



IOL CHEMICALS AND PHARMACEUTICALS LIMITED

IOLCP/CGC/2017
29 September 2017

The General Manager
National Stock Exchange of India Ltd.
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051

The General Manager
BSE Limited.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai

Subject: Annual Report under Regulations 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sirs,

Pursuant to Regulations 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Annual Report of the Company for the financial year 2016-17 in soft copy.

This is for your information and record please.

Thanking you

Yours faithfully,
for IOL Chemicals and Pharmaceuticals Limited


[Krishna Singhal]
Vice President & Company Secretary

Head Office : 85, Industrial Area 'A', Ludhiana. 141 003 (Pb.) India CIN - L24116PB1986PLC007030
Ph. : +91-161-2225531-35 Fax : +91-161-2226929, 2608784 email : contact@iolcp.com Website : iolcp.com
Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Pb.) India
Works : Village Fatehgarh Channa, Mansa Road (Trident Complex) District - Barnala, 148101 State - Punjab, INDIA.
Ph. : +91-1679 -285285-86, Fax : +91-1679-285292

30th Annual Report 2016-2017



IOL Chemicals and Pharmaceuticals Limited

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Please visit our website: www.iolcp.com

Board of Directors

Dr M A Zahir	- <i>Chairman & Independent Director</i>
Mr Varinder Gupta	- <i>Managing Director</i>
Mr Vijay Garg	- <i>Joint Managing Director</i>
Mr Vikas Gupta	- <i>Executive Director</i>
Mr Chandra Mohan	- <i>Independent Director</i>
Dr Sandhya Mehta	- <i>Independent Director</i>

Chief Financial Officer

Mr Pardeep Kumar Khanna

Vice President & Company Secretary

Mr Krishan Singla

Statutory Auditors

M/s S C Vasudeva & Co.
Chartered Accountants,
New Delhi

Cost Auditors

M/s Ramanath Iyer & Co.
Cost Accountants,
New Delhi

Bankers

Punjab National Bank
Allahabad Bank
Oriental Bank of Commerce
Export-Import Bank of India
State Bank of India

Registrar and Share Transfer Agents

Alankit Assignments Limited
(Unit: IOL Chemicals and Pharmaceuticals Limited)
"Alankit Heights" 1E/13, Jhandewalan Extension,
New Delhi-110055
Phone : +91-11-23541234,42541234
Fax : +91-11-41543474
E-mail : rta@alankit.com

Board's Committees

Audit and Risk Management Committee

Dr M A Zahir - *Chairman*
Mr Chandra Mohan
Dr Sandhya Mehta

Stakeholders' Relationship Committee

Dr M A Zahir - *Chairman*
Mr Vijay Garg
Mr Vikas Gupta

Nomination and Remuneration Committee

Mr Chandra Mohan - *Chairman*
Dr M A Zahir
Dr Sandhya Mehta

Registered Office :

Trident Complex, Raikot Road,
Barnala – 148 101 (Punjab)
Phone :+91-1679 - 244701-07
Fax :+91-1679 - 244708
E-mail : contact@iolcp.com

Corporate Office :

85, Industrial Area, 'A'
Ludhiana – 141 003
Phone :+91-161 - 2225531-35
Fax :+91-161 - 2608784
E-mail : contact@iolcp.com

Works :

Village Fatehgarh Chhana,
Mansa Road, Barnala - 148101
Phone :+91-1679 - 285285-86
Fax :+91-1679 - 285292
E-mail : contact@iolcp.com

Members are requested to intimate their e-mail id for **quick correspondence** to the **Depository Participants / rta@alankit.com**



NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of **IOL Chemicals and Pharmaceuticals Limited** (CIN: L24116PB1986PLC007030) will be held on **Thursday, 28 September 2017 at 11:00 A.M.** at the Registered Office of the Company; Trident Complex, Raikot Road, Barnala, Punjab to transact the following business:

Ordinary Business:

1. To consider and adopt the audited financial statements of the Company for the financial year ended 31 March 2017 and the reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolutions as **Ordinary Resolutions**:

“RESOLVED that the audited financial statements of the Company for the financial year ended 31 March 2017 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint Mr Vijay Garg, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr Vijay Garg (DIN 06510248), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To appoint Mr Vikas Gupta, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr Vikas Gupta (DIN 07198109), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

4. Appointment of Auditors

To ratify the appointment of auditors of the Company and fix their remuneration and pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, pursuant to the recommendations of the Audit and Risk Management Committee and pursuant to the resolution passed by the members at the Annual General Meeting held on 30 September 2014, the appointment of M/s. S C Vasudeva & Co., Chartered Accountants, New Delhi as the auditors of the Company to hold office till the conclusion of thirty first Annual General Meeting of the Company be and is hereby ratified on such remuneration as may be fixed by the Board of Directors from time to time as agreed upon between the Auditors and the Board of Directors.”

Special Business:

5. Increase of the remuneration of Mr Varinder Gupta, Managing Director

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

“RESOLVED that in accordance with the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory

modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approval of financial institutions/banks, Central Government and any other authority, if required, variation in the terms of appointment of Mr Varinder Gupta (DIN:00044068), Managing Director in respect of increase in his gross remuneration to ₹ 20,00,000/- (Rupees twenty lakh only) with effect from 01 April 2017 for his remaining tenure that is upto 31 August 2018 be and is hereby approved as per details given below:

- 1 a) Basic Salary: ₹ 8,00,000/- (Rupees eight lakh only) per month.
- b) Perquisites and allowances: Perquisites and allowances shall be in addition to salary as follows:

a) House Rent Allowance	50% of salary
b) Conveyance Allowance	20% of salary
c) Communication Allowance	10% of salary
d) Medical Allowance	8.33% of salary
e) Newspaper and Periodicals Allowance	5% of salary
f) Children Education Allowance	5% of salary
g) Provident Fund Contribution	12% of salary
h) Bonus	10% of salary
i) Gratuity	4.17% of salary
j) Uniform Allowance	8% of salary
k) Self Development Allowance	13.33% of salary
l) Medical CL/GIS	4.17% of salary

2. Other Terms

The Managing Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company, in accordance with the Company's practice and rules and regulations in force from time to time.

“RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities to give effect to the variation of terms of the appointment of the Managing Director.”

6. Increase of the remuneration of Mr Vijay Garg, Joint Managing Director

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

“RESOLVED that in accordance with the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to approval of the financial institutions / banks, Central Government and any other authority, if required, variation in the terms of appointment of Mr Vijay Garg (DIN: 06510248), Joint Managing Director in respect of revision of his gross remuneration to ₹ 14,50,000 (Rupees fourteen lakh fifty thousand only) with effect from 01 April 2017 for his remaining tenure that is upto

01 March 2019 be and is hereby approved as per details given below:

- 1 a) Basic Salary: ₹ 5,80,000/- (Rupees five lakh eighty thousand only) per month.
- b) Perquisites and allowances: Perquisites and allowances shall be in addition to salary as follows:

a) House Rent Allowance	50% of salary
b) Conveyance Allowance	20% of salary
c) Communication Allowance	10% of salary
d) Medical Allowance	8.33% of salary
e) Newspaper and Periodicals Allowance	5% of salary
f) Children Education Allowance	5% of salary
g) Provident Fund Contribution	12% of salary
h) Bonus	10% of salary
i) Gratuity	4.17% of salary
j) Uniform Allowance	8% of salary
k) Self Development Allowance	13.33% of salary
l) Medical CL/GIS	4.17% of salary

2. Other Terms

The Joint Managing Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company, in accordance with the Company's practice and rules and regulations in force from time to time.

"RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities to give effect to variation of terms of the appointment of the Joint Managing Director."

7. Increase of the remuneration of Mr Vikas Gupta, Executive Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that in accordance with the provisions of Section 197 and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approval of the financial institutions / banks, Central Government and any other authority, if required, following variation in the terms of appointment of Mr Vikas Gupta (DIN: 07198109), Executive Director in respect of increase of his gross remuneration to ₹ 5,00,000/- (Rupees five lakh only) with effect from 01 April 2017 for his remaining tenure that is upto 28 May 2020 be and is hereby approved as per details given below:

- 1 a) Basic Salary: ₹ 2,00,000/- (Rupees two lakh only) per month.
- b) Perquisites and allowances: Perquisites and allowances shall be in addition to salary as follows:

- | | |
|--|------------------|
| a) House Rent Allowance | 50% of salary |
| b) Conveyance Allowance | 20% of salary |
| c) Communication Allowance | 10% of salary |
| d) Medical Allowance | 8.33% of salary |
| e) Newspaper and Periodicals Allowance | 5% of salary |
| f) Children Education Allowance | 5% of salary |
| g) Provident Fund Contribution | 12% of salary |
| h) Bonus | 10% of salary |
| i) Gratuity | 4.17% of salary |
| j) Uniform Allowance | 8% of salary |
| k) Self Development Allowance | 13.33% of salary |
| l) Medical CL/GIS | 4.17% of salary |

2. Other Terms

The Executive Director shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company, in accordance with the Company's practice and rules and regulations in force from time to time.

"RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013.

"RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities for giving effect to the variation of terms of the appointment of the Executive Director."

8. Increase of the remuneration of Mr Vijay Singla, Director (Works)

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED FURTHER that in accordance with the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to approval of the financial institutions/banks, Central Government and any other authority, if required, the variation in the terms of appointment of Mr Vijay Singla (DIN: 03577178), Director (Works) in respect of revision of his gross remuneration to ₹ 6,50,000 (Rupees six lakh fifty thousand only) with effect from 01 April 2017 upto 27 May 2017 be and is hereby approved as per details given below:

- 1 a) Basic Salary: ₹ 2,60,000/- (Rupees two lakh sixty thousand only) per month.
- b) Perquisites and allowances: Perquisites and allowances shall be in addition to salary as follows:

a) House Rent Allowance	50% of salary
b) Conveyance Allowance	20% of salary
c) Communication Allowance	10% of salary
d) Medical Allowance	8.33% of salary
e) Newspaper and Periodicals Allowance	5% of salary
f) Children Education Allowance	5% of salary

g) Provident Fund Contribution	12% of salary
h) Bonus	10% of salary
i) Gratuity	4.17% of salary
j) Uniform Allowance	8% of salary
k) Self Development Allowance	13.33% of salary
l) Medical CL/GIS	4.17% of salary

2. Other Terms

The Director (Works) shall also be entitled to the benefits under other benefits, schemes, privileges and amenities, amended salary structure as are granted to the senior executives of the Company, in accordance with the Company's practice and rules and regulations in force from time to time.

"RESOLVED FURTHER that notwithstanding anything to the contrary herein contained, where in any financial year, the Company has no profits or its profits are inadequate, the Company will pay aforesaid remuneration as minimum remuneration to him as per the provisions of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER that Board of Directors be and is hereby authorised to complete all legal and procedural formalities for giving effect to the variation of terms of the appointment of the Director (Works)."

9. Approval of Remuneration to the Cost Auditors for the financial year ending 31 March 2018

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under, and such other permissions as may be necessary, the members hereby approve the remuneration of ₹ 1,20,000/- plus goods and service tax and out-of-pocket expenses payable to M/s Ramanath Iyer & Co., Cost Accountants, New Delhi, who are appointed by the Board of Directors of the Company as Cost Auditors to conduct audit of the cost accounting records maintained by the Company in respect of bulk drugs and chemicals for the financial year ending 31 March 2018."

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

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited

Registered Office:

Trident Complex, Raikot Road,
Barnala-148 101 (Punjab)

Dated : 18 August 2017

Sd/-

[Krishan Singla]

Vice President and Company Secretary

NOTES:

- 1) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at Annual General Meeting (AGM) is annexed hereto.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF.**

SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

- 3) The Register of Members and Share Transfer Books will remain closed on **21 September 2017** for the purpose of the Annual General Meeting.
- 4) To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
- 5) The Securities and Exchange Board of India (SEBI) has mandated the submission of **Permanent Account Number (PAN)** by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- 6) **The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the Members have registered their request for a hard copy of the same.** Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail IDs with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the registration counter to attend the AGM.
- 7) Members may also note that the Annual Report is available on the Company's website **www.iolcp.com** for their download. The physical copies of the aforesaid documents is also available at the Company's Registered Office in Barnala (Punjab) for inspection during normal business hours on working days. **Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investor@iolcp.com.**

8) Voting through electronic means

- (i) The voting period begins on **24 September 2017 at 9:00 A.M. and ends on 27 September 2017 at 5:00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **21 September 2017**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.

- (iv) Click on “**Shareholders**” tab
- (v) Now Enter your **User ID**
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should **enter Folio Number** registered with the Company.
- (vi) Next enter the **Image Verification** as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then **your existing password** is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “**SUBMIT**” tab.
- (x) Members holding shares in **physical form** will then **directly reach the Company selection screen**. However, members holding shares in **demat form** will now reach ‘**Password Creation**’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the **EVSN i.e. 170823066** for the IOL Chemicals and Pharmaceuticals Limited on which you choose to vote.
- (xiii) On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- (xvi) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on **Forgot Password** & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **21 September 2017** may follow the same instructions as mentioned above for e-Voting.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.

- 9) The Company has appointed **Mr Vinay Kohli partner, M/s. K.K. Kapoor & Associates, Chartered Accountants** as scrutinizer for conducting the e-voting process in fair and transparent manner and he will submit his report to the Chairman within 3 days of conclusion of voting.
- 10) Members who are holding shares in identical order of names under more than one folio are requested to send the relative share certificates to the RTA for consolidation of the entire holding under one folio.
- 11) All activities for transfer of shares, dematerialization of shares, change of address etc. are carried out by the Company through its Registrar and Share Transfer Agents (RTA). Members are requested to make their requests to RTA at the following address: **Alankit Assignments Limited "Alankit Heights", 1E/13, Jhandewalan Extension, New Delhi-110 055**
- 12) Documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days, except holidays, between **11:00 A.M. to 1:00 P.M.**
- 13) Members desiring any information on Accounts or other items of Agenda are requested to write to the Company at its Registered Office at least ten days before the date of the Annual General Meeting so as enable the Management to keep the information ready.
- 14) Members are requested to:
- Notify the change of address with pin code, to ensure quick delivery of letters and quote their folio/ client ID & DP ID in all correspondence.
 - Bring their copies of Annual Report at the meeting.
 - Complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
 - Members are requested to intimate their e-mail id for quick correspondence to the Depository Participants / rta@alankit.com**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 5

The Company has re-appointed Mr Varinder Gupta as Managing Director of the Company for a period of three years with effect from 01 September 2015 and at present drawing gross salary of ₹12,00,000/- per month. The Board on the recommendations of Nomination and Remuneration Committee has approved the revision of his remuneration to monthly gross remuneration of ₹ 20,00,000/- with effect from 01 April 2017 for remaining period of his tenure, subject to the approval of the members.

The information required under proviso (iv) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013 is given hereunder:

I. General information

- Nature of Industry: Manufactures of API and Specialty Chemicals.
- Date or expected date of commencement of commercial production : It is an existing manufacturing Company.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA

4. Financial performance based on given indicators:

(₹ in lakh)			
Particulars	2016-17	2015-16	2014-15
Net sales and other income	71,183.34	58,164.29	38,604.19
Profit/(Loss) Before tax	547.74	(3,855.02)	(7,543.80)
Profit/(Loss) after tax	422.75	(4,002.58)	(6,665.07)

5. Export performance and net foreign exchange earning: During the year 2016-17 export of the Company have been ₹ 19,599.13 in lakh.
6. Foreign investments or collaborators, if any: None

II. Information about the appointee

Background details:

Mr Varinder Gupta, aged 54 years, has more than 31 years experience in the chemicals and pharmaceuticals industry. He is instrumental in bringing the Company from a humble beginning to one of the largest manufactures of Ibuprofen in the world.

Past remuneration:

Mr Varinder Gupta, is drawing gross monthly remuneration of ₹ 12,00,000/- per month (consisting of basic salary to ₹ 4,80,000/- plus perquisites and allowances as detailed in the resolution) since 01 April 2016.

Job profile and his suitability:

Mr Varinder Gupta is responsible for overall day to day management of the Company under the supervision and control of the Board of Directors.

Remuneration Proposed:

The Board of Directors has proposed to increase his monthly gross salary to ₹ 20,00,000/- (consisting of basic salary to ₹ 8,00,000/- plus perquisites and allowances as detailed in the resolution) with effect from 01 April 2017 for remaining period of his tenure.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of the appointees, the proposed remuneration is competitive with remuneration paid by other companies to such similar positions.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel

Mr Varinder Gupta is a promoter of the Company and has relation with Mr Vikas Gupta, Executive Director being his father.

III. OTHER INFORMATION

Reasons of inadequate profits:

The Company has inadequate profits due to mis-match in input and output prices in chemical business and Company was not able to pass on the increase price of raw materials to its customers because of subdued sentiments in overall economy.

Steps taken or proposed to be taken for improvement:

The Company has further strengthened its pharmaceuticals business to achieve the better results in coming years.

Expected increase in productivity and profits in measurable terms:

Due to the steps taken by the Company to strengthen its financial position together with overcoming of slow down by the economy, it is expected that the Company will improve its profitability in time to come. The Company was able to earn profit after tax ₹ 422.75 lakh during the year 2016-17 against loss of ₹ 4,002.58 lakh during the year 2015-16.

IV. DISCLOSURES

All the relevant information pertaining to the remuneration and other particulars of Directors are mentioned in the Directors' Report under the heading "Corporate Governance", as annexed to the Annual Report.

The Company has obtained the prior approval from secured creditors for the proposed remuneration as required under proviso (ii) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013.

As per the provision of the Companies Act, 2013 read with Schedule V, thereof, approval of members is required for this purpose. Hence, the Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr Vikas Gupta, Executive Director being son of Mr Varinder Gupta and Mr Varinder Gupta, to whom the resolution relates, are concerned or interested in the resolution.

Item No. 6

The Company has re-appointed Mr Vijay Garg as Joint Managing Director of the Company for a period of three years with effect from 02 March 2016 and at present drawing gross salary of ₹10,00,000/- per month. The Board on the recommendations of Nomination and Remuneration Committee has approved the revision of his remuneration to monthly gross remuneration of ₹ 14,50,000/- with effect from 01 April 2017 for remaining period of his tenure, subject to the approval of the members.

The information required under proviso (iv) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013 is given hereunder:

I. General information

1. Nature of Industry: Manufactures of API and Specialty Chemicals.
2. Date or expected date of commencement of commercial production: It is an existing manufacturing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance based on given indicators:

(₹ in lakh)			
Particulars	2016-17	2015-16	2014-15
Net sales and other income	71,183.34	58,164.29	38,604.19
Profit/(Loss) Before tax	547.74	(3,855.02)	(7,543.80)
Profit/(Loss) after tax	422.75	(4,002.58)	(6,665.07)

5. Export performance and net foreign exchange earning: During the year 2016-17 export of the Company have been ₹ 19,599.13 in lakh.
6. Foreign investments or collaborators, if any: None

II. Information about the appointee*Background details:*

Mr Vijay Garg, aged 47 years, B.Sc. (Chemistry), MBA, Executive Program in International Business (One year PG Course) from Indian Institute of Management Kolkata. He has an experience of 25 years in commercial activities of the chemical and pharmaceutical products and has an international exposure in the industry. He has joined the Company on 01 August 2012 as President (Commercial). He was appointed as Joint Managing Director on 02 March 2013.

Past remuneration:

Mr Vijay Garg, Joint Managing Director is drawing gross remuneration of ₹ 10,00,000/- per month (consisting of basic salary to ₹ 4,00,000/- plus perquisites and allowances as detailed in the resolution) since 01 April 2016.

Job profile and his suitability:

Mr Vijay Garg is responsible for overall day to day management of the Company under the supervision and control of the Board of Directors and the Managing Director.

Remuneration Proposed:

The Board of Directors has proposed to increase his monthly gross salary to ₹ 14,50,000/- (consisting of basic salary to ₹ 5,80,000/- plus perquisites and allowances as detailed in the resolution) with effect from 01 April 2017 for remaining period of his tenure.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of the appointees, the proposed remuneration is reasonable as compared remuneration paid by other companies to such similar positions.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel

Mr Vijay Garg has no pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel.

III. OTHER INFORMATION*Reasons of inadequate profits:*

The Company has inadequate profits due to mis-match in input and output prices in chemical business and Company was not able to pass on the increase price of raw materials to its customers because of subdued sentiments in overall economy.

Steps taken or proposed to be taken for improvement:

The Company has further strengthened its pharmaceuticals business to achieve the better results in coming years.

Expected increase in productivity and profits in measurable terms:

Due to the steps taken by the Company to strengthen its financial position together with overcoming of slow down by the economy, it is expected that the Company will improve its profitability in time to come. The Company was able to earn profit after tax ₹ 422.75 lakh during the year 2016-17 against loss of ₹ 4,002.58 lakh during the year 2015-16.

IV. DISCLOSURES

All the relevant information pertaining to the remuneration and other particulars of Directors are mentioned in the Directors' Report under the heading "Corporate Governance", as annexed to the Annual Report.

The Company has obtained the prior approval from secured creditors for the proposed remuneration as required under proviso (ii) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013.

As per the provision of the Companies Act, 2013 read with Schedule V, thereof, approval of members is required for this purpose. Hence, the Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr Vijay Garg, to whom the resolution relates, is concerned or interested in the resolution.

Item No. 7

The Company has appointed Mr Vikas Gupta as Executive Director of the Company for a period of five years with effect from 29 May 2015 and at present drawing gross salary of ₹ 2,50,000/- per month. The Board on the recommendations of Nomination and Remuneration Committee has approved the revision of his remuneration to monthly gross remuneration of ₹ 5,00,000/- with effect from 01 April 2017 for remaining period of his tenure, subject to the approval of the members.

The information required under proviso (iv) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013 is given hereunder:

I. General information

1. Nature of Industry: Manufactures of API and Specialty Chemicals.
2. Date or expected date of commencement of commercial production: It is an existing manufacturing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance based on given indicators:

(₹ in lakh)

Particulars	2016-17	2015-16	2014-15
Net sales and other income	71,183.34	58,164.29	38,604.19
Profit/(Loss) Before tax	547.74	(3,855.02)	(7,543.80)
Profit/(Loss) after tax	422.75	(4,002.58)	(6,665.07)

5. Export performance and net foreign exchange earning: During the year 2016-17 export of the Company have been ₹ 19,599.13 in lakh.
6. Foreign investments or collaborators, if any: None

II. Information about the appointee

Background details:

Mr Vikas Gupta, aged 25 years is having a degree of BSc. (Hons.) in Business Management from Kings College London. He has an international exposure in the field of Business Management. He is academically equipped with the knowledge and possesses organisational capacity and ability for managing people and resources. He has joined the Company on 20 July 2013 as Deputy Manager (Strategic Management). He was appointed as Executive Director on 29 May 2015.

Past remuneration:

Mr Vikas Gupta, Executive Director is drawing gross remuneration of ₹ 2,50,000/- per month (consisting of basic salary to ₹ 1,00,000/- plus perquisites and allowances as detailed in the resolution) since 01 April 2016.

Job profile and his suitability:

Mr Vikas Gupta shall be responsible for day to day management of the Company and will also carry out such duties as may be entrusted to him by the Board from time to time.

Remuneration Proposed:

The Board of Directors has proposed to pay him monthly gross salary of ₹ 5,00,000/- (consisting of basic salary to ₹ 2,00,000/- plus perquisites and allowances as detailed in the resolution) with effect from 01 April 2017 for remaining period of his tenure.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of the appointees, the proposed remuneration is competitive with remuneration paid by other companies to such similar positions.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel

Mr Vikas Gupta is related to Mr Varinder Gupta who is Managing Director and promoter of the Company.

III. OTHER INFORMATION

Reasons of inadequate profits:

The Company has inadequate profits due to mis-match in input and output prices in chemical business and Company was not able to pass on the increase price of raw materials to its customers because of subdued sentiments in overall economy.

Steps taken or proposed to be taken for improvement:

The Company has further strengthened its pharmaceuticals business to achieve the better results in coming years.

Expected increase in productivity and profits in measurable terms:

Due to the steps taken by the Company to strengthen its financial position together with overcoming of slow down by the economy, it is expected that the Company will improve its profitability in time to come. The Company was able to earn profit after tax ₹ 422.75 lakh during the year 2016-17 against loss of ₹ 4,002.58 lakh during the year 2015-16.

IV. DISCLOSURES

All the relevant information pertaining to the remuneration and other particulars of Directors are mentioned in the Directors' Report under the heading "Corporate Governance", as annexed to the Annual Report.

The Company has obtained the prior approval from secured creditors for the proposed remuneration as required under proviso (ii) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013.

As per the provision of the Companies Act, 2013 read with Schedule V, thereof, approval of members is required for this

purpose. Hence, the Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr Varinder Gupta, Managing Director being the father of Mr Vikas Gupta and Mr Vikas Gupta, to whom the resolution relates, are concerned or interested in the resolution.

Item No. 8

The Company has re-appointed Mr Vijay Singla as Director (Works) of the Company for a period of three years with effect from 01 April 2016 and at present drawing gross salary of ₹ 5,50,000/- per month. However he has resigned from the directorship of the Company with effect from 27 May 2017 and remains in the Company as President (Chemicals). The Board on the recommendations of Nomination and Remuneration Committee has approved the revision of his remuneration to monthly gross remuneration of ₹ 6,50,000/- with effect from 01 April 2017 upto 27 May 2017, subject to the approval of the members.

The information required under proviso (iv) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013 is given hereunder.

I. General information

1. Nature of Industry: Manufactures of API and Specialty Chemicals.
2. Date or expected date of commencement of commercial production: It is an existing manufacturing Company.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NA
4. Financial performance based on given indicators:

(₹ in lakh)

Particulars	2016-17	2015-16	2014-15
Net sales and other income	71,183.34	58,164.29	38,604.19
Profit/(Loss) Before tax	547.74	(3,855.02)	(7,543.80)
Profit/(Loss) after tax	422.75	(4,002.58)	(6,665.07)

5. Export performance and net foreign exchange earning: During the year 2016-17 export of the Company have been ₹ 19,599.13 in lakh.
6. Foreign investments or collaborators, if any: None

II. Information about the appointee

Background details:

Mr Vijay Singla aged 42 years is having Degree in Chemical Engineering from Punjab Technical University and Electric Engineering from Institute of Engineers (India) Calcutta. He has an experience of 17 years in Pharmaceuticals and Chemicals Industries. He has joined the Company on 01 March 2000 as Engineer Trainee. He worked in various capacities and also worked as President in Ibuprofen production before his elevation as Director (Works). He was instrumental in setting up the Ibuprofen plant of the Company.

Past remuneration:

Mr Vijay Singla is drawing gross remuneration of ₹ 5,50,000/- per month (consisting of basic salary to ₹ 2,20,000/- plus perquisites and allowances as detailed in the resolution) since 01 April 2016.

Job profile and his suitability:

Mr Vijay Singla is looking after and responsible for efficient & smooth, running and development of works of the Company and will also carry out such duties as may be entrusted to him by the Board from time to time.

Remuneration Proposed:

The Board of Directors has proposed to pay him monthly gross salary of ₹ 6,50,000/- (consisting of basic salary to ₹ 2,60,000/- plus perquisites and allowances as detailed in the resolution) with effect from 01 April 2017 upto 27 May 2017.

Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:

The salary structure of the managerial personnel has undergone a major change in the industry in the recent past. Keeping in view the type of the industry, size of the Company, the responsibilities and capabilities of the appointees, the proposed remuneration is reasonable as compared to the remuneration paid by other companies to such similar positions.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.

Mr Vijay Singla has no pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel.

III. OTHER INFORMATION

Reasons of inadequate profits:

The Company has inadequate profits due to mis-match in input and output prices in chemical business and Company was not able to pass on the increase price of raw materials to its customers because of subdued sentiments in overall economy.

Steps taken or proposed to be taken for improvement:

The Company has further strengthened its pharmaceuticals business to achieve the better results in coming years.

Expected increase in productivity and profits in measurable terms:

Due to the steps taken by the Company to strengthen its financial position together with overcoming of slow down by the economy, it is expected that the Company will improve its profitability in time to come. The Company was able to earn profit after tax ₹ 422.75 lakh during the year 2016-17 against loss of ₹ 4,002.58 lakh during the year 2015-16.

IV. DISCLOSURES

All the relevant information pertaining to the remuneration and other particulars of Directors are mentioned in the Directors' Report under the heading "Corporate Governance", as annexed to the Annual Report.

The Company has obtained the prior approval from secured creditors for the proposed remuneration as required under proviso (ii) of Para (B) of Section II of Part II of the Schedule V to the Companies Act, 2013.

As per the provision of the Companies Act, 2013 read with Schedule V, thereof, approval of members is required for this purpose. Hence, the Board recommends the resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr Vijay Singla, to whom the resolution relates, is concerned or interested in the resolution.


Item No. 9

The Board in its meeting held on 18 August 2017 on the recommendation of the Audit and Risk Management Committee, approved the appointment and remuneration of M/s Ramanath Iyer & Co., Cost Accountants, New Delhi to conduct the audit of the cost accounting records maintained by the Company in respect of chemicals and bulk drugs for the financial year ending 31 March 2018 and remuneration of ₹ 1, 20,000/- plus goods and service tax and out-of-pocket expenses have been fixed for this purpose subject to the approval of the members.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, approval for the remuneration payable to the Cost Auditors for the financial year 2017-18 is being sought from the members.

The Board recommends the resolution for approval by the members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution.

Information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the directors seeking re-appointment at the Annual General Meeting.

Name of the Director	Mr Vijay Garg	Mr Vikas Gupta
Date of Birth	17 January 1970	13 February 1992
Date of Appointment	02 March 2013	29 May 2015
Expertise in specific functional area	Commercial activities of the Chemicals and Pharmaceuticals Products	Business Management
Total experience	25 years	4 year
Present profession	Joint Managing Director	Executive Director
Qualification	B.Sc (Chemistry), EPIB (IIM Kolkata), MBA Marketing	BSc. (Hons.) in Business Management from Kings College, London
Directorships in other Companies	Nil	Nil
Chairmanship of Board Committees	Nil	Nil
Membership of Board Committees	Stakeholders Relationship Committee: IOL Chemicals and Pharmaceuticals Limited	Stakeholders Relationship Committee: IOL Chemicals and Pharmaceuticals Limited
No of shares held	Nil	Nil
Relationship with other directors	Not related to any other director	Son of Mr Varinder Gupta, Managing Director

By order of the Board
For IOL Chemicals and Pharmaceuticals Limited

Registered Office:

Trident Complex, Raikot Road,
Barnala-148 101 (Punjab)
Dated : 18 August 2017

Sd/-
[Krishan Singla]
Vice President and Company Secretary

DIRECTORS' REPORT**Dear Members**

Your Directors are pleased to present the 30th Annual Report and Audited Accounts for the financial year ended 31 March 2017.

Financial Results

Financial results of the Company for the financial year under report are given below:

(₹ in crore)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Total revenue from operations	774.37	645.44
Net sales and other income	711.83	581.64
Profit before interest & depreciation	102.84	52.60
Interest	67.42	61.46
Profit before depreciation	35.42	(8.86)
Depreciation	29.94	29.69
Profit before tax	5.48	(38.55)
Provision for tax (including deferred tax)	1.25	1.48
Profit after tax	4.23	(40.03)

Performance Review

The Company has achieved total revenue from operations of ₹ 774.37 crore during the year under review in comparison to ₹ 645.44 crore during the previous year, registering an increase of 19.98 %. The Company has turnaround during the year and earned net profits against loss during the previous year. The profit after tax stood at ₹ 4.23 crore during the year under review against loss of ₹ 40.03 crore during the previous year, mainly due to increase in sales and improved operational efficiencies achieved by the Company.

The Company continues to give more focus to increase the pharma share in its total business and is able to increase pharma share to 56% during the year under review against 53% during the previous year.

Cash Flow Statement

A Cash Flow Statement for the financial ended 31 March 2017 is included in the annexed Statement of Accounts.

Dividend

The Board of Directors has not recommended any dividend due to inadequate profits during the year under review.

Share Capital

The paid up equity share capital of the Company is ₹ 56,20,55,020/- consisting of 5,62,05,502 equity shares of ₹ 10/- each as on 31 March 2017.

Holding & Subsidiary Company

The Company has neither any holding company nor a subsidiary company.

Internal financial control systems and their adequacy

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

Loan, guarantees or investment under Section 186 of the Companies Act, 2013

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Awards & Recognitions

Members would be happy to note the receipt of following awards and recognitions by the Company during the year under review:

- EUGMP Certification from National Institute of Pharmacy and Nutrition, Hungary, for its product Ibuprofen, Lamotrigine, Metformin Hydrochloride confirming compliance with principals of Good Manufacturing Practices as provided by European Union Legislation.
- The Company has won National Energy Conservation Award 2016, the Second Prize in Chemical Sector for its continued efforts towards new technology implementation so as to conserve energy resources of the country.

Expansion schemes

The Company has converted its existing multiple purpose plant into a dedicated ibuprofen manufacturing facility during the current year, resulting in increase of ibuprofen manufacturing from 6200 TPA to 7200 TPA on its conversion.

Credit Rating

The Credit Analysis & Research Ltd (CARE) has revised the credit rating for long term bank facilities to 'CARE BB; Stable' (Double B; Outlook: Stable) from 'CARE BB-' (Double B Minus) and reaffirmed the credit rating for short term bank facilities to 'CARE A4' (A Four).

Composition and Number of Meetings of the Board

The Board comprises of well qualified and experienced persons having expertise in their respective areas. It has appropriate combination of executive, non executive and independent directors.

During the financial year ended 31 March 2017, the Board met 5 (five) times on 02 May 2016, 14 May 2016, 08 August 2016, 07 November 2016 and 11 February 2017.

Directors /Key Managerial Personnel

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr Vijay Garg and Mr Vikas Gupta will retire in the ensuing Annual General Meeting and being eligible has offered themselves for re-appointment. The Board has recommended their re-election as directors to the members.

During the year under review, Mr Yogesh Goel and Mr Ravi Pratap Singh, independent directors resigned from directorship due to their pre-occupations with effect from 14 May 2016. Mr Vijay Singla, Director (Works) has resigned from directorship with effect from 27 May 2017, however remains in the Company as President (Chemicals). The Board places on record their appreciation for the services rendered by them during their tenure as directors of the Company.

Woman director

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Dr Sandhya Mehta has been serving as independent woman director on the Board of the Company since 22 August 2014. She is also the member of Audit and Risk Management Committee and Nomination and Remuneration Committee.

Board evaluation

The Board has carried out an annual evaluation of its own performance, Board Committees and Independent Directors pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has evaluated the performance of Independent Directors mainly on the basis of their constructive participation in the Board/ Committee proceedings, their

ability to monitor the management performance, providing guidance in the key issue in the best interest of the Company and their commitment to the ethical and to fulfillment of fiduciary and other duties assigned by the act, regulations and rules by the Government. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Committee of Independent Directors.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters, as required under Sub-section (3) of Section 178 of the Companies Act, 2013 is available on our website www.iolcp.com. There has been no change in the policy since the last fiscal year.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 the Directors of your Company confirm that:

- a) in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) they 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 or loss of the Company for that year.
- c) they 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) they have prepared the annual accounts on a going concern basis.
- e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Corporate Governance

The Company has in place a system of Corporate Governance. A separate report on Corporate Governance alongwith Auditors' Certificate regarding compliance of conditions of corporate governance set out by the Securities and Exchange Board of India (SEBI) under Listing Regulations is annexed to this Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report is given separately in this Annual Report.

Audit and Risk Management Committee

The Composition and role of the Committee has been provided in the Corporate Governance Report annexed with the report.

Risk Management

The Board has formed Audit and Risk Management Committee inter alia to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk

management plan and ensuring its effectiveness. It has been covered in the Management Discussion and Analysis Report, which forms part of this report.

Related Party Transactions

All Related Party Transactions that were entered during the financial year were on arm's length and were in the ordinary course of business. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the provisions of Policy on materiality of and dealing with Related Party Transactions. The disclosures of related party transactions are provided in notes to financial statements.

The Company has formulated a Policy on materiality of and dealing with Related Party Transactions. The policy is available on the Company's website www.iolcp.com.

Fixed Deposits

The Company has not accepted any fixed deposits from the public/ members during the year under review.

Investor Services

The Company is committed to provide its best services to the shareholders/ investors. **M/s Alankit Assignments Limited, New Delhi** is working as Registrar and Share Transfer Agents (RTA) of the Company for transfer, dematerialization of shares and other investor related services. No correspondence /enquiry from any shareholder/ investor is pending with the Company for reply.

Listing of Shares

The equity shares of the Company continued to be listed and traded on National Stock Exchange of India Limited (Script code; IOLCP) and BSE Limited (Script code; 524164). The Company has made all compliances of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including payment of annual listing fee.

Conservation of Energy / Technology Absorption and Foreign Exchange Earnings and Outgo

Conservation of energy continues to be an area of major emphasis in the Company. A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, in accordance with Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure I** and forms part of the Report.

Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, M/s S C Vasudeva & Co., Chartered Accountants, New Delhi were appointed as statutory auditors of the Company from the conclusion of the twenty seventh Annual General Meeting of the Company held on 30 September 2014 till the conclusion of the thirty first Annual General Meeting to be held in the year 2018, subject to ratification of their appointment at every Annual General Meeting of the Company.

In terms of aforesaid provisions, the appointment of auditors' is placed for rectification by the members.

Statutory Auditors' Report

Auditors' Report on the accounts is self-explanatory and does not contain any qualifications, reservations or adverse remarks.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed M/s B. K. Gupta & Associates, Practicing Company Secretary for conducting secretarial audit of the

Company for the financial year ended 31 March 2017. The Secretarial Audit Report is annexed hereto as **Annexure II** and forms part of the Report.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

Cost Auditors

Pursuant to the provisions of Section 139 of Companies Act, 2013, the Company has appointed M/s Ramanath Iyer & Co., Cost Accountants, New Delhi as Cost Auditor to conduct the audit of cost accounts of bulk drugs and chemicals maintained by the Company, for the financial year ended 31 March 2018, subject to determination of their remuneration by members of the Company thereto.

M/s Ramanath Iyer & Co., Cost Accountants, New Delhi, have conducted the cost audit of the Company for the financial year 2017 and their cost audit report does not contain any qualification, reservation or adverse remark.

The Cost Audit Report for the year ended 31 March 2016 has been filed on 27 August 2016 with Ministry of Corporate Affairs, New Delhi.

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure III** forming part of the Report.

Industrial Relations

Industrial relations remained cordial and harmonious throughout the year under review.

Safety, Health and Environment

Safety is Company's top priority with regard to employment and it is encouraging safety measures at all levels of operations especially at the floor level. Regular training programmes are being conducted to bring in awareness about the importance of safety at work place.

Prevention of Sexual Harassment Policy

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the financial year ended 31 March 2017, no complaint related to sexual harassment was received by the Company.

Vigil Mechanism

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at www.iolcp.com.

Particulars of managerial remuneration and related disclosures

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report, which forms part of this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report, which forms part of this Report.

Having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Change in the nature of business of the Company.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.

Acknowledgement

We are pleased to place on record our sincere gratitude and appreciation for assistance and co-operation received from the Union Government, Punjab Government, bankers, members, customers, vendors and business constituents.

We also place on record our sincere appreciation of the contribution made by the employees at all levels. Our consistent growth is made possible by their devout, sincere and unstinted services.

For and on behalf of the Board

	Sd/-	Sd/-
	Varinder Gupta	Dr M A Zahir
Place : Ludhiana	Managing Director	Chairman
Dated : 18 August 2017	DIN -00044068	DIN-00002973

ANNEXURE I TO THE DIRECTORS' REPORT

Information as per Section 134(3)(m) of the Companies Act, 2013 ("the Act") read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31 March 2017.

I CONSERVATION OF ENERGY
1. Step taken or impact on conservation of energy;

- a) Process upgradation by installation of sparger in flash tank of Mono Chloro Acetic Acid (MCA) column feed which reduced the steam requirement in MCA plant.
- b) Installation of preheater in acetyl column feed line for utilizing flash steam of condensate tank which reduced overall steam consumption in in Acetyl Chloride plant.
- c) Installation of toluene preheater to reduce batch timing and reactor washing frequency in Iso Butyl Benzene (IBB) plant.
- d) Use of high pressure steam condensate flash steam as low pressure steam in recovery section thus reducing the overall steam consumption of IBB plant.
- e) Installation of VFD on the feed water input to the RO membranes, due to this osmotic pressure on the Membranes will be reduced at the time of starting of the pump when earlier we started the machine by Star delta .Secondly we can adjust the pressure according to the TDS requirement, in this case lot of power saving is there.
- f) Converted 15 TPH boiler from overfed feeding to under bed feeding system. In this system, the efficiency of the boiler has been increased and lesser the unburnt of fuel and utilize proper heat energy of the fuel.
- g) After changing the tubes of the boiler we are running the boiler on designed parameters of pressure. Due to this in lesser flow in turbine, we can generate same power as what we are doing earlier; efficiency of turbine in the form of heat enthalpy has been increased.
- h) At intermediate stage, process is modified to reduce the water consumption and consequent reduction of effluent.
- i) Replacement of jacketed reaction reactors with limpet reactors, which are having better heat transfer and utility flow so eliminating the short circuiting and channeling, and reducing the time of reaction, increases the productivity and improved efficiencies of the systems, resulting to reduction in energy norms.
- j) Installation of brine system with cascading effect to reduce the circulation losses resulting to reduction in energy norms.
- k) Installation of reboiler along with solvent recovery reactor to create additional turbulence with reduction in time cycle, so reducing the no. of reactors for the similar application and production, resulting in reduction in energy norms.

2. Step taken by Company for utilizing alternate sources of energy

- a) Increased in biomass by using alternate agro-based fuels.
- b) We have modified our water management system for improved condensate recovery, resulted to reduction in water extraction from ground bore well.

3. Capital investment on energy conservation equipment's

No major capital investments have been made during the financial year ended 31 March 2017.

II TECHNOLOGY ABSORPTION
1. Efforts made towards technology absorption

The Company has taken various steps in its Research and Development centre towards technology absorption, the mains are as follows:

- a) R&D team is working on development of new molecules (APIs/chemical intermediates/bulk chemicals/specialty chemicals/CRAMS molecules) with special emphasis on development via green chemistry.
- b) Synthesis, isolation & characterization of impurities of existing molecules under development to meet regulatory guidelines by International authorities.
- c) Trouble shooting & further cost cutting in existing commercialized products to improve profitability of each products.
- d) Conversion of by products into sellable products to reduce environmental load and improved cost of the product.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

- a) R&D has developed & successfully commercialized a process for synthesis of Isopropyl chloroacetate based on green chemistry approach which will lead to substantial reduction in effluent load of ETP.
- b) Consumption of two raw materials for synthesis in one of the intermediate of Ibuprofen has been optimized & successfully commercialized resulting in lot of cost saving in the product.
- c) R & D has successfully developed one CRAMS molecule for a Japanese customer.
- d) Development of two APIs including synthesis of its key starting raw material have been completed successfully & its commercialization is planned for current year.
- e) Three more APIs are in pipeline for development in R&D and expected to undergo commercial trials in next financial year.
- f) The Company is in negotiation with Europe based multinational company for working FTE (Full time equivalent) models for R&D as well as API manufacturing on commercial scale so as to increase in Top as well bottom line.

3. Imported technology (imported during the last three years reckoned from the beginning of the financial year)- N.A.

4. Expenditure incurred on Research and Development during the financial year ended 31 March 2017:

(₹ in crore)

Capital	0.33
Revenue	3.50
Total	3.83

III Foreign Exchange Earnings & Outgo during the financial year ended 31 March 2017:

(₹ in crore)

Used	38.56
Earned	195.99

ANNEXURE II TO THE DIRECTORS' REPORT**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 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
IOL Chemicals and Pharmaceuticals Limited
Trident Complex, Raikot Road
Barnala- 148101

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by IOL Chemicals and Pharmaceuticals Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not applicable during the audit period;
 - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- Not applicable during the audit period;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable during the audit period;
 - g) 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;

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

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

- (vi) We have relied on the representation made by the Company & its Officers for system and mechanism formed by the Company for compliances under other applicable Acts as Environmental Laws & Labour Laws as per list attached herewith.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange & National Stock Exchange;

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in 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.

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

We further report that during the audit period the Company has not made any decisions which are having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

For B.K. Gupta & Associates
Company Secretaries
Sd/-

(Bhupesh Gupta)

FCS No.:4590

C P No.: 5708

Place: Ludhiana

Date: 18 August 2017

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

LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD**List of Labour Laws**

Factories Act, 1948

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employee's State Insurance Act 1948

The Payment of Bonus Act, 1972

The Contract Labour (Regulation and Abolition) Act, 1970

The Apprentices Act, 1961



List of Environmental Laws

Environment (Protection) Act, 1986

The Public Liability Insurance Act, 1991

Water (Prevention and Control of Pollution) Act, 1974

Air (Prevention and Control of Pollution) Act, 1981

Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008

Annexure:-A

The Members,

IOL Chemicals and Pharmaceuticals Limited

Trident Complex, Raikot Road,

Barnala- 148101

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was

done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For B.K. Gupta & Associates
Company Secretaries

Sd/-
(Bhupesh Gupta)

FCS No.:4590

C P No.: 5708

Place: Ludhiana

Date: 18 August 2017

ANNEXURE III TO THE DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31 March 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 & OTHER DETAILS:

1	CIN	L24116PB1986PLC007030
2	Registration Date	29 September 1986
3	Name of the Company	IOL Chemicals and Pharmaceuticals Limited
4	Category/Sub-category of the Company	Company limited by shares / Indian – Non Government Company
5	Address of the Registered office & contact details	Trident Complex, Raikot Road, Barnala-148101 Ph. No : +91-1679-244701-07 Fax: +91-1679-244708 Email: contact@iolcp.com
6	Whether listed Company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Alankit Assignments Limited (Unit: IOL Chemicals and Pharmaceuticals Limited) "Alankit Hights", 1E/13, Jhandewalan Extension, New Delhi – 110055 Ph: +91-11-23541234, 42541234 Fax: +91-11-41543474 E mail: rta@alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Pharmaceuticals	21001	55.66 %
2	Manufacture of organic and inorganic chemical compounds	20119	44.34 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
	N.A.				

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year [As on 31 March 2016]				No. of shares held at the end of the year [As on 31 March 2017]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	11,96,965	-	11,96,965	2.13	11,96,965	-	11,96,965	2.13	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Governments	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	2,12,40,001	-	2,12,40,001	37.79	2,19,52,033	-	2,19,52,033	39.06	1.27
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	2,24,36,966	-	2,24,36,966	39.92	2,31,48,998	-	2,31,48,998	41.19	1.27
(2) Foreign									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of promoters (A)= (A)(1)+(A)(2)	2,24,36,966	-	2,24,36,966	39.92	2,31,48,998	-	2,31,48,998	41.19	1.27
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	10,200	10,200	0.02	-	10,200	10,200	0.02	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Governments	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of shares held at the beginning of the year [As on 31 March 2016]				No. of shares held at the end of the year [As on 31 March 2017]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	13,900	-	13,900	0.02	57,790	-	57,790	0.10	0.08
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	13,900	10,200	24,100	0.04	57,790	10,200	67,990	0.12	0.08
2. Non-Institutions									
a) Bodies Corporates									
i) Indian	1,67,64,943	5,200	1,67,70,143	29.84	1,56,30,314	3,200	1,56,33,514	27.82	(2.02)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	18,67,597	6,75,636	25,43,233	4.52	30,33,147	6,49,636	36,82,783	6.55	2.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	55,42,083	-	55,42,083	9.86	46,70,693	-	46,70,693	8.31	(1.55)
c) Others (specify)									
Non Resident Indians	30,389	-	30,389	0.05	1,42,936	-	1,42,936	0.25	0.20
Overseas Corporate Bodies	88,58,588	-	88,58,588	15.76	88,58,588	-	88,58,588	15.76	-
Sub-total (B)(2):-	3,30,63,600	6,80,836	3,37,44,436	60.04	3,23,35,678	6,52,836	3,29,88,514	58.69	(1.35)
Total shareholding of public (B)=(B)(1)+(B)(2)	3,30,77,500	6,91,036	3,37,68,536	60.08	3,23,93,468	6,63,036	3,30,56,504	58.81	(1.27)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	5,55,14,466	6,91,036	5,62,05,502	100	5,55,42,466	6,63,036	5,62,05,502	100	-

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Mr Varinder Gupta	11,96,965	2.13	-	11,96,965	2.13	-	-
2	Mayadevi Polycot Limited	1,00,06,323	17.80	-	1,00,06,323	17.80	-	-
3	NM Merchantils Limited	50,75,571	9.03	-	50,75,571	9.03	-	-
4	NCG Enterprises Limited	32,84,393	5.85	-	32,84,393	5.85	-	-
5	Bhudeva Lifesciences Limited	28,73,714	5.11	-	28,73,714	5.11	-	-
6	True Value Traders Limited	-	-	-	4,00,000	0.71	-	0.71
7	Towels Enterprises Limited	-	-	-	3,12,032	0.56	-	0.56
	Total	2,24,36,966	39.92	-	2,31,48,998	41.19	-	1.27

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

Particulars	Shareholding		Cumulative shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	2,24,36,966	39.92	2,24,36,966	39.92
Increased during the year	7,12,032	1.27	2,31,48,998	41.19
At the end of the year	2,31,48,998	41.19	2,31,48,998	41.19

(iv) Shareholding pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	Name of the shareholder	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Vasudeva Commercials Limited	-	-	-	-
	At the beginning of the year	-	-	-	-
	Due to merger of Innova Marchantils Limited and Chamunda Traders Pvt Limited with the company	1,16,02,032	20.64	1,16,02,032	20.64
	Sold during the year	(7,12,032)	(1.27)	1,08,90,000	19.38
	At the end of the year	1,08,90,000	19.38	1,08,90,000	19.38

S. No.	Name of the shareholder	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	IndiaSTAR (Mauritius) Limited				
	At the beginning of the year	88,58,588	15.76	88,58,588	15.76
	No change during the year	-	-	-	-
	At the end of the year	88,58,588	15.76	88,58,588	15.76
3	Trident Limited				
	At the beginning of the year	17,85,714	3.18	17,85,714	3.18
	No change during the year	-	-	-	-
	At the end of the year	17,85,714	3.18	17,85,714	3.18
4	G Consultants and Fabricators Limited				
	At the beginning of the year	14,89,000	2.65	14,89,000	2.65
	No change during the year	-	-	-	-
	At the end of the year	14,89,000	2.65	14,89,000	2.65
5	Mr Hetal Chetan Mehta				
	At the beginning of the year	10,00,000	1.78	10,00,000	1.78
	Bought during the year	5,62,646	1.00	15,62,646	2.78
	Sold during the year	(9,87,646)	(1.76)	5,75,000	1.02
	At the end of the year	5,75,000	1.02	5,75,000	1.02
6	Mr Hetal Kumar Pravinbhai Desai				
	At the beginning of the year	4,05,000	0.72	4,05,000	0.72
	Bought during the year	75,000	0.13	4,80,000	0.85
	At the end of the year	4,80,000	0.85	4,80,000	0.85
7	Ms Reena Ashish Ajmera				
	At the beginning of the year	2,76,000	0.49	2,76,000	0.49
	Bought during the year	49,000	0.09	3,25,000	0.58
	At the end of the year	3,25,000	0.58	3,25,000	0.58
8	Ms Avani Jasmin Ajmera				
	At the beginning of the year	2,75,000	0.49	2,75,000	0.49
	Bought during the year	2,75,000	0.49	5,50,000	0.98
	Sold during the year	(2,75,000)	(0.49)	2,75,000	0.49
	At the end of the year	2,75,000	0.49	2,75,000	0.49
9	Ms Minal Manish Ajmera				
	At the beginning of the year	2,75,000	0.49	2,75,000	0.49
	Bought during the year	2,63,000	0.47	5,38,000	0.96
	Sold during the year	(2,63,000)	(0.47)	2,75,000	0.49
	At the end of the year	2,75,000	0.49	2,75,000	0.49
10	Ms Nishita Alpesh Ajmera				
	At the beginning of the year	2,75,000	0.49	2,75,000	0.49
	No change during the year	-	-	-	-
	At the end of the year	2,75,000	0.49	2,75,000	0.49

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr Varinder Gupta				
	At the beginning of the year	11,96,965	2.13	11,96,965	2.13
	No change during the year	-	-	-	-
	At the end of the year	11,96,965	2.13	11,96,965	2.13
2	Mr Krishan Singla				
	At the beginning of the year	110	0.00	110	0.00
	No change during the year	-	-	-	-
	At the end of the year	110	0.00	110	0.00
3	Mr Pardeep Kumar Khanna				
	At the beginning of the year	4,800	0.01	4,800	0.01
	No change during the year	-	-	-	-
	At the end of the year	4,800	0.01	4,800	0.01



V. INDEBTEDNESS

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

(₹ in lakh)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	29,625.92	2,064.31	-	31,690.23
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53.87	-	-	53.87
Total (i+ii+iii)	29,679.79	2,064.31	-	31,744.10
Change in Indebtedness during the financial year				
* Addition	-	1,732.93	-	1,732.93
* Reduction	1,338.19	-	-	1,338.19
Net Change	(1,338.19)	1,732.93	-	394.74
Indebtedness at the end of the financial year				
i) Principal amount	28,341.35	3,797.24	-	32,138.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.25	-	-	0.25
Total (i+ii+iii)	28,341.60	3,797.24	-	32,138.84

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in lakh)

S. No.	Particulars of Remuneration	Name of Managing Director/ Whole time Director/ Manager				Total amount
	Name	Mr Varinder Gupta	Mr Vijay Garg	Mr Vijay Singla	Mr Vikas Gupta	
	Designation	Managing Director	Joint Managing Director	Director (Works)	Executive Director	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	133.38	109.04	61.73	26.96	331.11
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-	-	
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	
2	Stock Option	-	-	-	-	
3	Sweat Equity	-	-	-	-	
4	Commission	-	-	-	-	
	- as % of profit	-	-	-	-	
	- others, specify	-	-	-	-	
5	Others, please specify	-	-	-	-	
	Total (A)	133.38	109.04	61.73	26.96	331.11
	Ceiling as per the Act	Due to inadequate profit, managerial remuneration is being paid under limits of Schedule-V and with Central Government approval whenever it is required .				

B. Remuneration to other directors

(₹ in lakh)

S. No.	Particulars of Remuneration	Name of Director					Total amount
		Dr M A Zahir	Mr Chandra Mohan	Dr Sandhya Mehta	Mr Ravi Pratap Singh*	Mr Yogesh Goel*	
1	Independent Directors						
	Fee for attending board committee meetings	2.07	1.22	1.40	0.17	-	4.86
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	2.07	1.22	1.40	0.17	-	4.86
2	Other Non-Executive Directors						
	Fee for attending board committee meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	2.07	1.22	1.40	0.17	-	4.86
	Total Managerial Remuneration(A+B)						335.97

*Resigned from the directorship of the Company with effect from 14 May 2016

C. Remuneration to Key Managerial Personnel other than Managing Director/ Whole time director/Manager

(₹ in lakh)

S. No.	Particulars of remuneration	Name of Key Managerial Personnel		Total amount
	Name	Mr Pardeep Kumar Khanna	Mr Krishan Singla	
	Designation	Chief Financial Officer	Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31.18	27.97	59.15
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	31.18	27.97	59.15

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no penalty / punishment / compounding of offence for breach of any section of the Companies Act against the Company or its directors or other officers in default, during the year.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
1. Industry Structure and Development
World Economy

Global growth is set to reach 3.5 percent this year and 3.6 percent in 2018, IMF has raised its growth forecasts slightly from estimates released last October as macro economic conditions eased for commodity exporters and investment levels grew in advanced economies. However, the IMF warned that risks to global growth remain to the downside with structural issues holding back economic development. With persistent structural problems—such as low productivity growth and high income inequality—pressures for inward-looking policies are increasing in advanced economies. These threaten global economic integration and the cooperative global economic order that has served the world economy, especially emerging market and developing economies as well.

(Source:IMF)

Indian Economy

According to IMF World Economic Outlook Update (January 2017), Indian economy is expected to grow at 7.2 per cent during FY2017 and further accelerate to 7.7 per cent during FY2018. Corporate earnings in India are expected to grow by over 20 per cent in FY 2018 supported by normalisation of profits, especially in sectors like automobiles and banks, while GDP is expected to grow by 7.5 per cent during the same period, according to Bloomberg consensus. The Government of India, has approved the Central Goods and Services Tax (CGST), Integrated GST (IGST), Union Territory GST (UTGST), and Compensation Bill to promote ease of doing business in the country.

(Source :- www.ibef.org)

Chemical Industry

Indian chemical industry is the 3rd largest producer in asia and 6th by volume in the world. By 2025, the Indian chemical industry is projected to reach USD403 billion. The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP. India accounts for approximately 16 per cent of the world production of dyestuff and dye intermediates, particularly for reactive acid and direct dyes. India is currently the world's third largest consumer of polymers and third largest producer of agrochemicals. India specialty chemical market is expected to reach USD70 billion by 2020.

(<https://www.ibef.org/download/Chemicals-November-2016.pdf>)

Pharmaceutical Industry

The Indian pharmaceuticals market is the third largest in terms of volume and thirteenth largest in terms of value. India is the largest provider of generic drugs globally with the Indian generics accounting for 20 per cent of global exports in terms of volume. Of late, consolidation has become an important characteristic of the Indian pharmaceutical market as the industry is highly fragmented. The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size. Branded generics dominate the pharmaceuticals market, constituting nearly 80 per cent of the market share (in terms of revenues).

(Source :- www.ibef.org)

Government Initiatives

The Government of India unveiled 'Pharma Vision 2020' aimed at making India a global leader in end-to-end drug manufacturing.

Approval time for new facilities has been reduced to boost investments..

The Government of India plans to incentivise bulk drug manufacturers, including both state-run and private companies, to encourage 'Make in India' programme and reduce dependence on imports of Active Pharmaceutical Ingredients (API), nearly 85 per cent of which come from China.

(Source :- www.ibef.com)

2. Opportunities and Threats
Opportunities

1. Major raw materials for drug division are produced in house.
2. Large domestic market, with good potential for growth.
3. Technically and qualified trained manpower.
4. Forward Integration of Products.
5. Applicability of GST will boost business sentiments in the country.

Threats:

1. Cost of finance in India is very high.
2. Country's Infrastructure facilities are not of world class. resulting in delays and slow movement of goods.

3. Business Segment Performance and Future Prospects

Our operations are broadly comprises of Bulk Drugs; APIs and specialty industrial chemicals.

Our APIs segment includes manufacturing of mainly Ibuprofen. Our Specialty Industrial Chemicals segment includes manufacturing of Ethyl Acetate, Iso Butyl Benzene (IBB), Mono Chloro Acetic Acid (MCA) and Acetyl Chloride.

Bulk Drugs

Bulk Drugs are commonly known as Active Pharmaceutical Ingredients (API's). APIs are mixed with other components to produce tablets, capsules or liquids.

We are increasing our APIs product portfolio and improving our cost competitiveness through efficient manufacturing processes and systems and expanding relationships with major Indian and foreign generic companies for sale of our APIs. Our APIs are exported worldwide. Our key markets are Europe, Latin America, Africa, and the Middle East. Our API customers are leading global generic companies.

We have also received the approval from eminent drug authority i.e. United State Food and Drug Authority (USFDA) in July 2015 for Ibuprofen manufacturing facilities. Indeed ,this approval will enable the Company to enter into the United State . We have been accredited from various regulatory authorities across the World like, USFDA, CEP certification, EUGMP & WHO GMP.

Specialty Industrial Chemicals

Ethyl Acetate is having varied uses in different industries like pharmaceuticals, flexible packaging and printing ink manufacturing, paints and adhesives etc. Our key markets in chemicals are African countries, Middle East, SAARC Countries and Russia. Since inception, we have been gradually enhancing our manufacturing capacities. Moreover, other chemicals produced by the Company such as Iso Butyl Benzene (IBB), Mono Chloro Acetic Acid (MCA) and Acetyl Chloride are used in manufacturing of Ibuprofen.

All the products manufactured in our plants are having continuous demand from different industries in domestic as well as foreign

market. To tap the opportunity of increase in demand in the market, we are increasing our capacity utilization by streamlining production processes.

4. Risks and Concerns

The main risks to which the Company is exposed as well as approach taken by the management to control and mitigate those risks is given below:

Operational risks

The performance of the Company depends upon the uninterrupted supply of raw materials and regular lifting of its finished products. The Company manages to enter into long term agreements to ensure the continuous supply of raw material and lifting of its finished products to achieve the desired production level and proper utilization of resources. Moreover the Company has backward integrated manufacturing facilities to ensure continuous supply of major raw material in house to bulk drugs.

Competition risk

The Company is exposed to competition from indigenous as well as foreign players. We are controlling the competition risk by continuously improving the quality of products and maintaining long term relationship with our customers by providing better services to them. The quality control department implemented a range of quality assurance procedures to providing high quality products to our customers.

Geographic risk

A significant dependence on a particular market could be a risk in the event of a selective downturn in that region. So the Company has network of customers in most of states the country. Company has also expanded its customer base in about 50 countries to mitigate geographical risk.

Technological risk

Technological advancement could result in asset obsolescence warranting a high cost of replacement. Company is using the latest and state of the art technology in the manufacturing, processing and quality control measures and keeps itself in touch with the latest updation in technology and adopting the same to remain efficient in productivity and cost minimization. Moreover the Company have DSIR recognized Research and Development cell which is very active in developing and validating new processes for existing products and development of new products.

Environmental Health and Safety Risk

Today Governments of all the countries around the world are cautious about the environment safety. Non compliance with environmental regulatory issue might affect operations. Company conducts periodic checks to compare effluents and stack emissions and comply with all applicable rules and regulations to protect the environment. Moreover, Company has also obtained ISO 14001:2004 Certification.

Health and Safety of the Workforce is priority of the company. IOLCP committed itself to manage it through occupational health and safety management tools, dedicated dispensary at factory and qualified Doctor. Moreover the Company has obtained OHSAS 18001:2007.

Credit risk

Credit risk is associated with losses that occur when debtors are unable to meet their obligations on time. Company has established internal policies and controls to determine credit worthiness and reliability of existing and potential customers, which are reviewed on periodical basis. Moreover, Company also takes the insights

of the customer from market sources and also obtains credit worthiness reports from Dun & Bradstreet and MIRA whenever required.

Liquidity risk

This refers to the possibility of default of a Company to meet its obligations because of unavailability of funds to meet the operational requirements. In order to ensure adequacy of its funding, cash flow forecasts are prepared regularly and appropriate actions are taken on pro active basis.

Foreign exchange risk

Company is exposed to foreign exchange risk with respect to foreign currencies, denominated mainly in US dollars, on revenue and supplies. Although the foreign currency risk is naturally hedged as the Company is importing and exporting the goods. However, the Company does regular monitoring of exposures and takes hedging whenever required.

Human Capital Risk

Acquisition and retention of right talent is critical to maintain desired operational standards. The Company has a dedicated team of professionals who is not only looks after the recruitment and training of human capital but also takes care to provide better working environment and development opportunities to them for their self progress.

Insurance

All the insurable immovable as well as movable assets of the Company including stocks are adequately insured and all insurance policies are in force as on the date of the report.

5. Internal Control System and its adequacy

The Company has aligned its current systems of internal controls including financial controls with the requirement of Companies Act 2013. The Company's internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorisation and ensuring compliance of corporate policies.

The Company uses best IT system to record data for accounting, consolidation and management information purposes and connects to different locations for efficient exchange of information.

The Audit and Risk Management Committee reviews reports submitted by internal auditors regularly and suggest the improvements from time to time which are being implemented by the Company.

6. Financial Performance

A. Statement of Profit and Loss

Revenue

Total revenue from operations has increased to ₹ 774.37 crore during the year of review as compared to ₹ 645.44 crore during the previous year. FOB value of Export sales of the Company has also increased from ₹ 131.67 crore to ₹ 195.99 crore.

Segmental Revenue

Bulk drugs segment contributed about 56% of total revenue for the financial year 2017 against 53% contribution in financial year 2016. The Chemicals Segment contributed about 44% to total revenue in financial year 2017 against 47% in financial year 2016.

EBITDA

EBITDA of the Company has increased two-fold to ₹ 102.84 crore during year under review from ₹ 52.60 crore during the previous year due to increase in the operation efficiencies.

Net Profit after tax

The Company has turnaround during the year under review and earned profits after tax of ₹ 4.23 crore in the year under review against net loss of ₹ 40.03 crore during the previous year.

B. Balance Sheet
Share Capital

Authorized share capital of the Company is ₹ 80 crore divided into 5,80,00,000 equity shares of ₹ 10/- each and 2,20,00,000 Preference shares of ₹ 10/- each as on 31 March 2017. Paid-up share capital of the Company is ₹ 56,20,55,020/- consisting of 5,62,05,502 equity shares of ₹ 10/- each.

Reserves and Surplus

Reserves and surplus at the end of the year under review stood at ₹ 133.15 crore against ₹ 128.92 crore at the end of previous year. The increase is due to net profit of ₹ 4.23 crore earned during the year under review.

Borrowings

Long term secured borrowing at the end of financial year 2017 were ₹ 283.41 crore against ₹ 296.26 crore at the end of financial year 2016. Unsecured long term borrowings at the end of financial year 2017 stood at ₹ 23.26 crore against ₹ 19.27 crore at the end of financial year 2016.

Short term secured borrowing at the end of financial year 2017 were ₹ 140.77 crore, against ₹ 137.09 crore at the end of financial year 2016.

Assets
Non- Current Assets

Total Fixed assets including Capital work in process declined from ₹ 403.81 crore as on 31 March 2016 to ₹ 396.06 crore as on 31 March 2017, net of depreciation and additions.

Current Assets and Current Liabilities

The Company had inventories of ₹ 262.62 crore as on 31 March 2017 against ₹ 227.94 crore as on 31 March 2016. Trade Receivable amounted to ₹ 112.77 crore as on 31 March 2017 as compared with ₹ 87.26 crore as on 31 March 2016. The trade payables increased to ₹ 149.84 crore as on 31 March 2017 as compared with ₹ 115.78 crore as on 31 March 2016. The changes are in line with increase in overall operations.

C. Cash flows

The Company's net cash flow from operating activities for the year ended 31 March 2017 amounted to ₹ 77.89 crore against net cash flow used in operating activities ₹ 17.70 crore during the previous year.

The Company's net cash used in investing activities amounted to ₹ 22.59 crore during the year ended 31 March 2017 against ₹ 27.37 crore during the previous year.

During the year, net cash used in financing activities amounted to ₹ 54.52 crore as against net cash flow from financing activities ₹ 9.27 crore during the previous year.

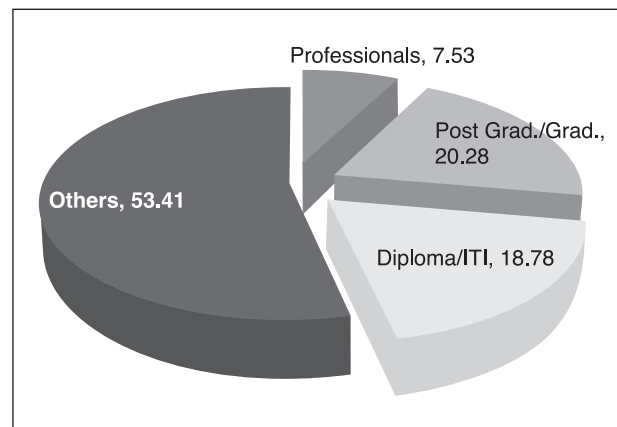
7. Contribution to National Exchequer

The Company has contributed a sum of ₹ 62.53 crore as compared to ₹ 63.79 crore during the previous year to National Exchequer by way of central excise duty in addition to contribution through other direct and indirect taxes.

8. Human Assets

The Company has a team of 1,129 strong members as on 31 March 2017 consisting of 7.53% Professionals, 20.28% Post Graduates/ Graduates, 18.78% Diploma/ITI and 53.41% others.

The Company stresses on all around development of the human resources. The Company's HR policies entail injecting Company with a high degree of expertise, professional depth, dynamism and power of the youth. The Company belief in respect of human resources and dignity of labour and consider human resources very valuable and vital assets for the development of the organization. We provide managerial and leadership development programmes across all levels to improve our business practices. The Company gives due importance to talent acquisition and thus have a mix blend of both campus and latent hiring. We believe in nurturing of talent and company's practices root for the same by providing them strategic training and development programs.


9. Cautionary Statement

Statement in Management Discussion and Analysis describing Company's objectives, projections, estimates and expectations may be "Forward Looking Statements" with in the meaning of applicable laws & regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to company's operations include but are not restricted to the economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which Company operates, changes in the Government regulations, tax laws, and other statutes, as also other incidental factors.

For and on behalf of the Board

	Sd/-	Sd/-
	Varinder Gupta	Dr M A Zahir
Place : Ludhiana	Managing Director	Chairman
Dated : 18 August 2017	DIN -00044068	DIN-00002973

CORPORATE GOVERNANCE REPORT

The Securities and Exchange Board of India (SEBI) regulates corporate governance for listed companies through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company confirms the compliance of Corporate Governance as contained in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, details of which are given below:

1. Company's philosophy on code of governance

Our corporate governance is a foundation of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key factors to our corporate governance to ensure that we gain and retain the trust of our stakeholders at all times.

The Company's philosophy on Corporate Governance is based on following principles:

- (i) Composition of the Board to add value
- (ii) Promote ethical and responsible decision-making
- (iii) Safeguard integrity in financial reporting
- (iv) Make timely and balanced disclosures
- (v) Recognise and manage business risks
- (vi) Respect the rights of the shareholders
- (vii) Recognise the legitimate interest of the stakeholders
- (viii) Legal and statutory compliances in letter and spirit

2. Board of Directors:

a) Composition of the Board:

Composition of the Board, number of directorship held, chairmanship & membership of the committees and shareholding in Company are as given below:

Name of the Director	Category	No. of Directorship held #	No. of Committees@ Chairman-ship	Member-ships	Share-holding in Company
Dr M A Zahir (Chairman)	Independent	9	5	4	--
Mr Varinder Gupta	Managing Director	4	--	--	11,96,965
Mr Vijay Garg	Joint Managing Director	1	--	1	--
Mr Vikas Gupta	Executive Director	1	--	1	--
Mr Vijay Singla*	Director (Works)	1	--	--	--
Mr Chandra Mohan	Independent	6	--	2	--
Dr Sandhya Mehta	Independent	1	--	1	--

including the Company and does not include private company which is either holding or subsidiary company of public company.

@ Board Committees for this purpose includes Audit Committee and Stakeholders' Relationship Committee only

* Mr Vijay Singla has resigned from the directorship with effect from 27 May 2017.

Notes: There is no inter-se relationship between the directors except Mr Varinder Gupta is father of Mr Vikas Gupta.

b) Change in directorships of the Company:

Mr Yogesh Goel and Mr Ravi Pratap Singh, Independent Directors have resigned from the directorship of the Company with effect from 14 May 2016. The Board places on record their appreciation for their services rendered to the Company.

Mr Vijay Singla, Director (Works) has resigned from the directorship of the Company with effect from 27 May 2017 and remained with the Company as President (Chemicals). The name of Mr Vijay Kumar Garg, Joint Managing Director has been changed to Mr Vijay Garg.

c) Attendance of Directors at the Board Meetings and last Annual General Meeting:

During the financial year 2016-17, the Board of Directors met 5 (five) times on 02 May 2016, 14 May 2016, 08 August 2016, 07 November 2016 and 11 February 2017. There was no gap of more than four months between any two consecutive meetings. Attendance of the directors at Board Meetings and previous Annual General Meeting (AGM) held on 28 September 2016 is as given below:

Name of the Director	Board Meetings Attended	Attendance at last AGM
Dr M A Zahir	5	No
Mr Varinder Gupta	5	Yes
Mr Vijay Garg	5	Yes
Mr Vikas Gupta	5	No
Mr Vijay Singla	5	Yes
Mr Chandra Mohan	4	No
Dr Sandhya Mehta	5	Yes
Mr Ravi Pratap Singh*	1	No
Mr Yogesh Goel*	--	No

* Mr Yogesh Goel and Mr Ravi Pratap Singh have resigned with effect from 14 May 2016.

3. Audit and Risk Management Committee

Audit and Risk Management Committee consists of three directors, all being independent directors viz. Dr M A Zahir (Chairman), Mr Chandra Mohan and Dr Sandhya Mehta as on 31 March 2017. Statutory Auditors, Internal Auditors and Finance head are invitees on the Committee. Company Secretary acts as Secretary to the Committee.

The role of the Audit and Risk Management Committee is in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the terms of reference specified under Section 177 of the Companies Act, 2013. Primary objective of the Committee is to monitor and provide effective supervision of management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity & quality of financial reporting and minimisation of risk.

During the year 2016-2017, Audit and Risk Management Committee met four times on 02 May 2016, 08 August 2016, 07 November 2016 and 11 February 2017. There was no gap of more than four months between any two consecutive meetings.

Attendance record of Audit and Risk Management Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Dr M A Zahir (Chairman)	4	4
Dr Sandhya Mehta	4	4
Mr Chandra Mohan	4	3
Mr Ravi Pratap Singh	4	1
Mr Varinder Gupta	4	1

The Audit and Risk Management Committee was reconstituted on 14 May 2016 consisting of three directors, all being independent directors viz. Dr M A Zahir (Chairman), Mr Chandra Mohan and Dr Sandhya Mehta.

4. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of three directors, all being Independent Directors viz. Mr Chandra Mohan (Chairman), Dr M A Zahir and Dr Sandhya Mehta as on 31 March 2017. Terms of reference of Committee is in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as specified under Section 178 of the Companies Act, 2013. Main terms of reference of the Committee includes determination of remuneration packages of the executive directors including remuneration policy. The Committee formulated the criteria and framework for the performance evaluation each director on the Board, including the executive and independent directors.

During the year, one meeting was held on 30 April 2016. Attendance record of Nomination and Remuneration Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Mr Chandra Mohan (Chairman)	1	1
Dr M A Zahir	1	1
Dr Sandhya Mehta	1	1
Mr Ravi Pratap Singh	1	1

The Nomination and Remuneration Committee was reconstituted on 14 May 2016 consisting of three directors, all being independent directors viz. Mr Chandra Mohan (Chairman), Dr M A Zahir and Dr Sandhya Mehta.

a) Remuneration Policy and details of Remuneration of Directors:

- Executive Directors:** The Company has a policy for the remuneration of Directors and Key Managerial Personnel (KMPs). The Company pays remuneration to its Executive Directors as approved by Nomination and Remuneration Committee, Board of Directors, Members of the Company and approval of Central Government wherever is required. The Company entered into the agreement with executive directors. No severance fees is payable to the Executive Directors. All components of remuneration to the Executive Directors are fixed and in line with the Company's policies. The Company has not granted any stock option to its directors.

Detail of remuneration paid to the Executive Directors during the financial year 2016-2017 is given below:

(Amount in ₹ in lakh)

Name	Position	Salary	Commission	Contribution to Provident & other Funds	Other perquisites & allowances	Total
Mr Varinder Gupta	Managing Director	57.60	0	6.91	79.48	144.00
Mr Vijay Garg	Joint Managing Director	48.00	0	5.76	66.24	120.00
Mr Vijay Singla	Director (Works)	26.40	0	3.16	36.43	66.00
Mr Vikas Gupta	Executive Director	12.00	0	1.44	16.56	30.00

- Independent Directors:** Independent Directors have not paid any remuneration except sitting fees @ ₹ 15,000/- for attending each Board Meeting /Committee Meeting. Detail of sitting fees paid during the year 2016- 2017 is given below:

(Amount in ₹ in lakh)

Name of Directors	Fee paid for Board Meetings	Fees paid for Committee Meetings*	Total Fee Paid
Dr M A Zahir	0.65	1.42	2.07
Mr Chandra Mohan	0.55	0.67	1.22
Dr Sandhya Mehta	0.65	0.75	1.40
Mr Ravi Pratap Singh	0.10	0.07	0.17
Mr Yogesh Goel	--	--	--
TOTAL	1.95	2.91	4.86

* The fees paid for Committees includes Audit & Risk Management Committee, Banking & Finance Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Meeting of Independent Directors and Allotment Committee.

The Board of Directors revised the sitting fee for attending each meeting of the Board / Committee to ₹ 15,000/- with effect from 14 May 2016.

During the year 2016-17, the Company did not advance any loan to any of its directors except advance for travel or other purposes to discharge official duties in the normal course of business.

The Company, in compliance with the provisions of Section 197 of the Companies Act, 2013 and Listing Regulations, has not granted stock options to Independent Directors.

The Company is making the payment to its executive /non-executive directors as per nomination and remuneration policy of the Company the same is available on the Company's website at www.iolcp.com.

5. Stakeholders' Relationship Committee

Stakeholders' Relationship Committee consists of three Directors viz., Dr M A Zahir (Chairman), Mr Vijay Garg and Mr Vikas Gupta as on 31 March 2017. Terms of reference of Committee is in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as specified under Section 178 of the Companies Act, 2013. During the year, two meeting were held on 12 April 2016 and 11 August 2016.

Attendance record of Stakeholders' Relationship Committee members is given below:

Name of the Members	No. of Meetings	
	Held	Attended
Dr M A Zahir (Chairman)	2	2
Mr Vijay Garg	2	1
Mr Vikas Gupta	2	1
Mr Varinder Gupta	2	1
Mr Vijay Singla	2	1

The Stakeholders' Relationship Committee was reconstituted on 14 May 2016 consisting of three directors viz. Dr MA Zahir (Chairman), Mr Vijay Garg and Mr Vikas Gupta.

Mr Krishan Singla, Vice President and Company Secretary is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges in India. Any investor / shareholder of the Company can contact him on the matters related with the company at 85, Industrial Area, 'A', Ludhiana, Phone: +91-161-2225531-35, Fax: +91-161-2608784 and e-mail: investor@iolcp.com.

Shareholders' complaints received, resolved and pending:

Detail of investors' complaints/queries received and resolved during the year 2016-17 are as under:

Sr. No.	Nature of complaints / queries	No. of complaints / queries during the year		
		Received	Attended	Pending
1.	Transfer/Transmission of shares	8	8	NIL
2.	Dividend	1	1	NIL
3.	Loss/Issue of duplicate shares certificate	43	43	NIL
4.	SEBI/Stock Exchange	0	0	NIL
5.	Change of Company Name	10	10	NIL
6.	Change of Address	29	29	NIL
7.	Split/Consolidation	0	0	NIL
8.	Others	10	10	NIL

6. Meeting of Committee of Independent Directors

The Company's Independent Directors are required to meet at least once in every financial year without presence of Executive Directors or management personnel. Such meetings are conducted to enable Independent Directors to discuss matters pertaining to the Company's affairs, to review the performance of executive directors etc. The Lead Independent Director takes appropriate steps to present Independent Directors' views to the Chairman and Managing Director.

During the year under review, the Independent Directors met on 11 February 2017, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors attended the Meeting.

7. Other Committees

Besides the above three Committees, the Board of Directors has delegated banking and finance matters to Banking and Finance

Committee; allotment of warrants/shares/debentures/other securities to Allotment Committee.

Detail of meetings of abovesaid committees held during the financial year 2016-17 is as under:

Name of Committees	No. of Meetings held	Date of Meeting
Banking and Finance Committee	3	20 June 2016, 22 February 2017 and 18 March 2017
Allotment Committee	--	No meeting was held during the year

8. General body Meetings:

a) Annual General Meetings/ Extra-ordinary General Meetings

Last three Annual General Meetings were held at the Registered Office of the Company at Trident Complex, Raikot Road, Barnala as per details given below:

Meeting	Date	Day	Time/ Location	Details of Special Resolutions passed
29 th AGM	28 September 2016	Wednesday	11:00 AM at Registered Office	1. Re- appointment of Mr Vijay Garg, Joint Managing Director 2. Re- appointment of Mr Vijay Singla, Director (Works) 3. Increase of the remuneration of Mr Varinder Gupta, Managing Director
28 th AGM	29 September 2015	Tuesday	11:00 AM at Registered Office	1. Increase of the remuneration of Mr Vijay Singla, Director (Works) 2. Increase of the remuneration of Mr Vijay Garg, Joint Managing Director 3. Increase of the remuneration of Mr Varinder Gupta, Managing Director 4. Re-appointment of Mr Varinder Gupta, Managing Director
27 th AGM	30 September 2014	Tuesday	11:30 AM at Registered Office	1. Borrowing powers of the Company. 2. Creation of charges on the immovable/movable assets of the Company.

During the year under review, no special resolution has been passed through the exercise of postal ballot.

9. Disclosures

a) Related Party Transactions

There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors or promoters that may have potential conflict with the interests of the Company at large except details of transactions annexed to the Balance Sheet. All details relating to financial and commercial transactions, where directors may have a potential interest are provided to the Board and interested directors neither participate in the discussion nor do they vote on such matters.

The Company has policy on dealing with material related party transactions which is available on the website of the Company at www.iolcp.com.

b) Compliance made by the Company

The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters related to capital markets and no penalties or strictures have been imposed on the Company by any Stock Exchange, SEBI or any other Statutory Authority relating to the above.

c) Vigil Mechanism

The Company has whistle blower policy which acts as vigil mechanism and provides an opportunity to employees to access in good faith, to Audit and Risk Management Committee, in case they observe unethical and improper practices or any other alleged wrongful conduct in the Company and to prohibit managerial personnel from taking any adverse personnel action against those employees. It is affirmed that no personnel has been denied access to Audit and Risk Management Committee during the year. The whistle blower policy is available on the website of the Company at www.iolcp.com.

d) Compliance with mandatory requirements

The Company has complied with all the applicable mandatory requirements and other applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1) Code of Conduct for Directors and Senior Management

The “Code of Conduct for Directors and Senior Management” has been adopted by the Company for its board members and senior management of the Company. Code of Conduct is available on the website of the Company www.iolcp.com. All board members and senior management personnel affirmed the compliance with the said code. A certificate signed by Managing Director as required under Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance of said code is given in this Annual Report.

2) Management Discussion and Analysis Report

Management Discussion and Analysis Report has been included in this Annual Report and includes discussion on the matters specified in the Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3) Selection of Independent Directors

The Nomination and Remuneration Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

None of the directors serve as Independent Director in more than seven listed companies and none of the executive director serve as Independent Director on any listed company.

The terms and conditions of appointment of Independent Directors is available on the Company's website www.iolcp.com.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

4) Familiarisation Programme for Independent Directors

The Board members are provided with necessary documents/brochures, reports and internal policies

to enable them to familiarise with the company's procedures and practices. Periodic presentations are made at the meeting of the Board / Committee on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the company's business segments were made at the separate meetings of the Independent Directors held during the year.

Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company at www.iolcp.com.

5) Board Evaluation

The evaluation of all the directors was conducted based on the criteria and framework adopted by the Board. The evaluation process has been explained in the Directors' Report.

6) Compensation Policy for Board and Senior Management

The Board has approved the Nomination and Remuneration Policy for Directors, KMP and all other employees of the Company and is given on the website of the Company www.iolcp.com.

7) Holding and Subsidiary Companies

The Company does not have any holding or subsidiary company.

10. Means of Communication:

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end:

a) Quarterly/Half Yearly/Annual Results: Quarterly, half yearly and annual results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

b) Publication of Quarterly/Half Yearly/Annual Results: Quarterly, half yearly and annual results of the Company are published in the prescribed performa within 48 hours of the conclusion of the meeting of the Board atleast in one English newspaper circulating in the whole or substantially the whole of India and in one vernacular newspaper of the State of Punjab where the Registered Office of the Company is situated. Quarterly financial results during the financial year 2016-17 were published as detailed below:

Quarter ended	Date of Board Meeting	Date of Publication	Name of the Newspapers
30 June 2016	08 August 2016	09 August 2016	Economic Times and Punjabi Jagran
30 September 2016	07 November 2016	08 & 09 November 2016	Financial Express and Punjabi Jagran
31 December 2016	11 February 2017	12 & 13 February 2017	Financial Express, Business Standard, Economic Times and Punjabi Jagran
31 March 2017	27 May 2017	28 & 29 May 2017	Financial Express, Business Standard, Economic Times and Punjabi Jagran

These results and other press releases are sent to the Stock Exchanges as well as displayed on Company's website www.iolcp.com at the time of its release to the media.

- c) **NSE Electronic Application Processing System (NEAPS):** NEAPS is a web based application designed by NSE for corporate. The Shareholding Pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on NEAPS.
- d) **BSE Listing Centre (<http://listing.bseindia.com/>):** BSE Listing Centre is a web based application designed by BSE for corporate. The Shareholding pattern, Corporate Governance Report and Corporate's Announcements etc. are also filed electronically on BSE Listing Centre.
- e) **E-mail:** Quarterly/half yearly /annual results/ annual reports are also send to the members & investors on their e-mail Ids registered with the Company.

11. General Shareholders Information

Following information would be useful to the members:

- a) **Annual General Meeting** of the Company will be held on Thursday, 28 September 2017 at 11:00 A.M. at the Registered Office of the Company at Trident Complex, Raikot Road, Barnala, Punjab.
- b) **Financial Calendar:** Last financial year of the Company was of twelve months from 1 April 2016 to 31 March 2017. Tentative financial calendar of the Company for the year 2017-18 shall be as follow:

Board Meetings to take on record	Schedule
Financial Results for the quarter ending 30 June 2017	During August 2017
Financial Results for the quarter/half year ending 30 September 2017	During November 2017
Financial Results for the quarter ending 31 December 2017	During February 2018
Financial Results for the quarter ending 31 March 2018	During May 2018

c) **Date of Book Closure**

The Register of Members and Share Transfer Books will remain closed on 21 September 2017 for the purpose of the Annual General Meeting.

d) **Dividend payment date**

The Board has not recommended any dividend due to inadequate profits during the year under review.

e) **Shares of the Company are listed on the following Stock Exchange**

Name and Address of the Stock Exchange	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051	IOLCP
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	524164

The Company has made all the compliances of Listing Agreement including payment of annual listing fees.

f) **Market Price data**

Monthly high and low prices of equity shares of the Company at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) are as follow:

(in ₹)

Financial Year 2016-17	NSE			
	Share Price		NIFTY	
	High	Low	High	Low
April 2016	96.45	74.50	7992	7517
May 2016	126.60	95.00	8214	7678
June 2016	144.50	123.00	8308	7927
July 2016	154.20	143.25	8675	8288
August 2016	153.95	101.20	8819	8518
September 2016	156.80	131.25	8969	8555
October 2016	146.80	125.40	8807	8506
November 2016	140.00	91.95	8670	7916
December 2016	102.90	85.45	8275	7894
January 2017	102.85	91.50	8673	8134
February 2017	95.50	86.65	8982	8538
March 2017	95.00	59.15	9218	8860

Source: nseindia.com

(in ₹)

Financial Year 2016-17	BSE			
	Share Price		SENSEX	
	High	Low	High	Low
April 2016	96.35	76.00	26101	24523
May 2016	126.55	95.00	26837	25058
June 2016	144.45	120.00	27105	25911
July 2016	154.05	143.75	28240	27034
August 2016	154.00	102.00	28532	27628
September 2016	155.95	132.00	29077	27717
October 2016	146.00	125.80	28478	27488
November 2016	135.20	92.60	28030	25718
December 2016	102.95	86.05	26804	25754
January 2017	104.00	91.80	27980	26447
February 2017	95.55	87.50	29065	27590
March 2017	94.20	59.25	29825	28716

Source: bseindia.com

g) **Registrar and Share Transfer Agents**

Alankit Assignments Limited,
(Unit: IOL Chemicals and Pharmaceuticals Limited)
"Alankit Heights", 1E/13, Jhandewalan Extension,
New Delhi-110 055
Phone : +91-11-23541234, 42541234
Fax : +91-11-41543474
E mail : rta@alankit.com

h) **Distribution of Shareholding**

The Distribution Schedule of the Company as on 31 March 2017 is as follow:

Range No. of Shares	Shareholders		Shares	
	Number	% age of total holders	Number	% age of total capital
Upto 500	11495	88.66	15,75,601	2.80
501 to 1000	703	5.42	5,75,903	1.03
1001 to 2000	346	2.67	5,33,524	0.95
2001 to 3000	100	0.77	2,54,075	0.45
3001 to 4000	64	0.49	2,28,313	0.41
4001 to 5000	47	0.36	2,24,404	0.40
5001 to 10000	102	0.79	7,54,830	1.34
10001 and Above	109	0.84	5,20,58,852	92.62
Total	12,966	100.00	5,62,05,502	100.00

i) Shareholding Pattern:

The shareholding pattern of the Company as on 31 March 2017 is as follow:

Category	As on 31 March 2017			As on 31 March 2016		
	Share-holders	Shares	% age	Share-holders	Shares	% age
Promoter						
Indians	8	2,31,48,998	41.19	6	2,24,36,966	39.92
Foreign	-	-	-	-	-	-
Sub – total	8	2,31,48,998	41.19	6	2,24,36,966	39.92
Non-Promoters						
Financial Institutions/ Mutual Funds	6	67,990	0.12	5	24,100	0.04
Bodies Corporate	377	1,56,33,514	27.82	248	1,67,70,143	29.84
Individuals	12,494	83,53,476	14.86	9043	80,85,316	14.39
NRI	79	1,42,936	0.25	31	30,389	0.05
Foreign Companies	2	88,58,588	15.76	2	88,58,588	15.76
Sub –total	12,958	3,30,56,504	58.81	9,329	3,37,68,536	60.08
Total	12,966	5,62,05,502	100	9,335	5,62,05,502	100.00

j) Dematerialisation of Shares and Transfer of Shares:

The Company's shares are compulsorily traded in dematerialised form. The Company has arrangements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility.

Particulars of shares	Equity shares of ₹ 10/- each		Members	
	Number	% age of total	Number	% age of total
Dematerialised form				
NSDL	4,98,83,922	88.75 %	4,805	37.06 %
CDSL	56,58,544	10.07 %	3,606	27.81 %
Sub Total	5,55,42,466	98.82 %	8,411	64.87 %
Physical Form	6,63,036	1.18 %	4,555	35.13 %
Total	5,62,05,502	100.00 %	12,966	100.00%

The Company has appointed Alankit Assignment Limited as Registrar and Share Transfer Agents. No case is pending for transfer as well as dematerialization of shares as on 31 March 2017. The ISIN No. of the Company is **INE485C01011**.

k) Outstanding GDR/ADR/Warrants/Convertible Instrument

Company has no outstanding GDR/ADR/ warrants as on 31 March 2017.

l) Foreign exchange risk and hedging activities

Company is exposed to foreign exchange risk with respect to foreign currencies, denominated mainly in US dollars, on revenue and supplies. However, risk is naturally hedged as Company is engaged both in imports and exports and is used to take future cover as the situation so warrants.

m) Designated e-mail id for investors

In terms of Regulation 85(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the designated E-mail address for investor queries is **investor@iolcp.com**.

n) Legal proceeding related to the Investors

There are no legal proceedings against or by the Company related to the Investors.

o) Reconciliation of Share Capital Audit

M/s B. K. Gupta & Associates, Company Secretaries, carried out a reconciliation of share capital audit to reconcile total admitted capital with NSDL & CDSL, total issued and listed capital. Reconciliation of share capital audit report for quarter ended 31 March 2017 confirms that total admitted capital with both the depositories, NSDL & CDSL, total issued and listed capital are same and no case is pending for dematerialisation for more than 21 days as on that date.

p) Green Initiative for Paperless Communications:

To support the "Green Initiative" taken by the MCA, to contribute towards greener environment and to receive through electronic mode all documents, notices, including Balance Sheet (Annual Reports) and other communications of the Company, shareholders are requested to register their e-mail addresses with the Company.

Shareholders holding shares in demat mode can register their e-mail address/change their e-mail address with their DP. Shareholders holding shares in physical form register their e-mail address/change their e-mail with the RTA i.e Alankit Assignments Limited,(Unit: IOL Chemicals and Pharmaceuticals Limited) "Alankit House", 1E/13, Jhandewalan Extension, New Delhi - 110055 or register their e-mail ID at investor@iolcp.com and/or register themselves at Company's website www.iolcp.com to enable Company to provide Notice(s), Annual Report etc. under Section 136 of the Companies Act, 2013 and other Information through Electronic mode.

q) Plant Location

Village Fatehgarh Chhana, Mansa Road, Barnala-148 001.
Phone : +91-1679-285285-86
Fax : +91-1679-285292

r) Address for Correspondence

For general correspondence:

Vice President and Company Secretary
IOL Chemicals and Pharmaceuticals Limited
85, Industrial Area 'A', Ludhiana - 141 003.
Phone : +91-161-2225531-35; Fax : +91-161-2608784
E-mail : investor@iolcp.com,

For share transfer/ dematerialisation/ change of address etc:

Alankit Assignments Limited,
(Unit: IOL Chemicals and Pharmaceuticals Limited)
"Alankit Heights", 1E/13, Jhandewalan Extension,
New Delhi-110 055
Phone : +91-11-23541234, 42541234
Fax : +91-11-41543474
E mail : rta@alankit.com

s) Address of regulatory authorities/ stock exchange

National Stock Exchange of India Limited (NSE)
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E) Mumbai - 400 051
Phone : +91-22- 26598100 - 8114
Fax : +91-22- 26598120

BSE Limited (BSE)
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai - 400001
Phone : +91-22-22721233/4
Fax : +91-22-22721919

Securities and Exchange Board of India
 Head Office : Plot No.C4-A
 'G' Block, Bandra Kurla Complex,
 Bandra(East), Mumbai 400051
 Tel : +91-22-26449000 / 40459000
 Fax : +91-22-26449016-20 / 40459016-20
 E-mail : sebi@sebi.gov.in

t) Address of Depositories

National Securities Depository Limited
 Trade World, A wing, 4th & 5th Floors,
 Kamala Mills Compound, Lower Parel,
 Mumbai - 400 013

Tel : +91-22-2499 4200 (60 lines)
 Fax : +91-22-2497 2993/ 2497 6351
 Email : info@nsdl.co.in

Central Depository Services (India) Limited
 Phiroze Jeejeebhoy Towers, 16th Floor,
 Dalal Street, Mumbai - 400 001
 Phone : +91-22-22723333;
 Fax : +91-22-22723199 / 22722072;
 Email : investors@cdslindia.com

12. Compliance report on discretionary requirements under Regulation 27(1) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company is displaying its quarterly and half-yearly results on its website www.iolcp.com and publishing the same in widely circulated newspapers. The auditors have given unmodified opinion on the financial statements of the Company. The Company has appointed separate persons to the post of chairman and managing director. Dr M A Zahir is the Chairman of the Company and Mr Varinder Gupta is the Managing Director of the Company. The Internal Auditors reports to the Audit and Risk Management Committee on internal audit findings.

13. CEO and CFO Certificate

Certificate from the Managing Director (CEO) and Chief Financial Officer (CFO) under Regulation 17 (8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given in this Annual Report.

14. Auditor's Certificate on Compliance

Certificate from the Statutory Auditors under Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming compliance of conditions of corporate governance is given in this Annual Report.

Declaration under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We hereby declare that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the financial year ended 31 March 2017.

For and on behalf of the Board
 Sd/-

Varinder Gupta
 Managing Director
 DIN: 00044068

Place : Ludhiana
 Dated : 18 August 2017



Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

We, Varinder Gupta, Managing Director and Pardeep Kumar Khanna, Chief Financial Officer (CFO) of IOL Chemicals and Pharmaceuticals Limited, certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31 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 fact 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. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 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 & Risk Management 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 & Risk Management Committee
 - a) significant changes in internal controls over financial reporting during the year;
 - b) significant changes in accounting policies during the year, if any, 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 involvement therein, if any, of the management or other employees who have a significant role in the Company's internal controls system over financial reporting.

Place : Ludhiana
Date : 27 May 2017

Sd/-
Varinder Gupta
Managing Director
DIN:00044068

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

INDEPENDENT AUDITORS' COMPLINACE CERTIFICATE

To
The Members of
IOL Chemicals and Pharmaceuticals Limited

1. We, SC Vasudeva & Co., Chartered Accountants, the Statutory Auditors of IOL Chemicals and Pharmaceuticals Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with corporate governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S.C. Vasudeva & Co,
Chartered Accountants
Firm's Registration No.000235N

Place : Ludhiana
Date : 18 August 2017

Sd/-
(Sanjiv Mohan)
Partner
M. No. 086066

INDEPENDENT AUDITOR'S REPORT

To the Members of IOL Chemicals and Pharmaceuticals Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of IOL Chemicals and Pharmaceuticals 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 Financial Statements

2. 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 and presentation of these 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 the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. 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 financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure-A, which forms part of this report, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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 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 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 Sub-section (2) of Section 164 of the Act; and
 - 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"; and
 - 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 explanations given to us;
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note No.29.I.(i) to the financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of account maintained by the Company (Refer Note No. 45 of financial statements).

For S.C. Vasudeva & Co,
Chartered Accountants
Firm Reg. No.000235N

Sd/-
(Sanjiv Mohan)
Partner
M. No. 086066

Ludhiana
27 May 2017

ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2017, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanations given to us, the fixed assets of the Company have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification. In our opinion the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and nature of its assets.
- c) According to information and explanations given to us and on the basis of our examination of records of the Company the title deeds of immovable properties are held in the name of the Company.
- (ii) a) According to the information and explanations given to us, the inventories have been physically verified by the management at the end of the year. In our opinion the frequency of verification is reasonable.
- b) According to the information and explanations given to us, discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been dealt with in the books of accounts.
- (iii) According to the information and explanations given to us we report that the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore the provisions of paragraph (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted loans to directors or any other person in whom director is interested and also has not made loans, guarantees or provided security in connection with loan to any person or other body corporates and has not acquired securities of any other body corporate. Therefore, the provisions of Section 185 and Section 186 of the Companies Act, 2013 are not applicable to the Company. Thus paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits cover under the provisions of Sections 73 to 76, other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. According to the information and explanations given to us, no order under the aforesaid Sections has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of the records of the Company examined by us, in our opinion, the Company has been regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts in respect of statutory dues payable were outstanding as on the last day of the financial year

concerned for a period of more than six months from the date they became payable.

- (b) According to the information and explanations there are no dues of income tax, service tax, duty of custom, duty of excise which have not been deposited with the appropriate authorities on account of any dispute. However according to information and explanations given to us, the following dues of Value Added Tax has not deposited by the Company on account of dispute:

Sr. No.	Name of the Statute	Nature of Dues	Period to which the amount relates	Disputed Amount (₹)	Forum where the dispute is pending
1.	Punjab Vat Act, 2005	Value Added Tax	2009-2010	11,56,914	Deputy Excise and Taxation Commissioner, Ludhiana

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution bank or government. The Company has not issued any debentures during the year or in the preceding year.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken during the year by the Company have been applied for the purpose for which they were raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud on or by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on the records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are not applicable.
- (xiii) According to the information and explanations given to us, and based on our examinations of the records of the Company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year under audit. Thus the provisions of paragraph 3 (xiv) of the Order are not applicable.
- (xv) According to information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- (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.

For S.C. Vasudeva & Co,
Chartered Accountants
Firm Reg. No.000235N

Sd/-
(Sanjiv Mohan)
Partner
M. No. 086066

Ludhiana
27 May 2017

ANNEXURE - B TO THE AUDITORS' REPORT

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

Report on Internal Financial Controls

1. We have audited the internal financial controls over financial reporting of IOL Chemicals and Pharmaceuticals Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. 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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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.
4. 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.
5. 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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 Institute of Chartered Accountants of India.

For S.C. Vasudeva & Co,
Chartered Accountants
Firm Reg. No.000235N

Sd/-
(Sanjiv Mohan)
Partner
M. No. 086066

Ludhiana
27 May 2017



BALANCE SHEET AS AT 31 MARCH 2017

Particulars	Note No.	As at 31 March 2017 ₹	As at 31 March 2016 ₹
I EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	56,20,55,020	56,20,55,020
(b) Reserves and surplus	4	1,33,15,12,403	1,28,92,37,372
		<u>1,89,35,67,423</u>	<u>1,85,12,92,392</u>
(2) Non current liabilities			
(a) Long term borrowings	5	2,85,91,37,253	3,01,87,71,928
(b) Deferred tax liabilities	6	-	-
(c) Other long term liabilities	7	14,71,25,453	1,37,25,453
(d) Long term provisions	8	1,50,95,249	1,18,17,669
		<u>3,02,13,57,955</u>	<u>3,04,43,15,050</u>
(3) Current Liabilities			
(a) Short term borrowings	9	1,40,77,45,669	1,37,08,51,682
(b) Trade payables	10		
i) Total outstanding dues of micro and small enterprises		-	12,68,546
ii) Total outstanding dues of creditors other than micro and small enterprises		1,49,83,97,594	1,15,55,73,289
(c) Other current liabilities	11	35,78,94,768	30,02,67,158
(d) Short term provisions	12	19,83,824	12,83,691
		<u>3,26,60,21,855</u>	<u>2,82,92,44,366</u>
TOTAL		<u>8,18,09,47,233</u>	<u>7,72,48,51,808</u>
II ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
i) Property, Plant and Equipment (Tangible)	13	3,73,86,61,966	3,98,52,23,521
ii) Intangible assets		93,61,512	97,58,507
iii) Capital work in progress		21,25,92,667	4,31,19,637
		<u>3,96,06,16,145</u>	<u>4,03,81,01,665</u>
(b) Non-current investments	14	3,99,900	3,99,900
(c) Deferred tax assets	6	-	-
(d) Long-term loans and advances	15	9,00,04,876	9,02,38,093
(e) Other non current assets	16	42,65,667	2,75,61,992
		<u>4,05,52,86,588</u>	<u>4,15,63,01,650</u>
(2) Current Assets			
(a) Current investments	17	4,99,900	4,57,225
(b) Inventories	18	2,62,62,19,336	2,27,94,37,282
(c) Trade receivables	19	1,12,76,75,146	87,25,99,311
(d) Cash and cash equivalents	20	16,39,03,057	11,93,72,568
(e) Short term loans and advances	21	20,73,63,206	29,66,83,772
		<u>4,12,56,60,645</u>	<u>3,56,85,50,158</u>
TOTAL		<u>8,18,09,47,233</u>	<u>7,72,48,51,808</u>
See accompanying notes to the financial statements	2		

As per our report of even date attached

For S.C. VASUDEVA & CO.

Chartered Accountants
Firm Regn. No.000235NSd/-
(Sanjiv Mohan)
Partner
M.No.86066Place : Ludhiana
Date : 27 May 2017

For and on behalf of the board of directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068Sd/-
Krishan Singla
Vice President
and Company SecretarySd/-
Vijay Kumar Garg
Joint Managing Director
DIN-06510248Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

Particulars	Note No.	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Revenue from operations (Gross)	22	7,73,18,59,635	6,44,20,78,690
Less: excise duty		62,53,29,023	63,79,25,265
I Revenue from operations (Net)		7,10,65,30,612	5,80,41,53,425
II Other income	23	1,18,03,205	1,22,76,061
III Total revenue (I+II)		7,11,83,33,817	5,81,64,29,486
IV Expenses:			
(a) Cost of material consumed	24	4,96,35,04,151	4,34,80,00,263
(b) Purchase of stock-in-trade		-	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(16,95,97,774)	(21,19,56,246)
(d) Employee benefit expense	26	43,72,20,888	35,12,70,573
(e) Finance cost	27	67,41,66,536	61,46,59,727
(f) Depreciation and amortization expense	13	29,94,66,514	29,68,63,582
(g) Other expenses	28	85,87,99,522	80,30,94,035
Total expenses		7,06,35,59,837	6,20,19,31,934
V Profit/(loss) before exceptional and extraordinary items and tax (III-IV)		5,47,73,980	(38,55,02,448)
VI Exceptional items		-	-
II Profit/(loss) before extraordinary items and tax (V±VI)		5,47,73,980	(38,55,02,448)
VIII Extraordinary items		-	-
IX Profit/(loss) before tax (VII±VIII)		5,47,73,980	(38,55,02,448)
X Tax expense			
(a) Current tax		1,11,67,784	-
(b) Tax of earlier year		-	-
(c) MAT credit entitlement		(1,11,67,784)	-
(d) MAT credit entitlement of earlier years w/back		1,24,98,949	1,85,88,814
(e) Deferred tax		-	(38,33,057)
Total tax expense		1,24,98,949	1,47,55,757
XI Profit/(loss) for the year (IX-X)		4,22,75,031	(40,02,58,205)
XII Earnings per equity share of ₹10/- each			
- Basic (₹)		0.75	(7.60)
- Diluted (₹)		0.75	(7.60)
- Cash (₹)		6.10	(1.68)
See accompanying notes to the financial statements	2		

As per our report of even date attached

For S.C. VASUDEVA & CO.Chartered Accountants
Firm Regn. No.000235NSd/-
(Sanjiv Mohan)
Partner
M.No.86066Place : Ludhiana
Date : 27 May 2017**For and on behalf of the board of directors**Sd/-
Varinder Gupta
Managing Director
DIN-00044068Sd/-
Krishan Singla
Vice President
and Company SecretarySd/-
Vijay Kumar Garg
Joint Managing Director
DIN-06510248Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017**

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Cash flow from operating activities		
Profit before taxation and extraordinary items as per statement of profit & loss	5,47,73,980	(38,55,02,448)
Adjustments for:		
Depreciation and amortisation expense	29,94,66,514	29,68,63,582
Loss /(Profit) on sale of fixed assets	(4,36,246)	(1,734)
Loss /(Profit) on sale of investment	(1,39,250)	33,309
Loss /(Profit) on foreign currency rate fluctuation	(69,52,870)	(1,55,48,016)
Sundry balance written off	12,14,537	3,71,050
Loss on discard of fixed assets	19,69,264	6,57,630
Interest expense	62,15,32,665	56,88,56,567
Interest income	(1,09,40,097)	(1,19,91,841)
Operating profit before working capital changes	96,04,88,497	45,37,38,099
Movement in working capital:		
Increase/(Decrease) in trade payables and other liabilities	33,56,97,417	48,48,04,691
Decrease/(Increase) in trade and other receivables	(15,99,00,347)	(61,63,15,832)
Decrease/(Increase) in inventories	(34,67,82,054)	(14,51,93,834)
Cash generated from/(used in) operations	78,95,03,513	17,70,33,124
Income tax paid (net of refunds)	(1,06,28,219)	-
Net cash flow from/(used in) operating activities (A)	77,88,75,294	17,70,33,124
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets	(22,41,94,684)	(26,67,16,121)
Proceeds from sale of property, plant and equipment	6,80,671	13,78,500
Proceeds from sale of investments	10,96,375	11,09,266
Investments made	(9,99,800)	(14,99,900)
Interest received	1,09,40,097	1,30,32,209
Bank balances not considered as cash and cash equivalents	(1,34,31,938)	(2,10,33,607)
Net cash flow from/(used in) investing activities (B)	(22,59,09,279)	(27,37,29,653)
Cash flow from financing activities		
Proceeds from issuance of share capital	-	17,95,50,000
Proceeds from long term borrowings	18,74,00,000	8,24,88,825
Repayment of long term borrowings	(14,25,63,975)	(3,11,31,424)
Proceeds from short term borrowing	3,68,93,987	16,64,18,210
Interest paid	(62,68,93,801)	(30,46,40,557)
Net cash flow from/(used in) financing activities (C)	(54,51,63,789)	9,26,85,054
Net increase/(decrease) in cash and cash equivalents (A+B+C)	78,02,226	(40,11,475)
Cash and cash equivalents at the beginning of the year	98,25,560	1,38,37,035
Cash and cash equivalents at the end of the year *	1,76,27,786	98,25,560
* Comprises		
Balances with banks in current account	1,42,01,532	53,39,567
Cash on hand	34,26,254	44,85,993
	1,76,27,786	98,25,560

See accompanying notes to the financial statements

As per our report of even date attached

For S.C. VASUDEVA & CO.Chartered Accountants
Firm Regn. No.000235NSd/-
(Sanjiv Mohan)
Partner
M.No.86066

For and on behalf of the board of directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068Sd/-
Vijay Kumar Garg
Joint Managing Director
DIN-06510248Sd/-
Krishan Singla
Vice President
and Company SecretarySd/-
Pardeep Kumar Khanna
Chief Financial OfficerPlace : Ludhiana
Date : 27 May 2017

Notes to financial statements for the year ended 31 March 2017**1. Corporate information**

IOL Chemicals and Pharmaceuticals Limited (The Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 on 29th September 1986. Its shares are listed on two stock exchanges in India. The Company is engaged in the manufacturing and selling of Organic Chemicals and Bulk Drugs. The Company caters to both domestic and international market.

2. Significant accounting policies and notes on accounts**a. Basis of preparation of financial statements:**

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the accounting standards referred to in Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rule, 2014.

b. Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, require estimates and assumptions to be made that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results known materialise.

c. Revenue Recognition**i) Sale:**

Sales comprise sale of goods and export incentives. Revenue from sale of goods is recognised:

- a) when all significant risks and rewards of ownership is transferred to the buyer and the Company retains no effective control of the goods transferred to a degree usually associated with ownership; and
- b) no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods.

ii) Export Incentives

Revenue in respect of export incentives is recognised on post export basis.

iii) Dividend

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

iv) Interest

Revenue from interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

v) Insurance and other claims

Revenue in respect of claims is recognized when no significant uncertainty exists with regard to the amount to be realized and the ultimate collection thereof.

d. Employee Benefits**a) Short Term Employee Benefits:**

Short Term Employee Benefits are recognised as an expense on an undiscounted basis in the statement of profit and loss for the year in which the related service is rendered.

b) Post-Employment Benefits:**i) Defined Contribution Plans:****Provident Fund:**

The Employer's Contributions to provident fund are made in accordance with the provisions of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and is recognised as an expense in the statement of profit and loss.

ii) Defined Benefit Plans:**Gratuity:**

The Group Gratuity Cash Accumulation Scheme, managed by Life Insurance Corporation of India is a defined benefit plan. The liability for gratuity is provided on basis of actuarial valuation carried out by an independent actuary as at the Balance Sheet date. The Present Value of the Company's obligation is determined on the basis of actuarial valuation at the year end using the projected unit credit method and the fair value of plan assets is reduced from the gross obligations under the gratuity scheme to recognize the obligation on a net basis.

c) Leave encashment:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date, determined based on actuarial valuation using Projected Unit Credit Method.

d) The actuarial gain or loss:

The actuarial gain or loss is recognised in statement of profit and loss in the period in which they occur.

e. Property, Plant and Equipment (Tangible)

Property, plant and equipment are stated at cost, less accumulated depreciation. The Cost of an item of Property, plant and equipment comprises:

- a) The cost of fixed asset comprises of its purchase price net of cenvat where applicable and any attributable expenditure (directly or indirectly) for bringing the asset to its working condition for its intended use.
- b) The exchange differences arising on reinstatement/settlement of long term foreign currency borrowings related to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of these assets.
- c) Expenditure incurred on renovation/modernisation of the existing fixed assets is added to the book value of these assets where such renovation/modernisation increases the future benefit from them beyond their previously assessed standard of performance.

Depreciation on tangible assets is provided on Straight Line Method on the basis of useful lives of such assets specified in Schedule II to the Companies Act, 2013.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

f. Intangible assets

Intangible assets are stated at cost less accumulated amount of amortisation.

Intangible assets amortised over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use.

g. Investments

Long term investments are carried at cost less provisions, if any, for diminution in the value of such investments, which is other than temporary. Current Investments are carried at lower of cost and fair value.

h. Inventories

Inventories are valued at cost or net realisable value whichever is lower. The cost in respect of various items of inventories is computed as under:

a)	Raw Material and Components	First in First out method plus direct expenses
b)	Stores and Spares	Weighted Average method plus direct expenses
c)	Work-in-progress	Cost of material plus appropriate share of overheads thereon at different stage of completion.
d)	Finished Goods	Cost of material plus conversion cost, packing cost, excise duty and other overheads incurred to bring the goods to their present conditions and location.
e)	Material in Transit	Actual cost plus direct expenses to the extent incurred.

i. Cenvat Credit

Cenvat credit on excise duty paid on inputs and capital assets and Cenvat credit on input services is recognised in accordance with the Cenvat Credit Rules, 2004.

j. Government Grants and Subsidies

Government grants available to the Company are recognised when there is a reasonable assurance of compliance with the conditions attached to such grants and when benefits in respect thereof have been earned and it is reasonably certain that the ultimate collection will be made. Government subsidy in the nature of promoter's contribution is credited to capital reserve. Government subsidy related to specific fixed assets is deducted from the gross value of the assets concerned.

k. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenditure in the period in which these are incurred.

l. Segment information

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial of the enterprise as a whole.

m. Operating lease

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals paid for such leases are recognised as an expense on systematic basis over the term of lease.

n. Foreign currency transactions

- Foreign currency transactions are recorded on initial recognition in the reporting currency by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency, at the date of transaction.
- Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at rate different from those at which these were initially recorded during the period or reported in previous financial statement are recognised as income or expense in the period in which they arise except in case of long term liabilities which relate to acquisition of fixed assets, these exchange differences are adjusted to the carrying cost of such fixed assets.

- The premium or discount arising at the inception of a forward exchange contracts is amortised as an expense or income over the life of the contract. Exchange difference on such contract is recognised in the statement of profit and loss in the reported period in which the exchange rate changes profit or loss arising on cancellation or renewal of such contracts is recognised as income or expense in the period in which they arise.

o. Accounting for taxes on income

Provision for taxation for the year comprises of current tax and deferred tax. Current tax is amount of Income-tax determined to be payable in accordance with the provisions of Income tax Act, 1961. Deferred Tax is the tax effect of timing differences between taxable income and accounting income for the period that originate in one period and are capable of reversal in one or more subsequent periods.

p. Earning Per Share

Basic Earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed by taking into account weighted average number of equity shares outstanding during the period and the weighted average number of equity shares which would be issued on conversion of all dilutive potential equity shares into equity shares.

q. Impairment of fixed assets

At each Balance Sheet date an assessment is made whether any indication exists that an asset has been impaired, if any such indication exists, an impairment loss i.e. the amount by which the carrying amount of an asset exceeds its recoverable amount is provided in the books of account.

r. Cash flow statement

The cash flow statement has been prepared using the indirect method in accordance with the Accounting Standard (AS) – 3 "Cash flow statements" prescribed in Companies (Accounts) Rules, 2014.

s. Cash and cash equivalent

Cash comprises of cash on hand and demand deposit with banks other than under lien and cash equivalent are short term, highly liquid investment that are readily convertible into known amount of cash and which are subject to insignificant risk of change in value.

t. Provisions and Contingent Liabilities

- Provisions are recognised (for liabilities that can be measured by using substantial degree of estimate) when;
 - the Company has a present obligation as a result of a past event;
 - a probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - the amount of the obligation can be reliably estimated.
- Contingent liability is disclosed in case there is:
 - Possible obligation that arises from past events and existence of which will be confirmed only by the occurrence or non-occurrence[] of one or more uncertain future events not wholly within the control of the enterprise; or
 - a reliable estimate of the amount of the obligation cannot be made.
 - a present obligation arising from a past event but is not recognised
 - when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - a reliable estimate of the amount of the obligation cannot be made.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

3 Share Capital

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	₹	Number of shares	₹
a) Authorised				
Equity shares of ₹ 10/- each (par value)	5,80,00,000	58,00,00,000	5,80,00,000	58,00,00,000
Preference shares ₹ 10/- each (par value)	2,20,00,000	22,00,00,000	2,20,00,000	22,00,00,000
	8,00,00,000	80,00,00,000	8,00,00,000	80,00,00,000
b) Issued and subscribed				
Equity shares of ₹ 10/- each	5,62,05,502	56,20,55,020	5,62,05,502	56,20,55,020
	5,62,05,502	56,20,55,020	5,62,05,502	56,20,55,020
c) Paid up				
Equity shares of ₹ 10/- each	5,62,05,502	56,20,55,020	5,62,05,502	56,20,55,020
	5,62,05,502	56,20,55,020	5,62,05,502	56,20,55,020

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

Equity Shares	As at 31 March 2017		As at 31 March 2016	
	Number of shares	₹	Number of shares	₹
At the beginning of the reporting period	5,62,05,502	56,20,55,020	4,76,55,502	47,65,55,020
Add: Issued during the year	-	-	85,50,000	8,55,00,000
Outstanding at the end of the reporting period	5,62,05,502	56,20,55,020	5,62,05,502	56,20,55,020

b. Detail of shares held by each shareholder holding more than 5% shares

Equity Shares Class of share / Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	Number of shares held	% shareholding	Number of shares held	% shareholding
Equity shares				
i) Vasudeva Commercials Limited	1,08,90,000	19.38%	-	-
ii) Mayadevi Polycot Limited	1,00,06,323	17.80%	1,00,06,323	17.80%
iii) IndiaSTAR (Mauritius) Limited	88,58,588	15.76%	88,58,588	15.76%
iv) NM Merchandises Limited	50,75,571	9.03%	50,75,571	9.03%
v) NCG Enterprises Limited	32,84,393	5.84%	32,84,393	5.84%
vi) Bhudeva Lifesciences Limited (Formerly IOL Lifesciences Limited)	28,73,714	5.11%	28,73,714	5.11%
vii) Innova Marchandises Limited	-	-	1,10,00,000	19.57%

4 Reserves and surplus

Particulars	As at 31 March 2017	As at 31 March 2016
	₹	₹
a) Capital reserves		
Balance as per the last financial statements	11,91,00,651	11,91,00,651
b) Securities premium reserve		
Balance as per the last financial statements	1,76,97,34,710	1,61,58,34,710
Add: Share premium received during the year	-	15,39,00,000
Closing Balance	1,76,97,34,710	1,76,97,34,710
c) Surplus i.e. balance in statement of profit and loss		
Balance as per the last financial statements	(59,95,97,989)	(19,93,39,784)
Add: Profit/(Loss) for the period transferred from statement of profit and loss	4,22,75,031	(40,02,58,205)
Net surplus in the statement of profit and loss	(55,73,22,958)	(59,95,97,989)
	1,33,15,12,403	1,28,92,37,372

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
5 Long term borrowings

Particulars	As at 31 March 2017			As at 31 March 2016		
	Total Outstanding ₹	Current Maturities ₹	Net long term borrowings ₹	Total Outstanding ₹	Current Maturities ₹	Net long term borrowings ₹
a) Term Loans - secured						
From banks	2,53,26,80,958	17,55,41,000	2,35,71,39,958	2,64,65,48,896	11,19,56,000	2,53,45,92,896
From financial institutions	28,83,92,244	1,99,71,272	26,84,20,972	30,12,16,269	1,27,83,056	28,84,33,213
Other loans - secured						
Vehicle loans	1,30,61,543	55,26,300	75,35,243	1,48,26,749	53,08,015	95,18,734
Total secured borrowings	2,83,41,34,745	20,10,38,572	2,63,30,96,173	2,96,25,91,914	13,00,47,071	2,83,25,44,843
b) From related parties	14,97,76,708	-	14,97,76,708	9,97,76,708	-	9,97,76,708
c) Other loans and advances (unsecured)						
From Bank	8,19,15,660	56,51,288	7,62,64,372	9,00,00,000	44,46,952	8,55,53,048
From others	9,06,639	9,06,639	-	29,29,105	20,31,776	8,97,329
Total unsecured borrowings	8,28,22,299	65,57,927	7,62,64,372	9,29,29,105	64,78,728	8,64,50,377
Total	3,06,67,33,752	20,75,96,499	2,85,91,37,253	3,15,52,97,727	13,65,25,799	3,01,87,71,928

a. Details of security for term loans

- Term loans from banks and financial institutions are secured by way of equitable mortgage of all present and future immovable properties of the Company ranking pari-passu charge by way of hypothecation of all the Company's movable properties, save and except Book Debts but including movable machinery, spares, tools and accessories both present and future subject to prior charges created / to be created in favour of the Company's Bankers on specified movable properties for securing borrowings for working capital requirements.
- Further, the term loans from banks and financial institutions are secured by second pari-passu charge on all current assets present and future and the personal guarantee of the Managing Director of the Company and corporate guarantee by a promoter company.
- Term loan from others are secured by hypothecation of vehicles purchased against these loans.

b. Terms of repayment of secured term loans from banks/ Financial Institutions*

Particulars	Principal balance outstanding as at 31.03.2017	Principal balance outstanding as at 31.03.2016	Repayment Period (years)	Installments outstanding as on 31.03.2017	
Term Loans from Banks				No	Periodicity
Punjab National Bank	1,57,97,73,198	1,65,13,07,660	6.5 to 9.5	16 to 28	Quarterly
Allahabad Bank	60,31,40,223	62,98,90,407	6.5 to 9.5	16 to 28	Quarterly
State Bank of India	11,10,03,738	11,58,81,913	6.5 to 9.5	16 to 28	Quarterly
Oriental Bank of Commerce	23,87,63,799	24,94,68,916	6.5 to 9.5	16 to 28	Quarterly
Term Loans from Financial Institutions					
Export-Import Bank of India	28,83,92,244	30,12,16,269	6.5 to 9.5	16 to 28	Quarterly
Vehicle loans from banks and non banking financial companies	1,30,61,543	1,48,26,749	3 to 5	3 to 45	Monthly
Total secured borrowings	2,83,41,34,745	2,96,25,91,914			

* Figures of term loans stated above in para (b) includes current maturities of long term debt shown separately in note 11.

Term loans from Banks / Financial institutions carries interest @ 11.50% P.A.

- Unsecured Loan granted by Bank against the collateral security provided by related party under the head other loans and advances (Unsecured).
- Unsecured interest free loan from related party has been brought in pursuance to the stipulation imposed by lending banks and are repayable after the repayment of loans so obtained from banks.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6 Deferred tax liabilities (Net)

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Deferred tax liabilities		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	62,80,24,669	62,64,59,884
Deferred tax assets		
Unabsorbed depreciation (to the extent covered in DTL)	62,80,24,669	62,64,59,884
Net deferred tax (assets) / liability	-	-

7 Other long term liabilities

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Security deposits	14,71,25,453	1,37,25,453
	<u>14,71,25,453</u>	<u>1,37,25,453</u>

8 Long term provisions

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Provision for employee benefits:		
- Leave encashment	48,58,703	50,58,153
- Gratuity	91,81,585	58,79,204
- Medical leave	10,54,961	8,80,312
	<u>1,50,95,249</u>	<u>1,18,17,669</u>

9 Short term borrowings

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Loan repayable on demand		
- From Banks (secured)	1,40,77,45,669	1,37,08,51,682
	<u>1,40,77,45,669</u>	<u>1,37,08,51,682</u>

Details of security

Loans repayable on demand from banks are secured by way of first pari-passu charge on all present and future finished goods, work-in-progress, raw materials, stores and spares, book debts and second

pari-passu charge on fixed assets and further secured by personal guarantee of the Managing Director of the Company and corporate guarantee by a promoter company.

10 Trade Payable

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Trade payables		
- Acceptances	1,17,71,66,611	1,10,61,72,833
- Other than Acceptances	32,12,30,983	5,06,69,002
	<u>1,49,83,97,594</u>	<u>1,15,68,41,835</u>

11 Other current liabilities

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Current maturities of long term borrowings	20,75,96,499	13,65,25,799
Interest accrued but not due on borrowings	25,379	53,86,515
Others payables		
- Statutory remittances*	2,19,22,934	3,60,84,158
- Dues to Employees	4,09,40,653	3,42,46,482
- Expenses payable	3,97,74,767	3,39,93,914
(a)	<u>31,02,60,232</u>	<u>24,62,36,868</u>
Payable on purchase of capital goods	4,76,34,536	5,40,30,290
(b)		
Total (a+b)	<u>35,78,94,768</u>	<u>30,02,67,158</u>

* Statutory remittance includes contribution to provident fund and ESIC, punjab labour welfare fund, tax deducted at source, excise duty, VAT, service tax etc.

12 Short term provisions

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Provision for employee benefits:		
- Leave encashment	4,86,454	3,26,876
- Gratuity	9,57,805	9,56,815
Provision for Current tax	5,39,565	-
Net of advance tax ₹ 95,00,000/- (Previous year ₹ Nil)		
	<u>19,83,824</u>	<u>12,83,691</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
13 Fixed Assets

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION					NET BLOCK	
	Balance as at 1 April 2016	Additions	Disposals	Adjustments	Balance as at 31 March 2017	Balance as at 1 April 2016	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Other adjustments	Balance as at 31 March 2017	Balance as at 31 March 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
i											
Property, Plant and Equipment (Tangible)											
Freehold Land	9,49,69,953	79,63,495	-	-	10,29,33,448	-	-	-	-	10,29,33,448	9,49,69,953
Leasehold Land	25,24,273	-	-	-	25,24,273	7,18,113	43,522	-	-	17,62,638	18,06,160
Buildings	57,51,40,359	-	-	-	57,51,40,359	13,55,17,390	2,07,38,527	-	-	15,62,55,917	43,96,22,969
Plant and Machinery	5,45,24,47,791	3,35,42,681	63,42,705	-	5,47,96,47,767	2,04,20,41,744	26,90,53,104	43,90,140	-	3,17,29,43,059	3,41,04,06,047
Office Equipments	1,05,21,790	28,66,028	52,000	-	1,33,35,818	73,74,866	18,76,887	10,757	-	92,40,996	31,46,924
Furniture and Fixtures	1,53,31,130	25,57,653	4,32,400	-	1,74,56,383	58,22,978	13,77,408	4,24,123	-	67,76,263	95,08,152
Vehicles	3,37,25,284	59,36,963	11,62,898	-	3,84,99,349	79,61,969	41,31,336	9,57,393	-	1,11,35,912	2,57,63,315
Total (i)	6,18,46,60,580	5,28,66,820	79,90,003	-	6,22,95,37,397	2,19,94,37,060	29,72,20,784	57,82,413	-	2,49,08,75,431	3,98,52,23,520
ii											
Intangible Assets											
Computer Softwares	86,05,749	18,54,834	3,39,810	-	1,01,20,773	43,80,074	10,32,864	3,33,711	-	50,79,227	42,25,675
Technical Know How	63,83,500	-	-	-	63,83,500	8,50,668	12,12,866	-	-	20,63,534	55,32,832
Total (ii)	1,49,89,249	18,54,834	3,39,810	-	1,65,04,273	52,30,742	22,45,730	3,33,711	-	71,42,761	97,58,507
Total (i+ii)	6,19,96,49,829	5,47,21,654	83,29,813	-	6,24,60,41,670	2,20,46,67,802	29,94,66,514	61,16,124	-	2,49,80,18,192	3,99,49,82,027
Previous year											
Property, Plant and Equipment (Tangible)	5,93,62,89,701	25,72,53,455	88,82,576	-	6,18,46,60,580	1,91,09,79,719	29,53,05,520	68,48,180	-	2,19,94,37,059	3,99,07,56,352
Intangible Assets	65,66,890	84,22,359	-	-	1,49,89,249	36,72,680	15,58,062	-	-	52,30,742	42,25,675
Total previous year	5,94,28,56,591	26,56,75,814	88,82,576	-	6,19,96,49,829	1,91,46,52,399	29,68,63,582	68,48,180	-	2,20,46,67,801	3,99,49,82,027

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

14 Non-current investments (Long term investments)

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Others		
Investment in mutual funds (quoted) at cost	2,00,000	2,00,000
20,000 (Previous year: 20,000) units of ₹ 10/- each of Principal PNB fixed maturity plan- series B16-1094 days- Regular plan		
1448.551 (Previous year: 1448.551) units of ₹ 138/- each of PNB Principal tax savings fund- Regular plan growth	1,99,900	1,99,900
	<u>3,99,900</u>	<u>3,99,900</u>
1. Aggregate amount of quoted investments	3,99,900	3,99,900
2. Aggregate market value of quoted investments	5,09,520	4,28,417
3. Aggregate provision for diminution in value of investments	-	-

15 Long term loans and advances

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
(Unsecured considered good)		
Capital advances	25,83,451	51,74,038
Security deposit		
PSPCL	-	1,74,103
Others	2,22,950	2,22,950
Other loans and advances		
Prepaid expenses	20,47,195	1,56,838
Balances with Government department	73,69,789	53,97,508
MAT credit entitlement	7,77,81,491	7,91,12,656
	<u>9,00,04,876</u>	<u>9,02,38,093</u>

16 Other non current assets

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Others		
- Bank Balances (non current) (Refer note no.20)	42,65,667	2,75,61,992
	<u>42,65,667</u>	<u>2,75,61,992</u>

17 Current investments (Valued at lower of cost and fair value)

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Investment in mutual funds (quoted)		
Nil (Previous year 5104.667 units of ₹ 97.93/- each) of PNB Principal growth fund regular plan growth	-	4,99,900
Less: provision for diminution in value of investment	-	42,675
8264.176 (Previous year: Nil) units of ₹ 60.49/- each of PNB Principal balanced fund- Regular plan growth	4,99,900	-
Net value of current investment	<u>4,99,900</u>	<u>4,57,225</u>
1. Aggregate amount of quoted investments	4,99,900	4,99,900
2. Aggregate market value of quoted investments	5,16,759	4,57,225
3. Aggregate provision for diminution in value of investments	-	42,675

18 Inventories (At lower of cost and net realisable value)

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Raw material and components {includes in transit ₹ 3,01,43,853 (Previous Year ₹ 3,08,02,870)}	25,69,97,729	12,21,79,209
Work in Progress	2,14,46,57,886	1,79,63,02,469
Finished Goods	10,88,73,990	28,76,31,633
Stores and Spares	11,56,89,731	7,33,23,971
	<u>2,62,62,19,336</u>	<u>2,27,94,37,282</u>

19 Trade receivables

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Trade receivable outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, Considered Good	39,53,106	92,13,861
- Doubtful	22,00,241	32,26,977
Less: Allowance for doubtful trade receivables	(22,00,241)	(32,26,977)
	<u>39,53,106</u>	<u>92,13,861</u>
Other trade receivables		
- Unsecured, Considered Good	1,12,37,22,040	86,33,85,450
	<u>1,12,76,75,146</u>	<u>87,25,99,311</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
20 Cash and cash equivalents

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
i) Cash and cash equivalents		
a) Balances with banks		
- In current accounts	1,42,01,532	53,39,567
- In deposit accounts		
with maturity less than twelve months	-	-
with maturity more than twelve months	-	-
b) Cash on hand	34,26,254	44,85,993
ii) Other bank balances		
- In deposit accounts (held as margin money)		
with maturity less than twelve months	14,62,75,271	10,95,47,008
with maturity more than twelve months	42,65,667	2,75,61,992
	16,81,68,724	14,69,34,560
Amount disclosed under non-current assets (note 16)	(42,65,667)	(2,75,61,992)
	16,39,03,057	11,93,72,568
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 "Cash Flow Statement"		
Balances with banks in current account	1,42,01,532	53,39,567
Cash on hand	34,26,254	44,85,993
	1,76,27,786	98,25,560

21 Short term loans and advances

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Unsecured, considered good		
Other loans and advances:		
- Loans and advances to employees	15,33,575	12,89,733
- Prepaid expenses	2,65,34,331	2,36,87,492
- Interest receivables		
interest accrued on deposit held as margin money	71,21,958	52,01,325
- Balance with government department	17,13,10,842	26,60,16,222
- Miscellaneous recoverables	8,62,500	4,89,000
	20,73,63,206	29,66,83,772

22 Revenue from operations

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
(a) Sale of products	7,64,34,90,444	6,37,21,79,355
(b) Other operating revenue		
(i) Export incentives	7,32,09,360	5,44,23,999
(ii) Miscellaneous sales	1,51,59,831	1,54,75,336
Revenue from operations (Gross)	7,73,18,59,635	6,44,20,78,690
Less: Excise Duty related to sales	62,53,29,023	63,79,25,265
Revenue from operations (Net)	7,10,65,30,612	5,80,41,53,425
Detail of products sold		
- Chemicals	3,34,15,13,621	2,96,24,46,282
- Bulk Drugs	4,10,81,98,769	3,20,35,41,043
- Others	19,37,78,054	20,61,92,030
	7,64,34,90,444	6,37,21,79,355

23 Other income

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Interest income (Gross)		
- From bank deposits	1,09,40,097	1,19,91,841
TDS ₹10,93,814/- (Previous year ₹11,98,841/-)		
Profit on sale of fixed assets	4,36,246	1,734
Rent received	1,80,000	1,80,000
Profit on sale of Investments	1,39,250	10,206
Miscellaneous	1,07,612	92,280
	1,18,03,205	1,22,76,061

24 Cost of material consumed

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Specially Denatured Spirit	1,51,33,10,230	1,17,94,42,179
Acetic Acid	1,22,93,23,471	1,12,00,39,917
Sodium Di Chromate	33,42,93,063	28,12,39,269
Toluene	29,77,23,457	30,95,48,962
Aluminium Chloride	28,84,47,026	20,05,19,089
Acetic Anhydride	25,56,46,673	29,61,94,845
Sodium Metal	22,92,40,183	20,61,29,884
Propylene Gas	17,31,27,715	17,64,50,340
Caustic Soda Lye	8,64,18,724	8,95,55,572
Iso-Propyl Alcohol	8,55,79,431	9,12,55,264
Sulphuric Acid	5,38,85,574	4,88,61,959
Potassium Carbonate	3,72,69,673	4,56,53,372
Choline	2,60,47,812	3,10,55,496
Others	35,31,91,119	27,20,54,115
	4,96,35,04,151	4,34,80,00,263

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

25 Changes in inventories of finished goods, work-in-progress

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Inventories at the beginning of the year		
Work-in-progress	1,79,63,02,469	1,81,83,29,487
Finished goods	28,76,31,633	2,08,39,34,102
Inventories at the end of the year		
Work-in-progress	2,14,46,57,886	1,79,63,02,469
Finished goods	10,88,73,990	2,25,35,31,876
	<u>(16,95,97,774)</u>	<u>(21,19,56,246)</u>

26 Employees benefit expense

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Salaries and Wages	38,65,58,221	31,03,26,791
Contribution to provident and other funds	3,57,92,139	3,36,93,842
Staff welfare expenses	1,48,70,528	72,49,940
	<u>43,72,20,888</u>	<u>35,12,70,573</u>

27 Finance Cost

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
a) Interest expense on:		
i) borrowings	50,36,77,105	45,43,51,507
ii) others	11,78,55,560	11,45,05,060
b) Other borrowing costs	5,26,33,871	4,58,03,160
	<u>67,41,66,536</u>	<u>61,46,59,727</u>

28 Other expenses

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Power and Fuel	37,45,00,397	46,56,99,814
Consumption of stores and spares	11,45,30,247	6,94,07,902
Repairs to Plant and Machinery	2,79,73,163	1,03,58,917
Rent	11,98,960	11,37,904
Insurance	86,07,823	64,40,325
Auditor's Remuneration	6,99,564	6,89,261
Rates and Taxes	14,19,326	34,13,161
Repairs to Building	2,16,08,238	85,05,771
Loss on fixed assets sold/discarded	19,69,264	6,57,630
Loss on sale of investment	-	43,515
Prior Period Expenses (net)	15,93,265	5,60,724
Allowances for Doubtful Debts	-	4,06,157
Sundry balances written off	12,14,537	3,71,050
Increase/(decrease) In excise duty on inventory	(1,98,61,958)	2,59,98,139
Freight outward	20,80,90,367	12,81,42,715
Miscellaneous	11,52,56,329	8,12,61,050
	<u>85,87,99,522</u>	<u>80,30,94,035</u>

29 Contingent liabilities and provisions (to the extent not provided for) (No cash outflow is expected)

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
I Contingent liabilities		
i Claims not acknowledged as debts	20,99,644	56,17,519
ii Letter of Credit outstanding	8,40,41,037	2,12,68,720
iii Bank Guarantee issued in favour of others	3,50,000	3,50,000
	<u>8,64,90,681</u>	<u>2,72,36,239</u>
II Commitments		
i Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)	53,23,829	1,49,24,000
ii Export obligations under Advance Authorisation/Duty Free Import Authorisation #	31,72,90,792	10,70,43,249
	<u>32,26,14,621</u>	<u>12,19,67,249</u>

During the year, the Company has executed bonds for an aggregate amount of ₹ 7,87,59,976/- (Previous Year ₹ 15,01,62,600/-) in favour of The President of India under sub section (I) of the Section 142 of the Custom Act, 1962 for fulfillment of the obligation under the said Act.

30 The Company has contested the additional demands in respect of value added tax amounting to ₹ 15.42 lakh (Previous years ₹ 38.45 lakh).

As against this, a sum of ₹ 3.86 lakh (Previous year ₹ 9.67 lakh) has been deposited under protest and included under Note 15.

'Long Term Loans and Advances'. The Company has filed appeals/petitions with the appellate authorities and is advised that the demands are not in accordance with the law. Pending decision thereof, no provision has been made in books of account.

31 Research and Development expenses

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Research and Development: Revenue expenses		
Raw material consumption	83,86,564	2,85,168
Less: Net sales revenue	(1,32,57,317)	-
Salaries & wages	2,23,81,481	79,80,075
Depreciation	54,13,041	44,90,798
Stores and spares	83,31,570	18,63,209
Cost of utilities	35,58,150	6,42,300
Freight outward	2,20,458	-
Other expenses	-	1,31,963
	<u>3,50,33,947</u>	<u>1,53,93,513</u>
Research and Development: Capital expenses		
Additions to fixed assets	32,97,579	1,13,96,187

The revenue expenses related to research and development is clubbed under respective heads in profit and loss account.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
32 Prior period items are as follows:-

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
a) Prior period income:		
i) - Interest	-	46,076
ii) - Others	2,205	5,229
	2,205	51,305
b) Prior period expenses:		
i) - Professional fee	65,822	6,872
ii) - Freight	-	23,151
iii) - Repair & Maintenance (P&M)	2,54,354	1,57,696
iv) - Others	12,76,534	4,24,310
	15,96,710	6,12,029
Prior period items (Net)	(15,94,505)	(5,60,724)

33 Employee Benefits

The summarized position of post-employment benefits and long term employee benefits recognized in the profit and loss account and Balance Sheet in accordance with AS (15) is as under:-

A Gratuity and Leave Encashment (Funded)

	Gratuity (Funded)		Leave Encashment (Funded)	
	31 March 2017 ₹	31 March 2016 ₹	31 March 2017 ₹	31 March 2016 ₹
a) Expense recognised in the statement of profit and loss				
Current service cost	55,52,579	43,59,400	27,50,160	20,81,004
Interest cost on benefit obligation	29,85,593	20,44,918	9,74,341	6,82,156
Expected return on plan assets	(25,55,322)	(22,23,312)	(5,89,479)	(5,17,904)
Net actuarial (gain)/loss recognised in the year	55,45,981	87,91,817	12,81,971	26,26,617
Net benefit expense	1,15,28,831	1,29,72,823	44,16,993	48,71,873
b) Amount recognised in the Balance Sheet				
Present value of the defined benefit obligation	5,27,67,884	3,98,07,912	1,69,39,410	1,29,91,211
Fair value of plan assets	4,26,28,494	3,29,71,893	1,15,94,253	76,06,182
Net asset/(liability)	(1,01,39,390)	(68,36,019)	(53,45,157)	(53,85,029)
c) Changes in the present value of the obligation				
Opening defined benefit obligation	3,98,07,912	2,63,13,945	1,29,91,211	87,77,955
Current service cost	55,52,579	43,59,400	27,50,160	20,81,004
Interest cost	29,85,593	20,44,918	9,74,341	6,82,156
Benefits paid	(15,53,315)	(18,10,725)	(11,68,369)	(12,29,479)
Actuarial (gain)/loss	59,75,115	89,00,374	13,92,067	26,79,575
Closing defined benefit obligation	5,27,67,884	3,98,07,912	1,69,39,410	1,29,91,211
d) Changes in the fair value of plan assets				
Opening fair value of plan assets	3,29,71,893	2,61,56,610	76,06,182	60,92,991
Expected return	25,55,322	22,23,312	5,89,479	5,17,904
Contribution	85,32,370	63,61,779	45,74,479	22,71,826
Benefits paid	(15,53,315)	(18,10,725)	(11,68,369)	(12,29,479)
Charges deducted	(3,06,910)	(67,640)	(1,17,614)	(1,00,018)
Actuarial gain/(loss)	4,29,134	1,08,557	1,10,096	52,958
Closing fair value of plan assets	4,26,28,494	3,29,71,893	1,15,94,253	76,06,182

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

	Gratuity (Funded)		Leave Encashment (Funded)	
	31 March 2017 ₹	31 March 2016 ₹	31 March 2017 ₹	31 March 2016 ₹
e) The major categories of plan assets as a percentage of the fair value of total plan assets				
Investment with the insurer	100%	100%	100%	100%
f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average)				
Discount rate (per annum)	7.50%	7.50%	7.50%	7.50%
Rate of increase in compensation levels (per annum)	5.50%	5.50%	5.50%	5.50%
Rate of return on plan assets (per annum)	7.75%	8.50%	7.75%	8.50%
Expected average remaining working lives of employees (years)	25.28	25.30	25.28	25.30
Method used	Projected Unit Credit		Projected Unit Credit	
g) The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.				
h) The financial assumptions considered for the calculations are as under:-				
i Discount Rate: The discount rate has been chosen as 7.50% on long-term basis.				
ii Salary Increases: Salary Increase rate has been chosen as 5.50% on long-term basis.				
iii Expected Rate of Return: The expected return on plan assets over the accounting period, based on an assumed rate of return.				
i) Particulars	2017-18	2016-17	2017-18	2016-17
Estimated contribution	67,13,064	54,08,748	63,34,852	51,20,729
j) The plan assets are maintained with Life Insurance Corporation of India (LIC). The detail of investments maintained by LIC have not been furnished to the Company. The same have therefore not been disclosed.				

Amounts of defined benefits for the current and previous four years are as follows:

Gratuity (funded)	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined benefit obligations as at the end of the year	5,27,67,884	3,98,07,912	2,63,13,945	2,50,97,562	1,91,86,418
Fair value of plan assets as at the end of the year	4,26,28,494	3,29,71,893	2,61,56,610	2,41,18,489	1,91,36,959
Net assets/(liability) recognised in balance sheet	(1,01,39,390)	(68,36,019)	(1,57,335)	(9,79,073)	(49,459)
Net actuarial (gain)/loss recognised in the year	55,45,981	87,91,817	(20,59,801)	22,55,933	(9,82,558)
Actuarial gain/(loss) of plan assets	4,29,134	1,08,557	82,907	1,68,920	73,613

Leave encashment (funded)	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined benefit obligations as at the end of the year	1,69,39,410	1,29,91,211	87,77,955	89,18,236	69,33,707
Fair value of plan assets as at the end of the year	1,15,94,253	76,06,182	60,92,991	67,26,619	58,20,253
Net assets/(liability) recognised in balance sheet	(53,45,157)	(53,85,029)	(26,84,964)	(21,91,617)	(11,13,454)
Net actuarial (gain)/loss recognised in the year	12,81,971	26,26,617	(4,37,771)	7,19,636	46,633
Actuarial gain/(loss) of plan assets	1,10,096	52,958	(23,818)	21,910	(36,038)

k) Short term employee benefits

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
i Leave encashment liability	4,86,454	3,26,876
ii Gratuity liability	9,57,805	9,56,815

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017
B Medical leave liability (unfunded)

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
a) Expense recognised in the statement of profit and loss		
Current service cost	1,97,460	2,02,303
Interest cost on benefit obligation	66,023	38,820
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in the year	(88,834)	1,39,657
Net benefit expense	1,74,649	3,80,780
b) Amount recognised in the Balance Sheet		
Present value of the defined benefit obligation	10,54,961	8,80,312
Fair value of plan assets	-	-
Plant net asset/(liability)	(10,54,961)	(8,80,312)
c) Changes in the present value of the obligation		
Opening defined benefit obligation	8,80,312	4,99,532
Current service cost	1,97,460	2,02,303
Interest cost	66,023	38,820
Benefits paid	-	-
Actuarial (gain)/loss	(88,834)	1,39,657
Closing defined benefit obligation	10,54,961	8,80,312
d) Changes in the fair value of plan assets		
Opening fair value of plan assets	-	-
Expected return	-	-
Contribution by employee	-	-
Benefits paid	-	-
Actuarial gain/(loss)	-	-
Closing fair value of plan assets	-	-

e) The major categories of plan assets as a percentage of the fair value of total plan assets:

Not applicable since unfunded

f) Principal actuarial assumptions at the Balance Sheet date (expressed as weighted average)

Particulars	31 March 2017 ₹	31 March 2016 ₹
Discount rate (per annum)	7.50%	7.50%
Rate of increase in compensation levels (per annum)	5.50%	5.50%
Rate of return on plan assets (per annum)	N.A.	N.A.
Expected average remaining working lives of employees (years)	25.28	25.30
Method used	Projected Unit Credit	Projected Unit Credit

g) The estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts of defined benefits for the current and previous four years are as follows:

Medical leave liability (unfunded)	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of defined benefit obligations as at the end of the year	10,54,961	8,80,312	4,99,532	5,30,815	3,82,815
Fair value of plan assets as at the end of the year	-	-	-	-	-
Net assets/(liability) recognised in balance sheet	(10,54,961)	(8,80,312)	(4,99,532)	(5,30,815)	(3,82,815)
Net actuarial (gain)/loss recognised in the year	(88,834)	1,39,657	(1,51,011)	17,858	(42,547)
Actuarial gain/(loss) of plan assets	-	-	-	-	-

h) Contribution to Provident Fund

The Company has recognized an expense of ₹ 2,05,05,247/- (Previous year ₹ 1,71,20,235/-) in respect of contribution to Provident Fund.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

34 NIL (previous year ₹115.14 lacs) being amount of borrowing cost have been capitalized during the year.

35 Related party disclosures

- a) Enterprises over which Key Management Personnel (KMP) and relative of such personnel is able to exercise significant influence or control:
- NM Merchantiles Limited
Mayadevi Polycot Limited
NCG Enterprises Limited
True Value Traders Limited
Towels Enterprises Ltd.
- b) Enterprise of which the Company is Associated: Vasudeva Commercials Limited w.e.f. 03.10.2016 to 30.03.2017
- c) Key Management Personnel:
- Mr. Varinder Gupta Managing Director
Mr. Vijay Singla Director (Works)
Mr. Vijay Kumar Garg Joint Managing Director
Mr. Vikas Gupta Executive Director
Mr. Krishan Singla Vice President and Company Secretary
Mr. Pardeep kumar Khanna Chief Financial Officer
Mrs. Dimple Gupta Manager
- d) Relative of Key Management Personnel:

Description of the nature of transactions with the related parties:

Amount in ₹

Particulars	Enterprises over which KMP is able to exercise significant influence or control		Enterprise of which the Company is Associated		Key Management Personnel (KMP)		Relatives of KMP		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Sales and services	-	-	-	-	-	-	-	-	-	-
Purchase and receiving of services	52,27,90,191	17,43,47,483	11,20,34,821	-	-	-	-	-	63,48,25,012	17,43,47,483
Managerial Remuneration	-	-	-	-	4,23,60,000	3,25,42,061	-	-	4,23,60,000	3,25,42,061
Rent received	-	-	-	-	1,80,000	1,80,000	-	-	1,80,000	1,80,000
Loan taken (including opening balance)	14,95,00,000	22,93,95,000	-	-	2,76,708	2,76,708	-	-	14,97,76,708	22,96,71,708
Loan Repayment	-	12,98,95,000	-	-	-	-	-	-	-	12,98,95,000
Adjustment	-	-	-	-	-	-	-	-	-	-
Closing Balance	14,95,00,000	9,95,00,000	-	-	2,76,708	2,76,708	-	-	14,97,76,708	9,97,76,708
Salary	-	-	-	-	-	-	24,00,000	12,92,687	24,00,000	12,92,687

Mr. Varinder Gupta, Mrs. Dimple Gupta and Mr. Vikas Gupta are related to each other.

The related party relationship is as identified by the Company and relied upon by the auditors.

36 Segment information

Segment information as required by Accounting Standard (AS)-17 on "Segment Reporting" issued by Companies (Accounting Standards) Rules, 2006, has been compiled on the basis of the financial statements and is disclosed in the notes to accounts forming part of the financial statements in accordance with the above standard.

The business segments have been identified based on the nature and class of the product and services, their customers and assessment of differential risks and returns and financial reporting system within the Company. Secondary information is reported geographically.

The operating businesses are organized and managed separately according to the nature of the products produced, with each segment representing a strategic business unit that offers different products and serves different markets.

The "Chemicals" segment produces and sells Ethyl Acetate, Acetic Anhydride, Acetyl Chloride, Mono Chloro Acetic Acid and Iso Butyl benzene.

The "Drugs" segment produces and sells various API's viz. Ibuprofen, Metformin, Fenofibrate, Lemotrigine, etc.

Segment accounting policies: In addition to the significant accounting policies, applicable to the business the accounting policies in relation to segment accounting are as under:

i. Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consists principally of cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct off set in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities.



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

ii. Segment revenue and expenses:

Joint revenue and expenses of segment are allocated amongst them on reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

iii. Inter segment sales:

Inter segment sales are eliminated in consolidation.

Amount in ₹

	Chemicals		Drugs		Unallocated		Eliminations		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue										
External Sales	3,11,32,00,232	2,70,96,76,318	3,97,96,01,284	3,07,98,95,647	1,37,29,096	1,45,81,460			7,10,65,30,612	5,80,41,53,425
Inter Segment transfer	1,04,76,49,374	84,99,61,528	-	-	-	-	(1,04,76,49,374)	(84,99,61,528)	-	-
Other Income	-	-	-	-	1,18,03,205	1,22,76,061			1,18,03,205	1,22,76,061
Total Revenue	4,16,08,49,606	3,55,96,37,846	3,97,96,01,284	3,07,98,95,647	2,55,32,301	2,68,57,521	(1,04,76,49,374)	(84,99,61,528)	7,11,83,33,817	5,81,64,29,486
Segment Results	(3,43,89,223)	(41,50,06,304)	74,72,59,333	62,10,94,718	-	-			71,28,70,110	20,60,88,414
Unallocated Income (net of unallocated Expenses)	-	-	-	-	-	-			1,60,70,406	2,30,68,865
Profit before tax and interest	-	-	-	-	-	-			72,89,40,516	22,91,57,279
Interest	-	-	-	-	-	-			67,41,66,536	61,46,59,727
Profit and Loss Before Tax	-	-	-	-	-	-			5,47,73,980	(38,55,02,448)
Other Information										
Segment Assets	3,19,76,56,081	3,19,42,36,889	4,59,19,90,389	4,11,72,51,885	-	-			7,78,96,46,470	7,31,14,88,774
Unallocated assets	-	-	-	-	39,13,00,763	41,33,63,034			39,13,00,763	41,33,63,034
Total Assets	3,19,76,56,081	3,19,42,36,889	4,59,19,90,389	4,11,72,51,885	39,13,00,763	41,33,63,034			8,18,09,47,233	7,72,48,51,808
Segment Liabilities	3,01,80,65,080	2,94,96,86,928	2,91,38,69,202	2,64,12,73,815	-	-			5,93,19,34,282	5,59,09,60,743
Unallocated Liabilities	-	-	-	-	35,54,45,528	28,25,98,673			35,54,45,528	28,25,98,673
Total Liabilities	3,01,80,65,080	2,94,96,86,928	2,91,38,69,202	2,64,12,73,815	35,54,45,528	28,25,98,673			6,28,73,79,810	5,87,35,59,416
Capital Expenditure	94,35,200	1,89,91,360	18,86,57,374	20,42,99,045	2,61,02,110	4,34,25,716			22,41,94,684	26,67,16,121
Depreciation & Amortisation	13,11,96,248	16,79,35,325	14,98,89,962	11,69,91,206	1,83,80,306	1,19,37,051			29,94,66,516	29,68,63,582

Detail of secondary segment

Particulars	31 March 2017 ₹	31 March 2016 ₹
Export Turnover	2,32,83,29,337	1,70,45,03,974
Domestic Turnover	5,40,35,30,298	4,73,75,74,716
Total	7,73,18,59,635	6,44,20,78,690

37 Leases:

The Company has leased facilities under cancellable and non-cancellable operating leases arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognized during the year amounts to ₹11,98,960/- (previous year ₹11,37,904/-). The future minimum lease payments in respect of the non-cancellable operating leases as at 31st March 2017 are:

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
a) Not later than one year	10,04,560	8,17,463
b) Later than one year but not later than five years	18,45,440	4,15,040
c) later than five years	16,75,214	16,96,994
	45,25,214	29,29,497

38 Earnings per share

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
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Total operations for the year

Net profit after tax attributable to equity shareholders	4,22,75,031	(40,02,58,205)
Weighted average number of basic equity shares	5,62,05,502	5,26,74,423
Weighted average number of dilutive equity shares	5,62,05,502	5,26,74,423
Basic earning per share (₹)	0.75	(7.60)
Diluted earning per share (₹)	0.75	(7.60)
Face value per equity share (₹)	10.00	10.00

39 Amortisation of intangible assets

Softwares have been amortised on estimated useful life of six years.

40 In accordance with the Accounting Standard 28 "On Impairment of Assets" the Company has assessed on the balance sheet date whether there are any indications (as listed in paragraph 8 to 10 of the Standard) with regard to the impairment of any of the assets.

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

Based on such assessment, it has been ascertained that no potential loss is present and therefore formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of account.

41 Auditor's Remuneration

Particulars	For the year ended 31 March 2017 ₹	For the year ended 31 March 2016 ₹
Audit fee	3,53,950	3,50,000
Tax audit fee	1,00,000	1,00,000
Limited review	1,20,000	1,20,000
In other capacity:		
Company law and other matters	82,828	90,500
Reimbursement of expenses	42,786	28,761
	6,99,564	6,89,261

42 The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Particulars	As at 31 March 2017 ₹	As at 31 March 2016 ₹
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	-	12,68,546
Interest due on above	-	30,856
	-	12,99,402

The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year

The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006

The amount of interest accrued and remaining unpaid at the end of accounting year

The amount of further 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 enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006

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43 Excise duty of ₹1,98,61,958 (Previous year ₹(2,59,98,139) related to the difference between the closing inventory and opening inventory has been recognised in statement of profit and loss and shown under head Other expenses. (Refer note no.28)

44 Corporate Social Responsibility (CSR)

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility activity is not applicable to the Company.

45 As required vide Notification No G.S.R 308 (E) dated 30th March 2017 issued by Ministry of Company Affairs, the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 is provided in the table below:-

Particulars	SBN	other denomination notes	Total
Closing cash in hand as on 08.11.2016	89,39,000	40,07,312	1,29,46,312
(+) Permitted receipts	-	33,58,498	33,58,498
(-) Permitted payments	5,18,000	37,75,628	42,93,628
(-) Amount deposited in banks	84,21,000	950	84,21,950
Closing cash in hand as on 30.12.2016	-	35,89,232	35,89,232

46 The Company has strategy of entering into derivative instruments for hedging its foreign currency risk arising from underlying transactions and according to risk strategy of the Company, it does not use derivative instruments for speculative purposes.

The detail of underlying foreign currency transactions and outstanding hedging instruments as on 31.03.2017 is as under:

a) Category wise quantitative data

Particulars	Current year		Previous year	
	No. of Contracts	Amount in Foreign Currency	No. of Contracts	Amount in Foreign Currency
Forward contracts against exports	Nil	Nil	Nil	Nil

b) Detail of foreign currency exposure that has not been hedged by a derivative instrument or otherwise is given below.

Particulars	As at 31 March 2017			As at 31 March 2016		
	USD	EURO	AED	USD	EURO	AED
Against Imports (Creditors)	12,76,430	-	-	3,41,400	-	-
Against Exports (Debtors)	55,34,723	5,52,584	2,59,000	40,44,968	3,800	4,00,920

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

47 The information required by the paragraph 5 of general instructions for preparation of the Statement of Profit and Loss as per Revised Schedule III of the Companies Act, 2013 :

a) CIF value of imports

Particulars	For the year ended ₹	For the year ended ₹
Raw Material	35,16,11,236	9,95,47,297
Capital Goods	58,79,815	68,62,095
Stores and Spares	16,01,344	-
	35,90,92,395	10,64,09,392

b) Expenditure in foreign currency

Particulars	For the year ended ₹	For the year ended ₹
Travelling	35,16,11,236	9,95,47,297
Commission	1,18,91,998	1,22,68,651
Others	1,37,78,441	1,76,26,526
	2,65,20,167	3,04,90,205

c) Imported and indigenous raw material, components and spare parts consumed

Particulars	For the year ended		For the year ended	
	% of total consumption	₹	% of total consumption	₹
Raw material				
Imported	6.76%	33,56,05,175	2.32%	10,07,12,137
Indigenous	93.24%	4,62,88,30,823	97.68%	4,24,73,85,848
Cost of material consumed		4,96,44,35,998		4,34,80,97,985
Stores and Spares				
Imported	1.48%	16,91,864	-	-
Indigenous	98.52%	11,28,38,383	100.00%	6,94,07,902
Total stores and spares		11,45,30,247		6,94,07,902

d) Earnings in foreign currency

Particulars	For the year ended ₹	For the year ended ₹
FOB value of exports	1,95,99,13,103	1,31,66,80,982

48 Trade payable and Trade receivable have been net of advances paid and received respectively.

49 Figures in bracket indicate deductions.

50 Previous year figures have been regrouped/recasted/rearranged wherever necessary to confirm to its classification of the current year.

51 Figures have been rounded off to the nearest rupee.

As per our report of even date attached

For S.C. VASUDEVA & CO.

Chartered Accountants
Firm Regn. No.000235N

Sd/-
(Sanjiv Mohan)
Partner
M.No.86066

Place : Ludhiana
Date : 27 May 2017

For and on behalf of the board of directors

Sd/-
Varinder Gupta
Managing Director
DIN-00044068

Sd/-
Krishan Singla
Vice President
and Company Secretary

Sd/-
Vijay Kumar Garg
Joint Managing Director
DIN-06510248

Sd/-
Pardeep Kumar Khanna
Chief Financial Officer

THE FOLLOWING INFORMATION IS THE PART OF DIRECTOR REPORT AND BE PROVIDED TO THE MEMBERS ON REQUEST.

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and comparison of the remuneration of each Key Managerial Personnel (KMP) against the performance of the Company

Name of Director/ Key Managerial Personnel/, Designation, Remuneration of Director/ KMP for financial year 2016-17 (₹ in lakh), % increase in remuneration in the Financial Year 2016-17, Ratio of remuneration of each Director/ Key Managerial Personnel to median remuneration of employee,

Mr Varinder Gupta, Managing Director, 144.00, 50.00%, 66.67, Mr Vijay Garg, Joint Managing Director, 120.00, 33.33%, 55.56, Mr Vijay Singla, Director (Works), 66.00, 10.00%, 30.56, Mr Vikas Gupta, Executive Director, 30.00, 66.67%, 13.89, Mr Pardeep Kumar Khanna, Chief Financial Officer, 33.60, 40.00%, 15.56, Mr Krishan Singla, Vice President and Company Secretary, 30.00, 11.11%, 13.89

Notes: The ratio of remuneration to median remuneration is based on remuneration paid during the period 1 April 2016 to 31 March 2017.

- (ii) The maiden remuneration of employees was increased by 10.09% from ₹ 1.96 lakh in fiscal 2016 to ₹ 2.16 lakh in fiscal 2017.
- (iii) The number of permanent employees on the rolls of the Company was 1,129 as on 31 March 2017 and was 1,048 as on 31 March 2016.
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year, its comparison with the percentile increase in the managerial remuneration, justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-

Average increase in salary of Managerial persons (Managing Director and Whole-time directors) was 40%. For employees, the median increase was 10% in the financial year 2016-17.

There was no employee who had received remuneration in excess of the highest paid director during the year.

- (v) It is hereby affirmed that the remuneration paid is as per the Nomination & Remuneration Policy of the Company.

Statement containing the particulars of top ten employees and other employees drawn remuneration equal to or exceeding ₹ 1.02 crore per annum or ₹ 8.50 lakh per month, if employed for part of the year as per Section 197(12) of the Companies Act, 2013 read with Rule 5(2), 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of Directors' Report for the financial year ended 31 March 2017.

Full Name, Designation, Remuneration received (per annum) (₹ in lakh), Experience (Years), Qualifications, Age (Years), Last Employment, %age of equity shares held, Date of Commencement of employment

Mr Varinder Gupta, Managing Director, 144.00, 31, Higher Secondary, 54, First Employment, 2.13%, 29/09/1986, Mr Vijay Garg, Joint Managing Director, 120.00, 25, M.B.A. (Mktg.), PGD. (International Magt.), 47, Arch Pharmalabs Limited, 0.00%, 01/08/2012, Mr Vijay Singla, Director (Works), 66.00, 17, B.E. Chemical Engineering & Electric Engineering, 42, First Employment, 0.00% 01/03/2000, Mr Rakesh Mahajan, Director (Finance) Designated, 66.00, 29, Chartered Accountant, 52, Diamond Agro India Ltd., 0.00%, 19/11/1996, Mr G Ganesh Pai, Chief Technology Officer, 60.00, 31, M. Sc., PhD, 65, Arch Pharmalabs Ltd., 0.02%, 01/01/2016, Mr Bapu Atmaram Chaudhari, President, 50.00, 17, M.Sc. PhD, 48, Ningbo Menovo Pharmaceutical Co. Ltd, 0.00%, 15/02/2016, Mr Jagdish Goel, President, 49.20, 26, M. Sc., 47, Glenmark Generics Ltd., 0.01%, 06/12/2011, Mr Damandeep Singh, President, 44.40, 19, B.E. (Chemicals) PhD., 43, First Employment, 0.00%, 23/10/1997, Mr Pardeep Kumar Khanna, Chief Financial Officer, 33.60, 22, M. Com., 47, First Employment, 0.01%, 23/12/1995, Mr Vikas Gupta, Executive Director, 30.00, 4, BSc. (Hons.) in Business Management from Kings College London, 25, First Employment, 0.00%, 20/07/2013.

**IOL CHEMICALS AND PHARMACEUTICALS LIMITED**

Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Punjab)

CIN: L24116PB1986PLC007030

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

Name of the Company: IOL Chemicals and Pharmaceuticals Limited

Registered Office: Trident Complex, Raikot Road, Barnala- 148101 (Punjab)

Name of member (s):	
Registered Address:	
E-mail id:	
Folio No/Client ID:	DP ID:

I/We, being the member(s) of IOL Chemicals and Pharmaceuticals Limited, holding _____ shares, hereby appoint.

1.	Name:	
	Address:	
	E-mail Id:	Signature: _____, or failing him

2.	Name:	
	Address:	
	E-mail Id:	Signature: _____, or failing him

3.	Name:	
	Address:	
	E-mail Id:	Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 30th Annual General Meeting of the Company to be held on Thursday 28th day of September 2017 at 11:00 A.M. at the Registered Office of the Company situated at Trident Complex, Raikot Road, Barnala-148101 (Punjab) any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No:

- | | | |
|----------|----------|----------|
| 1. _____ | 2. _____ | 3. _____ |
| 4. _____ | 5. _____ | 6. _____ |
| 7. _____ | 8. _____ | 9. _____ |

Affix
Re 1/-
Revenue
Stamp

Signed this _____ day of _____, 2017

Signature of Shareholder: _____ Signature of Proxy holder(s): _____

Note: This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

**IOL CHEMICALS AND PHARMACEUTICALS LIMITED**

Regd. Office : Trident Complex, Raikot Road, Barnala - 148 101 (Punjab)

CIN: L24116PB1986PLC007030

ATTENDANCE SLIP

Only Shareholders or the proxies will be allowed to attend the meeting

DP ID:		L.F. No.:	
Client ID:		No. of shares held:	

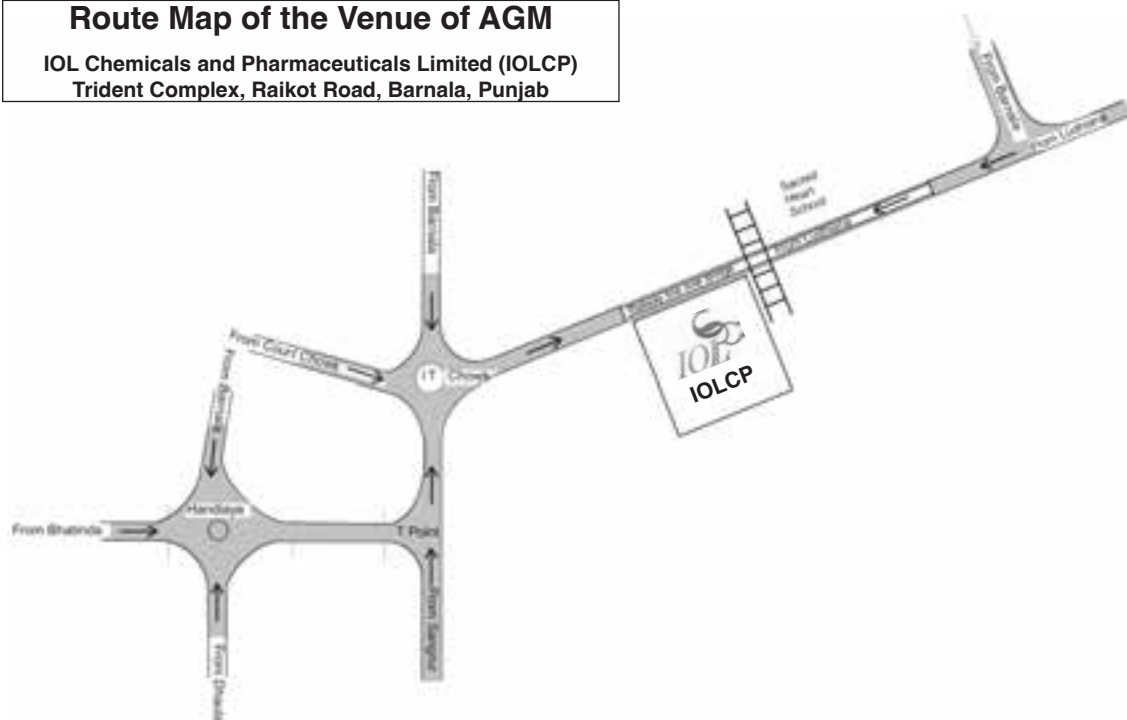
I hereby record my presence at the 30th Annual General Meeting of the Company to be held on Thursday 28th day of September 2017 at 11:00 A.M. at the Registered Office of the Company situated at Trident Complex, Raikot Road, Barnala- 148101 (Punjab).

Name of the Shareholder/Proxy holder : _____
(in capital letters) _____
Signature

NOTE: Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

Route Map of the Venue of AGM

Route Map of the Venue of AGM





IOL Chemicals and Pharmaceuticals Limited

CIN: L24116PB1986PLC007030

85, Industrial Area 'A', Ludhiana-141003 (Punjab)

www.iolcp.com