleblower Policy

The provisions of Section 177(9) and (10) of the Companies Act, 2013 mandates every listed company to establish vigil mechanism for Directors and employees. Bodal Chemicals Ltd. has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. Details of complaints received and the action taken are reviewed by the Audit Committee.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Company's personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the Company's website www.bodal.com

Annual Accounts of Subsidiary & Associate Companies

The Accounts of the Subsidiary & Associate Companies for the financial year ended on 31st March, 2017 will be made available to any shareholder of the Company on request and will also be available for inspection at the registered office of the Company during working hours till the date of the Annual General Meeting. The salient features of the Financial Statements the Subsidiary and Associate companies are given in Annexure 1 of this Report.

Conservation of Energy, Research & Development (R&D), Technology Absorption & Foreign Exchange Earnings & Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under section 134(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as Annexure-6 to this Report.

Risk Management & Internal Control

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

The Company deploys robust system of internal controls commensurate to the size of the Company and the complexities of its operations. These systems facilitate fair presentation of our financial results in a manner that is complete and reliable, ensure adherence to regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and consistent communication with investors.

The Internal Auditors of the Company conduct financial, compliance and process improvement audits each year. The Audit Committee oversees the scope and evaluates the overall results of these audits, and members of that Committee regularly attend meetings of Board of Directors. The Audit Committee also reviews the adequacy and effectiveness of the internal control system, and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO Certificate, forming part of the Corporate Governance Report, confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies, if any, to the Audit Committee and rectify the same.

Particulars of Loans, Guarantees and Investments

During the year, the Company had not provided any corporate guarantee on behalf of others.

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

Corporate Social Responsibility

As part of its Initiative under "Corporate Social Responsibility", the Company is contributing to sustainable development by its economic activities combined with the fulfillment of its social responsibilities of education, health, safety, water, sanitation, sports, rural development and environment aspects.

Further, in compliance with Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility ("CSR") Committee and statutory Disclosures with respect to CSR Committee and annual report on CSR Activities is set out as Annexure 5 and forms part of this Report.

Related Party Transactions

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel, or other designated persons which may have potential conflict with the interest of the company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction Policy for the purpose of identification and monitoring of such transaction. The Related Party Transaction policy is placed on the Company's website- www.bodal.com.

Particulars of Contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013, are disclosed in Form AOC-2 as Annexure-7

Insurance

The Company's assets are adequately insured.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended on 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the financial year ended on 31st March, 2017 on a going concern basis; and
- (e) the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and.
- (f) the Directors have devised proper systems to ensure compliance with provisions of all the applicable laws and that such systems were adequate and operating effectively.

Acknowledgement

The Board of Directors would like to place on record their sincere appreciation to Central & State Governments, regulatory authorities such as SEBI, Stock Exchanges and Registrar, for their guidance and co-operation. The Board would also like to thank the investors and bankers for their continued support during the year. We also take this opportunity to thank all our valuable customers and vendors for their partnership with us. Your Directors also acknowledge all the employees for their dedicated service.

For and on behalf of the Board

Suresh J. Patel

Chairman & Managing Director
(DIN: 00007400)

Date: 24th August, 2017
Place: Ahmedabad

ANNEXURE -1: AOC - 1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
(Pursuant to First proviso to sub-section(3) of Section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

| Sr. No. | Reporting period for the subsidiary concerned, if different from the holding companies reporting period | Reporting currency & Exchange rate | Share Capital | Reserve and Surplus | Total Assets | Total Liabilities | Investment | Net Turnover | PBT | Provision for Taxation | PAT | (₹ in million) | |
|---------|---|------------------------------------|---------------|---------------------|--------------|-------------------|------------|--------------|--------|------------------------|--------|-------------------|--------------------|
| | | | | | | | | | | | | Proposed Dividend | % of Share Holding |
| 1 | Trion Chemicals Pvt. Ltd | Indian Rupees N.A. | 145.00 | (2108) | 540.23 | 416.31 | NIL | 5.24 | (2734) | 818 | (1916) | NIL | 41.51% |
| 2 | S P S Processors Pvt Ltd | Indian Rupees N.A. | 16.23 | 42.48 | 626.33 | 567.62 | NIL | 809.25 | 457 | 4.23 | 0.34 | NIL | 70% |

Note: Bodal Agrotech Limited, Wholly Owned Subsidiary of Bodal Chemicals Ltd was amalgamated with Bodal Chemicals Limited.

ANNEXURE - 2

PARTICULARS OF EMPLOYEES

A. The ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

a) The ratio of remuneration of each Director to the median employee's remuneration for the financial year:

The information required pursuant to Section 197 read with Rule 5 (1) (i) of The Companies (Appointment and Remuneration) Rules, 2014 and amended thereof, in respect of ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year are as follows: -

| Sr. No. | Name of Director | Ratio to median remuneration |
|----------------------------|---------------------|------------------------------|
| Executive Directors | | |
| 1 | Mr. Suresh J. Patel | 53.39:1 |
| 2 | Mr. Bhavin S. Patel | 35.59:1 |
| 3 | Mr. Ankit S. Patel | 35.59:1 |

Independent Directors have been paid only sitting fees during FY2016-17 and hence the Ratio to Median Remuneration has not been shown for Independent Directors

b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

| Sr. No. | Name of KMPs | Designation | % increase in remuneration over the previous year |
|---------|-----------------------|---------------------------|---|
| 1 | Mr. Suresh J. Patel | CEO and Managing Director | Nil |
| 2 | Mr. Bhavin S. Patel | Executive Director | Nil |
| 3 | Mr. Ankit S. Patel | Executive Director | Nil |
| 4 | Mr. Mayur B. Padhya | Chief Financial Officer | 36.35% |
| 5 | Mr. Ashutosh B. Bhatt | Company Secretary | 35.34% |

c) The percentage increase in the median remuneration of employees in the Financial year: 27.61%

d) The number of permanent employees on the rolls of the Company: 1294 Employees as on 31-03-2017

e) Average percentile increase in the Salaries of the Employees other than Managerial Personnel & Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

| | % change in remuneration |
|---|--------------------------|
| Average increase in salary of employees (other than managerial personnel) | 11.44% |
| Average increase in remuneration of managerial personnel | 11.38% |

Affirmation:

The Board of Directors of the Company affirm that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

B. Particulars of Employee in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

i. Employed throughout the financial year with salary above ₹102 Lakh p.a.

| Sr. No. | % increase in remuneration over previous year |
|--|---|
| Name of Employee | Mr. Suresh J. Patel |
| Designation | Chairman and Managing Director |
| Remuneration | 108 Lakhs |
| Nature of Employment | Permanent |
| Qualification | Bachelor in Science (B.Sc.) |
| Date of Commencement of Employment | 01/06/2005 |
| Age | 61 |
| Previous Employment | NA |
| % of Equity Shares held in the Company | 31.80% |

ii. Employed part of the Financial year with average salary above ₹8.50 Lacs per month : **NA**

iii. Employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company. **NA**

iv. The name of Top 10(Ten) Employees in terms of remuneration:

| Sr No. | Name of Employee | Designation | Per Month Remuneration (CTC) | Annual Remuneration (CTC) | Nature of Employment | Qualification & Experience | Date of Commencement of Employment | Age | Last employment | % of Equity Share held by Employee | "Whether employee is relative of any Director or Manager" |
|--------|---------------------------------|---|------------------------------|---------------------------|----------------------|---|------------------------------------|-----|---------------------------------------|------------------------------------|---|
| 1 | Prasad hari Pujari | Head Sulphur | 397,953.00 | 5,173,389.00 | On Roll | M. Chem. Engg. | 11-Sep-08 | 54 | Dharmashi Moraji Chemical Co. limited | 0.00% | N.A. |
| 2 | V K Sasidharan K Sasidharan | V.P TEC | 351,083.00 | 4,564,079.00 | On Roll | B. E. Metrology | 01-Jul-09 | 67 | Dharmashi Moraji Chemical Co. limited | 0.00% | N.A. |
| 3 | Mayur Bachubhai Padhya | Chief Financial Officer | 266,667.00 | 3,466,671.00 | On Roll | CA, CMA, B. Com | 01-Apr-13 | 46 | Hi-Rel Electronics Pvt Ltd | 0.17% | N.A. |
| 4 | Waris Akhil M. Subhan Chaudhary | SR. General Manager (Project) | 200,000.00 | 2,400,000.00 | On Roll | DME, ME (Mech) | 29-Dec-16 | 55 | Paithan Mega Food Park Pvt Ltd | 0.00% | N.A. |
| 5 | Anil P.L. Dugaal | General Manager | 167,992.00 | 2,183,896.00 | On Roll | MBA | 07-Sep-11 | 56 | Meghmani Organics | 0.00% | N.A. |
| 6 | Amit Balmukund Acharya | General Manager | 160,586.00 | 2,087,618.00 | On Roll | MBA (HR&IR), LLB | 17-Aug-15 | 38 | Apothecon Pharmaceuticals Pvt Ltd | 0.00% | N.A. |
| 7 | Subrata Kumar Anandagopal Modak | G. M. Business Development | 150,022.00 | 1,950,286.00 | On Roll | B. Tech Textile (Specialization in Chemical Processing) | 27-Apr-16 | 50 | Colortex Industries Ltd | 0.00% | N.A. |
| 8 | Jay Bharatbhai Gandhi | Gm Business Development (International Marketing) | 150,000.00 | 1,800,000.00 | On Roll | BE. Chemical and MBA (Marketing) | 02-Jan-17 | 42 | Alps Chemicals Pvt Ltd | 0.00% | N.A. |
| 9 | Rakeshbhai Ravijibhai Patel | President Tech and Production | 150,000.00 | 1,950,000.00 | On Roll | BSC | 01-Jun-07 | 53 | NA | 2.50% | Brother - in - Law |
| 10 | Shashank Atulbhai Mehta | G. M. | 139,701.00 | 1,816,113.00 | On Roll | MBA | 01-Mar-12 | 42 | Rachana Global Exlavation LDA | 0.01% | N.A. |

ANNEXURE - 3

SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2017

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

To,
The Members,
Bodal Chemicals Limited
Plot No. 123-124, Phase-1,
GIDC, Vatva,
Ahmedabad – 382 445

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bodal Chemicals Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 and made available to me, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Take overs) Regulations, 2011, as amended from time to time;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;
 - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2).

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Chemical Industry, apart from Environment, Pollution and safety related compliances, Narcotics Law 1985 is applicable to the Company, for which examination of the relevant documents and records, on test check basis has been carried out.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
- ii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- v. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- vi. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings and Overseas Direct Investment.

I further report that –

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that –

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and

Independent Directors, except no Women Director on the Board with effect from 11th February, 2017 till close of the financial year. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that during the audit period there were no events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, except as stated below :

- (i) The Hon'ble Gujarat High Court has approved Scheme of Arrangement in the nature of amalgamation between Bodal Chemical Limited (Amalgamated Company) and its wholly owned subsidiary Company Bodal Agrotech Limited (Amalgamating Company) vide its order number Q/41405/2016 dated 11th November, 2016.

Signature :

Name of Company Secretary in practice:

Tapan Shah

FCS No. : 4476

C P No. : 2839

Place : Ahmedabad

Date: 24th August, 2017

Note: This Report is to be read with my letter of above date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members,
Bodal Chemicals Limited
Plot No. 123-124, Phase-1,
GIDC, Vatva,
Ahmedabad – 382 445

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Ahmedabad
Date: 24th August, 2017

Signature :
Name of Company Secretary in practice:
Tapan Shah
FCS No. : 4476
C P No. : 2839

ANNEXURE - 4

FORM NO. MGT-9

Extract of Annual Return
as on the financial year ended on 31.03.2017[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

| | | |
|-------------|--|--|
| I | Registration and Other Details | |
| i) | CIN | L24110GJ1986PLC009003 |
| ii) | Registration Date: | 24th September, 1986 |
| iii) | Name of the Company: | BODAL CHEMICALS LIMITED |
| iv) | Category / Sub-Category of the Company | Public Listed Company |
| v) | Address of the Registered Office and contact details | Plot No 123 -124, Phase -1 GIDC, Vatva, Ahmedabad - 382445 |
| vi) | Whether listed company | Yes |
| vii) | Name, Address and Contact details of Registrar & Share Transfer Agents (RTA) | M/s. Link Intime India Pvt Ltd. Unit: Bodal Chemicals Ltd Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre – 1, (ABC-1) Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad – 380 009 ahmedabad@linkintime.co.in Phone No: 079 - 2646 5179 |
| II | Principal Business Activities of the Company | |
| | All the business activities contributing 10 % or more of the total turnover of the company shall be stated | As per Annexure A |
| III | Particulars of Holding, Subsidiary and Associate Companies | As per Annexure B |
| IV | Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity) | |
| i) | Category-wise Shareholding | |
| ii) | Shareholding of Promoters | |
| iii) | Change in Promoters' Shareholding (please specify, if there is no change) | As per Annexure C |
| iv) | Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): | |
| v) | Shareholding of Directors and Key Managerial Personnel: | |
| V | Indebtedness | |
| | Indebtedness of the Company including interest outstanding/ accrued but not due for payment | As per Annexure D |
| VII | Remuneration of Directors and Key Managerial Personnel | |
| i) | Remuneration to Managing Director, Whole-time Directors and/ or Manager | |
| ii) | Remuneration to other Directors | As per Annexure E |
| iii) | Remuneration to Key Managerial Personnel other than Managing Director/ Manager/Whole-time Director | |
| VIII | Penalties / Punishment/ Compounding of Offences | As per Annexure F |

Annexure A

I Principal Business Activities of the Company

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1 | VINLY SULPHONE ESTER | 20119 | 27.76% |
| 2 | H ACID | 20119 | 19.12% |

Annexure B

II Particulars of Holding, Subsidiary and Associate Companies

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section |
|---------|---|-----------------------|--------------------------------|------------------|--------------------|
| 1 | Trion Chemicals Private Limited PLOT NO 123 - 124, PHASE -1, G.I.D.C., VATVA, AHMEDABAD - 382445, GUJARAT | U51900GJ2009PTC056781 | Associate | 41.51% | 2(6) |
| 2 | S P S Processors Private Limited P-100, LANE NO-6, SHANKAR NAGAR EXT, DELHI - 110051 | U18201DL2002PTC115883 | Subsidiary | 70% | 2(87)(ii) |

*During the FY 2016-17 Bodal Agrotech Ltd wholly Owned subsidiary of Bodal Chemcials Ltd amalgamated with Bodal Chemicals Ltd as per the vide order dated 11th November, 2016 of the Hon'ble Gujarat High Court.

Annexure C

III Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

I) Category-wise Shareholding

| Category code | Category of Shareholder (III) | Number of shares held at the beginning of the year 1st April, 2016 | | | | Number of shares held at the end of the year 31st March, 2017 | | | | |
|---------------|---|--|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | % Change during the year |
| (A) | Promoters (including Promoter Group) | | | | | | | | | |
| 1 | Indian | | | | | | | | | |
| a | Individuals / Hindu Undivided Family | 64793259 | - | 64793259 | 59.38 | 59293259 | | 59293259 | 54.34 | -5.04 |
| b | Central Government | - | - | - | - | - | - | - | - | - |
| c | State Governments(s) | - | - | - | - | - | - | - | - | - |
| d | Bodies Corporate | - | - | - | - | - | - | - | - | - |
| e | Banks / Financial Institutions | - | - | - | - | - | - | - | - | - |
| f | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A) (1) | 64793259 | - | 64793259 | 59.38 | 59293259 | | 59293259 | 54.34 | -5.04 |
| 2 | Foreign | | | | | | | | | |
| a | NRIs - Individuals | 10721700 | - | 10721700 | 9.83 | 10721700 | | 10721700 | 9.83 | - |
| b | Other Individuals | - | - | - | - | - | - | - | - | - |
| c | Bodies Corporate | - | - | - | - | - | - | - | - | - |

I) Category-wise Shareholding

| Category code | Category of Shareholder (III) | Number of shares held at the beginning of the year 1st April, 2016 | | | | Number of shares held at the end of the year 31st March, 2017 | | | | |
|---------------|--|--|----------------|------------------|-------------------|---|----------------|------------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | % Change during the year |
| d | Banks / Financial Institutions | - | - | - | - | - | - | - | - | - |
| e | Qualified Foreign Investor | - | - | - | - | - | - | - | - | - |
| f | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (A) (2) | 10721700 | - | 10721700 | 9.83 | 10721700 | - | 10721700 | 9.83 | - |
| | Total Shareholding of Promoter (A) = (A)(1)+(A)(2) | 75514959 | - | 75514959 | 69.21 | 70014959 | - | 70014959 | 64.17 | -5.04 |
| (B) | Public Shareholding | | | | | | | | | |
| 1 | Institutions | | | | | | | | | |
| a | Mutual Funds | | | | | | | | | |
| b | Banks / Financial Institutions | 132563 | - | 132563 | 0.12 | 111351 | - | 111351 | 0.10 | -0.02 |
| c | Central Government | - | - | - | - | - | - | - | - | - |
| d | State Governments(s) | - | - | - | - | - | - | - | - | - |
| e | Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f | Insurance Companies | - | 4000 | 4000 | 0.00 | - | - | 4000 | 0.00 | - |
| g | Foreign Institutional Investors | 179264 | - | 179264 | 0.17 | - | - | - | - | - |
| h | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - |
| i | Foreign Portfolio Investors | - | - | - | - | 4814351 | - | 4814351 | 4.41 | 4.41 |
| j | Any Other (specify) | - | - | - | - | - | - | - | - | - |
| | Sub-Total (B) (1) | 311827 | 4000 | 315827 | 0.29 | 4925702 | - | 4929702 | 4.52 | 4.23 |
| 2 | Non-Institutions | | | | | | | | | |
| (a) | Bodies Corporate | | | | | | | | | |
| i | Indian | 7960908 | 128090 | 8088998 | 7.41 | 5699553 | - | 5699553 | 5.22 | -2.19 |
| ii | Overseas | 80890 | - | 80890 | 0.07 | - | - | - | - | - |
| (b) | Individuals - | | | | | | | | | |
| i | Individual shareholders holding nominal share capital upto ₹2 lakh | 17374914 | 1485765 | 18860679 | 17.29 | 19682206 | 1429040 | 21111246 | 19.35 | 2.06 |
| ii | Individual shareholders holding nominal share capital in excess of ₹2 lakh | 4304157 | - | 4304157 | 3.94 | 3064578 | 124000 | 3188578 | 2.92 | -1.02 |
| (c) | Any Other (Specify) | | | | | | | | | |
| | Independent Directors & Their Relatives | 399685 | - | 399685 | 0.37 | 75347 | - | 75347 | 0.07 | -0.30 |
| | Clearing Members | 742700 | - | 742700 | 0.68 | 1198789 | - | 1198789 | 1.10 | 0.42 |
| | NRIs | 772830 | 11645 | 784475 | 0.72 | 1654593 | 11605 | 1666198 | 1.53 | 0.81 |
| | Trust | 15000 | - | 15000 | 0.01 | 48561 | - | 48561 | 0.04 | 0.03 |
| | Foreign nations | - | - | - | - | 11239 | - | 11239 | 0.01 | 0.01 |
| | HUF | - | - | - | - | 1163198 | - | 1163198 | 1.07 | 1.07 |
| | Sub-total (B) (2) | 31651084 | 1625500 | 33276584 | 30.50 | 32598064 | 1564645 | 34162709 | 31.31 | 0.81 |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | 31962911 | 1629500 | 33592411 | 30.79 | 37523766 | 1564645 | 39092411 | 35.83 | 5.04 |
| | TOTAL (A)+(B) | 107477870 | 1629500 | 109107370 | 100.00 | 107538725 | 1568645 | 109107370 | 100.00 | 0.00 |
| (C) | Shares held by Custodians for GDRs & ADRs | | | | | | | | | |
| i | Promoter and Promoter Group | - | - | - | - | - | - | - | - | - |
| ii | Public | - | - | - | - | - | - | - | - | - |
| | GRAND TOTAL (A)+(B)+(C) | 107477870 | 1629500 | 109107370 | 100.00 | 107538725 | 1568645 | 109107370 | 100 | - |

II) Share Holding of Promoters (Including Promoters Group)

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | Shareholding at the End of the year | | % Change in Shareholding during the year |
|--------------|---------------------------|---|----------------------------------|-------------------------------------|----------------------------------|--|
| | | No. of Shares | % of total Shares of the Company | No. of Shares | % of total Shares of the Company | |
| 1 | Mr. Suresh J Patel | 33345151 | 30.56 | 34695151 | 31.80 | 1.24 |
| 2 | Mr. Bhavin S. Patel | 9459549 | 8.67 | 9459549 | 8.67 | - |
| 3 | Mr. Ankit S. Patel | 6536550 | 5.99 | 6536550 | 5.99 | - |
| 4 | Mr. Ramesh P. Patel | 1735299 | 1.59 | 385299 | 0.35 | -1.24 |
| 5 | Mrs. Meena S. Patel | 5228960 | 4.79 | 5228960 | 4.79 | - |
| 6 | Mr. Ramesh D. Patel | 4936960 | 4.52 | 4936960 | 4.52 | - |
| 7 | Mr. Jayanti D. Patel | 3499165 | 3.21 | 3499165 | 3.21 | - |
| 8 | Mr. Bansi M. Patel | 4231680 | 3.88 | 231680 | 0.21 | -3.67 |
| 9 | Mr. Rakesh R. Patel | 4231680 | 3.88 | 2731680 | 2.50 | -1.38 |
| 10 | Mrs. Shankuntala J. Patel | 2285575 | 2.09 | 2285575 | 2.09 | - |
| 11 | Ramesh P. Patel- HUF | 24390 | 0.02 | 24390 | 0.02 | - |
| Total | | 75514959 | 69.21 | 70014959 | 64.17 | -5.04 |

III) Change in Promoters' (Including Promoter Group) Shareholding

| Sl. No. | Name of Shareholder | Shareholding at the beginning of the year (as on 1st April, 2016) | | | Increase/decrease in Shareholding | Cumulative Shareholding during the year | |
|---------|----------------------|---|----------------------------------|------------------------|-----------------------------------|---|----------------------------------|
| | | No. of Shares | % of total Shares of the Company | Reason | No. of Shares | No. of Shares | % of total Shares of the Company |
| 1 | Mr. Suresh J. Patel | 33345151 | 30.56 | Increase | 1350000 | 34695151 | 31.80 |
| | | | | At the end of the year | - | 34695151 | 31.80 |
| 2 | Mr. Bhavin S. Patel | 9459549 | 8.67 | No Change | - | 9459549 | 8.67 |
| | | | | At the end of the year | - | 9459549 | 8.67 |
| 3 | Mr. Ankit S. Patel | 6536550 | 5.99 | No Change | - | 6536550 | 5.99 |
| | | | | At the end of the year | - | 6536550 | 5.99 |
| 4 | Mr. Ramesh P Patel | 1735299 | 1.59 | Decrease | -1350000 | 385299 | 0.35 |
| | | | | At the end of the year | | 385299 | 0.35 |
| 5 | Mrs. Meena S. Patel | 5228960 | 4.79 | No Change | - | 5228960 | 4.79 |
| | | | | At the end of the year | - | 5228960 | 4.79 |
| 6 | Mr. Ramesh D. Patel | 4936960 | 4.52 | No Change | - | 4936960 | 4.52 |
| | | | | At the end of the year | - | 4936960 | 4.52 |
| 7 | Mr. jayanti D. Patel | 3499165 | 3.21 | No Change | - | 3499165 | 3.21 |
| | | | | At the end of the year | - | 3499165 | 3.21 |

III) Change in Promoters' (Including Promoter Group) Shareholding

| Sl. No. | Name of Shareholder | Shareholding at the beginning of the year (as on 1st April, 2016) | | | Increase/ decrease in Shareholding | Cumulative Shareholding during the year | |
|---------|--------------------------|---|--|------------------------|--|---|--|
| | | No. of Shares | % of total Shares of the Company | Reason | No. of Shares | No. of Shares | % of total Shares of the Company |
| 8 | Mr. Banshi M. Patel | 4231680 | 3.88 | Decrease | -530000 | 3701680 | 3.39 |
| | | | | Decrease | -1500000 | 2201680 | 2.02 |
| | | | | Decrease | -470000 | 1731680 | 1.59 |
| | | | | Decrease | -1500000 | 231680 | 0.21 |
| | | | | At the end of the year | - | 231680 | 0.21 |
| 9 | Mr. Rakesh R. Patel | 4231680 | 3.88 | No Change | - | 2731680 | 2.50 |
| | | | | At the end of the year | - | 2731680 | 2.50 |
| 10 | Mrs. Shakuntala J. Patel | 2285575 | 2.09 | No Change | - | 2285575 | 2.09 |
| | | | | At the end of the year | - | 2285575 | 2.09 |
| 11 | Ramesh P. patel - HUF | 24390 | 0.02 | No Change | - | 24390 | 0.02 |
| | | | | At the end of the year | - | 24390 | 0.02 |

iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2016 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2017 | |
|---------|--|--|--|------------------------------|------------------|---|--|
| | | No. of Shares Held | % of Total Shares of The Company | Date of Transaction | No. of Shares | No. of Shares Held | % of Total Shares of The Company |
| 1 | Monarch Network Finserve Private Limited | 1712517 | 1.5696 | | | 1712517 | 1.5696 |
| | | | | 05 Aug 2016 | (712517) | 1000000 | 0.9165 |
| | | | | 12 Aug 2016 | 100000 | 1100000 | 1.0082 |
| | | | | at the end of the year | | 1100000 | 1.0082 |
| | | | | | | | |
| 2 | Acadian Emerging Markets Small Cap Equity Fund LLC | 0 | 0.0000 | | | 0 | 0.0000 |
| | | | | 22 Jul 2016 | 557983 | 557983 | 0.5114 |
| | | | | 29 Jul 2016 | 94370 | 652353 | 0.5979 |
| | | | | 12 Aug 2016 | 145421 | 797774 | 0.7312 |
| | | | | 02 Dec 2016 | 61571 | 859345 | 0.7876 |
| | | | | at the end of the year | | 859345 | 0.7876 |
| 3 | Pravin Harikrishna Surti | 698200 | 0.6399 | | | 698200 | 0.6399 |
| | | | | 15 Jul 2016 | (210000) | 488200 | 0.4474 |
| | | | | 29 Jul 2016 | 68575 | 556775 | 0.5103 |
| | | | | 02 Sep 2016 | 40025 | 596800 | 0.5470 |
| | | | | 16 Sep 2016 | (10791) | 586009 | 0.5371 |
| | | | | 23 Sep 2016 | (160000) | 426009 | 0.3904 |
| | | | | 30 Sep 2016 | (75000) | 351009 | 0.3217 |

iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2016 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2017 | |
|----------|--|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of Shares Held | % of Total Shares of The Company | Date of Transaction | No. of Shares | No. of Shares Held | % of Total Shares of The Company |
| 3 | Pravin Harikrishna Surti | | | 04 Nov 2016 | 86743 | 437752 | 0.4012 |
| | | | | 25 Nov 2016 | (52) | 437700 | 0.4012 |
| | | | | 24 Feb 2017 | 168456 | 606156 | 0.5556 |
| | | | | 24 Mar 2017 | (28000) | 578156 | 0.5299 |
| | | | | 31 Mar 2017 | 28461 | 606617 | 0.5560 |
| | | | | at the end of the year | | 606617 | 0.5560 |
| 4 | Oregon Public Employees Retirement System Managed Through Victory Capital Management Inc. | 0 | 0.0000 | | | 0 | 0.0000 |
| | | | | 06 Jan 2017 | 93338 | 93338 | 0.0855 |
| | | | | 13 Jan 2017 | 396587 | 489925 | 0.4490 |
| | | | | at the end of the year | | 489925 | 0.4490 |
| 5 | Indira Arvind Surti | 574498 | 0.5265 | | | 574498 | 0.5265 |
| | | | | 15 Jul 2016 | (214497) | 360001 | 0.3300 |
| | | | | 29 Jul 2016 | 20690 | 380691 | 0.3489 |
| | | | | 02 Sep 2016 | 40010 | 420701 | 0.3856 |
| | | | | 16 Sep 2016 | (11000) | 409701 | 0.3755 |
| | | | | 23 Sep 2016 | (110000) | 299701 | 0.2747 |
| | | | | 30 Sep 2016 | (75000) | 224701 | 0.2059 |
| | | | | 04 Nov 2016 | 88045 | 312746 | 0.2866 |
| | | | | 25 Nov 2016 | (46) | 312700 | 0.2866 |
| | | | | 24 Feb 2017 | 114379 | 427079 | 0.3914 |
| | | | | 10 Mar 2017 | (30169) | 396910 | 0.3638 |
| | | | | 31 Mar 2017 | 36912 | 433822 | 0.3976 |
| | | | | at the end of the year | | 433822 | 0.3976 |
| 6 | Karna Arvind Surti | 606000 | 0.5554 | | | 606000 | 0.5554 |
| | | | | 15 Jul 2016 | (430000) | 176000 | 0.1613 |
| | | | | 29 Jul 2016 | 176275 | 352275 | 0.3229 |
| | | | | 19 Aug 2016 | (20000) | 332275 | 0.3045 |
| | | | | 02 Sep 2016 | 80025 | 412300 | 0.3779 |
| | | | | 16 Sep 2016 | (6214) | 406086 | 0.3722 |
| | | | | 23 Sep 2016 | (80000) | 326086 | 0.2989 |
| | | | | 30 Sep 2016 | (50000) | 276086 | 0.2530 |
| | | | | 04 Nov 2016 | 89000 | 365086 | 0.3346 |
| | | | | 25 Nov 2016 | (86) | 365000 | 0.3345 |
| | | | | 20 Jan 2017 | 4349 | 369349 | 0.3385 |
| | | | | 17 Feb 2017 | (146276) | 223073 | 0.2045 |
| | | | | 24 Feb 2017 | 118311 | 341384 | 0.3129 |
| | | | | 03 Mar 2017 | 7740 | 349124 | 0.3200 |
| | | | | 24 Mar 2017 | (54846) | 294278 | 0.2697 |
| | | | | 31 Mar 2017 | 116578 | 410856 | 0.3766 |
| | | | | at the end of the year | | 410856 | 0.3766 |

iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2016 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2017 | |
|---------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of Shares Held | % of Total Shares of The Company | Date of Transaction | No. of Shares | No. of Shares Held | % of Total Shares of The Company |
| 7 | Krone Finstock Pvt Ltd | 962800 | 0.8824 | | | 962800 | 0.8824 |
| | at the end of the year | | | 12 Aug 2016 | (562800) | 400000 | 0.3666 |
| | | | | | | 400000 | 0.3666 |
| 8 | Emerging Markets Core Equity Portfolio (The Portfolio) Of DFA Investment Dimensions Group Inc. (DFAIDG) | 0 | 0.0000 | | | 0 | 0.0000 |
| | | | | 23 Sep 2016 | 17990 | 17990 | 0.0165 |
| | | | | 30 Sep 2016 | 18008 | 35998 | 0.0330 |
| | | | | 04 Nov 2016 | 5719 | 41717 | 0.0382 |
| | | | | 25 Nov 2016 | 22389 | 64106 | 0.0588 |
| | | | | 02 Dec 2016 | 29421 | 93527 | 0.0857 |
| | | | | 09 Dec 2016 | 37256 | 130783 | 0.1199 |
| | | | | 16 Dec 2016 | 16842 | 147625 | 0.1353 |
| | | | | 23 Dec 2016 | 23125 | 170750 | 0.1565 |
| | | | | 06 Jan 2017 | 10674 | 181424 | 0.1663 |
| | | | | 13 Jan 2017 | 10176 | 191600 | 0.1756 |
| | | | | 20 Jan 2017 | 18823 | 210423 | 0.1929 |
| | | | | 27 Jan 2017 | 21413 | 231836 | 0.2125 |
| | | | | 03 Feb 2017 | 46573 | 278409 | 0.2552 |
| | | | | 10 Feb 2017 | 15471 | 293880 | 0.2693 |
| | | | | 10 Mar 2017 | 34030 | 327910 | 0.3005 |
| | | | | 24 Mar 2017 | 5397 | 333307 | 0.3055 |
| | at the end of the year | | | | | 333307 | 0.3055 |
| 9 | Sunil Kanaiyalal Mehta | 300000 | 0.2750 | | | 300000 | 0.2750 |
| | at the end of the year | | | | | 300000 | 0.2750 |
| 10 | Unifi Financial Pvt Ltd | 365000 | 0.3345 | | | 365000 | 0.3345 |
| | | | | 04 Nov 2016 | (70000) | 295000 | 0.2704 |
| | | | | 11 Nov 2016 | (70000) | 225000 | 0.2062 |
| | | | | 30 Dec 2016 | (48000) | 177000 | 0.1622 |
| | at the end of the year | | | | | 177000 | 0.1622 |
| 11 | Monarch Networth Capital Limited | 745609 | 0.6834 | | | 745609 | 0.6834 |
| | | | | 22 Jul 2016 | (733578) | 12031 | 0.0110 |
| | | | | 29 Jul 2016 | 1494978 | 1507009 | 1.3812 |
| | | | | 05 Aug 2016 | (933833) | 573176 | 0.5253 |
| | | | | 12 Aug 2016 | (494715) | 78461 | 0.0719 |
| | | | | 19 Aug 2016 | (18297) | 60164 | 0.0551 |
| | | | | 26 Aug 2016 | (17043) | 43121 | 0.0395 |
| | | | | 02 Sep 2016 | (1455) | 41666 | 0.0382 |
| | | | | 09 Sep 2016 | (1704) | 39962 | 0.0366 |
| | | | | 16 Sep 2016 | (17536) | 22426 | 0.0206 |
| | | | | 23 Sep 2016 | (6854) | 15572 | 0.0143 |

iv) Shareholding Pattern of top 10 shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | Name & Type of Transaction | Shareholding at the beginning of the year - 2016 | | Transactions during the year | | Cumulative Shareholding at the end of the year - 2017 | |
|---------|--|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
| | | No. of Shares Held | % of Total Shares of The Company | Date of Transaction | No. of Shares | No. of Shares Held | % of Total Shares of The Company |
| 11 | Monarch Network Capital Limited | | | 30 Sep 2016 | 2855 | 18427 | 0.0169 |
| | | | | 07 Oct 2016 | 71841 | 90268 | 0.0827 |
| | | | | 14 Oct 2016 | (4161) | 86107 | 0.0789 |
| | | | | 21 Oct 2016 | (332) | 85775 | 0.0786 |
| | | | | 28 Oct 2016 | (3616) | 82159 | 0.0753 |
| | | | | 04 Nov 2016 | (5950) | 76209 | 0.0698 |
| | | | | 11 Nov 2016 | 17168 | 93377 | 0.0856 |
| | | | | 18 Nov 2016 | 9910 | 103287 | 0.0947 |
| | | | | 25 Nov 2016 | 8627 | 111914 | 0.1026 |
| | | | | 02 Dec 2016 | (5616) | 106298 | 0.0974 |
| | | | | 09 Dec 2016 | (1406) | 104892 | 0.0961 |
| | | | | 16 Dec 2016 | 5964 | 110856 | 0.1016 |
| | | | | 23 Dec 2016 | (37241) | 73615 | 0.0675 |
| | | | | 30 Dec 2016 | (2758) | 70857 | 0.0649 |
| | | | | 06 Jan 2017 | (815) | 70042 | 0.0642 |
| | | | | 13 Jan 2017 | 2669 | 72711 | 0.0666 |
| | | | | 20 Jan 2017 | 160 | 72871 | 0.0668 |
| | | | | 27 Jan 2017 | (238) | 72633 | 0.0666 |
| | | | | 03 Feb 2017 | 9464 | 82097 | 0.0752 |
| | | | | 10 Feb 2017 | (7145) | 74952 | 0.0687 |
| | | | | 17 Feb 2017 | 3484 | 78436 | 0.0719 |
| | | | | 24 Feb 2017 | 18264 | 96700 | 0.0886 |
| | | | | 03 Mar 2017 | (11744) | 84956 | 0.0779 |
| | | | | 10 Mar 2017 | (6644) | 78312 | 0.0718 |
| | | | | 17 Mar 2017 | (57061) | 21251 | 0.0195 |
| | | | | 24 Mar 2017 | 18067 | 39318 | 0.0360 |
| | | | | 31 Mar 2017 | 10946 | 50264 | 0.0461 |
| | at the end of the year | | | | | 50264 | 0.0461 |
| 12 | Keyur Dhanvantlal Gandhi | 421000 | 0.3859 | | | 421000 | 0.3859 |
| | | | | 15 Jul 2016 | (271000) | 150000 | 0.1375 |
| | | | | 22 Jul 2016 | (3000) | 147000 | 0.1347 |
| | | | | 05 Aug 2016 | (500) | 146500 | 0.1343 |
| | | | | 26 Aug 2016 | (12500) | 134000 | 0.1228 |
| | | | | 16 Sep 2016 | (2000) | 132000 | 0.1210 |
| | | | | 23 Sep 2016 | (132000) | 0 | 0.0000 |
| | at the end of the year | | | | | 0 | 0.0000 |

Note: 1. Paid up Share Capital of the Company (Face Value ₹2.00) at the end of the year is 109107370 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

V) Share Holding of Directors and Key Managerial Personnel:

| Sl. No. | Name of Directors/ KMPs | Shareholding at the beginning of the year | | Shareholding at the End of the year | |
|---------|---|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of Total Shares of The Company | No. of Shares | % of Total Shares of The Company |
| 1 | Mr. Suresh J. Patel (Chairman & Managing Director) | | | | |
| | At the beginning of the year | 33345151 | 30.56 | 33345151 | 30.56 |
| | Bought During the year | 1350000 | 1.24 | 34695151 | 31.80 |
| | Sold during the year | - | - | - | - |
| | At the end of the year | 34695151 | 31.80 | 34695151 | 31.80 |
| 2 | Mr. Bhavin S. Patel (Executive Director) | | | | |
| | At the beginning of the year | 9459549 | 8.67 | 9459549 | 8.67 |
| | Bought During the year | - | - | - | - |
| | Sold during the year | - | - | - | - |
| | At the end of the year | 9459549 | 8.67 | 9459549 | 8.67 |
| 3 | Mr. Ankit S. Patel (Executive Director) | | | | |
| | At the beginning of the year | 6536550 | 5.99 | 6536550 | 5.99 |
| | Bought During the year | - | - | - | - |
| | Sold during the year | - | - | - | - |
| | At the end of the year | 6536550 | 5.99 | 6536550 | 5.99 |
| 4 | Mr. Surendra N. Shah (Independent Director) | | | | |
| | At the beginning of the year | 75347 | 0.07 | 75347 | 0.07 |
| | Bought During the year | - | - | - | - |
| | Sold during the year | - | - | - | - |
| | At the end of the year | 75347 | 0.07 | 75347 | 0.07 |
| 5 | Mr. Bipin R. Patel (Independent Director) | | | | |
| | At the beginning of the year | 4075 | 0.00 | 4075 | 0.00 |
| | Bought During the year | - | - | - | - |
| | Sold during the year | -4075 | 0.00 | - | - |
| | At the end of the year | - | - | - | - |
| 6 | Mr. Sunil K. Mehta (resigned w.e.f. 11-02-2017) (Independent Director) | | | | |
| | At the beginning of the year | 300000 | 0.27 | 300000 | 0.27 |
| | Bought During the year | - | - | - | - |
| | Sold during the year | - | - | - | - |
| | At the end of the year | 300000 | 0.27 | 300000 | 0.27 |
| 7 | Mrs. Kajal R. Soni (resigned w.e.f. 11-02-2017) (Independent Director) | | | | |
| | At the beginning of the year | - | - | - | - |
| | Bought During the year | - | - | - | - |
| | Sold during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |

V) Share Holding of Directors and Key Managerial Personnel:

| Sl. No. | Name of Directors/ KMPs | Shareholding at the beginning of the year | | Shareholding at the End of the year | |
|---------|--|---|----------------------------------|-------------------------------------|----------------------------------|
| | | No. of Shares | % of Total Shares of The Company | No. of Shares | % of Total Shares of The Company |
| 8 | Mr. Nalin Kumar (Appointed w.e.f 13-02-2017) (Independent Director) | | | | |
| | At the beginning of the year | - | - | - | - |
| | Bought During the year | - | - | - | - |
| | Sold during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |
| 9 | Mr. Mayur B. Padhya (Chief Financial Officer) | | | | |
| | At the beginning of the year | 195095 | 0.18 | 195095 | 0.18 |
| | Bought During the year | - | - | - | - |
| | Sold during the year | -14295 | -0.01 | 180800 | 0.17 |
| | At the end of the year | 180800 | 0.17 | 180800 | 0.17 |
| 10 | Mr. Ashutosh B. Bhatt (Company Secretary) | | | | |
| | At the beginning of the year | - | - | - | - |
| | Bought During the year | - | - | - | - |
| | Sold during the year | - | - | - | - |
| | At the end of the year | - | - | - | - |

Annexure D

V Indebtedness

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

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|----------------------|---------------------|-------------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i) Principal Amount | 1,396,134,293.00 | 26,114,110.00 | 6,791,330.00 | 1,429,039,733.00 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 386,815.00 | - | 651,413.00 | 1,038,228.00 |
| Total (i+ii+iii) | 1,396,521,108.00 | 26,114,110.00 | 7,442,743.00 | 1,430,077,961.00 |
| Change in Indebtedness during the financial year | | | | |
| Addition | - | 493440854 | 376036 | 493816890 |
| Reduction | (504277558) | - | - | (504277558) |
| Net Change | (504277558) | 493440854 | 376036 | (10460668) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 891966264 | 519554964 | 7190668 | 1418711896 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 277286 | - | 628111 | 905397 |
| Total (i+ii+iii) | 892243550 | 519554964 | 7818779 | 1419617293 |

Annexure E

VI Remuneration of Directors and Key Managerial Personnel

I Remuneration to Managing Director, Whole-time Directors and/or Manager:

| (In RS.) | | | | | |
|---|---|--|--|---------------------------------------|-----------------|
| Sl. No. | Particulars of Remunerations | Mr. Suresh J. Patel Chairman & Managing Director | Mr. Bhavin S. Patel Executive Director | Mr. Ankit S. Patel Executive Director | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 1,08,00,000.00 | 72,00,000.00 | 72,00,000.00 | 2,52,00,000 .00 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 2,21,946.00 | 39,600.00 | 5,49,243.00 | 8,10,789.00 |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock Options | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | as % of profit | | | | |
| | others, specify...(Performance based) | | | | |
| 5 | Others (Contribution to PF) | - | - | - | - |
| Total (A) | | 1,10,21,946.00 | 72,39,600.00 | 77,49,243.00 | 2,60,10,789.00 |
| Ceiling as per the Act (@1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013) | | | | | 19,68,95,498.00 |

II Remuneration to other Directors:

| (In RS.) | | | | | |
|--|-----------------------|---|------------|-----------------|----------------|
| Sl. No. | Particulars | Fees for attending Board Meeting/ Committee Meeting | Commission | Others, Specify | Total Amount |
| | Independent Directors | | - | - | |
| 1 | Mr. Surendra N. Shah | 150,000.00 | - | - | 150,000.00 |
| 2 | Mr. Bipin R. Patel | 125,000.00 | - | - | 125,000.00 |
| 2 | Mr. Sunil K. Mehta | 100,000.00 | - | - | 100,000.00 |
| 4 | Mrs. Kajal R Soni | 100,000.00 | - | - | 100,000.00 |
| 5 | Mr. Nalin Kumar | 25,000.00 | - | - | 25,000.00 |
| 6 | Mrs. Neha Huddar | NIL | NIL | NIL | NIL |
| TOTAL | | 500,000.00 | | | 500,000.00 |
| Ceiling as per the Act (@1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013 | | | | | 1,96,89,549.80 |

III Remuneration to Key Managerial Personnel Other than MD/manager/WTD

| | | | | (In RS.) |
|------------------|---|--|--|-------------------|
| Sl. No. | Particulars of Remunerations | Mr. Mayur B. Padhya Chief Financial Officer | Mr. Ashutosh B. Bhatt Company Secretary | Total |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 3063363.00 | 571452.00 | 3634815.00 |
| | (b) Value of perquisites under Section 17(2) Income Tax Act, 1961 | 72000.00 | 0.00 | 72000.00 |
| | (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961 | - | - | - |
| 2 | Stock Options | | | |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | as % of profit | - | - | - |
| | others, specify....(Performance based) | - | - | - |
| 5 | Others (Contribution to PF) | - | - | - |
| Total (A) | | 3135363.00 | 571452.00 | 3706815.00 |

Annexure F

VII Penalties / Punishment / Compounding of Offences:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| A Company | | | | | |
| Penalty | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |
| B Directors | | | | | |
| Penalty | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |
| C Other Officers In Default | | | | | |
| Penalty | | | | | |
| Punishment | | | None | | |
| Compounding | | | | | |

ANNEXURE - 5

Corporate Social Responsibility (CSR) Report for FY 2016-17:

Bodal Chemicals Ltd. ("BCL") vision is to grow globally and as responsible corporate citizen also fulfill its duty towards society. The company's long-term CSR objective is "to improve the quality of life of the communities to whom we serve & attach"

Focused Geographic Spread

BCL's focused area for developmental activities will be urban as well as rural areas in the States in which it is located.

The Company may also support initiatives in other geographies, as approved by the CSR Committee of the Board, from time to time.

CSR Focused Area

BCL's CSR is aligned with BCL's corporate policy and will focus on five thrust areas – Environment, Education, Health care, Livelihood, and Rural & Urban infrastructure. Besides, it will also undertake interventions in the area of Sports, Disaster Relief, and Ethnicity, all aimed at improving the quality of life of the communities.

Approach:

The Company's CSR approach would be around the following guiding principle.

| Impact | Partnership | Affirmative Action |
|--------------|---------------|--------------------|
| Volunteerism | Communication | Innovation |

The Company follows Ackerman's Model for CSR. This model defines CSR in three different phases.

First Phase : Top management recognizes a social problem.

Second Phase : The Company appoints staff specialist to look into the issue and find measures to tackle it.

Third Phase : Implementation of the strategy derived

Delivery Mechanism

Whilst a large part of the CSR efforts of BCL will be implemented by an in-house CSR department, in some of the projects the Company will also partner with a credible organization to design, fund allocate, implement and review projects. Partner agencies will be selected based on well-defined selection criteria.

Guiding Principle for CSR

| | |
|----------------------------|---|
| Impact | All CSR initiatives will have well defined KPIs, to measure impacts on target groups. |
| Partnership | The company will forge collaborations with NGOs or Organizations that have expertise to implement the projects related to CSR. |
| Affirmative Actions | The company will design targeted interventions for the specific group to promote Education, Employability and Entrepreneurship. |
| Volunteerism | BCL will provide opportunity to their employees, their families, and BCL ecosystem to engage in volunteering activities that will benefit to the community in which they live and work. |
| Communication | It is a very important principle for the Company that it has a two-way communication channel, where we communicate with community people to understand their needs, expectations, and aspirations can be mapped and their satisfaction can be obtained. |
| Innovation | BCL will endeavour to develop innovative solution to solve seemingly intractable social problems. |

CSR FOR FY 2016-17

| | | |
|---|---|---|
| 1 | A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. | The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of Society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities. The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website - www.bodal.com |
| 2 | The Composition of the CSR Committee. | 1) Mr. Suresh J. Patel 2) Mr. Ankit S. Patel 3) Mr. Surendra N. Shah |
| 3 | Average net profit of the Company for last three financial year | 1073333479.70 |
| 4 | Prescribed CSR Expenditure (Two per cent of the amount as in item 3 above) | 21466669.59 |
| 5 | Carry forward unspent amount from last year | NIL |
| Details of CSR spent during the financial year 2016-17 | | |
| | a. Total amount to be spent for the financial year | 21466669.59 |
| | b. Total amount spent during financial year | 21502471.00 |
| | c. Amount Unspent, if any | NIL |
| | d. Excess amount spent | 35801.41 |
| 6 | In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. | NA |
| 7 | A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company. | The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company. |

Areas of Interest:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centers and other facilities for senior citizens.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the the Central Government for rejuvenation of river Ganga.
5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.
6. Measure for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief fund and welfare of the schedule castes, the scheduled tribes, other backward classes, minorities and women.

[Contribution to any fund set up by Central Government means it does not include the fund set up by State Government or any local Government]

9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Slum area development.

CSR EXPENDITURE DURING FY 2016-17

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Amt in ₹) | Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹) | Cumulative expenditure upto the reporting period (Amt in ₹) | Amount spent: Direct or through implementing agency* (Amt in ₹) | Direct or through implementing agency* |
|---------|---|---|--|--|---|---|---|--|
| 1 | Contribute to Teach To Lead | Promotion of Education | Mumbai | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | Directly by the Company |
| 2 | Donation Towards Shree Govardhn Gaurakshak Jivadiya Gaushala | Animal welfare | Nadiad | 3,101.00 | 3,101.00 | 3,101.00 | 3,101.00 | Directly by the Company |
| 3 | For Providing Stationary, note books, Fees Paid of Hostel on behalf of students and etc | Promotion of Education | Kareli, Baroda | 86,890.00 | 86,890.00 | 86,890.00 | 86,890.00 | Directly by the Company |
| 4 | Being amount paid to ARPI SCIENCE SCHOOL | Promotion of Education | Vadodara | 44,650.00 | 44,650.00 | 44,650.00 | 44,650.00 | Directly by the Company |
| 5 | Donation towards educational Purpose to Gandhi Ashram Uttar Buniyadi Vidhyalaya | Promotion of Education | Jambusar, Bharuch | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | Directly by the Company |
| 6 | Contribute to All Gujarat SPORTS COUNCIL of the Deaf | promotion of Sports Activity | Ahmedabad | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | Directly by the Company |
| 7 | Contribute to All INDIA SPORTS COUNCIL of the Deaf | promotion of Sports Activity | New Delhi | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | Directly by the Company |
| 8 | Contribute to "SARDAR PATEL COLLEGE OF PHARMACY" | Promotion of Education | Anand, Bakrol | 79,000.00 | 79,000.00 | 79,000.00 | 79,000.00 | Directly by the Company |
| 9 | Donation to "ARMED FORCES" | Benefit of armed forces | Padra, Vadodara | 11,000.00 | 11,000.00 | 11,000.00 | 11,000.00 | Directly by the Company |
| 10 | Donation towards "CEPT University" | Promotion of Education | Ahmedabad, VATVA | 200,000.00 | 200,000.00 | 200,000.00 | 200,000.00 | Directly by the Company |
| 11 | Donation towards "PARUL INS. OF ENG. & TECHNOLOGY" | Promotion of Education | Vadodara | 46,450.00 | 46,450.00 | 46,450.00 | 46,450.00 | Directly by the Company |
| 12 | Contribution towards PVC Pipeline work | Village Development Promoting of Healthcare | Chitra Village | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | Directly by the Company |
| 13 | Contribution To Vishwaraj Jadeja participation in Olympic Sports | Support and Encouragement of Olympic Sports | ----- | 250,000.00 | 250,000.00 | 250,000.00 | 250,000.00 | Directly by the Company |

CSR EXPENDITURE DURING FY 2016-17

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Amt in ₹) | Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹) | Cumulative expenditure upto the reporting period (Amt in ₹) | Amount spent: Direct or through implementing agency* (Amt in ₹) | Direct or through implementing agency* |
|---------|--|--|--|--|---|---|---|--|
| 14 | Contribution to "Shree Saurashtra Patel Kedavani Mandal" | Promotion of Education | Ellisbridge, Ahmedabad, Gujarat | 250,000.00 | 250,000.00 | 250,000.00 | 250,000.00 | Directly by the Company |
| 15 | contribution to " Shree Chhatrapati Shivaji Seva Sansthan "towards Blood Donation and Medical Camp | Promoting Health care | Jambusar | 29,000.00 | 29,000.00 | 29,000.00 | 29,000.00 | Directly by the Company |
| 16 | Contribution to "Mota Ekalbara Primary School" | Promotion of Education | Ekalbara Vadodara | 4,480.00 | 4,480.00 | 4,480.00 | 4,480.00 | Directly by the Company |
| 17 | Contribution to "BANKERS NURSING INSTITUTE" TOWARDS Donation for Nursing Course. | Promotion of Education | Tal. Padra Dis. Vadodara | 63,900.00 | 63,900.00 | 63,900.00 | 63,900.00 | Directly by the Company |
| 18 | Contribution to Jignesh N. Dalal Foundation | Promoting Health care | Ahemdabad | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | Directly by the Company |
| 19 | Being amount paid to National Council for Climate Change towards Inter - National Conference | International Conference on "Food, Water, Energy Nexus in Arena of Climate Change" | Ahmedabad | 30,000.00 | 30,000.00 | 30,000.00 | 30,000.00 | Directly by the Company |
| 20 | Being amount paid towards Donation to State Defence Welfare and Rehabilitation office | welfare Fund | Ahmedabad | 3,000.00 | 3,000.00 | 3,000.00 | 3,000.00 | Directly by the Company |
| 21 | Being amount paid to BASKETBALL CLUB towards Donation | Support and Encouragement of Sports | Ahmedabad | 15,000.00 | 15,000.00 | 15,000.00 | 15,000.00 | Directly by the Company |
| 22 | contribution towards Traffic Education Trust as Police Athletic Meet 2017 | welfare Fund | Kali talavadi Bharuch | 10,000.00 | 10,000.00 | 10,000.00 | 10,000.00 | Directly by the Company |
| 23 | Being amount paid to BAPS SWAMINARAYAN VIDHYA MANDIR towards Education Fees | Promotion of Education | Sarangpur | 16,000.00 | 16,000.00 | 16,000.00 | 16,000.00 | Directly by the Company |
| 24 | Contribution to "Mother Krishna Charitable Trust" | day care centres Helping to Orphans Handicapped | Dhudhwada Padra Vadodara | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | Directly by the Company |
| 25 | Contribution to "Sarv Manav Seva Charitable Trust" | Promoting Health care & Education | Dhudhwada Padra Vadodara | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | Directly by the Company |
| 26 | Contribution to 'Dudhvada Gram Panchayat' | Social welfare | Dhudhwada Padra Vadodara | 100,000.00 | 100,000.00 | 100,000.00 | 100,000.00 | Directly by the Company |
| 27 | Contribution to "Shri Arvindo Institute of Applied Scientific Research Trust" | Promoting Special Education and research work | Mumbai Maharashtra | 12,300,000.00 | 12,300,000.00 | 12,300,000.00 | 12,300,000.00 | Directly by the Company |

CSR EXPENDITURE DURING FY 2016-17

| Sr. No. | CSR project or activity identified | Sector in which the project is covered | Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Amt in ₹) | Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹) | Cumulative expenditure upto the reporting period (Amt in ₹) | Amount spent: Direct or through implementing agency* (Amt in ₹) | Direct or through implementing agency* |
|--------------|--|---|--|--|---|---|---|--|
| 28 | Contribution to "YUVA UNSTOPPABLE" in respect of TRUE HERO & EVOLUTION PROJECT | Promote Education & Provide Drinking and Cleaning water facility, Sanitation, School walls and value based painting, School Building. | Majatan-baroda Distict, Karakhadi-baroda Distict, Dudhwada-baroda Distict, Vedach,- Bharuch Distict | 2,600,000.00 | 2,600,000.00 | 2,600,000.00 | 2,600,000.00 | Implementation by "YUVA UNSTOPPABLE" |
| 29 | Contribution to "Dr. Jivraj Mehta Smarak Health Foundation" | Promoting of Health care | Ahmedabad | 5,100,000.00 | 5,100,000.00 | 5,100,000.00 | 5,100,000.00 | Directly by the Company |
| 30 | Being amount paid to "Sarvotkarsh Seva Sansthan Charitable Trust" towards school and Hostel Fees of VrajKumar J. Patel | Promotion of Education | Sector-21 Gandhinagar, Ahmedabad | 90,000.00 | 90,000.00 | 90,000.00 | 90,000.00 | Directly by the Company |
| TOTAL | | | | 21,502,471.00 | 21,502,471.00 | 21,502,471.00 | 21,502,471.00 | |

SUMMARY:

As our Corporate Social Responsibility, we have spent CSR fund for the year 2016-17 to enhancing the infrastructure for Educational Institutes, Rural Infrastructure Development, in Research & Development institutes, in Government organizations, Sports Council of India etc. for achieving our overall objective.

To provide quality infrastructure to educational institutes, schools etc., BCL has partnered with YUVA Unstoppable, renowned NGO who works for the development of schools in the country with their Pan India network. BCL CSR team along with YUVA volunteers identified the social issues in the community around our manufacturing site at Padra, Baroda. Together our team identified Five (5) schools for this year, where different infrastructure developments were required. These developments mainly related to Class Rooms, Sanitation Areas for boys and girl students, Drinking Water Facility, Canteen for Children, Cleanliness and Educational Paintings on the walls.

To enhance rural infrastructure and rural health care, we have given fund for the construction of drinking water pipeline, and arranged & contributed in health check-up camps for village people.

Also we have given our CSR fund for promoting sports activity by contributing in different platforms like, India Sports Council of the Deaf, Basketball Club. and to individual sports persons for their preparation for Olympics to represent the country.

Our senior team members actively participate along with volunteers for this development and they impart lectures to students on educational and motivational topics. Team CSR regularly visits these schools and monitors entire development project for right implementation.

ANNEXURE - 6

Conservation of Energy, Research & Development (R&D), Technology Absorption & Foreign Exchange Earnings & Outgo:

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

Energy Conservation measures taken:

- Reducing the HP of Motors where possible
- Improvement in low insulation.
- Periodic desertion of Boiler

Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:

The company's Sulphuric Acid plant generates steam, part of the same is used to run our Dyes and Dyes Intermediates plant and balance is used to generate power, by installation of turbine, to run Sulphuric Acid plant itself.

Impact of above:

The adoption of energy conservation measures indicated above has a consequent impact on cost of production of goods by way of reduction of fuel cost.

Total Energy Consumption per unit of Production:

| | | 2016-17 | 2015-16 |
|------|---------------------------------------|---------------------|---------------------|
| (i) | Total consumption of Electric (Units) | 36.50 million | 36.27 Million |
| | Total Amount (₹ in Million) | 267.91 million | 264.76 Million |
| | Unit/average rate (in ₹) | Unit/₹7.34 | Unit/₹7.30 |
| (ii) | Fuel | | |
| | Quantity | | |
| | | Kgs 30.51 Million | Kgs 29.90 Million |
| | | Ltr 0.25 Million | Ltr. 0.06 Million |
| | | MMBTU 0.007 Million | MMBTU 0.005 Million |
| | Total Amount (₹ in Million) | 227.26 Million | 232.07 Million |
| | Unit /Average Rate (in ₹) | | |
| | | Kgs/ -₹6.79 | Kgs/ -₹7.50 |
| | | Ltr/ -₹58.38 | Ltr/ -₹51.47 |
| | | MMBTU/₹828.08 | MMBTU/₹969.50 |

Research & Development (R & D)

The Company has not incurred any Capital expenditure related to Research & Development during the year.

Future Plans of Action

The Company will try its best to carry activities in the field of R & D for development of new products and improvements in the existing manufacturing process for better yield.

| Expenditure on R & D: | | (₹ In Million) | |
|-----------------------|-----------|----------------|-----------|
| | | 2016-2017 | 2015-2016 |
| (a) | Capital | 2.26 | Nil |
| (b) | Recurring | 18.91 | 15.71 |

Technology Absorption, Adaptation and Innovation

(a) Efforts in brief:

- I. Company in order to fully utilize its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.
- II. Continuous endeavor to improve Product Quality & Process Yields.

(b) Benefit derived as a result of the above effort:

The Company is able to market its value added products in Domestic as well as International Market.

(c) Details relating to imported technology: Nil

Foreign Exchange Earning and Outgo

(₹ In Million)

| Particulars | | 2016-17 | 2015-16 |
|-------------|---|---------|---------|
| (a) | Foreign Exchange Inflow | | |
| (i) | Foreign Exchange Earning F.O.B. Value of Export | 3410.31 | 2934.71 |
| (b) | Foreign Exchange outgo | | |
| (i) | Value of imported Raw materials calculated on CIF basis. | 744.72 | 427.19 |
| (ii) | Value of imported Other materials calculated on CIF basis | 1.03 | Nil |
| (iii) | Value of imported Capital Goods calculated on CIF basis | 4.03 | Nil |
| (iv) | Foreign Traveling Expenditure | 2.61 | 1.92 |
| (v) | Export Sales Commission | 41.41 | 40.39 |
| (vi) | Business Development Expenses | 2.32 | 0.48 |
| (vii) | Interest | 11.40 | 9.94 |
| (viii) | Bank Charges | 7.03 | 5.31 |
| (xi) | Cash Discount | 0.08 | 0.27 |
| (xii) | Repairs to machinery | Nil | 0.66 |
| (xi) | Other Selling Expense | 0.07 | 0.54 |

ANNEXURE - 7

FORM NO. AOC-2

Particulars of Contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

A. Details of contracts or arrangements transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March, 2017, which were not at arm's length basis.

B. Details of transactions at arm's length basis

There was no material transactions entered in to during the year ended on 31st March, 2017 with the related parties of the Company. Further below mentioned transactions entered by the Company with related parties were on arm's length basis for the year ended 31st March 2017.

| Sr. No | Particulars | Details | Details | Details | Details |
|--------|--|--|--|---|---|
| 1. | Name(s) of the related party and nature of relationship | Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and Member in Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and Member in Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Rudraksh Caterers Pvt. Ltd. Mr. Ankit S. Patel, Executive Director is interested in the capacity of Director and Member. | S P S Processors Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd |
| 2. | Nature of contracts/arrangements/ transactions | Sale and purchase | Taking of factory premises on lease basis. | Availing service for Functions. | Sale and purchase |
| 3. | Duration of the contracts / arrangements/transactions | Repetitive during the year | Repetitive during the year | Repetitive during the year | Repetitive during the year |
| 4. | Salient terms of the contracts or arrangements or transactions including the value, if any | ₹35.29 Million | ₹0.6 Million | ₹0.77 Million | ₹287.72 Million |
| 5. | Date(s) of approval by the Board | 28th May, 2014 | 28th May, 2014 | 28th May, 2014 | 20th March, 2017 |
| 6. | Amount paid as advances, if any : | -- | -- | -- | -- |

| Sr. No | Particulars | Details |
|--------|--|---|
| 1. | Name(s) of the related party and nature of relationship | Trion Chemicals Pvt. Ltd. Associate Company of Bodal Chemicals Ltd |
| 2. | Nature of contracts/arrangements/transactions | Sale of Assets |
| 3. | Duration of the contracts /arrangements/transactions | Repetitive during the year |
| 4. | Salient terms of the contracts or arrangements or transactions including the value, if any | ₹0.27 Million |
| 5. | Date(s) of approval by the Board | 26th May, 2016 |
| 6. | Amount paid as advances, if any : | - |

For and on behalf of the Board

Suresh J. Patel

Chairman & Managing Director
(DIN: 00007400)

Date: 24th August, 2017
Place: Ahmedabad

MANAGEMENT DISCUSSION & ANALYSIS

Global economy

Global growth in 2016 is estimated at 3.1 percent due to stagnant global trade, subdued investment and heightened policy uncertainty. There has been a stronger-than-expected pickup in growth in the advanced economies, due mostly to a reduced drag from inventories and some

recovery in manufacturing output. Manufacturing PMIs and consumer confidence increased noticeably in advanced economies in the last few months of 2016 and early 2017. They also recovered to a more modest extent in emerging market economies. (Source: IMF)

| | Growth (%) | | | | | | | |
|---|----------------|------------|-------------|------------|------------|------------|-------------|------------|
| | Year-over-Year | | | | Q4-over-Q4 | | | |
| | | | Projections | | | | Projections | |
| | 2015 | 2016 | 2017 | 2018 | 2015 | 2016 | 2017 | 2018 |
| World Output | 3.4 | 3.1 | 3.5 | 3.6 | 3.2 | 3.2 | 3.5 | 3.6 |
| Advanced Economies | 2.1 | 1.7 | 2.0 | 2.0 | 1.8 | 2.0 | 2.0 | 2.0 |
| United States | 2.6 | 1.6 | 2.3 | 2.5 | 1.9 | 2.0 | 2.3 | 2.5 |
| Euro Area | 2.0 | 1.7 | 1.7 | 1.6 | 2.0 | 1.7 | 1.7 | 1.5 |
| United Kingdom | 2.2 | 1.8 | 2.0 | 1.5 | 1.7 | 1.9 | 1.7 | 1.5 |
| Emerging Market and Developing Economies | 4.2 | 4.1 | 4.5 | 4.8 | 4.4 | 4.4 | 4.8 | 5.0 |
| China | 6.9 | 6.7 | 6.6 | 6.2 | 6.8 | 6.8 | 6.4 | 6.1 |
| India | 7.9 | 6.8 | 7.2 | 7.7 | 8.5 | 6.9 | 7.8 | 7.6 |

(Source:IMF)

Outlook

World growth is projected to increase to 3.5 percent in 2017 and 3.6 percent in 2018—an upward revision of 0.1 percentage point for 2017. Economic activity in advanced economies is now forecast to grow by 2.0 percent in 2017 and 2018. The stronger outlook in advanced economies reflects a projected cyclical recovery in global manufacturing and an uptick in confidence, especially after the U.S. elections, which are expected to fuel the cyclical momentum. Growth in the emerging market and developing economies is forecast to rise to 4.5 percent and 4.8 percent, respectively, in 2017 and 2018. This projected upturn reflects recovery in a number of commodity exporters, some of which who had undergone adjustments due to the drop in commodity prices and strengthening growth in India. (Source: IMF)

Indian economy

As per the Economic Survey, the Indian economy is grew at 7.1 per cent as against 7.6 per cent in FY16. Against the dismal global conditions, the Indian economy's expansion has been significant. India is expected to continue as the fastest growing large economy despite an expected decline in the growth rate because of a slowdown in manufacturing, and decline in budgetary capital expenditure and demonetization. (Source: Economic Survey)

7.1%

Gross domestic product, 2016-17

(Source: Economic Survey)

Indian dyestuff industry

Indian chemical industry is the third largest producer in Asia & sixth by output in the world.

The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP.

Indian chemical industry could grow at 11 per cent p.a. to reach a size of USD224 billion by 2017. More than 70,000 commercial products such as petrochemicals & basic chemicals are covered under the chemical sector.

The major segments of the Indian chemical industry are base chemicals which includes petrochemicals, man-made fibers, industrial gases, fertilisers, chlor-alkali, other organic & inorganic chemicals and specialty chemicals comprises of dyes and pigments, leather chemicals, construction chemicals, personal care ingredients and other specialty chemicals. (Source: IBEF)

Specialty chemicals have contributed strongly to the growth of the chemical industry

(Source: IBEF)

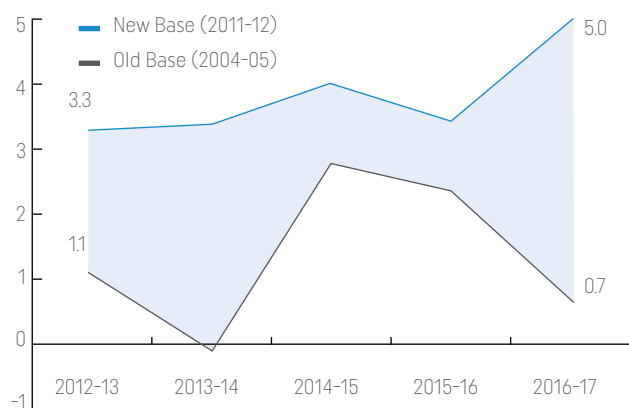
Key growth drivers of specialty chemicals

- Large population, low per-capita consumption of chemicals strong GDP growth outlook and favourable initiatives by the Indian government.
- 'Housing for All' scheme with a target of providing 10 million houses with a budget of US\$4.02 billion.
- Special Scheme for creating employment in leather and footwear industries on the lines of the scheme in textiles and apparel sector. (Source: Ministry of Commerce and Industry)
- Water treatment chemicals increasingly used in purification of water and in large power plants, refineries and fertiliser factories.
- Automotive sector's rapid growth driving demand for automotive components, and consequently demand for plastics, paints and coatings.
- Paper industry's expected growth from 9 million TPA, to 15 million TPA by 2024-25. (Source: IPMA)

(Source: IBEF)

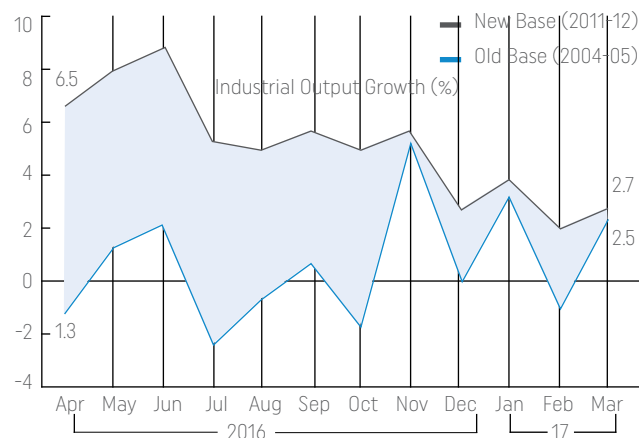
DATA BOOST

% change in IIP



(Source: Times of India)

IIP in FY2016-17



India accounts for approximately 16 per cent of the world production of dyestuff & dye intermediates, particularly for reactive acid and direct dyes. Dyes are used in:

- Textiles
- Leather
- Paper
- Food products
- Cosmetics
- Plastics

The types of dyes are:

- Reactive – cotton fabric
- Disperse – polyester fabric
- Acid and Direct – paper and leather

(Source: IBEF)

There is 50% organized sector's share in Indian dyestuff production. Gujarat and Maharashtra have 85% share in Indian dyestuff production. Certain recent developments in China have presented a substantial opportunity to the large and organized Indian manufacturers of dye intermediates and dyestuff. Initially in the Indian dyestuff industry, there was less government regulation, which led to lack of awareness about environmental impact. The Government then implemented regulations after which the industry started to stabilize leading then to further growth of the industry with the major players gaining market share. Today the Indian dyestuff industry is well placed for sustainable long-term growth. The world looks at India to fulfill its demand for dye intermediaries and dyestuff as India's relative competitiveness has improved over the years. (Source: IBEF)

The Indian dyestuff industry has shown high growth after the shift in production from China to India since some environmental concerns emerged there since the past few years. Some other key reasons behind the growth were boom in the consumer products industry in India, increased scope for manufacturing for exports and high end user industry growth, specifically textiles. (Source: IBEF)

Opportunities and Threats

- With 'Make in India' and other initiatives of the Government, Indian chemical industry is expected to reach a size of \$224 billion by 2017.
- Growing disposable incomes and increasing urbanization are increasing the end consumption demand for paints, textiles, adhesives and construction.
- Reliable and competitive feedstock supply is now available in the market.
- Shutdown of capacities in China due to the environmental issues is likely to continue in the near term.
- Development markets such as the US and Europe have started preferring India as a reliable sourcing destination.
- A visible trend in the world market is the colour solutions approach to counter commoditization with the advent of technological innovations.
- Buyers tend to have specific chemical requirements and there is no direct substitute for a specific chemical requirement.
- Intense efforts have been put in by industry and academia on a continuous basis for delivering colorants with green environment, thereby building high performance products.
- The unorganized segment of the Indian chemical industry poses a serious threat to the industry's environmental and regulatory standards. Increased industry awareness towards quality and high performance products is needed.
- Tariff levels in India for most chemicals are higher compared to other countries, thereby leading to pressure to reduce import tariffs.
- Low per capita consumption of dyes and dyestuff products compared to other countries and India's fast growth are attracting many international manufacturers to the Indian market.

Outlook

By 2025, the Indian chemical industry is projected to reach USD403 billion. Specialty chemicals market has expanded at a CAGR of about 12 per cent over FY07-11; it is expected to rise by 9.43 per cent from FY14 to reach USD90 billion by FY23, India is also gaining traction as an outsourcing hub. The Indian middle-class household is expected to grow from 31 million in 2008 to 148 million by 2030, leading to a huge demand for specialty chemicals in automotives, water treatment and construction. Compared to developed markets, current usage of specialty chemicals in India is very low, with an increased focus on improving products & usage intensity of specialty chemicals, the industry is poised for strong growth in future. (Source: IBEF)

About the Company

Bodal Chemicals, one of the market leader of dyestuff and dye intermediates in the world is an innovative company that aims to offer

end-to-end solutions to customers globally. At present, the Company has nine manufacturing units in Gujarat, four in Ahmedabad, three in Vadodara and two in Ankleshwar where products for textiles, paper, plastic, leather and many other specialty chemicals are produced. The Company's enjoys high growth because of its diligent team members and management professionals that have developed extensive technical know-how, and expertise in manufacturing of dyes intermediates and other specialty chemicals.

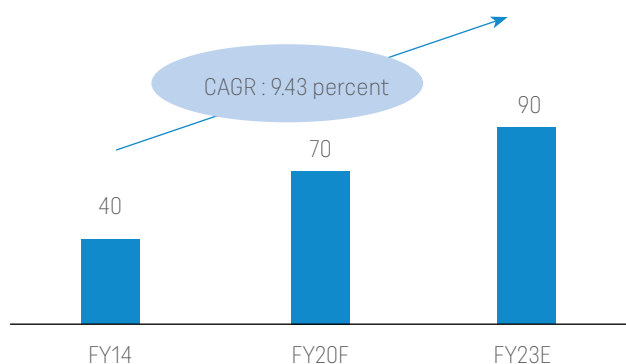
50+

Presence in India and across the globe
and serving to 50+ countries

Financial performance

| | (₹ in Million) | | |
|-----------------------------|----------------|---------|--------------|
| | 2016-17 | 2015-16 | y-o-y growth |
| Net turnover | 11713.08 | 8968.51 | 30.6% |
| Operational profit (EBITDA) | 2319.22 | 1698.43 | 36.5% |
| Profit before tax | 1994.35 | 1318.66 | 51.2% |
| Profit after tax | 1286.12 | 865.99 | 48.5% |

Specialty chemical growth outlook by FY23 (USD billion)



(Source: IBEF)

Total Revenue increased from ₹8968.51 million to ₹11713.08 million, increasing by 29.19%. EBITDA increased from ₹1698.43 million to ₹2319.22 million, increasing by 36.55%. Profit before tax increased from ₹1318.66 million to ₹1994.36 million, increasing by 51.24%. Net Profit stood at ₹1286.12 Million compared to Net Profit of ₹865.99 Million increase by 48.51%. Earning per Shares was ₹11.79.

Geographic revenue analysis

| | 2016-17 | 2015-16 |
|---------------|---------|---------|
| Domestic | 70.21% | 66.44% |
| International | 29.79% | 33.56% |

Segment Performance

Dyes intermediates

The Company produces upto about 25 variants of dye intermediates in this segment. The key products of this segment include Vinyl Sulphone Ester, H Acid, F C Acid, DASA, Gama Acid and 6 Nitro. The production for FY 17 was 23100 MT as compared to 23004 MT of the previous year with a change of 0.41%. The capacity utilization was 77% as against the capacity utilization of 77% of FY16.

Dyestuff

The Company produces upto about 150 variants of dyestuff products in this segment. The key products in the segment include Acid Black 210, Reactive Black BL/GR, Reactive Black B, Reactive Black 5 and Acid Black 194. The production for FY17 was 12503 MT as compared to 12764 MT in the previous year with a change of -2.05%. The capacity utilization was 74% as against the capacity utilization of 75% in FY16.

Sulphur and bulk chemicals

The Company produces a range of chemicals which are used as raw materials for dye intermediates and dyestuff. Some of the key products in the segment include Sulphuric Acid, Oleum, Sulphur Trioxide and Chlorosulphonic Acid. The production for FY 17 was 188767 MT as compared to 176506 MT of the previous year with a change of 6.95%. The capacity utilization was 99% as against the capacity utilization of 93% of FY16.

Trion

Trion Chemicals manufactures speciality chemicals and its base products. It is based at Khambhat, Gujarat. The primary concern is the

quality of the product. Trion Chemicals is a unique venture to produce speciality chemicals. It is the first Company in India to manufacture this product. It is an EPA certified Indian company. The Company's plant has proximity to the 3 ocean ports on the West Coast of India. It has a production capacity of 12000MT per year of Trichloro Isocynuric Acid [TCCA].

Segment revenue analysis

| | 2016-17 | 2015-16 |
|------------------------------------|---------|---------|
| Dye intermediates | 59.67% | 51.71% |
| Dyestuff | 24.61% | 34.54% |
| Sulphur and Bulk Chemical & Others | 15.72% | 13.75% |

Research & Development (R&D)

A fundamental part of the Company's strategy for growth and sustainability is its continual focus on product innovation and research and development (R&D). The Company maintains its R&D capabilities and products at par with leading industry standards. The Company continues to make increasing investments in R&D because as changes happen in the industry, it has to continuously innovate products and processes. The Company, focuses on strengthening its existing products, creates differentiated offerings and develops innovative future-ready products. The Company is makes use of the latest technologies to keep effluent discharge to a minimal level and reduce environmental impact.

Risk Management

Mitigation: The Company believes in taking proactive approach to identify and mitigate the risks that affect the day-to-day business operations.

Geographical risk

Mitigation: The Company is present in India and across the globe and serves more than 50 countries. The Company offers end-to-end solutions to the customers globally

Strategy risk

Mitigation: In an environment where industry changes occur rapidly and competition is intense, continuous introduction of innovative products and processes helps the Company to maintain or gain its market share.

Location risk

Mitigation: The Company has mainly eight manufacturing units in locations like, Ahmedabad and Vadodara where products for textile, paper, plastic, leather and other specialty chemicals are manufactured.

Customer risk

Mitigation: Innovative products are developed according to our consumers' requirements to meet their demand for quality, choice and value.

Regulatory risk

Mitigation: A highly regulated chemical industry with stringent environment norms may have an adverse impact on the performance of the Company. Hence, the Company with its decades of experience follows best in class process controls and systems and is always ready to adapt to any changes in government regulations.

Health and safety risk

Mitigation: Regular safety drills and targeted initiatives towards training have helped keep up the health of the employees. All our plant sites are regularly monitored to ensure all safety parameters are kept upto date and employees work with regular safety gears.

Funding risk

Mitigation: The Company's debt equity ratio of 0.39 and a 31.06 interest cover has helped keep a robust balance sheet. With strong profitability and steady cash flow generation, we have kept our borrowings within limits.

Safety, Health and Environment (SHE)

The Company's aim to focus on safety, health and environment is the key to sustainable growth. The Company believes in accomplishing the Safety, Health and Environment (SHE) goal of being harmless to the environment, no risk to employees and no incidents which might create a negative impact on the community. The Board gives guidance to the management ensuring that the implications of safety and sustainability are addressed properly in all the strategic initiatives. The Company has a strong belief that its quality is known through its social responsibility and commitment to create a healthy world.

Supply Chain Management

About 200 products are manufactured and sold across more than 50 countries which has resulted in a widespread supply chain network. Bodal Chemicals continually invests in initiatives for supply chain optimization, and capability building of trade partners and the sales force on a continuous basis. The constant observation and revision for all the manufacturing facilities helps to get a better response. The key to an efficient supply chain management system is the use of technology solutions and predictive analytics for capturing accurate data and making proper decisions.

Information Technology

Information Technology provides continuous support to business operations and provides competitive advantages for the Company.

Profitability risk

Mitigation: Increase in the price of raw materials could impact the Company's profitability to that extent. The Company has a strong supply chain management system with focus on inventory management to mitigate impact of fluctuation in raw material prices.

Environmental risk

Mitigation: Our effluent treatment plant helps us keep the waste discharged within the plant and recycle it for further use. Despite being in the industry that is known to pollute environment, we are among the few to keep a stringent check on waste generated and keeping all our manufacturing processes and facilities environment friendly.

A comprehensive ERP system has been implemented which helps the Company to increase the supply chain and provides accurate forecasts for the sourcing and supply. The IT system and infrastructure is continuously examined and improved with any new upgradation.

Cautionary Statement

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Bodal Chemicals' future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Bodal Chemicals undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Regulation 34 read with Schedule V and Regulation 17 to 27 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:

Company Philosophy on Corporate Governance:

Your Company appreciates the noble idea of Corporate Governance and endeavors not only to abide by and comply with, the stipulated requirements related thereto, both in its word and spirit, but has also voluntarily contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information and expeditious redress of grievances of investors and public in general.

The policies and practice of Corporate Governance of the Company are inspired by following philosophy and principles with an earnest attempt to accomplish the same:

(a) Transparency:

To maintain in all aspects, high standards of transparency, in our interactions and dealings.

(b) Disclosures:

To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.

(c) Accountability:

To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.

(d) Compliances:

To comply with all the laws and regulations as applicable to the Company.

(e) Ethical conduct:

To conduct in an ethical manner, the affairs of the Company.

(f) Stakeholders' interest:

To promote the interests of all stakeholders including of customers, shareholders, employees, vendors, governments and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity

in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

The Company has established systems, policies and actions which are fully compliant with the requirements stipulated by the Securities and Exchange Board of India ("SEBI") from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These systems, policies and actions of the Company are designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and increasing stakeholder's value.

This report sets out the compliance status of the Company during the financial year 2016-17 with respect to the conditions of corporate governance.

Board of Directors:

a. Composition of the Board

The Company's Board consists of 7(seven) Directors. Out of 7 Directors, 4 Directors are Independent Directors. The Chairman of the Board is an Executive Director.

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors as prescribed under regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Constitution of the Board is as follows:

| Promoter Director | Executive Director (Promoter Group) | Independent Director |
|---|---|---|
| Mr. Suresh J. Patel (Din:00007400) Promoter Chairman & Managing Director | Mr. Bhavin S. Patel (Din:00030464) (Promoter Group) | Mr. Surendra N. Shah (Din:00160401) |
| | Mr. Ankit S. Patel (Din:02173231) (Promoter Group) | Mr. Bipin R. Patel (Din:01186974) |
| | | Mr. Nalin Kumar (Din: 03060741) |
| | | Mrs. Neha Huddar (Din:00092245) |

Notes:

- None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, it's promoter, it's management during the Financial Year 2016-17, which may affect independence of the Independent Directors.

2. All Directors mentioned above as Independent Directors, they fall within the expression of "Independent Directors" as mentioned in regulation 16(b) of the SEBI(Listing Obligation and Disclosure) Regulations, 2015
3. The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has received a declaration from each of the Independent Directors confirming compliance with the criteria of Independence as laid down under this regulation as well as Section 149(6) of the Companies Act, 2013.
4. In accordance with the erstwhile Clause 49 of the Listing agreement, the Company has issued formal Letter of Appointment to all the Independent Directors. The terms and Conditions of their appointment have also been disclosed on the website of the Company: www.bodal.com

During the Financial Year, the Board of Directors has appointed Mr. Nalin Kumar, as an Additional Director to the Board of Directors of the Company w.e.f. 13th February, 2017. Mr. Nalin Kumar is appointed in the category of an Independent Director of Company.

During the Financial Year, the Board of Directors has appointed Mrs. Neha Huddar, as an Additional Director to the Board of Directors of the Company w.e.f. 10th May 2017. Mrs. Neha Huddar is appointed in the category of an Independent Woman Director of the Company.

During the Financial Year under review, Mr. Sunil K. Mehta, Independent Director and Mrs. Kajal Ritesh Soni, Independent Woman Director of the Company resigned from the Board w.e.f. 11th February, 2017.

b. Board Meeting and Agenda:

The Board generally meets once in a quarter to review the Quarterly/Half Yearly/Annual performance and financial results of the Company. The Compliance Reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/ documents are made available to the Board to discharge its responsibility effectively and take effective decisions. The information as specified in Regulation 17(7) of the SEBI (LODR) Regulations, 2015 is regularly made available to the Board, whenever applicable, for discussion and consideration.

The Company Secretary, while preparing the Agenda, Notes on Agenda and Minutes of the Meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India (ICSI). Draft Minutes are circulated to the Board/Committee Board Members for their comments. The Minutes are entered in the Minutes Book within 30 days from the Conclusion of the meeting. The Company Secretary attends all the Meetings of the Board and its Committees.

Attendance record of Board meetings:

During the Financial Year, 2016-17, 6(Six) Board meeting were held on 26.05.2016, 05.07.2016, 03.08.2016, 10.11.2016, 13.02.2017 and 20.03.2017. The time gap between two Board Meetings was less than 120 days.

Details regarding attendance of Board Meeting held during Financial Year 2016-17 and the Last Annual General Meeting held on Tuesday, the 20th September, 2016.

| Sr. No. | Name of Director | Designation | Total Number of Board Meetings during FY 2016-17 | No. of Board Meetings attended | Attendance at the Last AGM |
|---------|----------------------|---|--|--------------------------------|----------------------------|
| 1 | Mr. Suresh J. Patel | Chairman & Managing Director | 6 | 5 | Yes |
| 2 | Mr. Bhavin S. Patel | Executive Director | 6 | 4 | Yes |
| 3 | Mr. Ankit S. Patel | Executive Director | 6 | 5 | Yes |
| 4 | Mr. Surendra N. Shah | Independent Director | 6 | 6 | Yes |
| 5 | Mr. Bipin R. Patel | Independent Director | 6 | 5 | Yes |
| 6 | Mr. Sunil K. Mehta | Independent Director (resigned from the Board of the Company w.e.f. 11th February, 2017) | 6 | 4 | Yes |
| 7 | Mrs. Kajal R. Soni | Independent Director (resigned from the Board of the Company w.e.f. 11th February, 2017) | 6 | 4 | Yes |
| 8 | Mr. Nalin Kumar | Independent Director (appointed as an Additional Director on the Board of the Company w.e.f. 13th February, 2017) | 6 | 1 | NA |
| 9 | Mrs. Neha Huddar | Independent Director (appointed as an Additional Director in the Board of the Company w.e.f. 10th May, 2017) | NA | NA | NA |

Details regarding Directorship(s) and Committee Membership(s) in Other Companies:

| Sr. No. | BOARD** | | Committees** | |
|----------------------|----------|--------|--------------|--------|
| | Chairman | Member | Chairman | Member |
| Mr. Suresh J. Patel | NIL | NIL | None | |
| Mr. Bhavin S. Patel | NIL | NIL | | |
| Mr. Ankit S. Patel | NIL | NIL | | |
| Mr. Surendra N. Shah | NIL | NIL | | |
| Mr. Bipin R. Patel | NIL | NIL | | |
| Mr. Nalin Kumar | NIL | NIL | | |
| Mrs. Neha Huddar | NIL | NIL | | |

Notes:

- (1) **This number excludes the directorships/committee memberships held in private companies, a company registered under Section 25 of Companies Act 1956/ under Section 8 of the Companies Act, 2013 and also of the Company. Committee includes Audit Committee and Stakeholders' Grievance Committee as per Regulation 26 of SEBI (LODR) Regulations, 2015

In Bodal, The Board has constituted Six Standing Committees, namely Audit Committee, Share Transfer Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Management Committee. The Board constitutes additional functional Committees, from time to time, depending on the business needs.

The details of sitting fees, commission and remuneration paid to each Director appear later under the disclosure relating to Remuneration to Directors.

C. Details of Share Holdings of Executive and Non Executive Directors as on 31.03.2017:

| Sr. No. | Name of Director With Designation | Status/Category | No. of Share Held as on 31.03.2017 | % holding as on 31.03.2017 |
|---------|---|--|------------------------------------|----------------------------|
| 1 | Mr. Suresh J. Patel Chairman & M. D. | Promoter/ Executive Director | 3,46,95,151 | 31.80% |
| 2 | Mr. Bhavin S. Patel Executive Director | Promoter group/ Executive Director | 94,59,549 | 8.67% |
| 3 | Mr. Ankit S. Patel Executive Director | Promoter group/ Executive Director | 65,36,550 | 5.99% |
| 4 | Mr. Surendra N. Shah Independent Director | Independent Director/ Non-Executive Director | 75,347 | 0.07% |
| 5 | Mr. Bipin R. Patel Independent Director | Independent Director/ Non-Executive Director | NIL | NIL |
| 6 | Mr. Nalin Kumar Independent Director | Independent Director/ Non-Executive Director | NIL | NIL |

d. Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company as per Regulation 17(5) of the SEBI (LODR) Regulations, 2015. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the financial year ended March 31, 2017. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report. The code has been displayed on the Company's website.

Details of Directors Seeking Appointment/Reappointment in Forth Coming Annual General Meeting

The information as required by regulations 26 & 36(3) of the SEBI (LODR) regulation, 2015 with the stock exchange in relation to appointment/reappointment of Directors of the Company are as follows:

| Name of the Director | Mr. Bhavin S. Patel | Mr. Nalin Kumar | Mrs. Neha Huddar |
|--|--|--|---|
| DIN | 00030464 | 03060741 | 00092245 |
| Date of Birth | 05-01-1981 | 24-12-1968 | 21-4-1961 |
| Date of First Appointment | 01-06-2005 | 13-02-2017 | 10-05-2017 |
| Qualification | Bachelor of Science (B.Sc.) | Indian Institute of Technology, Kharagpur, with honors in Chemicals Engineering MBA from IIM, Calcutta, in Finance and Marketing | Chartered Accountancy from ICAI B.Com. from Mumbai University |
| Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.* | NIL | NIL | NIL |
| Specific Functional Areas/Experience | He has more than 14 years Business Experience in the Chemical Industry as well as at the top management level. He had implemented Business Module which integrates entire business vertically and horizontally also under his leadership Dyes export business expanded in more than 50 Countries globally. | Mr. Nalin Kumar is a well experienced investor and Investment banker having worked in most of the global financial centers, with bulge bracket investment banks, during his 24 years experience in the financial services domain. Mr. Kumar also brings his vast experience to serve as a Director on Boards of companies. His areas of expertise include all aspects of finance and strategy. He holds certification from the Directors Club (An accredited Independent Directors certification program) sponsored by Board Evaluation UK, Hunt Partners, Khaitan & Co, and SPJIMR | Mrs. Neha Huddar, holds a Bachelor of Commerce degree from the University of Mumbai and is a qualified Chartered Accountant. She has vast experience of 34 years in all areas in the corporate world. She has worked in the areas of Finance, Compliance, Accounts, Audit, HR and has also handled Mergers and Amalgamations. She has also worked for a large Foundation and handled CSR of 22 group companies for ₹700+ Crores. |
| Chairmanship / Membership of Committee(s) of Director of the Company | Member in Audit Committee, Security Holders Grievance Committee, Management Committee and Share transfer Committee | Member in Nomination and Remuneration Committee of Bodal Chemicals Limited | NIL |

| Name of the Director | Mr. Bhavin S. Patel | Mr. Nalin Kumar | Mrs. Neha Huddar |
|--|---------------------|-----------------|------------------|
| Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director | NIL | NIL | NIL |
| Shareholding in the Company as on 31-03-2017 & percentage of paid up capital | 9459549 (8.67%) | NIL | 1000(0.00%) |

*This number of companies also includes the Directorship held in a Pvt. Ltd Company and Company registered u/s 25 of Companies Act, 1956/ u/s 8 of Companies Act, 2013.

Committee of The Board

Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consist of three Directors. All the Members of the committee are financially literate. The Chairman of the Committee is Mr. Surendra N. Shah. The other members of the committee are Mr. Bipin R. Patel, Non Executive Independent Director & Mr. Bhavin S. Patel, Executive Director.

- Brief description of terms of reference:**

The terms of reference of the Audit Committee cover the matters specified Under Regulation 18 read with Part C of Schedule II to the SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval, with particular reference to:
 - Matters required to be included in Director's Responsibility Statement included in Board's Report;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries based on exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
- Review and monitor the auditors' independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.

9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle-Blower mechanism.
19. Approval of appointment of Chief Financial Officer.
20. To review report submitted by Monitoring Agency informing material deviations in the utilization of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

During the year under review, the Committee met 04 times on 26.05.2016, 03.08.2016, 10.11.2016 and 13.02.2017. Attendance of the Members at the meetings was as follows:

| Name of Members | Status | | No. of Meeting attended during FY 2016-17 |
|----------------------|------------------------------------|-------------|--|
| | Category | Designation | |
| Mr. Surendra N. Shah | Independent-Non Executive Director | Chairman | 04 |
| Mr. Bipin R. Patel | Independent-Non Executive Director | Member | 03 |
| Mr. Bhavin S. Patel | Executive Director | Member | 02 |

Mr. Ashutosh B. Bhatt is acting as Secretary to the Audit Committee.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information.

The following business was conducted during the year.

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.
- Review of annual financial statements for the financial year 2016 -17.
- Review of related party disclosures by the Directors.
- Review of Business performance of the Company.
- Recommended to the Board, appointment of Statutory Auditor of the Company for the FY 2017-18.

During the financial year, the Audit Committee at their meeting held on 13th February, 2017 recommended to the Board M/s. Deloitte Haskins & Sells LLP as statutory auditor of the Company for the financial year 2017-18 in place of M/s. Mayank Shah & Associates, Statutory Auditor of the Company, who will retire on the conclusion of next annual general meeting on completion of their tenure as per Companies Act, 2013 and are not eligible for re-appointment under Companies Act, 2013.

During the period under review, the Board has accepted all the recommendations of the Audit Committee.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the Board consists of Independent Directors only.

During the year under review, the Committee met 02 times on 26.05.2016 and 13.02.2017. Details of Members of the Committee and attendance of the members at the meetings were as follows:

| Name of Members | Status | | No. of Meeting attended during FY 2016-17 |
|----------------------|------------------------------------|-------------|--|
| | Category | Designation | |
| Mr. Surendra N. Shah | Independent-Non Executive Director | Chairman | 02 |
| Mr. Bipin R. Patel | Independent-Non Executive Director | Member | 02 |
| Mr. Sunil K. Mehta* | Independent-Non Executive Director | Member | 01 |
| Mr. Nalin Kumar** | Independent-Non Executive Director | Member | NA |

*Mr. Sunil K. Mehta, Independent Director of the Company has resigned from the Board w.e.f. 11th February, 2017.

**Mr. Nalin Kumar Independent Director, was appointed at the Board Meeting held on 13th February, 2017 and Nomination and Remuneration Committee was then re-constituted by inducting Mr. Nalin Kumar as a Member of the Committee due to resignation of Mr. Sunil K. Mehta.

All the members of the Nomination and Remuneration Committee are Non Executive Independent Directors.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI LODR.

• Terms of Reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees
- Formulation of criteria for evaluation of performance of Independent Directors and the Board
- Devising a policy on Board diversity
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal
- Whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Remuneration Policy:

The Remuneration Committee of the Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration of key Managerial Personnel is to be recommended by the NRC Committee to Board.

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No Director/KMP/ other employee is involved in deciding his or her own remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

- Following criteria are also to be considered:-

- Responsibilities and duties;
 - Time & efforts devoted;
 - Value addition;
 - Profitability of the Company & growth of its business;
 - Analyzing each and every position and skills for fixing the remuneration yardstick;
 - Standards for certain functions where there is a scarcity of qualified resources;
 - Ensuring tax efficient remuneration structures;
 - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low;
 - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

Remuneration paid to Executive Directors for the Financial Year 2016-17.

The remuneration paid to Executive Directors is fixed by the Board of Directors and approved by the shareholders in general meetings. The remuneration paid to Executive Directors in pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration paid to Executive Directors are as below:

| (Amount in ₹) | | | |
|----------------------------|---|---|--|
| Particulars | Mr. Suresh J. Patel Chairman & Managing Director | Mr. Bhavin S. Patel Executive Director | Mr. Ankit S. Patel Executive Director |
| Salary and Other Allowance | 10,839,600 | 7,239,600 | 7,239,600 |
| Sitting Fees | NIL | NIL | NIL |
| Commission | NIL | NIL | NIL |
| Total | 10,839,600 | 7,239,600 | 7,239,600 |

Remuneration paid to Non-Executive Directors for the Financial Year 2016-17.

| (Amount in ₹) | | |
|--|-----------------|-----------------|
| Name of Non-Executive - Independent Director | Sitting Fees | Total |
| Mr. Surendra N. Shah | 1,50,000 | 1,50,000 |
| Mr. Bipin R. Patel | 1,25,000 | 1,25,000 |
| Mr. Sunil K. Mehta | 1,00,000 | 1,00,000 |
| Mr. Nalin Kumar | 25,000 | 25,000 |
| Mrs. Kajal R. Soni | 1,00,000 | 1,00,000 |
| Mrs. Neha Huddar | NA | NA |
| Total | 5,00,000 | 5,00,000 |

There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors.

The Company has paid sitting fees to Non-Executive Directors and no stock option is available to the Directors.

No remuneration or Commission is paid to the Non Executive Directors apart from sitting fees for attending the meeting of Board of Directors.

Security holders' Grievances Committee/ Stakeholders Relationship Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013 and the Listing Regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievance & Relationship Committee". The Stakeholder's Grievance & Relationship Committee as a Committee of the Board has been constituted mainly to focus on the redressal of Shareholders' and Investors' Grievances, if any, like transfer/transmission/dematerialisation of shares, loss of share certificates, non-receipt of Annual Report, Dividend Warrants and other grievances.

- Composition**

| Name of Members | Category | Designation |
|----------------------|------------------------------------|-------------|
| Mr. Surendra N. Shah | Independent-Non Executive Director | Chairman |
| Mr. Bipin R. Patel | Independent-Non Executive Director | Member |
| Mr. Bhavin S. Patel | Executive Director | Member |

- Meetings and Attendance:**

During the Financial Year, 4 meetings were held on 26th May, 2016, 03rd August, 2016, 10th November, 2016, and 13th February, 2017.

Details of attendance of each member of the Committee are as under:

| Sr. No. | Name | Designation | Attendance |
|---------|----------------------|-------------|------------|
| 1. | Mr. Surendra N. Shah | Chairman | 04 |
| 2. | Mr. Bipin R. Patel | Member | 03 |
| 3. | Mr. Bhavin S. Patel | Member | 02 |

- Terms of Reference:**

In order to give the appropriate level of focus to shareholders and investors related matters a Shareholders'/ Investors' Grievance Committee was formed. The Committee focuses primarily on strengthening Investor Relations and ensuring the rapid resolution of any shareholder's or investor's concerns.

- Name and Designation of Compliance Officer**

Mr. Ashutosh B. Bhatt

Company Secretary & Compliance Officer

- Prohibition of Insider Trading**

The Company has adopted code of internal procedures and code for prevention of insider trading in the shares of the Company, pursuant to Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. The Board has designated Company Secretary as the Compliance Officer of the Company.

Details of Shareholders'/Investors' Complaints

Link Intime India Pvt. Ltd (RTA), the Company, and SCORES - the official website of SEBI received shareholders/investors complaints and they were resolved by the Company/the RTA in consultation with the Company for the Financial Year 2016-17. The details are as follows:

| Sr. No. | Nature of Complaints | Opening Balance 01-04-2016 | Received during the year | Redressed/ attended | Pending as on 31-03-2017 |
|--------------|---|-------------------------------|--------------------------|---------------------|-----------------------------|
| 1 | Non receipt of share certificates after transfer etc. | NIL | NIL | NIL | NIL |
| 2 | Non receipt of Dividend Warrants | 01 | 01 | 02 | NIL |
| 3 | Query regarding demat credit | NIL | NIL | NIL | NIL |
| 4 | Non receipt of duplicate share certificates after issue | NIL | NIL | NIL | NIL |
| 5 | Others Received from SEBI | NIL | 03 | 03 | NIL |
| Total | | 01 | 04 | 05 | NIL |

Share Transfer Committee

The members of Share Transfer Committee are as below:

- Composition**

| Name of Members | Status | |
|---------------------|------------------------------|-------------|
| | Category | Designation |
| Mr. Suresh J. Patel | Chairman & Managing Director | Chairman |
| Mr. Bhavin S. Patel | Executive Director | Member |
| Mr. Ankit S. Patel | Executive Director | Member |

The role, terms of reference, the authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

Management Committee

- Composition**

| Name of Members | Status | |
|---------------------|------------------------------|-------------|
| | Category | Designation |
| Mr. Suresh J. Patel | Chairman & Managing Director | Chairman |
| Mr. Bhavin S. Patel | Executive Director | Member |
| Mr. Ankit S. Patel | Executive Director | Member |

Independent Directors Meeting

A Separate meeting of Independent Directors of the Company was held on 02nd February, 2017 without the presence of Non-Independent Directors and Members of Management. The Independent Directors reviewed following matter in their Meeting:

- Performance of Non Independent Directors and the Board as whole.
- Performance of Chairperson of the Board taking into account the view of Executives Directors and Non- Executives Directors and
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties and Independent Directors have expressed satisfaction.

Directors' Induction and Familiarisation Programme for Independent Directors

The Company has made a familiarization programme for the Independent Directors. The Company has been giving information and updates about the work and progress of Company from time to time to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise for the new Directors at the time of appointment,

A brief introduction about the Company and its main subsidiary and Organizational structure is made. Inductee has been provided with the latest Annual Report, Code of Conduct applicable to Directors / employees of the Company, the 'Bodal Chemicals Ltd Code of Conduct for Prevention of Insider Trading and Bodal Chemicals Ltd Code of Corporate Disclosure Practices', of the Company.

A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

The inductee has been introduced with the Key Managerial Personnel of the company. A visit to the Company's Plants was arranged.

Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of section 135 of the Companies Act, 2013 the Board has formed a "Corporate Social Responsibility (CSR) Committee".

Composition and Attendance of the Meeting:

During the financial year, 3(Three) meetings were held on 26th May, 2016, 10th October, 2016 and 31st March, 2017.

| Name of Members | Status | | No. of Meetings attended during FY 2016-17 |
|----------------------|------------------------------------|-------------|--|
| | Category | Designation | |
| Mr. Suresh J. Patel | Chairman & Managing Director | Chairman | 03 |
| Mr. Surendra N. Shah | Independent-Non Executive Director | Member | 03 |
| Mr. Ankit S. Patel | Executive Director | Member | 03 |

The Committee will meet as and when required. The Committee will inter alia devise/recommend to the Board, a CSR policy which shall indicate activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Activities and programmes undertaken by the Company and the amount spent by the Company are given as part of Annexure to Directors Report. This Policy can be accessed from the Company's website-www.bodal.com

Other Policies Mandated Under Sebi (Lodr) Regulations, 2015

• Archival Policy

In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, the Company shall disclose on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and thereafter determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website-www.bodal.com

• Policy for preservation of Documents

In Compliance with Regulation 9 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website-www.bodal.com

• Policy for Determining Materiality of Events

In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted a policy on Determining Materiality of Events or information. The objective of this policy is to ensure timely and adequate disclosure of events or Information. This Policy can be accessed from the Company's website-www.bodal.com

• Policy for Determining Material Subsidiaries

In compliance with requirement of Clause 49(V)(D) of the Listing Agreement. The Board of Directors adopted policy on Determining Material Subsidiaries. This Policy is intended to ensure the governance of the Company's Material Subsidiaries. This Policy can be accessed from the Company's website-www.bodal.com

• Whistle Blower Policy

The Company encourages an open door policy (called Whistle Blower Policy) where employees have access to the Head of the business / function. In terms of Company's Code of Conduct, any instance of non adherence to the code / any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee. This Policy can be accessed from the Company's website-www.bodal.com

• Policy on Board Diversity

The Company recognizes and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-www.bodal.com

General Body Meetings:

Details of the last three years Annual General Meetings (AGM) or Extra Ordinary General Meetings (EGM) are as under:

| YEAR | DATE | TIME | VENUE |
|--------------------------------|------------|------------|---|
| 2013-14 AGM | 22.09.2014 | 11.00 A.M. | ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009 |
| Preference Shareholder Meeting | 03.08.2015 | 3.00 P.M. | At Registered office of the Company at Plot No 123 and 124 Phase -1 GIDC Vatva Ahmedabad-382445 |
| 2014-15 AGM | 24.09.2015 | 11.00 A.M. | ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009 |
| 2015-16 AGM | 20.09.2016 | 11.30 A.M. | ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009 |

Details of the Special Resolution Passed at the previous three Annual General Meeting

| Sr. No. | Date of AGM | Details of Special Resolutions Passed |
|---------|-------------|---|
| 1 | 20-09-2016 | I. For obtaining consent of Shareholders for Maintenance of Register and Index of Members of the Company under Section 88 and Copies of the Return prepared under Section 94 of Companies Act, 2013 shall be kept at the registered office of the Company and or be shifted and maintained with RTA of the Company. II. For obtaining consent of Shareholders for Re- Appointment of Mr. Ankit S. Patel, as Executive Director of the Company for a period of three years w.e.f. 24-05-2016 to 23-05-2019. |
| 2 | 24-09-2015 | I. For obtaining consent of Shareholders for Re- Appointment of Mr. Suresh J. Patel, as Chairman and Managing Director of the Company for a period of three years w.e.f. 13-05-2015 to 12-05-2018. II. For obtaining consent of Shareholders for Re- Appointment of Mr. Bhavin S. Patel, as Executive Director of the Company for a period of three years w.e.f. 13-05-2015 to 12-05-2018. |
| 3 | 22-09-2014 | I. For obtaining consent of Shareholders for Approval of Borrowing limit of the Company not Exceeding ₹1000 Crores (Rupees One Thousand Crores). II. For obtaining consent of Shareholders for Approval to create such charges and/or mortgages and/or hypothecations in addition to existing Charges and/or mortgages and/or hypothecations by the Company, on such movable and immovable properties of the Company wheresoever situated, both present and future, to secure up to ₹1000 Crores (Rupees One Thousand Crores). III. For obtaining consent of Shareholders for Approval of revised terms of remuneration of basic Salary of Mr. Suresh J. Patel, Chairman and Managing Director of the Company. IV. For obtaining consent of Shareholders for Approval of revised terms of remuneration of basic Salary of Mr. Bhavin S. Patel, Executive Director of the Company. V. For obtaining consent of Shareholders for Approval of revised terms of remuneration of basic Salary of Mr. Bhavin S. Patel, Executive Director of the Company. |

The special resolutions indicated above were passed by Postal Ballot and E- Voting.

Details of Holding/Subsidiary/Associates Companies:

| Name of the Company | CIN | Holding/ Subsidiary/ Associate | % of Share Held | Applicable Section |
|--------------------------|-----------------------|---|-----------------|--------------------|
| Bodal Agrotech Limited | U01403GJ2010PLC062043 | Bodal Agrotech Limited, Wholly Owned Subsidiary of Bodal Chemicals Ltd amalgamated with Bodal Chemicals Limited. The Appointed date of the Scheme is 01-04-2016. The Effective date of the same is 20-12-2016 | | |
| Trion Chemicals Pvt Ltd | U51900GJ2009PTC056781 | Associate | 41.51% | 2(6) |
| S P S Processors Pvt Ltd | U18201DL2002PTC115883 | Subsidiary | 70% | 2(87) |

S P S Processors Pvt Ltd is a material non-listed Indian Subsidiary Company of Bodal Chemicals Ltd.

Other Compliances:

Basis of Related Party Transactions

- The Company has no materially significant related party transactions with its promoters, the Directors or the management or their relatives etc. that may have potential conflicts with the interests of the Company at large.

For details, about related parties transactions see Note No. 33 of Notes on Accounts of Balance Sheet of the Company.

Compliance by the Company

- There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

Disclosure of Accounting Treatment

- In preparation of the financial statements, the Company has followed the Accounting Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Risk management

- Business risk evaluation and management is an ongoing process within the Organization. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

Code of Conduct for Prevention of Insider Trading

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

Shareholders' Information

| | | |
|---|---|--|
| 1 | Registered Office | Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445. |
| 2 | Annual General Meeting Date, Time and Venue | Saturday, the 23rd September, 2017 at 03.00 P.M. at Ahmedabad Management Association (AMA), ATIRA Campus, Dr. V. S. Marg, IIM-A Road, Vastrapur, Ahmedabad 380015 |
| 3 | Financial Year | 2016-2017 (consisting of 12 months) 01/04/2016 to 31/03/2017 |
| 4 | Date of Book Closure | Monday, the 18th September, 2017 to Saturday, the 23rd September, 2017 (Both days inclusive) |
| 5 | Listing on Stock Exchange | BSE LTD Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai 400 051 |

| | | |
|----|--|---|
| 6 | Stock Codes | BSE Scrip Code: 524370 NSE Scrip Code: BODALCHEM Demat ISIN: INE338D01028 CIN: L24110GJ1986PLC009003 |
| 7 | Types of Security No. of paid up shares Market lot of shares | Equity Shares 10,91,07,370 equity shares of ₹ 2/- each fully paid 1 Equity Share |
| 8 | Registrar & Share Transfer Agent | M/s. Link Intime India Pvt Ltd. For, Mumbai: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083. Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellishbridge, Ahmedabad – 380 006 ahmedabad@linkintime.co.in Tel.: 079-26465179 Fax: 079-26465179 |
| 9 | Compliance Officer / Company Secretary | Mr. Ashutosh B. Bhatt Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445 Phone No: 079 25835437 Fax No: 079 25836052, 25892988 |
| 10 | Depository System | Currently 98.56% of the Company share capital is held in dematerialized form. For any assistance in converting physical shares in electronic form, investor may approach Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer |
| 11 | Bank details for Electronic Shareholding | Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their bank. |
| 12 | Furnish copies of Permanent Account Number (PAN) | The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002 For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company. |
| 13 | Investor complaint to be addressed to | Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer |
| 14 | E-mail ID of Grievance Redressal Division | secretarial@bodal.com |
| 15 | Payment of Listing Fees | Annual listing fee for the financial year 2017-18 has been paid by the Company to BSE & NSE |
| 16 | Payment of Depository Fees | Annual Custody / Issuer fee for the Financial Year 2017-18 has been paid by the Company to CDSL & NSDL. |
| 17 | Outstanding Warrants GDRs/ADRs, and Convertible Bonds, Conversion date and likely impact on equity | Not Applicable |

| | | |
|----|---|--|
| 18 | Plant Locations | <p>Unit-I Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p>Unit-II Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p>Unit-III Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p>Unit-IV Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445</p> <p>Unit VI Plot No. 606-607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.</p> <p>Unit VII Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p>Unit VIII Block No.106-108, Ekalbara Village, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p>Unit IX Block No. 598/A, Piludra Village, Ta. Jambusar, Dist. Baruch, Gujarat.</p> <p>Unit X Plot No: 525,532,554,555,556,560,561/1, Village: Dudhwada, Ta: Padara, Dist: Vadodara-391 450</p> |
| 19 | Nomination Facility | <p>It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.</p> |
| 20 | Change in Shareholders details / Investors Communication | <p>In case you are holding your shares in dematerialized form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialization of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&T agent M/s. Link Intime India Pvt Ltd., at address mentioned below.</p> <p>For, Mumbai: C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083.</p> <p>Ahmedabad Branch: 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellishbridge, Ahmedabad – 380 009</p> <p>ahmedabad@linkintime.co.in 079 - 2646 5179</p> |

Share Transfer System:

Company has appointed M/s. Link Intime India Private Limited for dealing with the Shares of the Company in physical and electronic mode, they seek to complete the process of transfers at the earliest, subject to the documents being valid and complete in all aspects.

Results were announced During FY 2016-17 (April 1, 2016 to March 31, 2017)

| Sr. NO. | Particulars | Date of Meeting |
|---------|---|---------------------|
| 1 | Unaudited Quarterly Results for the Quarter ended on 30th June, 2016 | 03rd August, 2016 |
| 2 | Unaudited Quarterly Results for the Quarter ended on 30th September, 2016 | 10th November, 2016 |
| 3 | Unaudited Quarterly Results for the Quarter ended on 31st December, 2016 | 13th February, 2017 |
| 4 | Audited Financial Results for the financial year ended 31st March, 2017 | 25th May, 2017 |

Results will be announced during FY. 2017-18 (April 1, 2017 to March 31, 2018): (Tentative)

| Sr. NO. | Particulars | Date of Meeting |
|---------|---|----------------------------|
| 1 | Unaudited Quarterly Results for the Quarter ended on 30th June, 2017 | 24th August, 2017 |
| 2 | Unaudited Quarterly Results for the Quarter ended on 30th September, 2017 | Last week of October, 2017 |
| 3 | Unaudited Quarterly Results for the Quarter ended on 31st December, 2017 | Last week of January, 2018 |
| 4 | Audited Financial Results for the financial year ended 31st March, 2018 | Last week of May, 2018 |

Stock Data: Monthly equity share price data on BSE and NSE for the financial year 2016-17, are as under.

NSE:

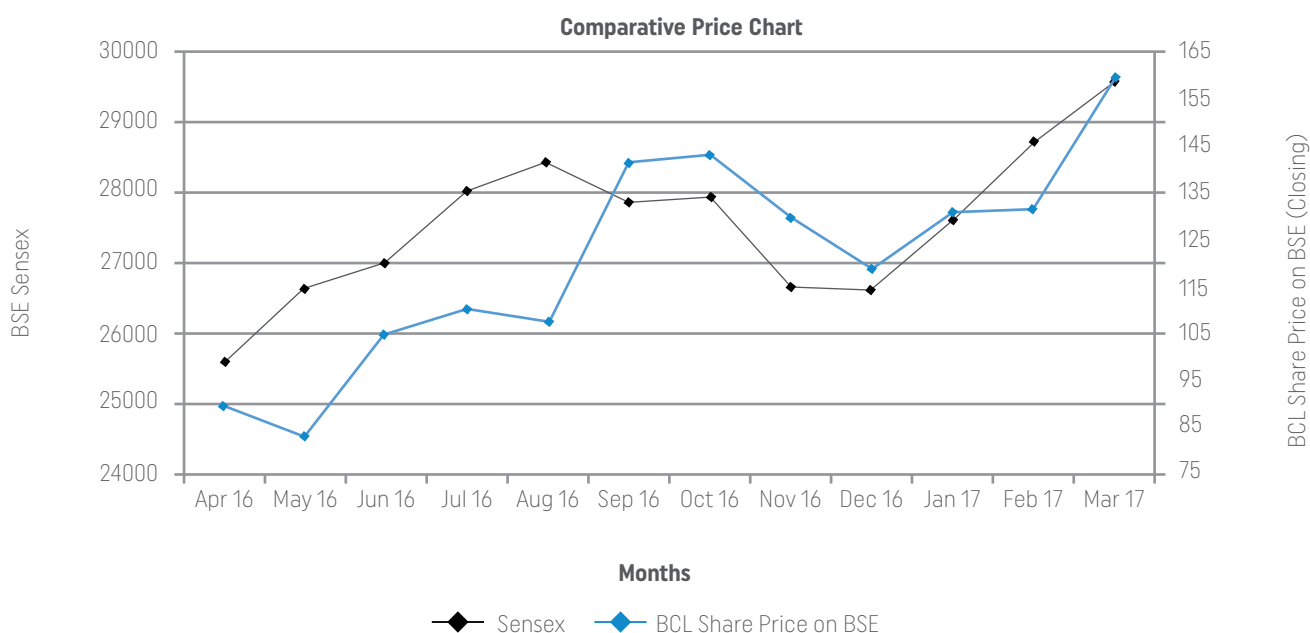
| Month | High Price | Low Price | Close Price | Volume No. of Shares |
|--------------|------------|-----------|-------------|----------------------|
| April-16 | 94.75 | 70.25 | 90.45 | 4,76,50,331 |
| May-16 | 97.00 | 82.00 | 83.20 | 1,73,88,290 |
| June-16 | 111.80 | 83.50 | 106.20 | 3,66,13,628 |
| July-16 | 114.00 | 105.00 | 110.45 | 1,87,14,650 |
| August-16 | 120.85 | 101.10 | 108.15 | 2,07,97,450 |
| September-16 | 151.50 | 107.00 | 143.15 | 3,12,01,844 |
| October-16 | 154.50 | 135.20 | 143.80 | 1,96,85,198 |
| November-16 | 147.90 | 99.55 | 130.10 | 1,89,18,165 |
| December-16 | 132.70 | 117.35 | 119.45 | 63,12,922 |
| January-17 | 139.50 | 119.00 | 131.70 | 89,51,046 |
| February-17 | 140.60 | 129.05 | 132.00 | 1,05,87,061 |
| March-17 | 162.90 | 126.50 | 160.50 | 1,64,81,414 |

(Source from NSE Website)

BSE:

| Month | High Price | Low Price | Close Price | Volume No. of Shares |
|--------------|------------|-----------|-------------|----------------------|
| April-16 | 94.70 | 70.30 | 89.95 | 17,268,353 |
| May-16 | 97.00 | 82.00 | 83.40 | 5,758,069 |
| Jun-16 | 111.80 | 83.55 | 105.65 | 10,875,801 |
| July-16 | 114.00 | 104.40 | 110.45 | 6,904,031 |
| August-16 | 121.00 | 101.00 | 107.95 | 5,642,732 |
| September-16 | 151.50 | 107.45 | 141.60 | 9,496,018 |
| October-16 | 155.00 | 134.80 | 143.55 | 4,850,912 |
| November-16 | 147.95 | 99.60 | 129.85 | 5,025,443 |
| December-16 | 132.10 | 117.25 | 119.35 | 2,096,910 |
| January-17 | 139.50 | 119.90 | 131.15 | 2,290,203 |
| February-17 | 141.90 | 128.80 | 132.10 | 3,984,147 |
| March-17 | 162.65 | 127.15 | 160.25 | 4,182,398 |

(Source from BSE Website)

**Shares held in physical and dematerialized form****Equity Shares**

Dematerialization of Shares and liquidity: Company's Paid-up capital has been dematerialized up to 31.03.2017 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

| Particular | No. of Shares | % of share capital |
|------------|---------------|--------------------|
| NSDL | 6,47,42,854 | 59.34 |
| CDSL | 4,27,95,871 | 39.22 |
| Physical | 15,68,645 | 1.44 |
| Total | 10,91,07,370 | 100.00 |

Note:

Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Limited. Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

Those shareholders whose shares are held in physical form are requested to dematerialize the same at the earliest in their own interest. Thus, Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL.

The Demat security code (ISIN) for the equity shares of ₹ 2/- each is **INE – 338 D 01028**.

Bank Mandate for Dividend

As per SEBI Guidelines, it is mandatory for the companies to print bank account details of the shareholders on dividend warrants. Those member who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under :

| Sr. No. | Financial Year | Date of Declaration | Due for Transfer on |
|---------|----------------------|---------------------|---------------------|
| 1. | 2009-10(Final) | 30-09-2010 | 05-11-2017 |
| 2. | 2010-11(Final) | 29-09-2011 | 04-11-2018 |
| 3. | 2015-16(Interim) | 12-08-2015 | 19-09-2022 |
| 4. | 2015-16(2nd Interim) | 10-03-2016 | 17-04-2023 |
| 5. | 2016-17(Interim) | 03-08-2016 | 09-09-2023 |

Members who have not encashed their Dividend Warrants or those who have not received the Dividend Warrants so far, are requested to seek issuance of duplicate Dividend Warrants. Otherwise, all above said unclaimed dividend to be transferred to Investor Education and Protection Fund on above said Due Dates.

Further, as per the New Rule of Ministry of Corporate Affairs relating to IEPF, the Shares on which dividend has not been encashed for last 7 years have to be transferred to suspense account of the Government and Investors has to claim Shares from the Government. So, you are requested to claim dividend for last 7 years.

Distribution of Shareholding as on 31-03-2017

According to number of Equity Shares

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | Total Shares | % of Total Shares |
|---------------------------|---------------------|-------------------|------------------|-------------------|
| 1-500 | 24631 | 77.27 | 3592652 | 3.29 |
| 501-1000 | 2955 | 9.27 | 2407484 | 2.21 |
| 1001-2000 | 1783 | 5.59 | 2704130 | 2.48 |
| 2001-3000 | 784 | 2.46 | 1978517 | 1.81 |
| 3001-4000 | 374 | 1.17 | 1337513 | 1.23 |
| 4001-5000 | 327 | 1.03 | 1526108 | 1.40 |
| 5001-10000 | 509 | 1.60 | 3864354 | 3.54 |
| Above 10001 | 513 | 1.61 | 91696612 | 84.04 |
| Total | 31876 | 100.00 | 109107370 | 100.00 |

Shareholding pattern for equity shares of the Company as on 31-03-2017

| Description | No. of members | | No. of equity shares of ₹2/- each fully paid. | |
|---|----------------|---------------|---|---------------|
| | Nos. | % | Nos. | % |
| Promoters & Promoters Group | | | | |
| Individuals | 8 | 0.03 | 59293259 | 54.34 |
| Foreign citizens/NRIs | 3 | 0.00 | 10721700 | 9.83 |
| Total | 11 | 0.03 | 70014959 | 64.17 |
| Indian Public-Individuals | | | | |
| Foreign Institutional Investors (FII) | 38 | 0.12 | 4814351 | 4.41 |
| Mutual Funds, Nationalized Banks, Financial Institutions and Co-operative Banks | 4 | 0.00 | 111351 | 0.10 |
| Insurance Companies | 1 | 0.00 | 4000 | 0.00 |
| Bodies Corporate | 455 | 1.42 | 5699553 | 5.22 |
| Individual Shareholders holding nominal value Upto ₹ 2 Lac | 29038 | 91.09 | 21111246 | 19.35 |
| Individual Shareholders holding nominal value greater than ₹ 2 Lac | 15 | 0.04 | 3188578 | 2.92 |
| Any Other | | | | |
| Directors or Directors relative's | 2 | 0.00 | 75347 | 0.07 |
| Clearing Members | 406 | 1.27 | 1198789 | 1.10 |
| NRI-Repat | 606 | 1.90 | 1290360 | 1.18 |
| NRI-Non-Repat | 626 | 1.96 | 375838 | 0.34 |
| HUF | 669 | 2.10 | 1163198 | 1.07 |
| Foreign Nations | 2 | 0.00 | 11239 | 0.01 |
| Trusts | 3 | 0.00 | 48561 | 0.04 |
| Total | 31876 | 100.00 | 109107370 | 100.00 |

Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans with all stakeholders, which promotes management – shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media releases, earnings Presentation and Company's website and through green initiatives.

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and Committee meetings were also published in newspapers like Economic Times (English & Gujarati edition), and Western Times (English & Gujarati edition).

Presentations made to institutional investors or to the analysts are available on the website of the company. www.bodal.com

Company's Website

The Company's website is a comprehensive reference on Bodal Chemicals' management, vision, mission, policies, corporate Announcement, Corporate Governance, Shareholding pattern, Investor Relations, updates and news. The section on 'Investor Relations' serves to inform the members by giving complete financial details, annual reports, shareholding patterns, presentation made to institutional investors and analysts, corporate benefits.

All the above details can be accessed from the website of the Company www.bodal.com

CEO and CFO Certification

The Chairman & Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s). The annual Compliance Certificate given by Chairman & Managing Director and Chief Financial Officer is published in the Annual Report.

Compliance Certificate of the Auditors

Certificate from M/s. Mayank Shah & Associates, Statutory Auditors confirming compliance with Conditions of Corporate Governance as stipulated under Listing Regulations, 2015 is attached as Annexure- to this Report.

Secretarial Audit

Mr. Tapan Shah, Practicing Company Secretary carried out a Secretarial Audit for FY 2016-17 pursuant to Section 204 of the Companies Act, 2013 and he has issued a Certificate to that effect. The Certificate issued by Mr. Tapan Shah, PCS vide Form MR-3 is annexed to the Report of the Board of Directors as Annexure-3

Reconciliation of Share Capital Audit

Reconciliation of Share Capital Audit of the Company in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued /paid up capital of the Company was placed before the Board of Directors every quarter and also submitted to the Stock Exchange(s) every quarter.

Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s), the Board Members and senior management personnel of the Company have confirmed compliance with the Code of Conduct for the financial year ended March 31, 2017.

Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

Non-Mandatory Requirements

The Company has complied with requirements of the Listing Agreements pursuant to Regulations 27 read with Part E of Schedule II of SEBI (LODR) Regulations, 2015.

DECLARATION BY THE MANAGING DIRECTOR

I, Suresh J. Patel, Chairman & Managing Director of Bodal Chemicals Limited, hereby declare that all the Members of Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulations 26(3) of SEBI (LODR) Regulations, 2015.

Date: 24th August, 2017
Place: Ahmedabad

Suresh J. Patel
Chief Executive Officer,
Chairman & Managing Director
(DIN: 00007400)

CERTIFICATE BY THE CEO & CFO OF THE COMPANY

We, Suresh J. Patel, Chief Executive Officer and Mayur B. Padhya, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief certify that;

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended 31st March, 2017 and that to the best of our knowledge and belief :
 - (a) these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading ;
 - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee :-
 - (a) significant changes in internal control over financial reporting during the year ;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Suresh J. Patel

Chief Executive Officer
Chairman & Managing Director
Date: 24th August, 2017

Mayur B. Padhya

Chief Financial Officer

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Bodal Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by **Bodal Chemicals Limited** ('the Company'), for the year ended 31st March, 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub – Regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, ('Listing Regulations').

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

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub – Regulation (2) of Regulation 46 and paragraph C, D and E of Schedule V of the Listing Regulations, as applicable.

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

Restriction on use

This Certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Mayank Shah & Associates**
(Firm Regn. no. 106109W)
Chartered Accountants

Place : Ahmedabad
Date : 24th August, 2017

M.S. SHAH
Partner
Membership No. 44093

Independent Auditor's Report

To
The Members of
Bodal Chemicals Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of BODAL CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

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 there under.

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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31st March, 2017 on its financial position in its standalone financial statement – Refer Note 29 to the Standalone Financial Statements.
 - ii. The Company did not have any pending long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in its Standalone Financial Statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and according to information and explanations given to us, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced before us by the Management – Refer Note 16.1 to the Standalone Financial Statements.
- Ahmedabad
May 25, 2017

For **Mayank Shah & Associates**
Chartered Accountants
Firm Registration No: 106109W

M.S. Shah
Partner
Membership No. 044093

Annexure 'A' to the Independent Auditors' Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets;
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory except goods-in-transit has been physically verified by the Management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit at year end, relevant evidences have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (iii) According to information and explanations given to us, the company has granted unsecured loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
 - (a) The terms and conditions of the grant of such loans are in our opinion, prima facie, not prejudicial to the interest of the Company.
 - (b) The principal amounts are repayable on demand, and payment of interest has been stipulated and the repayments of principal amounts are at discretion of the Company and interest payment has been regular as per stipulation.
 - (c) There are no overdue amounts in respect of the loan granted to a Subsidiary company & Associate in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed there under. Accordingly, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under subsection (1) of section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and any other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, details of dues towards Income Tax, Service Tax, Custom Duty, Excise duty which have not been deposited by the Company on account of disputes are as follows,

| Name of the Statute | Nature of the Dues | (₹ in Millions) | Period to which amount relates | Forum where dispute is pending |
|--------------------------|-----------------------|-----------------|--------------------------------|---|
| Income Tax Act, 1961 | Income Tax | 25.83 | A.Y. 2007-08, A.Y. 2008-09 | Commissioner of Income Tax (Appeals) |
| | Income Tax | 4.28 | Various Years | Assessing Officer |
| Central Excise Act, 1944 | Excise Duty & Penalty | 4.33 | F.Y. 2010-11 to F.Y.2015-16 | Commissioner of Central Excise (Appeals) & Tribunal |
| | Excise Duty & Penalty | 27.62 | F.Y. 2005-06 to F.Y 2014-15 | Customs, Excise & Service Tax Appellate Tribunal |
| Service Tax | Service Tax & Penalty | 0.39 | F.Y. 2011-12 | Customs, Excise & Service Tax Appellate Tribunal |

According to the information and explanations given to us, there are no dues of Sales tax, Value Added Tax and Cess which have not been deposited with the appropriate authorities on account of any dispute.

of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company does not have any loans or borrowings from financial institutions or government and has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year. Accordingly, the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly, the provisions of Clauses (xii) of paragraph 3 of the Order are not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transaction with the Directors or Persons connected with its Directors and covered under Section 192 of the Act. Accordingly, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934. Accordingly, Clause (xvi) of paragraph 3 of the Order is not applicable to the Company.

For **Mayank Shah & Associates**
Chartered Accountants
Firm Registration No: 106109W

M.S. Shah
Partner
Membership No. 044093

Ahmedabad
May 25, 2017

Annexure 'B' to the Independent Auditors' Report

(Referred to in Paragraph 2(f) under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

We have audited the internal financial controls over financial reporting of BODAL CHEMICALS LIMITED ('the Company') as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing issued by ICAI and 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 the 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 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
- 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 controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **Mayank Shah & Associates**
Chartered Accountants
Firm Registration No: 106109W

Ahmedabad
May 25, 2017

M.S. Shah
Partner
Membership No. 044093

Balance Sheet

As at 31st March, 2017

₹ in Millions

| Particulars | Note | As at 31st March, 2017 | As at 31st March, 2016 |
|--|------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds : | | | |
| Share Capital | 2 | 218.21 | 218.21 |
| Reserves and Surplus | 3 | 3,374.93 | 2,177.25 |
| | | 3,593.14 | 2,395.46 |
| Non-Current Liabilities | | | |
| Long-term borrowings | 4 | 714 | 679 |
| Deferred Tax Liability (Net) | 5 | 190.08 | 168.07 |
| | | 197.22 | 174.86 |
| Current Liabilities | | | |
| Short-term borrowings | 6 | 1,411.52 | 1,422.25 |
| Trade Payables | 7 | | |
| Due to Micro and Small Enterprises | | 8.09 | 5.99 |
| Due to Others | | 1,521.56 | 1,040.81 |
| Other Current Liabilities | 8 | 65.83 | 56.29 |
| Short Term Provisions | 9 | 26.89 | 44.86 |
| | | 3,033.89 | 2,570.20 |
| Total | | 6,824.25 | 5,140.52 |
| ASSETS | | | |
| Non - Current Assets : | | | |
| Fixed Assets | | | |
| | 10 | | |
| Tangible Assets | | 1,950.53 | 1,832.03 |
| Intangible Assets | | 8.12 | 9.63 |
| Capital work-in-progress | | 91.67 | 2.72 |
| | | 2,050.32 | 1,844.38 |
| Non-Current Investments | 11 | 166.24 | 33.27 |
| Long Term Loans and Advances | 12 | 829.36 | 223.59 |
| Other Non-current assets | 13 | 8.12 | 0.42 |
| | | 3,054.04 | 2,101.66 |
| Current Assets | | | |
| Inventories | 14 | 1,186.58 | 872.94 |
| Trade Receivables | 15 | 2,250.63 | 1,665.97 |
| Cash and Bank Balances | 16 | 59.99 | 38.35 |
| Short - Term Loans & Advances | 17 | 236.84 | 414.51 |
| Other Current Assets | 18 | 36.17 | 47.09 |
| | | 3,770.21 | 3,038.86 |
| Total | | 6,824.25 | 5,140.52 |
| Significant accounting policies | 1 | | |
| Notes are an integral part of the financial statements | | | |

As Per Our Report of even date attached

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 25, 2017

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017

(Ankit S. Patel)

Executive Director

DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary

Statement of Profit and Loss

for the year ended 31st March, 2017

₹ in Millions

| Particulars | Note | Year 2016-17 | Year 2015-16 |
|---|------|------------------|-----------------|
| INCOME | | | |
| Revenue from Operations | | | |
| Sale of Products | 19A | 12,720.80 | 9,758.35 |
| Other Operating Income | 19B | 128.36 | 129.37 |
| | | 12,849.16 | 9,887.72 |
| Less : Excise Duty | | 1,007.72 | 789.84 |
| | | 11,841.44 | 9,097.88 |
| Other Income | 20 | 67.61 | 120.14 |
| Total Revenue | | 11,909.05 | 9,218.02 |
| EXPENSES | | | |
| Cost of materials consumed | 21 | 7,621.13 | 5,738.02 |
| Purchases of Stock-in Trade | 22 | 102.99 | 68.21 |
| Changes in Inventories of Finished Goods and Stock in Process | 23 | (118.79) | (101.59) |
| Employee Benefits Expenses | 24 | 414.49 | 367.89 |
| Finance Costs | 25 | 66.34 | 121.99 |
| Depreciation and Amortisation expense | 26 | 258.52 | 257.78 |
| Other Expenses | 27 | 1,618.55 | 1,526.05 |
| Total Expenses | | 9,963.23 | 7,978.35 |
| Profit Before Exceptional Items and Taxes | | 1,945.82 | 1,239.67 |
| Exceptional Items | 28 | 48.54 | 78.99 |
| Profit Before Taxes | | 1,994.36 | 1,318.66 |
| Tax Expenses | | | |
| Current Tax | | 663.38 | 408.89 |
| Deferred Tax | | 36.43 | 38.34 |
| Taxes of earlier years | | 8.43 | 5.44 |
| | | 708.24 | 452.67 |
| Profit for the Year | | 1,286.12 | 865.99 |
| Earnings per equity share (Face value of ₹2) | 35 | | |
| Basic and diluted (in ₹) | | 11.79 | 7.94 |
| Significant Accounting Policies | 1 | | |
| Notes are an integral part of the financial statements | | | |

As Per Our Report of even date attached

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 25, 2017

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017

(Ankit S. Patel)

Executive Director

DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary

Cash Flow Statement

for the year ended 31st March, 2017

₹ in Millions

| Particulars | Year 2016-17 | Year 2015-16 |
|--|-------------------|-----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax and after exceptional items | 1,994.36 | 1,318.66 |
| Adjustment for | | |
| Depreciation and Amortisation | 258.52 | 257.78 |
| Recovery of Bad Debts | Nil | (59.23) |
| Unrealised Foreign Exchange Loss / (Gain) | (23.07) | (15.37) |
| Finance Cost | 66.34 | 121.99 |
| Exceptional Item | (48.54) | (78.99) |
| (Profit)/Loss on Sale of Assets (Net) | 3.44 | (0.59) |
| Interest/Dividend/Rent received | (27.11) | (16.34) |
| Profit on sale of Investments | (5.49) | (0.10) |
| Operating Profit before Working Capital Changes | 2,218.45 | 1,527.81 |
| Adjustment for : | | |
| (Increase) / Decrease in Trade Receivables | (591.78) | 372.38 |
| (Increase) / Decrease in Inventories | (288.56) | (93.38) |
| (Increase) / Decrease in Other Receivables | 120.59 | (31.95) |
| Increase / (Decrease) in Trade Payables | 447.96 | (89.94) |
| Cash generated from Operations | 1,906.66 | 1,684.92 |
| Direct Taxes Paid (Net of Refund) | 694.17 | 357.51 |
| Net Cash from Operating Activities (A) | 1,212.49 | 1,327.41 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets including Capital Work in Progress and capital advances | (504.50) | (166.18) |
| Sale proceeds of Tangible Assets | 56.89 | 2.55 |
| Loan given to Subsidiary | (366.33) | (93.64) |
| Loan given to Associated Concern | (158.12) | Nil |
| Loan repaid by Subsidiary | Nil | 0.24 |
| Interest/Dividend/Rent received | 27.11 | 16.34 |
| Sale proceed of Current Investment | 1,085.49 | 220.10 |
| Purchase of Current Investments | (1,080.00) | (220.00) |
| Purchase of Non-Current Investments | (5.00) | Nil |
| Investments in Subsidiary | (40.91) | Nil |
| Investments in Associates | (104.06) | Nil |
| Net Cash used in Investing Activities (B) | (1,089.43) | (240.59) |

Cash Flow Statement

for the year ended 31st March, 2017

₹ in Millions

| Particulars | Year 2016-17 | Year 2015-16 |
|--|-----------------|-------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | 1.18 | 1.15 |
| Repayment of Long Term Borrowings | (0.83) | (856.43) |
| Increase / (Decrease) in Short Term Borrowings | 15.89 | 211.16 |
| Redemption of Preference Share Capital | Nil | (250.00) |
| Finance Cost | (66.34) | (121.99) |
| Dividend Paid | (39.54) | (77.97) |
| Net Cash used in Financing Activities (C) | (89.64) | (1,094.08) |
| NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS | 33.42 | (7.26) |
| Cash & Cash Equivalents at the beginning of the year | 4.50 | 11.76 |
| Cash & Cash Equivalents Acquired Under Amalgamation Scheme | 0.19 | Nil |
| Cash & Cash Equivalents at the end of the year | 38.11 | 4.50 |

As Per Our Report of even date attached

Significant Accounting Policies as per Note 1

Notes are an integral part of the financial statements

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 25, 2017

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017

(Ankit S. Patel)

Executive Director

DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary

Notes to Financial Statements

for the year ended 31st March, 2017

Company Background

Bodal Chemicals Limited (the 'Company') is a public limited Company incorporated under the Companies Act 1956. The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

1 Significant Accounting Policies :

1.1 Basis of Preparation of Financial Statements

a) Basis of Accounting

The financial statements of the Company have been prepared on an accrual basis under historical cost convention and in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act 2013 ("the 2013 Act"), as applicable. The accounting policies adopted in the presentation of the financial statements are consistent with those followed in the previous year.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

1.2 Tangible and Intangible Assets

a) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and

impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Expenses directly attributable to new manufacturing facility during its construction period are capitalized

Subsequent expenditures related to an item of Tangible Fixed Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

| Intangible Assets | Estimated Useful Lives (Years) |
|-------------------|--------------------------------|
| Software | 5 |
| License | 10 |
| Website | 5 |

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

d) Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal / external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting

Notes to Financial Statements

for the year ended 31st March, 2017

periods is reversed if there has been change in the estimate of the recoverable amount.

1.3 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

1.4 Inventories

- (a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by-item basis.
- (b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.
- (c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.
- (d) Materials in transit are valued at cost-to-date.

1.5 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

1.6 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty, excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Notes to Financial Statements for the year ended 31st March, 2017

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

1.7 Trade Receivables

Trade receivables are stated after writing off debts considered as bad. Adequate provision is made for debts considered doubtful.

1.8 Employee Benefits

a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit

Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation under

defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) and Star Union Dai-ichi under the Group Gratuity Cash Accumulation Plan and SUD Life Group Gratuity Scheme respectively.

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

1.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

1.10 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes to Financial Statements

for the year ended 31st March, 2017

1.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

1.12 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

1.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

1.14 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

1.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

1.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

1.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 2 : Share Capital | | |
| Authorised Share Capital | | |
| 13,50,00,000 (PY: 12,00,00,000) Equity Shares of ₹2/- each | 270.00 | 240.00 |
| 2,50,00,000 (PY: 2,50,00,000) Preference Share of ₹10/- each | 250.00 | 250.00 |
| | 520.00 | 490.00 |
| Issued, Subscribed & Paid up Share Capital | | |
| 10,91,07,370 Equity Shares of ₹2/- each | | |
| (P. Y. 10,91,07,370 Equity Shares of ₹2/- each) | 218.21 | 218.21 |
| Total | 218.21 | 218.21 |

2.1 Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of Bodal Agrotech Ltd. (Transferor Company) with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat dated 11th November 2016, Authorised Share Capital of Bodal Agrotech Ltd. of ₹30 millions has been added in the Authorised Share Capital of the Company.

2.2 Reconciliation of the number of Shares

| Particulars | As at 31st March, 2017 No. of Shares | As at 31st March, 2016 No. of Shares |
|--------------------------|--|--|
| Equity Shares | | |
| Opening balance | 109,107,370 | 109,107,370 |
| Issued during the Year | Nil | Nil |
| Closing balance | 109,107,370 | 109,107,370 |
| Preference Shares | | |
| Opening balance | Nil | 25,000,000 |
| Redeemed during the Year | Nil | 25,000,000 |
| Closing balance | Nil | Nil |

2.3 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

2.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholder | As at 31st March, 2017 | | As at 31st March, 2016 | |
|------------------------|---------------------------|--------|---------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Equity Shares : | | | | |
| Shri Suresh J. Patel | 3,46,95,151 | 31.80 | 3,33,45,151 | 30.57 |
| Shri Bhavin S. Patel | 94,59,549 | 8.67 | 94,59,549 | 8.67 |
| Shri Ankit S. Patel | 65,36,550 | 5.99 | 65,36,550 | 5.99 |

Notes to Financial Statements

for the year ended 31st March, 2017

- 2.5** The Board of Directors at its meeting held on 3rd August, 2016 declared an interim dividend of ₹0.30 (Paise thirty only) per equity share of ₹2/- each. The total dividend appropriation for the year ended 31st March, 2017 amounted to ₹39.40 millions including corporate dividend tax of ₹6.67 millions.
- 2.6** The Board of Directors at its meeting held on 25th May, 2017 has recommended a final dividend of ₹0.50 (Paise fifty only) per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of ₹65.66 millions including corporate dividend tax of ₹11.11 millions.

| Particulars | ₹ in Millions | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 3 : Reserves & Surplus | | |
| Capital Reserves | | |
| At the commencement and at the end of the year | 76.12 | 76.12 |
| Capital Redemption Reserve Fund | | |
| At the commencement of the year | 289.67 | 39.67 |
| Add : Transferred from Profit & Loss Account | Nil | 250.00 |
| At the end of the year | 289.67 | 289.67 |
| Securities Premium Account | | |
| At the commencement and at the end of the year (Premium on issue of Equity Shares) | 222.04 | 222.04 |
| General Reserve | | |
| At the commencement and at the end of the year | 138.86 | 138.86 |
| Surplus / (Deficit) in the Statement of Profit and Loss | | |
| At the commencement of the year | 1450.56 | 913.36 |
| Addition on amalgamation with Bodal Agrotech Ltd. | (49.04) | Nil |
| Add : Surplus during the year | 1,286.12 | 865.99 |
| | 2,687.64 | 1,779.35 |
| Less : Appropriations : | | |
| Interim Dividend on Equity Shares | 32.73 | 65.47 |
| Tax on Dividends | 6.67 | 13.32 |
| Transfer to Capital Redemption Reserve | Nil | 250.00 |
| | 39.40 | 328.79 |
| At the end of the year | 2,648.24 | 1,450.56 |
| Total | 3,374.93 | 2,177.25 |

| Particulars | ₹ in Millions | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 4 : Long Term Borrowings | | |
| Unsecured | | |
| Trade Deposits | 7.14 | 6.79 |
| Total | 7.14 | 6.79 |
| Current Maturities of Long Term Borrowings (Refer Note 8) | 0.05 | Nil |

Notes to Financial Statements

for the year ended 31st March, 2017

| Particulars | ₹ in Millions | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 5 : Deferred Tax Liabilities (Net) | | |
| Deferred Tax Liabilities | | |
| Difference between book depreciation and tax depreciation | 191.84 | 171.78 |
| Expense claimed for tax purpose on payment basis | 0.21 | 0.21 |
| Deferred Tax Assets | | |
| Expenditure covered by section 43B of Income Tax Act, 1961 | (1.97) | (3.92) |
| Total | 190.08 | 168.07 |

| Particulars | ₹ in Millions | |
|----------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 6 : Short Term Borrowings | | |
| Secured | | |
| Repayable on Demand | | |
| Working Capital Loans from Banks | 891.97 | 1,396.14 |
| Unsecured | | |
| Working Capital Loans from Banks | 100.00 | Nil |
| Loans From Directors | 343.70 | Nil |
| Loans From Corporates | 75.85 | 26.11 |
| Total | 1,411.52 | 1,422.25 |

6.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and confirmed contracts and collaterally secured by equitable mortgage of Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors.

6.2 Unsecured Working Capital Loan from Bank is personally guaranteed by Chairman and Managing Director and Executive directors.

| Particulars | ₹ in Millions | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 7 : Trade Payables | | |
| Due to Micro and Small Enterprises (Refer Note 39) | 8.09 | 5.99 |
| Due to Others (Note 7.1) | 1,521.56 | 1,040.81 |
| Total | 1,529.65 | 1,046.80 |

7.1 Trade Payables include ₹66.71 millions (P.Y. ₹8.38 millions) to related parties (refer note 33)

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 8 : Other Current Liabilities | | |
| Current Maturities of Long Term Debt (Refer Note 4) | 0.05 | Nil |
| Advance Received from Customers | 5.23 | 15.00 |
| Unclaimed Dividends (Note 8.1) | 2.24 | 2.38 |
| Creditors for Capital Goods | 22.22 | 9.20 |
| Other Current Liabilities (Note 8.2) | 1.95 | 2.27 |
| Statutory Liabilities (Note 8.3) | 34.14 | 27.44 |
| Total | 65.83 | 56.29 |

8.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2017.

8.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.

8.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 9 : Short Term Provisions | | |
| Provision for Employee Benefits (Refer Note 31) | 26.89 | 44.86 |
| Total | 26.89 | 44.86 |

9.1 Provision for Employee Benefits include ₹1.18 millions (PY. 15.31 millions) to related parties (refer note 33)

Notes to Financial Statements

for the year ended 31st March, 2017

10 : FIXED ASSETS

₹ in Millions

| Description | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | | |
|----------------------------|---------------------|-----------------------------|---------------|--------------|-----------------------------|---------------------|-----------------------------|---------------|--------------|---------------------|---------------------|
| | As At 01.04.2016 | Addition on Amalgamation | Addition | Deduction | As At 31.03.2017 | As At 01.04.2016 | Addition on Amalgamation | Addition | Deduction | As At 31.03.2017 | As At 31.03.2016 |
| Tangible Assets : | | | | | | | | | | | |
| Land | 110.64 | Nil | 5.59 | 0.43 | 115.80 | Nil | Nil | Nil | Nil | Nil | 115.80 |
| Factory Building | 783.56 | 28.62 | 62.98 | 1.71 | 873.45 | 380.78 | 0.03 | 42.82 | 1.24 | 422.39 | 451.06 |
| Office Building | 25.07 | Nil | Nil | Nil | 25.07 | 5.86 | Nil | 0.95 | Nil | 6.81 | 18.26 |
| Plant & Machinery | 3,04,795 | 49.69 | 198.37 | 17.06 | 3,27,895 | 1,78,954 | 0.07 | 192.47 | 13.13 | 1,96,895 | 1,31,000 |
| Furniture & Fixture | 47.32 | 0.02 | 1.75 | 0.02 | 49.07 | 37.12 | - | 3.32 | 0.01 | 40.43 | 8.64 |
| Office Equipment | 31.15 | 0.02 | 5.39 | - | 36.56 | 24.40 | - | 4.82 | - | 29.22 | 7.34 |
| Vehicles | 60.45 | Nil | 33.67 | 15.21 | 78.91 | 36.41 | Nil | 11.34 | 8.27 | 39.48 | 39.43 |
| Total (A) | 4,106.14 | 78.35 | 307.75 | 34.43 | 4,457.81 | 2,274.11 | 0.10 | 255.72 | 22.65 | 2,507.28 | 1,950.53 |
| Intangible Assets : | | | | | | | | | | | |
| Good will | 104.68 | Nil | Nil | Nil | 104.68 | 104.68 | Nil | Nil | Nil | 104.68 | Nil |
| Trade mark | Nil | 0.09 | Nil | Nil | 0.09 | Nil | 0.09 | Nil | Nil | 0.09 | Nil |
| Computer Software | 5.66 | Nil | 1.29 | Nil | 6.95 | 3.43 | Nil | 1.13 | Nil | 4.56 | 2.39 |
| Membership Fees | 14.69 | Nil | Nil | Nil | 14.69 | 7.29 | Nil | 1.67 | Nil | 8.96 | 5.73 |
| Website | 0.09 | Nil | Nil | Nil | 0.09 | 0.09 | Nil | - | Nil | 0.09 | Nil |
| Total (B) | 125.12 | 0.09 | 1.29 | Nil | 126.50 | 115.49 | 0.09 | 2.80 | Nil | 118.38 | 8.12 |
| Total (A+B) | 4,231.26 | 78.44 | 309.04 | 34.43 | 4,584.31 | 2,389.60 | 0.19 | 258.52 | 22.65 | 2,625.66 | 1,958.65 |
| Previous Year | 4,03,911 | Nil | 203.96 | 11.81 | 4,23,126 | 2,14,167 | Nil | 25,778 | 9.85 | 2,38,960 | 1,84,166 |
| Capital Work in Progress | | | | | | | | | | | 91.67 |
| Total Fixed Assets | | | | | | | | | | | 2,050.32 |
| | | | | | | | | | | | 1,844.38 |

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars. | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 11 : Non - Current Investments | | |
| LONG TERM INVESTMENTS | | |
| TRADE INVESTMENTS | | |
| Quoted | | |
| 100 (PY. 100) Equity Shares of Beta Nepthol Ltd. of ₹10/- Each Fully Paid Up | - | - |
| 2,00,000 (PY. 1,00,000) Equity Shares of Bhageria Dye Chem Ltd. of ₹5/- Each (PY. ₹10/- Each) Fully Paid Up (Note 11.1) | 14.93 | 14.93 |
| | 14.93 | 14.93 |
| Less : | | |
| Provision for diminution in Investments | - | - |
| Total | 14.93 | 14.93 |
| Unquoted | | |
| 250 (PY.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹100/- each Fully Paid Up | 0.03 | 0.03 |
| 1,12,350 (PY. 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹10/-each Fully Paid Up | 1.12 | 1.12 |
| 100 (PY:100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹10/- Each Fully Paid Up | - | - |
| 10 (PY:10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹100/- Each Fully Paid Up | - | - |
| 10,200 (PY:10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹10/- Each Fully Paid Up | 0.10 | 0.10 |
| 3,542 (PY:3,542) Equity Shares of Makarpura Ind. Est. Co-op. Bank Ltd. of ₹25/- Each Fully Paid Up | 0.09 | 0.09 |
| Total of Trade Investments | 1.34 | 1.34 |
| Other Non Current Investments | | |
| Unquoted | | |
| Investment in Subsidiary Company | | |
| Nil (PY. 17,00,000) Equity Shares of Bodal Agrotech Ltd. of ₹10/- Each Fully Paid Up (refer Note 42) | Nil | 17.00 |
| 1,13,634 (PY. Nil) Equity Shares of SPS Processors Pvt. Ltd. of ₹100/- Each Fully Paid Up.(refer Note 43) | 40.91 | Nil |
| Investment in Associate Concern | | |
| 29,05,701 (PY. Nil) Equity Shares of Trion Chemicals Pvt. Ltd. of ₹10/- Each Fully Paid Up (refer Note 44) | 29.06 | Nil |
| 75,00,000 (PY. Nil) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of ₹10/- Each Fully Paid Up (refer Note 44) | 75.00 | Nil |
| Other Investment | | |
| 5,00,000 Units (PY. Nil) of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth | 5.00 | Nil |
| Total of Other Non-Current Investments | 149.97 | 17.00 |
| Total of Non-Current Investments | 166.24 | 33.27 |
| Aggregate of Quoted Investments: | | |
| At Book value | 14.93 | 14.93 |
| At Market Price | 63.60 | 14.04 |
| Aggregate of Unquoted Investments: | 151.31 | 18.34 |
| Aggregate provision for diminution in value of investments | - | - |

11.1 1 (One) Equity Share of Bhageria Industries Ltd. of ₹10/- each is sub-divided into 2 (Two) Equity Shares of ₹5/- each fully paid-up with effect from October 27, 2016.

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 12 : Long Term Loans & Advances | | |
| (Unsecured and Considered Good) | | |
| Capital Advances | 136.67 | 30.16 |
| Security Deposits | 25.69 | 5.27 |
| Loans and Advances to Employees | 7.36 | 4.20 |
| Loans and Advances to related party (Refer Note 32 & 33) | 524.45 | 140.43 |
| Balance With Statutory Authorities (Note 12.1) | 60.23 | 18.30 |
| Advance Income Tax (Net of Provision for Tax) | 47.59 | 25.23 |
| Advance for Investment | 27.37 | Nil |
| Total | 829.36 | 223.59 |

12.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 13 : Other Non-Current Assets | | |
| (Unsecured and Considered Good) | | |
| Margin Money Deposits with bank with maturity after twelve months from the reporting date* | 8.12 | 0.42 |
| Total | 8.12 | 0.42 |

* Held as lien by bank against bank guarantees and letters of credit.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 14 : Inventories | | |
| (Valued at the lower of cost or net realisable value) | | |
| a) Raw Materials | 363.25 | 249.45 |
| Raw Materials in Transit | 86.15 | 17.24 |
| | 449.40 | 266.69 |
| b) Finished Goods | 176.66 | 101.75 |
| Finished Goods in Transit | 15.61 | 27.12 |
| | 192.27 | 128.87 |
| c) Stock In Process | 486.51 | 427.57 |
| | 486.51 | 427.57 |
| d) Stock In Trade (in Transit) | 4.47 | Nil |
| | 4.47 | Nil |
| e) Packing Materials | 5.94 | 6.75 |
| Packing Materials in Transit | 0.28 | 0.11 |
| | 6.22 | 6.86 |
| f) Stock of Fuel | 4.76 | 5.38 |
| | 4.76 | 5.38 |
| g) Stores and Spares | 42.95 | 37.57 |
| | 42.95 | 37.57 |
| Total | 1,186.58 | 872.94 |

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 15 : Trade Receivables | | |
| Trade receivables outstanding for a period exceeding six months from the due date for payment | | |
| Unsecured & Considered Good | 109.74 | 147.90 |
| Trade receivables outstanding for a period less than six months from the due date for payment | | |
| Unsecured & Considered Good | 2,140.89 | 1,518.07 |
| Total | 2,250.63 | 1,665.97 |

15.1 Trade Receivables include ₹22.73 millions (PY. ₹9.13 millions) to related parties. (refer note 33)

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 16 : CASH AND BANK BALANCES | | |
| Cash & Cash Equivalents | | |
| Cash on hand | 1.78 | 0.83 |
| Balance with Banks in current accounts | 36.33 | 3.67 |
| | 38.11 | 4.50 |
| Other Bank Balances | | |
| Margin Money Deposits with bank with maturity of more than three months but less than twelve months* | 19.64 | 31.47 |
| Unclaimed Dividend Accounts | 2.24 | 2.38 |
| | 21.88 | 33.85 |
| Total | 59.99 | 38.35 |

* Held as lien by bank against bank guarantees and letters of credit.

16.1 Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

| Particulars | SBNs* (₹) | Other Denomination Notes (₹) | Total (₹ in Millions) |
|---|--------------|------------------------------------|--------------------------|
| Closing cash in hand as on 8-11-2016 | 3.76 | 0.77 | 4.53 |
| (+) Permitted receipts | Nil | 2.01 | 2.01 |
| (-) Permitted payments | Nil | 1.57 | 1.57 |
| (-) Amount deposited in Banks | 3.76 | 0.24 | 4.00 |
| Closing cash in hand as on 30-12-2016 | Nil | 0.97 | 0.97 |

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

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 17 : Short Term Loans & Advances | | |
| (Unsecured & considered good) | | |
| Advance to Suppliers of Goods (Note 17.1) | 64.80 | 55.62 |
| Advance to Suppliers of Expenses | 2.05 | 10.79 |
| Balance with Statutory Authorities (Note 17.2) | 136.19 | 192.08 |
| Loans and Advances to Employees | 18.88 | 16.81 |
| Inter-Corporate Loans | Nil | 119.17 |
| Pre-paid Expenses | 7.58 | 14.17 |
| Others (Note 17.3) | 7.34 | 5.87 |
| Total | 236.84 | 414.51 |

17.1 Advances to supplier of goods include ₹41.64 millions (P.Y. ₹15.56 millions) to related parties. (refer note 33)

17.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.

17.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 18 : OTHER CURRENT ASSETS | | |
| Fair Value of Foreign Exchange Forward Contracts | 10.83 | 4.72 |
| Export Incentives Receivables | 25.20 | 42.29 |
| Other Receivables | 0.08 | 0.08 |
| Licence on Hand (at Cost) | 0.06 | Nil |
| Total | 36.17 | 47.09 |

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|-------------------------------------|------------------|-----------------|
| 19 : REVENUE FROM OPERATIONS | | |
| A) Sale of products | 12,720.80 | 9,758.35 |
| Less : Excise Duty | 1,007.72 | 789.84 |
| Sale of products (net) | 11,713.08 | 8,968.51 |
| B) Other Operating Income | | |
| Export Incentives | 117.29 | 107.90 |
| Insurance claim for Goods Burnt | Nil | 13.01 |
| Scrap Sales | 11.00 | 8.38 |
| Brokerage Income | 0.07 | 0.08 |
| Total | 128.36 | 129.37 |
| Net Revenue From Operations | 11,841.44 | 9,097.88 |

19.1 Details of Sales of Products

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|--|------------------|-----------------|
| Intermediates | 6,989.56 | 4,637.23 |
| Dyes | 2,882.12 | 3,098.07 |
| Basic Chemicals and others | 1,841.40 | 1,233.21 |
| Total of Sale of Products (Net) | 11,713.08 | 8,968.51 |

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|--|--------------|---------------|
| 20 : OTHER INCOME | | |
| Interest Income | | |
| On Deposits | 2.85 | 2.16 |
| On Others | 23.36 | 13.24 |
| Profit on sales of Investment | 5.49 | 0.10 |
| Profit on sales of Assets | Nil | 0.59 |
| Prior Period Items | Nil | 0.07 |
| Recovery of Bad Debts | Nil | 59.23 |
| Dividend Income - from Non-Current Investments | 0.50 | 0.50 |
| Exchange Rate Difference (Net) | 16.65 | Nil |
| Premium / Discount on Forward Contracts | 14.02 | 18.55 |
| Other Income | 4.74 | 25.70 |
| Total | 67.61 | 120.14 |

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|--|-----------------|-----------------|
| 21 : COST OF MATERIALS CONSUMED | | |
| Opening Stock | 266.69 | 285.20 |
| Add: Addition on amalgamation with Bodal Agrotech Ltd. | 24.84 | Nil |
| Add: Purchases during the year | 7,779.00 | 5,719.51 |
| | 8,070.53 | 6,004.71 |
| Less : Closing Stock | 449.40 | 266.69 |
| Total | 7,621.13 | 5,738.02 |

21.1 Major Raw Materials consumed

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|----------------------|-----------------|-----------------|
| Sulphur | 359.73 | 421.19 |
| Napthelene | 392.22 | 513.32 |
| Aniline Oil | 299.46 | 369.12 |
| H Acid | 1,701.87 | 1,001.97 |
| Caustic Soda Flakes | 335.03 | 322.65 |
| Caustic Soda Lye | 166.77 | 173.88 |
| Ethylene Oxide | 232.16 | 241.96 |
| Acetanilide | 126.22 | 69.41 |
| Linear Alkyl Benzene | 379.79 | 0.89 |
| Others | 3,627.88 | 2,623.63 |
| | 7,621.13 | 5,738.02 |

21.2 Composition of Materials Consumed

₹ in Millions

| Particulars | 2016-17 | | 2015-16 | |
|--------------|-----------------|----------------|-----------------|----------------|
| Imported | 693.68 | 9.10% | 478.85 | 8.35% |
| Indigenous | 6,927.45 | 90.90% | 5,259.17 | 91.65% |
| Total | 7,621.13 | 100.00% | 5,738.02 | 100.00% |

Notes to Financial Statements for the year ended 31st March, 2017

| | ₹ in Millions | |
|--|---------------|--------------|
| Particulars | 2016-17 | 2015-16 |
| 22 : PURCHASE OF STOCK IN TRADE | | |
| Purchase of Stock in Trade | 102.99 | 68.21 |
| Total | 102.99 | 68.21 |

| | ₹ in Millions | |
|---|-----------------|-----------------|
| Particulars | 2016-17 | 2015-16 |
| 23 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN PROCESS & STOCK IN TRADE | | |
| Inventories at the end of the year | | |
| Finished Goods | 192.27 | 128.87 |
| Stock In Process | 486.51 | 427.57 |
| Stock - in Trade | 4.47 | Nil |
| Total (A) | 683.25 | 556.44 |
| Inventories at the beginning of the year | | |
| Finished Goods | 128.87 | 128.71 |
| Add: Addition on amalgamation with Bodal Agrotech Ltd. | 0.24 | Nil |
| Stock In Process | 427.57 | 331.61 |
| Stock - in Trade | Nil | Nil |
| Total (B) | 556.68 | 460.32 |
| Changes in Inventories | (126.57) | (96.12) |
| Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods | (7.78) | 5.47 |
| Changes In Inventories Of Finished Goods, Stock In Process & Stock in Trade | (118.79) | (101.59) |

| | ₹ in Millions | |
|---|---------------|---------------|
| Particulars | 2016-17 | 2015-16 |
| 24 : EMPLOYEE BENEFIT EXPENSES | | |
| Salaries, Wages & Bonus | 362.43 | 325.87 |
| Contribution to Provident & Other Funds(Refer Note 31) | 23.81 | 17.38 |
| Staff Welfare Expenses | 28.25 | 24.64 |
| Total | 414.49 | 367.89 |

| | ₹ in Millions | |
|---------------------------|---------------|---------------|
| Particulars | 2016-17 | 2015-16 |
| 25 : FINANCE COSTS | | |
| Bank Interest | 41.10 | 104.74 |
| Other Interest Expenses | 8.19 | 0.91 |
| Other Borrowing Cost | 17.05 | 16.34 |
| Total | 66.34 | 121.99 |

| | ₹ in Millions | |
|---|---------------|---------------|
| Particulars | 2016-17 | 2015-16 |
| 26 : DEPRECIATION AND AMORTISATION EXPENSE | | |
| Depreciation on Tangible Assets | 255.72 | 255.26 |
| Amortisation on Intangible Assets | 2.80 | 2.52 |
| Total | 258.52 | 257.78 |

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|--|-----------------|-----------------|
| 27 : OTHER EXPENSES | | |
| Stores Consumption (Note 27.2) | 42.85 | 46.86 |
| Power & Fuel Consumption | 495.17 | 496.83 |
| Repairs to | | |
| Machinery | 184.25 | 151.70 |
| Building | 15.68 | 14.48 |
| Others | 116 | 2.42 |
| Pollution Control Expenses | 136.51 | 83.86 |
| Rent & Taxes | 3.15 | 2.15 |
| Labour Charges | 174.88 | 148.02 |
| Insurance Expenses | 8.63 | 6.38 |
| Loss Due To Fire | Nil | 0.41 |
| Corporate Social Responsibility Expenses (Note 40) | 21.50 | 25.65 |
| Directors' Sitting fees | 0.50 | 0.55 |
| Travelling & Vehicle Expense | 23.92 | 21.25 |
| Legal & Professional Fees (Note 27.1) | 26.52 | 19.31 |
| Loss on Disposal of Assets | 3.44 | Nil |
| Exchange Rate Difference (Net) | Nil | 48.04 |
| Packing Material Consumption (Note 27.2) | 94.17 | 86.53 |
| Freight & Handling Charges | 206.04 | 199.67 |
| Advertisement & Business Promotion Expenses | 21.03 | 11.90 |
| Sales Commission | 65.23 | 75.68 |
| Cash Discount | 19.31 | 22.95 |
| Other Expenses | 74.61 | 61.41 |
| Total | 1,618.55 | 1,526.05 |

27.1 Legal & Professional Fees includes payment to auditors (excluding service tax) as below:

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|--------------------------|---------|---------|
| I) As Statutory Auditors | 1.20 | 1.20 |
| II) Taxation matters | 0.50 | 0.50 |

27.2 Composition of Stores and Packing Materials Consumption

₹ in Millions

| Particulars | 2016-17 | | 2015-16 | |
|--------------|---------------|----------------|---------------|----------------|
| Imported | Nil | Nil | Nil | Nil |
| Indigenous | 137.02 | 100.00% | 133.40 | 100.00% |
| Total | 137.02 | 100.00% | 133.40 | 100.00% |

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|--------------------------------------|--------------|--------------|
| 28 : EXCEPTIONAL ITEMS | | |
| Profit from Sale of Unit-V (Note 41) | 48.54 | Nil |
| Excess Provision Written Back | Nil | 78.99 |
| Total | 48.54 | 78.99 |

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 29 Contingent Liabilities and Commitments (to the extent not provided for) | | |
| (a) Contingent Liabilities | | |
| 1) Disputed matters in appeals/contested in respect of: | | |
| i. Income Tax | 30.12 | 29.56 |
| ii. Excise | 31.95 | 31.47 |
| iii. Service Tax | 0.39 | 0.61 |
| iv. Customs Department | Nil | 0.01 |
| Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. | | |
| 1) Letter of Credit issued by bankers and outstanding as on 31st March, 2017. | 91.50 | 59.50 |
| 2) Bank Guarantee issued by bankers and outstanding as on 31st March, 2017. | 47.80 | 52.74 |
| (b) Commitments | | |
| i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances. | 297.91 | 0.44 |

30 Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2017 are as under,

| Category | Currency | Buy/sell | Foreign Currency Value (in Millions) | Foreign Currency Value (₹ in Millions) |
|------------------|----------|----------|--------------------------------------|--|
| Forward Contract | USD | Sell | 4.20 | 272.05 |

Details of un-hedged foreign currency exposure as on 31/03/2017

| Particulars | Currency | As at 31st March, 2017 | | As at 31st March, 2016 | |
|-------------|----------|------------------------------------|------------------------|-----------------------------------|------------------------|
| | | Amount (in Currency) (in Millions) | Amount (₹ in Millions) | Amount (in Currency)(in Millions) | Amount (₹ in Millions) |
| Payable | USD | 3.76 | 244.05 | 2.71 | 179.46 |
| Payable | EURO | 0.01 | 0.87 | 0.01 | 0.78 |
| Payable | AED | 0.05 | 0.91 | Nil | Nil |
| Receivable | USD | 1.56 | 101.06 | 1.54 | 102.39 |
| Receivable | EURO | 0.01 | 0.84 | Nil | Nil |
| Borrowings | USD | 6.01 | 389.45 | 6.07 | 402.77 |

Notes to Financial Statements

for the year ended 31st March, 2017

31 Employees' Benefits

a) Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2017.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| Change in present value of obligations | | |
| Present value of obligations as at beginning of year | 22.46 | 18.19 |
| Interest cost | 1.80 | 1.45 |
| Current Service Cost | 4.31 | 4.18 |
| Benefits Paid | (1.57) | (0.35) |
| Actuarial (gain)/Loss on obligations | 3.56 | (1.01) |
| Present value of obligations as at end of year | 30.56 | 22.46 |
| Change in the fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 27.81 | 22.95 |
| Expected return on plan assets | 2.51 | 2.16 |
| Employers Contributions | 7.76 | 3.05 |
| Benefits paid | (1.57) | (0.35) |
| Actuarial (gain)/Loss on plan assets | Nil | Nil |
| Fair value of plan assets at the end of year | 36.51 | 27.81 |
| Net Gratuity Cost | | |
| Current Service cost | 4.31 | 4.18 |
| Interest Cost | 1.80 | 1.45 |
| Expected return on plan assets | (2.51) | (2.16) |
| Net Actuarial (gain)/Loss recognised in the year | 3.56 | (1.01) |
| Net Gratuity Cost | 7.16 | 2.46 |
| Actual Return on Plan Assets | | |
| Expected return on plan assets | 2.51 | 2.16 |
| Actuarial Gain/(Loss) on plan assets | Nil | Nil |
| Actual return on plan assets | 2.51 | 2.16 |
| Net (Asset)/Liability recognised in Balance Sheet | | |
| Net Liability/(Asset), beginning of the year | (5.35) | (4.76) |
| Gratuity Cost as above | 7.16 | 2.46 |
| Employers Contribution | (7.76) | (3.05) |
| Amount recognised in the Balance Sheet | (5.95) | (5.35) |
| Category of Assets | | |
| Insurer Managed Funds (100%) | 36.51 | 27.81 |
| Assumptions | | |
| Discount Rate | 8% | 8% |
| Salary Escalation | 7% | 7% |

The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

Notes to Financial Statements

for the year ended 31st March, 2017

Amount recognised in current year and previous four years

₹ in Millions

| Particulars | As at 31st March | | | | |
|--|------------------|--------|--------|--------|--------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Defined Benefit Obligation | 30.56 | 22.46 | 18.19 | 11.66 | 10.43 |
| Fair Value of Plan Assets | 36.51 | 27.81 | 22.95 | 15.85 | 10.08 |
| (Surplus) / Deficit in the plan | (5.95) | (5.35) | (4.75) | (4.19) | 0.36 |
| Actuarial (gain) / loss on plan obligation | 3.56 | (1.01) | 5.64 | (1.79) | (0.22) |
| Actuarial (gain) / loss on plan assets | Nil | Nil | Nil | Nil | Nil |
| Discount Rate | 8% | 8% | 8% | 8% | 8% |
| Salary Escalation | 7% | 7% | 7% | 7% | 7% |

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY. 2016-17

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|---|---------|---------|
| Employer's contribution to Provident Fund | 14.97 | 13.13 |
| Employer's contribution to E.S.I. | 1.13 | 1.33 |

32 Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Loans and advances in the nature of Loans to subsidiaries & associate.

₹ in Millions

| Sr. No. | Particulars | Relationship | As at 31st March, 2017 | As at 31st March, 2016 |
|---------|---------------------------|--|------------------------|------------------------|
| 1 | Bodal Agrotech Ltd. * | Wholly owned subsidiary up to 31st March, 2016 | Nil | 140.43 |
| 2 | SPS Processors Pvt. Ltd. | Subsidiary w.e.f 21st March, 2017 | 366.33 | Nil |
| 3 | Trion Chemicals Pvt. Ltd. | Associate concern w.e.f 16th March, 2017 | 158.12 | Nil |

- Loan to subsidiaries and associate has been given for acquisition of assets and other business purposes.
- The loanee does not have any investment in the shares of the Company.
- There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

* Bodal Agrotech Ltd is amalgamated with Bodal Chemicals Ltd w.e.f 1st, April, 2016

33 Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2017.

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

- | | |
|---------------------------|------------------------------|
| 1. Shri Suresh J. Patel | Chairman & Managing Director |
| 2. Shri Bhavin S. Patel | Executive Director |
| 3. Shri Ankit S. Patel | Executive Director |
| 4. Shri Mayur B. Padhya | Chief Financial Officer |
| 5. Shri Ashutosh B. Bhatt | Company Secretary |

Notes to Financial Statements

for the year ended 31st March, 2017

II. Enterprise under significant influence of key management personnel (Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Associate Concern (AC)

- (i) Trion Chemicals Pvt. Ltd. (W.e.f 16th March, 2017)

IV. Subsidiary Company (SC)

- (i) SPS Processors Pvt. Ltd. (W.e.f 21st March, 2017)

V. Wholly-owned Subsidiary Company (WOS)

- (i) Bodal Agrotech Ltd. (Up to 31st March, 2016)

b) Transactions with related parties

₹ in Millions

| Related party disclosure | Relationship | 2016-17 | 2015-16 |
|-------------------------------------|--------------|---------|---------|
| Remuneration | | | |
| Shri Suresh J. Patel | KMP | 11.02 | 11.83 |
| Shri Bhavin S. Patel | KMP | 7.24 | 7.44 |
| Shri Ankit S. Patel | KMP | 7.75 | 7.39 |
| Shri Mayur B. Padhya | KMP | 3.14 | 2.30 |
| Shri Ashutosh B. Bhatt | KMP | 0.57 | 0.42 |
| Loan Given | | | |
| Bodal Agrotech Ltd. | WOS | Nil | 93.64 |
| Trion Chemicals Pvt. Ltd. | AC | 192.40 | Nil |
| SPS Processors Pvt. Ltd. | SC | 366.46 | Nil |
| Loan Received Back | | | |
| Bodal Agrotech Ltd. | WOS | Nil | 0.24 |
| Trion Chemicals Pvt. Ltd. | AC | 149.46 | Nil |
| SPS Processors Pvt. Ltd. | SC | 0.14 | Nil |
| Loan Received | | | |
| Shri Suresh J. Patel | KMP | 475.28 | 16.50 |
| Shri Bhavin S. Patel | KMP | 116.83 | 15.95 |
| Shri Ankit S. Patel | KMP | 5.00 | 13.03 |
| Loan Repaid | | | |
| Shri Suresh J. Patel | KMP | 237.11 | 16.50 |
| Shri Bhavin S. Patel | KMP | 13.90 | 15.95 |
| Shri Ankit S. Patel | KMP | 2.40 | 13.03 |
| Purchases of Materials | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 1.17 | 14.73 |
| Bodal Agrotech Ltd. | WOS | Nil | 7.27 |
| SPS Processors Pvt. Ltd. | SC | 287.72 | Nil |
| Rent Expense | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 0.60 | 0.37 |
| Rent Income | | | |
| Bodal Agrotech Ltd. | WOS | Nil | 0.44 |
| A.G.M. Expenses | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.03 | 0.02 |

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Related party disclosure | Relationship | 2016-17 | 2015-16 |
|---|--------------|---------|---------|
| Business Development Expenses | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.01 | 0.09 |
| Canteen Expenses | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.72 | 0.39 |
| Commission Paid | | | |
| Shri Ankit S. Patel | KMP | Nil | 20.46 |
| Dividend Paid | | | |
| Shri Suresh J. Patel | KMP | 10.00 | 20.01 |
| Shri Bhavin S. Patel | KMP | 2.84 | 5.35 |
| Shri Ankit S. Patel | KMP | 1.96 | 3.37 |
| Shri Mayur B. Padhya | KMP | 0.06 | 0.12 |
| Interest Income | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | Nil | 0.80 |
| Trion Chemicals Pvt. Ltd. | AC | 19.59 | Nil |
| SPS Processors Pvt. Ltd. | SC | 1.37 | Nil |
| Sales of Asset | | | |
| Trion Chemicals Pvt. Ltd. | AC | 0.27 | Nil |
| Sales of Materials | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 34.12 | 43.67 |
| Bodal Agrotech Ltd. | WOS | Nil | 0.20 |
| Related Party Balances as at the year end. | | | |
| Amount Payable | | | |
| As Unsecured Loan | | | |
| Shri Suresh J. Patel | KMP | 238.17 | Nil |
| Shri Bhavin S. Patel | KMP | 102.93 | Nil |
| Shri Ankit S. Patel | KMP | 2.60 | Nil |
| As Trade Payables | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.03 | 0.08 |
| Bodal Agrotech Ltd. | WOS | Nil | 8.30 |
| SPS Processors Pvt. Ltd. | SC | 66.68 | Nil |
| As Short Term Provisions | | | |
| Shri Suresh J. Patel | KMP | 0.31 | 0.69 |
| Shri Bhavin S. Patel | KMP | 0.42 | 0.60 |
| Shri Ankit S. Patel | KMP | 0.27 | 13.87 |
| Shri Mayur B. Padhya | KMP | 0.14 | 0.12 |
| Shri Ashutosh B. Bhatt | KMP | 0.04 | 0.03 |
| As Investment | | | |
| As Equity shares | | | |
| Trion Chemicals Pvt. Ltd. | AC | 29.06 | Nil |
| SPS Processors Pvt. Ltd. | SC | 40.91 | Nil |
| As Preference shares | | | |
| Trion Chemicals Pvt. Ltd. | AC | 75.00 | Nil |
| Amounts Receivable | | | |
| As Trade Receivables | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 22.73 | 9.13 |
| As Advance Given to Supplier | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 41.64 | 15.56 |

Notes to Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Related party disclosure | Relationship | 2016-17 | 2015-16 |
|-------------------------------------|--------------|---------|---------|
| As Loan to Subsidiary | | | |
| Bodal Agrotech Ltd. | WOS | Nil | 140.43 |
| SPS Processors Pvt. Ltd. | SC | 366.33 | Nil |
| As Loan to Associate concern | | | |
| Trion Chemicals Pvt. Ltd. | AC | 158.12 | Nil |

Notes:-

- (i) Bodal Agrotech Ltd is amalgamated with Bodal Chemicals Ltd w.e.f 1st, April, 2016 and in previous year loan was given for acquisition of assets and other business purposes and has been utilized for the same.
- (ii) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

34 Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

₹ in Millions

| Particulars | 2016-17 | | | 2015-16 | | |
|-------------------------------------|---------------------|---------------------|-----------|---------------------|---------------------|----------|
| | Domestic Operations | External Operations | Total | Domestic Operations | External Operations | Total |
| Segment Revenue | 8,352.24 | 3,489.20 | 11,841.44 | 6,088.02 | 3,009.86 | 9,097.88 |
| Carrying Cost of Segment Assets | 6,319.19 | 505.06 | 6,824.25 | 4,709.37 | 431.15 | 5,140.52 |
| Capital Expenditure during the year | 476.44 | Nil | 476.44 | 174.25 | Nil | 174.25 |

- a) Revenue from external operations comprises of income from sale of products, and other operating revenues.
- b) Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- c) Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

35 Earnings per Equity Share

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|---|-------------|-------------|
| Net Profit/(Loss) after Tax as per statement of Profit and Loss | 1,286.12 | 865.99 |
| Weighted average number of Equity Shares | 109,107,370 | 109,107,370 |
| Basic and Diluted Earnings per Share (in ₹) | 11.79 | 7.94 |
| Nominal Value per Share (in ₹) | 2 | 2 |

Notes to Financial Statements for the year ended 31st March, 2017

36 Value of Imports on CIF Basis

₹ in Millions

| Particulars | 2016-2017 | 2015-2016 |
|-----------------|-----------|-----------|
| Raw Materials | 744.72 | 427.19 |
| Other Materials | 1.03 | Nil |
| Capital Goods | 4.03 | Nil |

37 Earning in Foreign Currency

₹ in Millions

| Particulars | 2016-2017 | 2015-2016 |
|-------------------------|-----------|-----------|
| F.O.B. Value of Exports | 3,410.31 | 2,934.71 |

38 Expenditure in Foreign Currency

₹ in Millions

| Particulars | 2016-2017 | 2015-2016 |
|------------------------------|-----------|-----------|
| Travelling | 2.61 | 1.92 |
| Commission | 41.41 | 40.39 |
| Business Development Expense | 2.32 | 0.48 |
| Bank Charges | 7.03 | 5.31 |
| Interest Expense | 11.40 | 9.94 |
| Repairs to Machinery | Nil | 0.66 |
| Other Selling Expense | 0.07 | 0.54 |
| Cash Discount | 0.08 | 0.27 |

- 39 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2016-17, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| a. Principal and interest amount remaining unpaid | 8.09 | 5.99 |
| b. Interest due thereon remaining unpaid | - | - |
| c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | - | - |
| d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| e. Interest accrued and remaining unpaid | - | - |
| f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

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

Notes to Financial Statements

for the year ended 31st March, 2017

40 Corporate Social Responsibility Expenses

A. Gross amount required to be spent by the Company during the year 2016-17 – ₹21.47 millions (Previous year – ₹10.64 millions)

B. Amount spent during the year on :

₹ in Millions

| Particulars | 2016-17 | | | 2015-16 | | |
|---|----------|------------------------|-------|----------|------------------------|-------|
| | In Cash* | Yet to be paid in cash | Total | In Cash* | Yet to be paid in cash | Total |
| i) Construction / Acquisition of any Assets | – | – | – | – | – | – |
| ii) Purposes other than (i) above | 21.50 | | 21.50 | 25.65 | | 25.65 |

*Represents actual outflow during the year.

41 Exceptional items

During the Year, the Company has sold out Unit-5 located at Ankleswar- GIDC, Bharuch, Gujarat. The company has gained ₹48.54 millions out of sale of whole unit and the same is disclosed under "Exceptional items" in the statement of Profit and loss.

Further, the revenue of Unit- V of the Company during the last financial year was nominal and the company has also not calculated capacity of Unit V in total production of capacity disclosed by the company.

42 Amalgamation of Wholly Owned Subsidiary with the Company

Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for amalgamation of the erstwhile wholly owned subsidiary, Bodal Agrotech Ltd. (Transferor Company) whose business of manufacturing as well as trading of the chemicals products merged with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat. The effect of the merger has been given in the accounts as per the scheme sanctioned.

The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, the assets, liabilities and reserves of the erstwhile Bodal Agrotech Ltd. as on the appointed date have been merged with the Company at their book values. The net impact of the merger on assets, liabilities and reserves as on the appointed date is as below:

| Particulars | Amount (₹ in Millions) |
|-------------------------------------|------------------------|
| Share capital * | 17.00 |
| Reserves & Surplus | (49.04) |
| Long term Borrowings | 140.43 |
| Trade Payable | 8.37 |
| Other Current Liabilities | 22.14 |
| Total Equity and Liabilities | 138.90 |
| Tangible Assets | 78.25 |
| Deferred Tax Assets (Net) | 14.41 |
| Long-term Loans and Advances | 2.47 |
| Other Non-Current Assets | 0.03 |
| Inventories | 25.08 |
| Trade Receivables | 9.13 |
| Cash and Bank Balances | 0.20 |
| Short-term Loans and Advances | 9.33 |
| Total Assets | 138.90 |

Transferor Company being a wholly owned subsidiary of the Company neither any shares were required to be issued nor any consideration was paid.

Notes to Financial Statements

for the year ended 31st March, 2017

* On amalgamation ₹17 millions carrying value of investment in equity of the transferor company eliminated in books of Transferee Company against Equity Share Capital of the Transferor Company.

The scheme was given effect to in the financial statement from 1st April, 2016 and accordingly all the assets, liabilities, reserves and surplus of Transferor Company were recorded in the books of the transferee Company at their carrying amounts.

The figures for the previous year do not include figures for the erstwhile Bodal Agrotech Ltd. and accordingly the current year's figures are not comparable to those of the previous year.

- 43** During the year, the Company has acquired 70% of the equity shares in SPS Processors Pvt. Ltd. As a result of this acquisition, SPS Processors Pvt Ltd. has become a subsidiary of the Company with effect from 21st March, 2017.
- 44** During the year, the Company has acquired 41.51% of the equity shares and 100% of the preference shares in Trion Chemicals Pvt. Ltd. As a result of this acquisition, Trion Chemicals Pvt. Ltd. has become an Associate concern of the Company with effect from 16th March, 2017.
- 45** Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For **Mayank Shah & Associates**
Chartered Accountants
Firm Registration No. 106109W

(M.S. Shah)

Partner
Membership No. 44093

Ahmedabad
May 25, 2017

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director
DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad
May 25, 2017

(Ankit S. Patel)

Executive Director
DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary



CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report

To
The Members of
Bodal Chemicals Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of BODAL CHEMICALS LIMITED (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its associate company comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("the Rules") (particularly Accounting Standard 21 – Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

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 the reports of other auditors, on separate financial statements of the subsidiary and associate, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in the case of Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March 2017;
- ii) in the case of the Consolidated statement of Profit and Loss, of the Consolidated profits for the year ended on that date; and
- iii) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.



Other Matters

We did not audit the financial statements of subsidiary company, whose financial statements reflect total assets of ₹626.34 millions as at 31st March, 2017, total revenues of ₹811.31 millions and net cash flows amounting to ₹100.75 millions for the year ended on that date as considered in the Consolidated Financial statements. We did not audit the financial statements of associate included in the consolidated financial statements reflect Group's share of net loss of ₹(0.29) millions for the period ended 31st March, 2017. These Financial Statements have been audited by other auditors whose report have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of subsidiary and associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary and associate, is based solely on the reports of the other auditor.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements of a subsidiary company, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017

taken on record by the Board of Directors of the Holding Company and on the basis of the relevant assertion contained in the audit report on standalone financial statement which is incorporated in India, none of the directors of the Group are disqualified as on 31st March, 2017 from being appointed as a director of that company in terms of sub section 2 of Section 164 of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, subsidiary company and its associated company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements as also the other financial information of subsidiary company, as noted in the 'Other Matter' paragraphs:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its Associate Company – Refer Note 30 to the consolidated financial statements.
 - ii. The Group and its associate company, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education & Protection Fund by the Holding Company, its Subsidiary company and its Associate company during the year ended 31st March, 2017.
 - iv. The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 17.1 to the consolidated financial statements.

For **Mayank Shah & Associates**
Chartered Accountants
Firm Registration No: 106109W

M.S. Shah
Partner
Membership No. 044093

Ahmedabad
May 25, 2017

Annexure 'A' to the Independent Auditors' Report

31st March 2017 on the Consolidated Financial Statements

(Referred to our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Group and its associate as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of the BODAL CHEMICALS LIMITED (Holding Company), its subsidiary Company and its associate company, incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and its associate company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company, its subsidiary Company and its associate company, incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company, its subsidiary Company and its Associate Company, incorporated in India, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial

controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary Company and its associated company incorporated in India, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company, its subsidiary company and its associate 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 31st March, 2017, based on the internal controls over financial reporting criteria established by the Holding

Company and its subsidiary Company, incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No: 106109W

M.S. Shah

Partner

Membership No. 044093

Ahmedabad

May 25, 2017

Consolidated Balance Sheet

As at 31st March, 2017

₹ in Millions

| Particulars | Note | As at 31st March, 2017 | As at 31st March, 2016 |
|--|------|---------------------------|---------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds : | | | |
| Share Capital | 3 | 218.21 | 218.21 |
| Reserves and Surplus | 4 | 3,374.39 | 2,127.77 |
| | | 3,592.60 | 2,345.98 |
| Minority Interest | | | |
| | | 17.61 | Nil |
| Non-Current Liabilities | | | |
| Long-term borrowings | 5 | 78.63 | 6.79 |
| Deferred Tax Liability (Net) | 6 | 189.57 | 153.66 |
| | | 268.20 | 160.45 |
| Current Liabilities | | | |
| Short-term borrowings | 7 | 1,411.52 | 1,422.25 |
| Trade Payables | 8 | | |
| Due to Micro and Small Enterprises | | 8.09 | 5.99 |
| Due to Others | | 1,545.60 | 1,040.82 |
| Other Current Liabilities | 9 | 103.18 | 78.43 |
| Short Term Provisions | 10 | 28.63 | 44.91 |
| | | 3,097.02 | 2,592.40 |
| Total | | 6,975.43 | 5,098.83 |
| ASSETS | | | |
| Non - Current Assets : | | | |
| Fixed Assets | | | |
| | 11 | | |
| Tangible Assets | | 2,206.69 | 1,909.85 |
| Intangible Assets | | 8.12 | 9.63 |
| Capital work-in-progress | | 91.67 | 2.72 |
| | | 2,306.48 | 1,922.20 |
| Non-Current Investments | 12 | 125.04 | 16.27 |
| Long Term Loans and Advances | 13 | 468.11 | 85.62 |
| Other Non-current assets | 14 | 10.38 | 0.45 |
| | | 2,910.01 | 2,024.54 |
| Current Assets | | | |
| Inventories | 15 | 1,308.18 | 898.02 |
| Trade Receivables | 16 | 2,305.49 | 1,666.79 |
| Cash and Bank Balances | 17 | 167.07 | 38.55 |
| Short - Term Loans & Advances | 18 | 248.51 | 423.84 |
| Other Current Assets | 19 | 36.17 | 47.09 |
| | | 4,065.42 | 3,074.29 |
| Total | | 6,975.43 | 5,098.83 |
| Significant Accounting Policies | 2 | | |
| Notes are an integral part of the financial statements | | | |

As Per Our Report of even date attached

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 25, 2017

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017

(Ankit S. Patel)

Executive Director

DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2017

₹ in Millions

| Particulars | Note | Year 2016-17 | Year 2015-16 |
|--|------|------------------|-----------------|
| INCOME | | | |
| Revenue from Operations | | | |
| Sale of Products | 20A | 13,282.98 | 9,759.71 |
| Other Operating Income | 20B | 128.36 | 129.37 |
| | | 13,411.34 | 9,889.08 |
| Less : Excise Duty | | 1,048.37 | 789.92 |
| | | 12,362.97 | 9,099.16 |
| Other Income | 21 | 68.30 | 119.70 |
| Total Revenue | | 12,431.27 | 9,218.86 |
| EXPENSES | | | |
| Cost of Materials Consumed | 22 | 7,971.06 | 5,731.51 |
| Purchases of Stock-in Trade | 23 | 102.99 | 75.98 |
| Changes in Inventories of Finished Goods and Stock in Process | 24 | (100.81) | (101.80) |
| Employee Benefits Expenses | 25 | 428.68 | 367.89 |
| Finance Costs | 26 | 86.91 | 121.99 |
| Depreciation and Amortisation expense | 27 | 288.94 | 257.90 |
| Other Expenses | 28 | 1,703.12 | 1,527.68 |
| Total Expenses | | 10,480.89 | 7,981.15 |
| Profit Before Exceptional Items and Taxes | | 1,950.38 | 1,237.71 |
| Exceptional Items | 29 | 48.54 | 67.55 |
| Profit Before Taxes | | 1,998.92 | 1,305.26 |
| Tax Expenses | | | |
| Current Tax | | 664.02 | 408.89 |
| Deferred Tax | | 36.35 | 31.06 |
| Taxes of earlier years | | 12.09 | 5.44 |
| | | 712.46 | 445.39 |
| Profit for the year before share of Profit /(Loss) of Associate and Minority Interest | | 1,286.46 | 859.87 |
| Less : Share of Loss of Associate of the Year | | (0.29) | Nil |
| Profit before Minority Interest | | 1,286.17 | 859.87 |
| Pre-Acquisition Profit adjusted against Capital Reserve | | (0.23) | Nil |
| Minority Share in Profit | | (0.10) | Nil |
| Net Profit for the year | | 1,285.84 | 859.87 |
| Earnings per equity share (Face value of ₹2) | 36 | | |
| Basic and diluted (in ₹) | | 11.79 | 7.88 |
| Significant Accounting Policies | 2 | | |
| Notes are an integral part of the financial statements | | | |

As Per Our Report of even date attached

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 25, 2017

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

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(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017

(Ankit S. Patel)

Executive Director

DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

₹ in Millions

| Particulars | Year 2016-17 | Year 2015-16 |
|--|-----------------|-----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax and after exceptional items | 1,998.92 | 1,305.26 |
| Adjustment for | | |
| Depreciation and Amortisation | 288.94 | 257.90 |
| Recovery of Bad Debts | Nil | (59.23) |
| Unrealised Foreign Exchange Loss / (Gain) | (23.07) | (15.37) |
| Finance Cost | 86.91 | 121.99 |
| Exceptional Item | (48.54) | (67.55) |
| Provision for Diminution in Investments | Nil | 1.54 |
| (Profit)/Loss on Sale of Assets (Net) | 3.39 | (0.59) |
| Interest/Dividend/Rent received | (25.74) | (15.90) |
| Profit on sale of Investments | (5.49) | (0.10) |
| Operating Profit before Working Capital Changes | 2275.32 | 1,527.95 |
| Adjustment for: | | |
| (Increase) / Decrease in Trade Receivables | (591.84) | 355.04 |
| (Increase) / Decrease in Inventories | (311.42) | (118.46) |
| (Increase) / Decrease in Other Receivables | 130.66 | (43.61) |
| Increase / (Decrease) in Trade Payables | 324.39 | (51.14) |
| Cash generated from Operations | 1827.11 | 1,669.78 |
| Direct Taxes Paid (Net of Refund) | 697.84 | 357.51 |
| Net Cash from Operating Activities (A) | 1129.27 | 1,312.27 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets including Capital Work in Progress and capital advances | (589.00) | (244.06) |
| Sale proceeds of Tangible Assets | 57.63 | 2.55 |
| Loan given to Associated Concern | (158.12) | Nil |
| Interest/Dividend/Rent received | 25.74 | 15.90 |
| Sale proceed of Current Investment | 1,085.49 | 220.10 |
| Purchase of Current Investments | (1,080.00) | (220.00) |
| Purchase of Non-Current Investments | (5.00) | Nil |
| Investments in Associates | (104.06) | Nil |
| Net Cash used in Investing Activities (B) | (767.32) | (225.51) |

Consolidated Cash Flow Statement

for the year ended 31st March, 2017

₹ in Millions

| Particulars | Year 2016-17 | Year 2015-16 |
|--|-----------------|-------------------|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term Borrowings | 1.18 | 1.15 |
| Repayment of Long Term Borrowings | (118.40) | (856.43) |
| Increase / (Decrease) in Short Term Borrowings | 15.89 | 211.16 |
| Redemption of Preference Share Capital | Nil | (250.00) |
| Finance Cost | (86.91) | (121.99) |
| Dividend Paid | (39.54) | (77.97) |
| Net Cash used in Financing Activities (C) | (227.78) | (1,094.08) |
| NET INCREASE/(DECREASE) IN CASH & EQUIVALENTS | 134.17 | (7.32) |
| Cash & Cash Equivalents at the beginning of the year | 11.02 | 12.02 |
| Cash & Cash Equivalents at the end of the year | 145.19 | 4.70 |

As Per Our Report of even date attached

Significant Accounting Policies as per Note 2

Notes are an integral part of the financial statements

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

Ahmedabad

May 25, 2017

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

Ahmedabad

May 25, 2017

(Ankit S. Patel)

Executive Director

DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

1 Company Background

- 1.1 The Consolidated Financial Statements present the consolidated accounts of Bodal Chemicals Ltd. and its Subsidiary SPS Processors Pvt. Ltd. (together constitute 'the Group') and associate Trion Chemicals Pvt. Ltd.

The list of Subsidiary and Associate which are included in the consolidation with their respective country of incorporation and the Group's holding therein, is given below:-

| Name of the Company | Relationship | Country of Incorporation | Proportion of Ownership of Interest | |
|---------------------------|--|--------------------------|-------------------------------------|------------|
| | | | 31/03/2017 | 31/03/2016 |
| SPS Processors Pvt. Ltd. | Subsidiary w.e.f. 21th March, 2017 | India | 70.00 | Nil |
| Trion Chemicals Pvt. Ltd. | Associate concern w.e.f. 16th March, 2017 | India | 41.51 | Nil |
| Bodal Agrotech Limited* | Wholly owned subsidiary up to 31st March, 2016 | India | Nil | 100.00 |

* Bodal Agrotech Ltd is amalgamated with Bodal Chemicals Ltd w.e.f. 1st, April, 2016

- 1.2 Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.
- 1.3 Disclosures mandated by Schedule III of the Companies Act, 2013, by way of additional information

| Name of the Entities | Net Assets i.e. total assets minus total liabilities | | Share in Profit / (Loss) | |
|--|--|------------------------|-------------------------------------|------------------------|
| | As % of consolidated net assets | Amount (₹ in Millions) | As % of consolidated profit or loss | Amount (₹ in Millions) |
| Parent | | | | |
| Bodal Chemicals Ltd. | 100.01% | 3593.14 | 100.02% | 1,286.12 |
| Subsidiary | | | | |
| SPS Processors Pvt. Ltd. Ltd. | 1.63% | 58.71 | 0.00% | 0.01 |
| Associates | | | | |
| Trion Chemicals Pvt. Ltd. | | | (0.02) | (0.29) |
| Inter-company eliminations & Consolidation adjustments | (1.64%) | (59.25) | Nil | Nil |
| Total | 100.00% | 3,592.60 | 100.00% | 1,285.84 |

2 Significant Accounting Policies :

2.1 Principles of Consolidation

The Consolidated Financial Statements present the consolidated accounts of Bodal Chemicals Ltd. ("the Company"), its Subsidiary SPS Processors Private Limited (together referred to as "the Group") and Group's share of Profit / Loss in its associate company. The Consolidated Financial Statements have been prepared on following basis:

- The financial statements of the Company and its subsidiary company have been consolidated on a line-by-line basis by adding together the value of like items of assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions and resulting profits or losses in accordance with Accounting Standard (AS) 21 - "Consolidated financial Statements".
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviations, if any to the extent possible, are made in the consolidated financial statements and are presented to the extent possible, in the same manner as the Company's standalone financial statements.
- The difference between the cost of investments in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Capital Reserve on Consolidation.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

- iv) Minority Interest's share in net assets of consolidated subsidiary is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- v) An investment in associate company is accounted for using equity method in accordance with Accounting Standard (AS) 23 - "Accounting for Investments in Associates in consolidated financial statements". Accordingly, the share of profit/loss of the associate company (the loss being restricted to the cost of investment) has been added to/ deducted from the cost of investments.
- vi) The Company accounts for its share in the change in the net assets of the associate, post acquisition, after eliminating unrealised profits and losses resulting from the transaction..

2.2 Basis of Preparation of Financial Statements

a) Basis of Accounting

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable and in particular Accounting Standard 21 (AS 21) - 'Consolidated Financial Statements'.

b) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revisions to accounting estimates are recognised prospectively in current and future periods.

c) Current / Non Current Classification

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and

the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

2.3 Fixed Assets and Depreciation/Amortization

a) Tangible Assets

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible fixed assets of the company is provided using Written Down Value Method on pro-rata basis at rates and in manner specified in Schedule II of the Companies Act, 2013 except based on technical analysis carried out by the management, remaining useful life in respect of certain plant & machineries situated at Unit-II, Unit-III & Unit-V is considered as 5 years.

b) Intangible Assets

The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Intangible assets are amortized on a straight-line basis over their technically assessed useful lives, as mentioned below:

| Intangible Assets | Estimated Useful Lives (Years) |
|-------------------|--------------------------------|
| Software | 5 |
| License | 10 |
| Website | 5 |

c) Capital Work in Progress & Capital Advances

Cost of Assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Long Term Loans & Advances.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

d) Impairment

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

2.4 Investments

Investments are classified into current and non-current investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as non-current investments.

Current investments are carried at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

Non-current investments are stated at cost. A provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is recognised in the Statement of Profit and Loss.

2.5 Inventories

(a) Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade of holding company are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

Raw Materials, packing materials, stores and spares and consumables of subsidiary company are valued at cost. Work in progress of subsidiary company is valued at estimated cost.

(b) In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

(d) Materials in transit are valued at cost-to-date.

2.6 Transactions in Foreign Currency:

a) Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

b) Measurement of foreign currency items at the Balance Sheet date:

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

c) Forward exchange contracts:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the period in which the exchange rates change. Any Profit or Loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or expense for the period.

2.7 Revenue Recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax/VAT and is net of returns & discounts. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross turnover. The excise duty related to the difference between the closing stock and opening stock is recognised separately as part of changes in inventories of finished goods, work in progress and stock in trade.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

Export Incentives are recognised when the right to receive credit as per the terms of Incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on the time proportion basis.

under defined benefit plan, are based on the market yields on Government securities as at the Balance sheet date.

The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

The Company has funded its gratuity liability with Life Insurance Corporation of India (LIC) under the Group Gratuity Cash Accumulation Plan.

2.8 Employee Benefits

a) Short Term Employees Benefit

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, short term compensated absences, ex-gratia, etc. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

b) Post Employment Benefit

Defined Contribution Plans :

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme and Employees' State Insurance Corporation (ESIC) which are a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plans :

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The discount rates used for determining the present value of the obligation

c) Compensated Absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

2.9 Borrowing Cost

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, upto the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

2.10 Provisions and Contingencies

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

2.11 Taxes on Income

Income tax expenses comprise current and deferred taxes. Current tax is determined on income for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws and after considering credit for Minimum Alternate Tax (MAT) available under the said Act. MAT paid in accordance with the tax laws which gives future economic benefits in the form of adjustments to future tax liability, is considered as an asset if there is convincing evidence that the future economic benefit associated with it will flow to the Company resulting in payment of normal income tax.

Deferred tax is recognised on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax assets are recognised for timing differences other than unabsorbed depreciation and carry forward losses only to the extent that there is a reasonable certainty that there will be sufficient future taxable income to realise the assets. Deferred tax asset pertaining to unabsorbed depreciation and carry forward of losses are recognised only to the extent there is a virtual certainty of its realisation.

2.12 Governments Grants/Subsidy

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grant related to depreciable assets is shown as a deduction from the gross value of the asset concerned in arriving at its book value. The grant is thus recognised in the profit and loss statement over the useful life of a depreciable asset by way of a reduced depreciation charge.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

2.13 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after deducting preference dividends and attributable taxes by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, if any.

2.14 Cash and Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

2.15 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 Proposed Dividend

Dividend recommended by the Board of Directors is provided for in the accounts, pending approval at the Annual General Meeting.

2.17 Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 3 : Share Capital | | |
| Authorised Share Capital | | |
| 13,50,00,000 (P.Y. 12,00,00,000) Equity Shares of ₹2/- each | 270.00 | 240.00 |
| 2,50,00,000 (P.Y. 2,50,00,000) Preference Share of ₹10/- each | 250.00 | 250.00 |
| | 520.00 | 490.00 |
| Issued, Subscribed & Paid up Share Capital | | |
| 10,91,07,370 Equity Shares of ₹2/- each (P. Y. 10,91,07,370 Equity Shares of ₹2/- each) | 218.21 | 218.21 |
| Total | 218.21 | 218.21 |

3.1 Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of Bodal Agrotech Ltd. (Transferor Company) with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat dated 11th November 2016, Authorised Share Capital of Bodal Agrotech Ltd. of ₹30 millions has been added in the Authorised Share Capital of the Company.

3.2 Reconciliation of the number of Shares

| Particulars | As at 31st March, 2017 No. of Shares | As at 31st March, 2016 No. of Shares |
|--------------------------|--|--|
| Equity Shares | | |
| Opening balance | 109,107,370 | 109,107,370 |
| Issued during the Year | Nil | Nil |
| Closing balance | 109,107,370 | 109,107,370 |
| Preference Shares | | |
| Opening balance | Nil | 25,000,000 |
| Redeemed during the Year | Nil | 25,000,000 |
| Closing balance | Nil | Nil |

3.3 Rights, preferences and restrictions attached to shares

Equity shares

The Company has only one class of equity shares having a par value of ₹2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

3.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of Shareholder | As at 31st March, 2017 | | As at 31st March, 2016 | |
|------------------------|---------------------------|--------|---------------------------|--------|
| | No. of Shares | % held | No. of Shares | % held |
| Equity Shares : | | | | |
| Shri Suresh J. Patel | 3,46,95,151 | 31.80 | 3,33,45,151 | 30.57 |
| Shri Bhavin S. Patel | 94,59,549 | 8.67 | 94,59,549 | 8.67 |
| Shri Ankit S. Patel | 65,36,550 | 5.99 | 65,36,550 | 5.99 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

3.5 The Board of Directors at its meeting held on 3rd August, 2016 declared an interim dividend of ₹0.30 (Paise thirty only) per equity share of ₹2/- each. The total dividend appropriation for the year ended 31st March, 2017 amounted to ₹39.40 millions including corporate dividend tax of ₹6.67 millions.

3.6 The Board of Directors at its meeting held on 25th May, 2017 has recommended a final dividend of ₹0.50 (Paise fifty only) per equity share for the financial year ended March 31, 2017. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of ₹65.66 millions including corporate dividend tax of ₹11.11 millions.

| Particulars | ₹ in Millions | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 4 : Reserves & Surplus | | |
| Capital Reserves on Consolidation | 0.18 | Nil |
| Capital Reserves | | |
| At the commencement and at the end of the year | 76.12 | 76.12 |
| Capital Redemption Reserve Fund | | |
| At the commencement of the year | 289.67 | 39.67 |
| Add : Transferred from Profit & Loss Account | Nil | 250.00 |
| At the end of the year | 289.67 | 289.67 |
| Securities Premium Account | | |
| At the commencement and at the end of the year | 222.04 | 222.04 |
| General Reserve | | |
| At the commencement and at the end of the year | 138.86 | 138.86 |
| Surplus / (Deficit) in the Statement of Profit and Loss | | |
| At the commencement of the year | 1,401.08 | 870.00 |
| Add : Surplus during the year | 1,285.84 | 859.87 |
| | 2,686.92 | 1,729.87 |
| Less : Appropriations : | | |
| Interim Dividend on Equity Shares | 32.73 | 65.47 |
| Tax on Dividends | 6.67 | 13.32 |
| Transfer to Capital Redemption Reserve | Nil | 250.00 |
| | 39.40 | 328.79 |
| At the end of the year | 2,647.52 | 1,401.08 |
| Total | 3,374.39 | 2,127.77 |

| Particulars | ₹ in Millions | |
|---------------------------------|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 5 : Long Term Borrowings | | |
| Secured | | |
| Term loan from Banks | 60.91 | Nil |
| Term loan from Others | 10.58 | Nil |
| Unsecured | | |
| Trade Deposits | 7.14 | 6.79 |
| Total | 78.63 | 6.79 |

Current Maturities of Long Term Borrowings (Refer Note 9) 19.12 Nil

5.1 Term Loans from Banks & Others are secured by way of First charge ranking in each case with the other on all of the present & future Fixed Assets & a floating charge on remainder assets of the subsidiary company and Hyp. Of Inventories and Book Debts and personally guaranteed by the Directors of the subsidiary company.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 6 : Deferred Tax Liabilities (Net) | | |
| Deferred Tax Liabilities | | |
| Difference between book depreciation and tax depreciation | 191.36 | 174.88 |
| Expense claimed for tax purpose on payment basis | 0.21 | 0.21 |
| Deferred Tax Assets | | |
| Unabsorbed Depreciation & c/f loss | Nil | (17.51) |
| Preliminary Expenses | (0.03) | Nil |
| Expenditure covered by section 43B of Income Tax Act, 1961 | (197) | (3.92) |
| Total | 189.57 | 153.66 |

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|----------------------------------|---------------------------|---------------------------|
| 7 : Short Term Borrowings | | |
| Secured | | |
| Repayable on Demand | | |
| Working Capital Loans from Banks | 891.97 | 1,396.14 |
| Unsecured | | |
| Working Capital Loans from Banks | 100.00 | Nil |
| Loans From Directors | 343.70 | Nil |
| Loans From Corporates | 75.85 | 26.11 |
| Total | 1,411.52 | 1,422.25 |

7.1 Working Capital Loans from Banks are secured by Hyp. Of Inventories, Book Debts and bills drawn under letter of credit and confirmed contracts and collaterally secured by equitable mortgage of Immovable property and Hyp. Of P&M of the company and personal guarantees of the Chairman and Managing Director and Executive directors.

7.2 Unsecured Working Capital Loan from Bank is personally guaranteed by Chairman and Managing Director and Executive directors.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 8 : Trade Payables | | |
| Due to Micro and Small Enterprises (Refer Note 40) | 8.09 | 5.99 |
| Due to Others (Note 8.1) | 1,545.60 | 1,040.82 |
| Total | 1,553.69 | 1,046.81 |

8.1 Trade Payables include ₹0.03 millions (P.Y. ₹0.08 millions) to related parties (refer note 34)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

| Particulars | ₹ in Millions | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 9 : Other Current Liabilities | | |
| Current Maturities of Long Term Debt (Refer Note 5) | 19.12 | Nil |
| Advance Received from Customers | 5.24 | 15.00 |
| Unclaimed Dividends (Note 9.1) | 2.24 | 2.38 |
| Creditors for Capital Goods | 22.22 | 22.37 |
| Other Current Liabilities (Note 9.2) | 9.92 | 11.00 |
| Statutory Liabilities (Note 9.3) | 44.44 | 27.68 |
| Total | 103.18 | 78.43 |

9.1 There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as on 31st March 2017.

9.2 Other Current Liabilities includes Deferred Premium, Interest payable, expenses payable etc.

9.3 Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

| Particulars | ₹ in Millions | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2017 | As at 31st March, 2016 |
| 10 : Short Term Provisions | | |
| Provision for Employee Benefits (Refer Note 32) | 27.99 | 44.91 |
| Provision for Income Tax | 0.64 | Nil |
| Total | 28.63 | 44.91 |

10.1 Provision for Employee Benefits include ₹1.18 millions (PY. ₹15.31 millions) to related parties (refer note 34)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

11 : Fixed Assets

| ₹ in Million | | | | | | | | | |
|----------------------------|---------------------|---------------|--------------|-----------------------------|---------------------|---------------|--------------|---------------------|---------------------|
| Description | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
| | As At 01.04.2016 | Addition | Deduction | As At 31.03.2017 | As At 01.04.2016 | Addition | Deduction | As At 31.03.2017 | As At 31.03.2016 |
| Tangible Assets : | | | | | | | | | |
| Land | 145.29 | 5.83 | 0.43 | 150.69 | Nil | Nil | Nil | 150.69 | 110.63 |
| Factory Building | 846.73 | 64.18 | 1.71 | 909.20 | 384.80 | 45.88 | 1.24 | 429.44 | 431.21 |
| Office Building | 25.07 | Nil | Nil | 25.07 | 5.86 | 0.94 | Nil | 18.27 | 19.21 |
| Plant & Machinery | 3,251.80 | 280.26 | 19.25 | 3,512.81 | 1,809.67 | 218.64 | 15.00 | 2,013.31 | 1,307.76 |
| Furniture & Fixture | 475.2 | 1.84 | 0.02 | 493.4 | 37.25 | 3.35 | 0.01 | 40.59 | 10.23 |
| Office Equipment | 31.31 | 5.45 | - | 36.76 | 24.53 | 4.83 | - | 7.40 | 6.77 |
| Vehicles | 70.21 | 34.69 | 15.89 | 89.01 | 42.76 | 12.50 | 8.57 | 42.32 | 24.04 |
| Total (A) | 4,417.93 | 392.25 | 37.30 | 4,772.88 | 2,304.87 | 286.14 | 24.82 | 2,206.69 | 1,909.85 |
| Intangible Assets : | | | | | | | | | |
| Good will | 104.68 | Nil | Nil | 104.68 | 104.68 | Nil | Nil | 104.68 | Nil |
| Trade mark | 0.09 | Nil | Nil | 0.09 | 0.09 | Nil | Nil | Nil | Nil |
| Computer Software | 5.66 | 1.29 | Nil | 6.95 | 3.43 | 1.13 | Nil | 2.39 | 2.23 |
| Membership Fees | 14.69 | Nil | Nil | 14.69 | 7.29 | 1.67 | Nil | 5.73 | 7.40 |
| Website | 0.09 | Nil | Nil | 0.09 | 0.09 | - | Nil | Nil | - |
| Total (B) | 125.21 | 1.29 | Nil | 126.50 | 115.58 | 2.80 | Nil | 8.12 | 9.63 |
| Total (A+B) | 4,543.14 | 393.54 | 37.30 | 4,899.38 | 2,420.45 | 288.94 | 24.82 | 2,214.81 | 1,919.48 |
| Previous Year | 4,039.20 | 281.88 | 11.81 | 4,309.27 | 2,141.74 | 257.90 | 9.85 | 1,919.48 | 1,897.46 |
| Capital Work in Progress | | | | | | | | 91.67 | 2.72 |
| Total Fixed Assets | | | | | | | | 2,306.48 | 1,922.20 |

₹ in Millions

11.1 Opening Balance includes balance of wholly owned subsidiary - Bodal Agrotech Ltd. which is amalgamated with the company w.e.f. 01/04/2016.

11.2 Opening Balance includes balance of SPS Processors Pvt. Ltd. (Subsidiary w.e.f. 21/03/2017)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars. | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 12 : Non - Current Investments | | |
| LONG TERM INVESTMENTS | | |
| TRADE INVESTMENTS | | |
| Quoted | | |
| 100 (PY. 100) Equity Shares of Beta Nephthol Ltd. of ₹10/- Each Fully Paid Up | - | - |
| 2,00,000 (PY. 1,00,000) Equity Shares of Bhageria Dye Chem Ltd. of ₹5/- Each (PY. ₹10/- Each) Fully Paid Up (Note12.1) | 14.93 | 14.93 |
| | 14.93 | 14.93 |
| Less : | | |
| Provision for diminution in Investments | - | - |
| Total | 14.93 | 14.93 |
| Unquoted | | |
| 250 (PY.250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹100/- each Fully Paid Up | 0.03 | 0.03 |
| 112,350 (PY. 112,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹10/-each Fully Paid Up | 1.12 | 1.12 |
| 100 (PY.100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹10/- Each Fully Paid Up | - | - |
| 10 (PY.10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹100/- Each Fully Paid Up | - | - |
| 10,200 (PY.10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹10/- Each Fully Paid Up | 0.10 | 0.10 |
| 3,542 (PY.3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of ₹25/- Each Fully Paid Up | 0.09 | 0.09 |
| Total of Trade Investments | 1.34 | 1.34 |
| Other Non Current Investments | | |
| Unquoted | | |
| Investment in Associate Concern | | |
| 29,05,701 (PY. Nil) Equity Shares of Trion Chemicals Pvt. Ltd. of ₹10/- Each Fully Paid Up (including goodwill of ₹143.65 lacs) (Refer note 44) | 29.06 | Nil |
| Less : Share of Loss upto 31/03/2017 | (0.29) | Nil |
| | 28.77 | Nil |
| 75,00,000 (PY. Nil) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of ₹10/- Each Fully Paid Up (Refer note 44) | 75.00 | Nil |
| Other Investment | | |
| 5,00,000 Units (PY. Nil) of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth | 5.00 | Nil |
| Total of Other Non-Current Investments | 108.77 | Nil |
| Total of Non-Current Investments | 125.04 | 16.27 |
| Aggregate of Quoted Investments: | | |
| At Book value | 14.93 | 14.93 |
| At Market Price | 63.60 | 14.04 |
| Aggregate of Unquoted Investments: | 110.11 | 1.34 |
| Aggregate provision for diminution in value of investments | - | - |

12.1 1 (One) Equity Share of Bhageria Industries Ltd. of ₹10/- each is sub-divided into 2 (Two) Equity Shares of ₹5/- each fully paid-up with effect from October 27, 2016.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 13 : Long Term Loans & Advances | | |
| (Unsecured and Considered Good) | | |
| Capital Advances | 136.67 | 30.86 |
| Security Deposits | 30.77 | 6.88 |
| Loans and Advances to Employees | 7.36 | 4.35 |
| Loans and Advances to related party (Refer Note 33 & 34) | 158.12 | Nil |
| Balance With Statutory Authorities (Note 13.1) | 60.23 | 18.30 |
| Advance Income Tax (Net of Provision for Tax) | 47.59 | 25.23 |
| Advance for Purchase of Shares | 27.37 | Nil |
| Total | 468.11 | 85.62 |

13.1 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, Customs Dept. etc.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 14 : Other Non-Current Assets | | |
| (Unsecured and Considered Good) | | |
| Term Deposits with maturity of more than twelve months | Nil | 0.03 |
| Margin Money Deposits with bank with maturity after twelve months from the reporting date* | 10.38 | 0.42 |
| Total | 10.38 | 0.45 |

* Held as lien by bank against bank guarantees and letters of credit.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 15 : Inventories | | |
| (Valued at the lower of cost or net realisable value) | | |
| a) Raw Materials | 481.12 | 274.29 |
| Raw Materials in Transit | 86.15 | 17.24 |
| | 567.27 | 291.53 |
| b) Finished Goods | 180.39 | 101.99 |
| Finished Goods in Transit | 15.61 | 27.12 |
| | 196.00 | 129.11 |
| c) Stock In Process | 486.51 | 427.57 |
| | 486.51 | 427.57 |
| d) Stock In Trade (in Transit) | 4.47 | Nil |
| | 4.47 | Nil |
| e) Packing Materials | 5.94 | 6.75 |
| Packing Materials in Transit | 0.28 | 0.11 |
| | 6.22 | 6.86 |
| f) Stock of Fuel | 4.76 | 5.38 |
| | 4.76 | 5.38 |
| g) Stores and Spares | 42.95 | 37.57 |
| | 42.95 | 37.57 |
| Total | 1,308.18 | 898.02 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 16 : Trade Receivables | | |
| Trade receivables outstanding for a period exceeding six months from the due date for payment | | |
| Unsecured & Considered Good | 114.24 | 147.99 |
| Trade receivables outstanding for a period less than six months from the due date for payment | | |
| Unsecured & Considered Good | 2,191.25 | 1,518.80 |
| Total | 2,305.49 | 1,666.79 |

16.1 Trade Receivables include ₹22.73 millions (PY. ₹9.13 millions) to related parties. (refer note 34)

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 17 : Cash and Bank Balances | | |
| Cash & Cash Equivalents | | |
| Cash on hand | 2.00 | 0.89 |
| Balance with Banks in current accounts | 141.97 | 3.81 |
| Cheques on Hand | 1.22 | Nil |
| | 145.19 | 4.70 |
| Other Bank Balances | | |
| Margin Money Deposits with bank with maturity of more than three months but less than twelve months* | 19.64 | 31.47 |
| Unclaimed Dividend Accounts | 2.24 | 2.38 |
| | 21.88 | 33.85 |
| Total | 167.07 | 38.55 |

* Held as lien by bank against bank guarantees and letters of credit.

17.1 Details of Specified Bank Notes (SBN) held and transacted during demonetisation period from 08-11-2016 to 30-12-2016

| Particulars | SBNs* (₹ in Millions) | Other Denomination Notes (₹ in Millions) | Total (₹ in Millions) |
|---|--------------------------|--|--------------------------|
| Closing cash in hand as on 8-11-2016 | 3.76 | 0.81 | 4.57 |
| (+) Permitted receipts | Nil | 2.55 | 2.55 |
| (-) Permitted payments | Nil | 1.99 | 1.99 |
| (-) Amount deposited in Banks | 3.76 | 0.24 | 4.00 |
| Closing cash in hand as on 30-12-2016 | Nil | 1.13 | 1.13 |

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

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 18 : Short Term Loans & Advances | | |
| (Unsecured & considered good) | | |
| Advance to Suppliers of Goods (Note 18.1) | 66.71 | 55.62 |
| Advance to Suppliers of Expenses | 2.05 | 10.79 |
| Balance with Statutory Authorities (Note 18.2) | 145.76 | 201.36 |
| Loans and Advances to Employees | 18.88 | 16.84 |
| Inter-Corporate Loans | Nil | 119.18 |
| Pre-paid Expenses | 7.75 | 14.18 |
| Others (Note 18.3) | 7.36 | 5.87 |
| Total | 248.51 | 423.84 |

18.1 Advances to supplier of goods include ₹64.37 millions (P.Y. ₹24.69 millions) to related parties. (refer note 34)

18.2 Balance with Statutory Authorities includes balances with Excise, Service Tax, Sales Tax, etc.

18.3 Others include Tour Advances, Gratuity Planned Assets (Net), and Income Receivables.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| 19 : Other Current Assets | | |
| Fair Value of Foreign Exchange Forward Contracts | 10.83 | 4.72 |
| Export Incentives Receivables | 25.20 | 42.29 |
| Other Receivables | 0.08 | 0.08 |
| Licence on Hand (at Cost) | 0.06 | Nil |
| Total | 36.17 | 47.09 |

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|-------------------------------------|------------------|-----------------|
| 20 : Revenue From Operations | | |
| A) Sale of products | 13,282.98 | 9,759.71 |
| Less : Excise Duty | 1,048.37 | 789.92 |
| Sale of products (net) | 12,234.61 | 8,969.79 |
| B) Other Operating Income | | |
| Export Incentives | 117.29 | 107.90 |
| Insurance claim for Goods Burnt | Nil | 13.01 |
| Scrap Sales | 11.00 | 8.38 |
| Brokerage Income | 0.07 | 0.08 |
| Total | 128.36 | 129.37 |
| Net Revenue From Operations | 12,362.97 | 9,099.16 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

| | ₹ in Millions | |
|--|---------------|---------------|
| Particulars | 2016-17 | 2015-16 |
| 21 : Other Income | | |
| Interest Income | | |
| On Deposits | 3.02 | 2.16 |
| On Others | 22.83 | 13.24 |
| Profit on sales of Investment | 5.49 | 0.10 |
| Profit on sales of Assets | 0.05 | 0.59 |
| Prior Period Items | 0.40 | 0.07 |
| Recovery of Bad Debts | Nil | 59.23 |
| Dividend Income - from Non-Current Investments | 0.50 | 0.50 |
| Exchange Rate Difference (Net) | 16.65 | Nil |
| Premium / Discount on Forward Contracts | 14.02 | 18.55 |
| Other Income | 5.34 | 25.26 |
| Total | 68.30 | 119.70 |

| | ₹ in Millions | |
|--|-----------------|-----------------|
| Particulars | 2016-17 | 2015-16 |
| 22 : Cost of Materials Consumed | | |
| Opening Stock | 368.57 | 285.20 |
| Add: Purchases during the year | 8,169.76 | 5,737.84 |
| | 8,538.33 | 6,023.04 |
| Less : Closing Stock | 567.27 | 291.53 |
| Total | 7,971.06 | 5,731.51 |

| | ₹ in Millions | |
|--|---------------|--------------|
| Particulars | 2016-17 | 2015-16 |
| 23 : Purchase of Stock in Trade | | |
| Purchase of Stock in Trade | 102.99 | 75.98 |
| Total | 102.99 | 75.98 |

| | ₹ in Millions | |
|--|-----------------|-----------------|
| Particulars | 2016-17 | 2015-16 |
| 24 : Changes in Inventories of Finished Goods, Stock in Process | | |
| Inventories at the end of the year | | |
| Finished Goods | 196.00 | 129.11 |
| Stock In Process | 486.51 | 427.57 |
| Stock - in Trade | 4.47 | Nil |
| Total (A) | 686.98 | 556.68 |
| Inventories at the beginning of the year | | |
| Finished Goods | 150.82 | 128.71 |
| Stock In Process | 427.57 | 331.61 |
| Total (B) | 578.39 | 460.32 |
| Changes in Inventories | (108.59) | (96.36) |
| Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods | (7.78) | 5.44 |
| Changes In Inventories Of Finished Goods & Stock In Process | (100.81) | (101.80) |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|---|---------------|---------------|
| 25 : Employee Benefit Expenses | | |
| Salaries, Wages & Bonus | 375.99 | 325.87 |
| Contribution to Provident & Other Funds (Refer Note 32) | 24.30 | 17.38 |
| Staff Welfare Expenses | 28.39 | 24.64 |
| Total | 428.68 | 367.89 |

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|---------------------------|--------------|---------------|
| 26 : Finance Costs | | |
| Bank Interest | 58.67 | 104.74 |
| Other Interest Expenses | 10.98 | 0.91 |
| Other Borrowing Cost | 17.26 | 16.34 |
| Total | 86.91 | 121.99 |

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|---|---------------|---------------|
| 27 : Depreciation and Amortisation Expense | | |
| Depreciation on Tangible Assets | 286.14 | 255.36 |
| Amortisation on Intangible Assets | 2.80 | 2.54 |
| Total | 288.94 | 257.90 |

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|---|-----------------|-----------------|
| 28 : Other Expenses | | |
| Stores Consumption | 43.57 | 46.86 |
| Power & Fuel Consumption | 551.94 | 496.84 |
| Repairs to | | |
| Machinery | 184.25 | 151.70 |
| Building | 15.77 | 14.48 |
| Others | 1.16 | 2.42 |
| Pollution Control Expenses | 136.51 | 83.86 |
| Rent & Taxes | 3.22 | 2.15 |
| Labour Charges | 174.88 | 148.03 |
| Insurance Expenses | 9.30 | 6.38 |
| Loss Due To Fire | Nil | 0.41 |
| Corporate Social Responsibility Expenses | 21.50 | 25.65 |
| Directors' Sitting fees | 0.50 | 0.55 |
| Travelling & Vehicle Expense | 24.48 | 21.25 |
| Legal & Professional Fees | 27.02 | 19.33 |
| Loss on Disposal of Assets | 3.43 | Nil |
| Provision for diminution in investments | Nil | 1.54 |
| Exchange Rate Difference (Net) | Nil | 48.04 |
| Packing Material Consumption | 97.02 | 86.53 |
| Freight & Handling Charges | 208.52 | 199.68 |
| Advertisement & Business Promotion Expenses | 21.08 | 11.93 |
| Sales Commission | 65.51 | 75.68 |
| Cash Discount | 19.31 | 22.95 |
| Rebate and discount | 8.81 | Nil |
| Other Expenses | 85.34 | 61.42 |
| Total | 1,703.12 | 1,527.68 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|--|--------------|--------------|
| 29 : Exceptional Items | | |
| Profit from Sale of Unit-V (Refer Note 41) | 48.54 | Nil |
| Excess Provision Written Back | Nil | 78.99 |
| Loans & Advances written off | Nil | (11.44) |
| Total | 48.54 | 67.55 |

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| 30 Contingent Liabilities and Commitments (to the extent not provided for) | | |
| (a) Contingent Liabilities | | |
| 1) Disputed matters in appeals/contested in respect of: | | |
| i. Income Tax | 30.12 | 29.61 |
| ii. Excise | 31.95 | 31.47 |
| iii. Service Tax | 0.39 | 0.61 |
| iv. Customs Department | Nil | 0.01 |
| Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. | | |
| 1) Letter of Credit issued by bankers and outstanding as on 31st March, 2017. | 91.50 | 59.50 |
| 3) Bank Guarantee issued by bankers and outstanding as on 31st March, 2017. | 47.80 | 52.74 |
| 4) Share in the Contingent Liabilities of Associate Company | 10.98 | Nil |
| (b) Commitments | | |
| i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances. | 297.91 | 0.44 |

31 Derivative Instruments and Un-hedged Foreign Currency Exposure

The company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The company does not enter into any derivative instruments for trading or speculative purposes.

The forward exchange contract outstanding as at 31st March, 2017 are as under,

| Category | Currency | Buy/sell | Foreign Currency Value (in Millions) | Foreign Currency Value (₹ in Millions) |
|------------------|----------|----------|--------------------------------------|--|
| Forward Contract | USD | Sell | 4.20 | 272.05 |

Details of un-hedged foreign currency exposure as on 31/03/2017

| Particulars | Currency | As at 31st March, 2017 | | As at 31st March, 2016 | |
|-------------|----------|------------------------------------|------------------------|------------------------------------|------------------------|
| | | Amount (in Currency) (in Millions) | Amount (₹ in Millions) | Amount (in Currency) (in Millions) | Amount (₹ in Millions) |
| Payable | USD | 3.76 | 244.05 | 2.71 | 179.46 |
| Payable | EURO | 0.01 | 0.87 | 0.01 | 0.78 |
| Payable | AED | 0.05 | 0.91 | Nil | Nil |
| Receivable | USD | 1.56 | 101.06 | 1.54 | 102.39 |
| Receivable | EURO | 0.01 | 0.84 | Nil | Nil |
| Borrowings | USD | 6.01 | 389.45 | 6.07 | 402.77 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

32 Employees' Benefits

a) Defined Benefit Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India and Star Union Dai-ichi Life insurance company in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the company's financial statements based on actuarial valuations being carried out as at 31st March 2017.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|--|---------------------------|---------------------------|
| Change in present value of obligations | | |
| Present value of obligations as at beginning of year | 22.46 | 18.19 |
| Interest cost | 1.80 | 1.45 |
| Current Service Cost | 4.31 | 4.18 |
| Benefits Paid | (1.57) | (0.35) |
| Actuarial (gain)/Loss on obligations | 3.56 | (1.01) |
| Present value of obligations as at end of year | 30.56 | 22.46 |
| Change in the fair value of plan assets | | |
| Fair value of plan assets at beginning of year | 27.81 | 22.95 |
| Expected return on plan assets | 2.51 | 2.16 |
| Employers Contributions | 7.76 | 3.05 |
| Benefits paid | (1.57) | (0.35) |
| Actuarial (gain)/Loss on plan assets | Nil | Nil |
| Fair value of plan assets at the end of year | 36.51 | 27.81 |
| Net Gratuity Cost | | |
| Current Service cost | 4.31 | 4.18 |
| Interest Cost | 1.80 | 1.45 |
| Expected return on plan assets | (2.51) | (2.16) |
| Net Actuarial (gain)/Loss recognised in the year | 3.56 | (1.01) |
| Net Gratuity Cost | 7.16 | 2.46 |
| Actual Return on Plan Assets | | |
| Expected return on plan assets | 2.51 | 2.16 |
| Actuarial Gain/(Loss) on plan assets | Nil | Nil |
| Actual return on plan assets | 2.51 | 2.16 |
| Net (Asset)/Liability recognised in Balance Sheet | | |
| Net Liability/(Asset), beginning of the year | (5.35) | (4.76) |
| Gratuity Cost as above | 7.16 | 2.46 |
| Employers Contribution | (7.76) | (3.05) |
| Amount recognised in the Balance Sheet | (5.95) | (5.35) |
| Category of Assets | | |
| Insurer Managed Funds (100%) | 36.51 | 27.81 |
| Assumptions | | |
| Discount Rate | 8% | 8% |
| Salary Escalation | 7% | 7% |

The estimated future salary increases take account of inflation, seniority, promotion and other retirement factors such as supply and demand in the employment markets.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

Amount recognised in current year and previous four years

₹ in Millions

| Particulars | As at 31st March | | | | |
|--|------------------|--------|--------|--------|--------|
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| Defined Benefit Obligation | 30.56 | 22.46 | 18.19 | 11.66 | 10.43 |
| Fair Value of Plan Assets | 36.51 | 27.81 | 22.95 | 15.85 | 10.08 |
| (Surplus) / Deficit in the plan | (5.95) | (5.35) | (4.75) | (4.19) | 0.36 |
| Actuarial (gain) / loss on plan obligation | 3.56 | (1.01) | 5.64 | (1.79) | (0.22) |
| Actuarial (gain) / loss on plan assets | Nil | Nil | Nil | Nil | Nil |
| Discount Rate | 8% | 8% | 8% | 8% | 8% |
| Salary Escalation | 7% | 7% | 7% | 7% | 7% |

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY. 2016-17

No provision for payment of gratuity has been made by the subsidiary company as no employee has put in the qualifying period of service for entitlement of gratuity.

b) Defined Contribution Plan

The company has recognized the following amount in statement of profit and loss which is included under contribution to funds.

₹ in Millions

| Particulars | 2016-17 | 2015-16 |
|---|---------|---------|
| Employer's contribution to Provident Fund | 15.33 | 13.13 |
| Employer's contribution to E.S.I. | 1.26 | 1.33 |

33 Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Loans and advances in the nature of Loans to associate.

₹ in Millions

| Sr. No. | Particulars | Relationship | As at 31st March, 2017 | As at 31st March, 2016 |
|---------|---------------------------|--|------------------------|------------------------|
| 1 | Trion Chemicals Pvt. Ltd. | Associate concern w.e.f 16th March, 2017 | 158.12 | Nil |

- Loan to associate has been given for acquisition of assets and other business purposes.
- The loanee does not have any investment in the shares of the Company.
- There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

34 Information on related party transactions as required by Accounting Standard (AS-18) on Related Party Disclosures for the year ended 31st March, 2017.

a) Names of related parties and nature of relationship

I. Key Management Personnel (KMP)

- | | | |
|----|-------------------------|------------------------------|
| 1. | Shri Suresh J. Patel | Chairman & Managing Director |
| 2. | Shri Bhavin S. Patel | Executive Director |
| 3. | Shri Ankit S. Patel | Executive Director |
| 4. | Shri Vijayant Mittal | Director |
| 5. | Shri Avinash kumar Jain | Director |
| 6. | Smt. Sonica Jain | Director |
| 7. | Shri Mayur B. Padhya | Chief Financial Officer |
| 8. | Shri Ashutosh B. Bhatt | Company Secretary |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

II. Enterprise under significant influence of key management personnel (Enterprise)

- (i) Shanti Inorgo Chem (Guj.) Pvt. Ltd.
- (ii) Rudraksh Caterers Pvt. Ltd.

III. Associate Concern (AC)

- (i) Trion Chemicals Pvt. Ltd. (W.e.f 16th March, 2017)

b) Transactions with related parties

₹ in Millions

| Related party disclosure | Relationship | 2016-2017 | 2015-2016 |
|--------------------------------------|--------------|-----------|-----------|
| Remuneration | | | |
| Shri Suresh J. Patel | KMP | 11.02 | 11.83 |
| Shri Bhavin S. Patel | KMP | 7.24 | 7.44 |
| Shri Ankit S. Patel | KMP | 7.75 | 7.39 |
| Shri Vijayant Mittal | KMP | 0.72 | Nil |
| Shri Avinashkumar Jain | KMP | 0.72 | Nil |
| Smt. Sonica Jain | KMP | 0.45 | Nil |
| Shri Mayur B. Padhya | KMP | 3.14 | 2.30 |
| Shri Ashutosh B. Bhatt | KMP | 0.57 | 0.42 |
| Loan Given | | | |
| Trion Chemicals Pvt. Ltd. | AC | 192.40 | Nil |
| Loan Received Back | | | |
| Trion Chemicals Pvt. Ltd. | AC | 149.46 | Nil |
| Loan Received | | | |
| Shri Suresh J. Patel | KMP | 475.28 | 16.50 |
| Shri Bhavin S. Patel | KMP | 116.83 | 15.95 |
| Shri Ankit S. Patel | KMP | 5.00 | 13.03 |
| Loan Repaid | | | |
| Shri Suresh J. Patel | KMP | 237.11 | 16.50 |
| Shri Bhavin S. Patel | KMP | 13.90 | 15.95 |
| Shri Ankit S. Patel | KMP | 2.40 | 13.03 |
| Purchases of Materials | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 1.17 | 14.73 |
| Rent Expense | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 0.60 | 0.37 |
| A.G.M. Expenses | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.03 | 0.02 |
| Business Development Expenses | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.01 | 0.09 |
| Canteen Expenses | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.72 | 0.39 |
| Commission Paid | | | |
| Shri Ankit S. Patel | KMP | Nil | 20.46 |
| Dividend Paid | | | |
| Shri Suresh J. Patel | KMP | 10.00 | 20.01 |
| Shri Bhavin S. Patel | KMP | 2.84 | 5.35 |
| Shri Ankit S. Patel | KMP | 1.96 | 3.37 |
| Shri Mayur B. Padhya | KMP | 0.06 | 0.12 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

₹ in Millions

| Related party disclosure | Relationship | 2016-2017 | 2015-2016 |
|---|--------------|-----------|-----------|
| Interest Income | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | Nil | 0.80 |
| Trion Chemicals Pvt. Ltd. | AC | 19.59 | Nil |
| Sales of Asset | | | |
| Trion Chemicals Pvt. Ltd. | AC | 0.27 | Nil |
| Sales of Materials | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 34.12 | 43.67 |
| Related Party Balances as at the year end. | | | |
| Amount Payable | | | |
| As Unsecured Loan | | | |
| Shri Suresh J. Patel | KMP | 238.17 | Nil |
| Shri Bhavin S. Patel | KMP | 102.93 | Nil |
| Shri Ankit S. Patel | KMP | 2.60 | Nil |
| As Trade Payables | | | |
| Rudraksh Caterers Pvt. Ltd. | Enterprise | 0.03 | 0.08 |
| As Short Term Provisions | | | |
| Shri Suresh J. Patel | KMP | 0.31 | 0.69 |
| Shri Bhavin S. Patel | KMP | 0.42 | 0.60 |
| Shri Ankit S. Patel | KMP | 0.27 | 13.87 |
| Shri Mayur B. Padhya | KMP | 0.14 | 0.12 |
| Shri Ashutosh B. Bhatt | KMP | 0.04 | 0.03 |
| As Investment | | | |
| As Equity shares | | | |
| Trion Chemicals Pvt. Ltd. | AC | 29.06 | Nil |
| As Preference shares | | | |
| Trion Chemicals Pvt. Ltd. | AC | 75.00 | Nil |
| Amounts Receivable | | | |
| As Trade Receivables | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 22.73 | 9.13 |
| As Advance Given to Supplier | | | |
| Shanti Inorgo Chem (Guj.) Pvt. Ltd. | Enterprise | 41.64 | 15.56 |
| As Loan to Associate concern | | | |
| Trion Chemicals Pvt. Ltd. | AC | 158.12 | Nil |

Notes:-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

35 Segment Reporting:

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Accounting Standard 17. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

₹ in Millions

| Particulars | 2016-17 | | | 2015-16 | | |
|-------------------------------------|---------------------|---------------------|-----------|---------------------|---------------------|----------|
| | Domestic Operations | External Operations | Total | Domestic Operations | External Operations | Total |
| Segment Revenue | 8,873.77 | 3,489.20 | 12,362.97 | 6,089.30 | 3,009.86 | 9,099.16 |
| Carrying Cost of Segment Assets | 6,470.37 | 505.06 | 6,975.43 | 4,667.68 | 431.15 | 5,098.83 |
| Capital Expenditure during the year | 482.49 | Nil | 482.49 | 251.44 | Nil | 251.44 |

- Revenue from external operations comprises of income from sale of products, and other operating revenues.
- Carrying amount of segment assets comprises of non-current assets and current assets identified to the respective segments. However Segments assets in India also includes certain common assets used to generate revenue in both segments but not feasible of allocation.
- Capital expenditure during the year represents net additions to Tangible and Intangible assets and movement in Capital work in progress.

36 Earnings per Equity Share

₹ in Millions

| Particulars | 2016-2017 | 2015-2016 |
|---|-------------|-------------|
| Net Profit/(Loss) after Tax as per statement of Profit and Loss | 1,285.84 | 859.87 |
| Weighted average number of Equity Shares | 109,107,370 | 109,107,370 |
| Basic and Diluted Earnings per Share (in ₹) | 11.79 | 7.88 |
| Nominal Value per Share (in ₹) | 2 | 2 |

37 Value of Imports on CIF Basis

₹ in Millions

| Particulars | 2016-2017 | 2015-2016 |
|-----------------|-----------|-----------|
| Raw Materials | 744.72 | 427.19 |
| Other Materials | 1.03 | Nil |
| Capital Goods | 4.03 | Nil |

38 Earning in Foreign Currency

₹ in Millions

| Particulars | 2016-2017 | 2015-2016 |
|-------------------------|-----------|-----------|
| F.O.B. Value of Exports | 3,410.31 | 2,934.71 |

39 Expenditure in Foreign Currency

₹ in Millions

| Particulars | 2016-2017 | 2015-2016 |
|------------------------------|-----------|-----------|
| Travelling | 2.61 | 1.92 |
| Commission | 41.41 | 40.39 |
| Business Development Expense | 2.32 | 0.48 |
| Bank Charges | 7.03 | 5.31 |
| Interest Expense | 11.40 | 9.94 |
| Repairs to Machinery | Nil | 0.66 |
| Other Selling Expense | 0.07 | 0.54 |
| Cash Discount | 0.08 | 0.27 |

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

- 40** Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2016-17, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

₹ in Millions

| Particulars | As at 31st March, 2017 | As at 31st March, 2016 |
|---|---------------------------|---------------------------|
| a. Principal and interest amount remaining unpaid | 8.09 | 5.99 |
| b. Interest due thereon remaining unpaid | - | - |
| c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | - | - |
| d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006 | - | - |
| e. Interest accrued and remaining unpaid | - | - |
| f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises | - | - |

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

41 Exceptional items

During the Year, the Company has sold out Unit-5 located at Ankleswar- GIDC, Bharuch, Gujarat. The company has gained ₹48.54 millions out of sale of whole unit and the same is disclosed under "Exceptional items" in the statement of Profit and loss.

Further, the revenue of Unit- V of the Company during the last financial year was nominal and the company has also not calculated capacity of Unit V in total production of capacity disclosed by the company.

42 Amalgamation of Wholly Owned Subsidiary with the Company

Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 for amalgamation of the erstwhile wholly owned subsidiary, Bodal Agrotech Ltd. (Transferor Company) whose business of manufacturing as well as trading of the chemicals products merged with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat. The effect of the merger has been given in the accounts as per the scheme sanctioned.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2017

The amalgamation has been accounted for under the "Pooling of Interests method" as prescribed by Accounting Standard 14 (AS-14) notified by the Government of India. Accordingly, the assets, liabilities and reserves of the erstwhile Bodal Agrotech Ltd. as on the appointed date have been merged with the Company at their book values. The net impact of the merger on assets, liabilities and reserves as on the appointed date is as below:

| Particulars | Amount (₹ in Millions) |
|-------------------------------------|------------------------|
| Share capital * | 1700 |
| Reserves & Surplus | (49.04) |
| Long term Borrowings | 140.43 |
| Trade Payable | 8.37 |
| Other Current Liabilities | 22.14 |
| Total Equity and Liabilities | 138.90 |
| Tangible Assets | 78.25 |
| Deferred Tax Assets (Net) | 14.41 |
| Long-term Loans and Advances | 2.47 |
| Other Non-Current Assets | 0.03 |
| Inventories | 25.08 |
| Trade Receivables | 9.13 |
| Cash and Bank Balances | 0.20 |
| Short-term Loans and Advances | 9.33 |
| Total Assets | 138.90 |

Transferor Company being a wholly owned subsidiary of the Company neither any shares were required to be issued nor any consideration was paid.

* On amalgamation ₹1700 millions carrying value of investment in equity of the transferor company eliminated in books of Transferee Company against Equity Share Capital of the Transferor Company.

The scheme was given effect to in the financial statement from 1st April, 2016 and accordingly all the assets, liabilities, reserves and surplus of Transferor Company were recorded in the books of the transferee Company at their carrying amounts.

The figures for the previous year do not include figures for the erstwhile Bodal Agrotech Ltd. and accordingly the current year's figures are not comparable to those of the previous year.

- 43** During the year, the Company has acquired 70% of the equity shares in SPS Processors Pvt. Ltd. As a result of this acquisition, SPS Processors Pvt Ltd. has become a subsidiary of the Company with effect from 21st March, 2017.
- 44** During the year, the Company has acquired 41.51% of the equity shares and 100% of the preference shares in Trion Chemicals Pvt. Ltd. As a result of this acquisition, Trion Chemicals Pvt. Ltd. has become an Associate concern of the Company with effect from 16th March, 2017.
- 45** Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For **Mayank Shah & Associates**

Chartered Accountants

Firm Registration No. 106109W

(M.S. Shah)

Partner

Membership No. 44093

For and on behalf of the Board of Directors

(Suresh J. Patel)

Chairman & Managing Director

DIN : 00007400

(Mayur B. Padhya)

Chief Financial Officer

(Ankit S. Patel)

Executive Director

DIN : 02173231

(Ashutosh B. Bhatt)

Company Secretary

Ahmedabad

May 25, 2017

Ahmedabad

May 25, 2017

Notes

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Bodal Chemicals Ltd.[®]
COLOURS. INTEGRATION. INNOVATION.

CIN : L24110GJ1986PLC009003
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