# DE NORA INDIA LIMITED

ANNUAL REPORT 2016-17

## BOARD OF DIRECTORS

| | |
|---|---|
| M. A. SUNDARAM (DIN: 00144607) | (Independent Director cum Chairman) |
| VINAY CHOPRA (DIN: 06543610) | Managing Director |
| ROBERT SCANNELL (DIN: 06818489) | (Non Executive Director) |
| ANGELO FERRARI (DIN: 00436116) | (Non Executive Director) |
| SARITA D'SOUZA (DIN: 06949439) | (Non Executive cum-Independent Director) |
| SUPRIYA BANERJI (DIN: 05209284) | Non Executive Director |

**COMPANY SECRETARY**

JYOTI BANDODKAR

**REGISTRAR & TRANSFER AGENT**

**M/s. Bigshare Services Private Limited**
**Unit: De Nora India Limited**
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis Apartments,
Makwana Road,
Marol, Andheri East, Mumbai 400059
Ph. No.: 022 62638200/62638294
Fax No.: 022 62638299
Email: investor@bigshareonline.com
Website: **www.bigshareonline.com**

**BANKERS**

BANK OF BARODA

HDFC BANK

**AUDITORS**

M/s. B S R & Associates LLP
ICAI Firm Registration No. 116231W/W-100024
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai – 400 011

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**REGISTERED OFFICE & WORKS**

PLOT NOS. 184,185 & 189
KUNDAIM INDUSTRIAL ESTATE
KUNDAIM, GOA - 403 115
Tel.: 91-832-3981100
Fax.: 91-832-3981101
Email: denoraindia@denora.com
Website: **www.denoraindia.com**

# DE NORA INDIA LIMITED

CIN: L31200GA1993PLC001335
Registered Office: Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403115
Tel. No.: 0832 3981100; Fax No.: 0832 3981101
Email: denoraindia@denora.com; Website: www.denoraindia.com

## NOTICE

Notice is hereby given that the TWENTY EIGHTH ANNUAL GENERAL MEETING of the Members of DE NORA INDIA LIMITED ('the Company') will be held on Wednesday, 27th September, 2017 at 11.00 a.m. at the Registered Office of the Company at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa 403 115, to transact the following business:

## ORDINARY BUSINESS

1. **Adoption of financial statements, etc. for the financial year 01.04.2016 - 31.03.2017**

   To receive, consider and adopt the Balance Sheet of the Company as on 31st March, 2017, the Statement of Profit and Loss of the Company and the Cash Flow Statement for the financial year ended on that date and the Reports of the Board of Directors ('the Board') and Auditors thereon.

2. **Declaration of dividend on equity shares**

   To declare dividend on equity shares for the financial year ended 31st March 2017

3. **Re-appointment of Mr. Angelo Ferrari (DIN: 00436116) as Director liable to retire by rotation**

   To appoint a Director in place of Mr. Angelo Ferrari (DIN: 00436116), who retires by rotation and being eligible, offers himself for re-appointment.

4. **Ratification of appointment of Statutory Auditors**

   To ratify the appointment of the Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board of Directors, and pursuant to the resolution passed by the Members at the 26th Annual General Meeting ('AGM') held on June 29, 2015, the Company hereby ratifies the appointment of M/s. B S R & Associates LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 116231W/W-100024) as the Statutory Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the Twenty Ninth AGM of the Company to be held in the calendar year 2018, to examine and audit the accounts of the Company for the financial year 2017-18 at such remuneration plus service tax, out of pocket expenses, travelling expense etc. as determined by the Audit Committee and approved by the Board, in consultation with the auditors."

## SPECIAL BUSINESS

5. **Approval for payment of minimum remuneration to Mr. Vinay Chopra, Managing Director (DIN: 06543610) in case the Company has absence of profits or inadequacy of profits**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013, and the rules framed thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and in partial modification to the terms of appointment and remuneration of Mr. Vinay Chopra, Managing Director, approved in the 27th Annual General Meeting dated September 21, 2016 and subject to all other sanctions, approvals and permissions as may be required, the approval of the Members of the Company be and is hereby accorded to the payment of remuneration of salary, performance related incentives, perquisites and allowances up to a maximum of ₹ 50,00,000/- p.a. (Rupees Fifty Lakhs only) as Minimum Remuneration to Mr. Vinay Chopra, Managing Director (holding DIN - 06543610), with an authority to the Board of Directors to fix the salary and annual increments, in any financial year during the currency of his tenure commencing from April 1, 2017, in case the Company has absence of profits or inadequacy of profits.

   **"RESOLVED FURTHER THAT** Mr. Vinay Chopra, Managing Director shall also be eligible for the following perquisites which shall not be included in the computation of the ceiling on remuneration:

   a) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;

   b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and

   c) Encashment of leave at the end of the tenure.

   **"RESOLVED FURTHER THAT** the Board of Directors and/or the Nomination & Remuneration Committee be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals, if any, in relation to the above and to settle all matters arising out of and incidental thereto and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.

"**RESOLVED FURTHER THAT** save as aforesaid, all other terms and conditions of appointment of Mr. Vinay Chopra, as approved by the Members at the 27th Annual General Meeting held on September 21, 2016, shall remain unchanged."

**6. Reclassification of Promoters from 'Promoter & Promoter Group category' to 'Public category'**

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 Regulation 31A of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to the necessary approvals from the Securities and Exchange Board of India, Stock Exchanges and other appropriate authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to reclassify the following persons (hereinafter individually and jointly referred to as the 'applicants') forming part of the Promoter & Promoter Group category to Public category:

i. Mrs. Bunty Khanna

ii. Ms. Devika Khanna

iii. Ms. Madhu Khanna

"**RESOLVED THAT** the Promoters who are seeking reclassification shall be subject to the following conditions:

a. Such persons shall not, directly or indirectly, exercise control over the affairs of the Company.

b. Such persons shall not have any special rights through formal or informal agreements.

"**RESOLVED FURTHER THAT** on approval of the SEBI/Stock Exchange upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding Pattern from immediate succeeding quarter under Regulation 31 of the SEBI (LODR) Regulations, 2015 and compliance to the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions.

"**RESOLVED FURTHER THAT** any of the Directors of the Company or the Company Secretary or such other person authorized by the Board, be and is hereby authorized to submit the application for reclassification to SEBI, Stock Exchange wherein the shares of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution."

**7. Determination of fee for service of documents to Members of the Company**

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 20 and other applicable provisions, if any, of the Companies Act, 2013 and the relevant Rules prescribed thereunder, upon receipt of a request from a member for delivery of any document through a particular mode, an amount of ₹ 100/- (Rupees Hundred Only) per such document, over and above the reimbursement of actual expenses incurred by the Company, be levied as and by way of fees for sending the document in the desired particular mode provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, any of the Directors or the Company Secretary be and is hereby authorized to do all acts, deeds, matters and things as deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid in advance."

By Order of the Board of Directors
For **De Nora India Limited**

Place: Kundaim, Goa — **Jyoti Bandodkar**
Date : August 08, 2017 — **Company Secretary**

NOTES:

a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY (IES) TO ATTEND AND ON A POLL, TO VOTE ON HIS/HER BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member. The instrument of proxy to be valid, 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 attached herewith.

b) The route map to reach to the meeting venue showing the prominent landmark is given at the end of this Notice.

c) Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorizing their representative to attend and vote, on their behalf, at the meeting.

d) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

e) As per Securities Exchange Board of India ('SEBI') directive vide its Order No. WTM/RKA/MIRSD2/41/2016 dated 22nd March 2016, the Company has changed its Registrar and Transfer Agent from M/s. Sharepro Services (India) Private Limited, Mumbai to M/s. Bigshare Services Private Limited, Mumbai with effect from 1st June, 2016. The details of the new Registrar and Transfer Agent of the Company are as follows:

**M/s. Bigshare Services Private Limited**
**1st Floor, Bharat Tin Works Building,**
**Opp. Vasant Oasis Apartments,**
**Makwana Road,**
**Marol, Andheri East, Mumbai - 400059**
**Ph. No.: 022 62638200/62638294**
**Fax No.: 022 62638299**
**Email: investor@bigshareonline.com**
**Website: www.bigshareonline.com**

f) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business to be transacted at the meeting is annexed herewith and forms part of this notice.

g) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive) for determining the names of members eligible for dividend, if approved, in the Annual General Meeting.

h) Dividend on equity shares as recommended by the Board of Directors for the financial year ended March 31, 2017 if approved at the meeting will be payable within a period of 30 days from the date of declaration, to those Members who hold shares:

   i. In dematerialized mode, based on the beneficial ownership details to be received from the depositories as at the close of the business hours on Wednesday, September 20, 2017.

   ii. In physical mode, if their names appear in the Company's Register of Members after giving effect to all valid transfers in physical form lodged with the Company and/or its Registrar and Transfer Agents on or before Wednesday, September 20, 2017.

i) Members desiring any information about the accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.

j) Members/Proxies/Authorised Representatives should bring the enclosed attendance slips duly filled-in for attending the meeting.

k) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Act will be available for inspection by the Members at the AGM.

l) Members are requested to note that dividends which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, are liable to be transferred to the Investor Education and Protection Fund, as per the provisions of Section 124 of the Companies Act, 2013 and Rules made thereunder. For the year ended 31st December 2009, the Company had not declared any dividend and as such no amount is due for transfer to the Investor Education and Protection Fund during the calendar year 2017.

   Unclaimed and unpaid dividend for the Financial Years 2004, 2005, 2006, 2007 and 2008 have already been transferred to "Investor Education and Protection Fund" on April 20, 2012, May 17, 2013, July 01, 2014, May 21, 2015 and June 21, 2016 respectively and no claims shall lie against the Company in respect of such dividend which remains unclaimed or unpaid for a period of 7 years from the date when they first became due. Any Member, who has not claimed dividend in respect of financial year ended 31st December, 2010 onwards is requested to approach the Company/Registrar and Transfer Agent for claiming the same as early as possible.

   Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 21, 2016 (date of last AGM) on the website of the Company: www.denoraindia.com.

m) Pursuant to Section 72 of the Companies Act, 2013, Members are entitled to make nomination in respect of shares held by them in physical form. **Members desirous of making nominations are requested to send their requests in Form SH-13 duly filled, to the Company's Registrar & Transfer Agent i.e. M/s. Bigshare Services Private Limited.** In respect of shares held in electronic/demat form, Members may please contact their respective depository participant (DP)for availing this facility.

n) Members are requested to notify immediately any change in their address/contact details to the Registrar & Transfer Agents of the Company at the above address along with address proof, i.e. Electric/Telephone Bill, Driving License or a copy of passport and Bank particulars. In case the shares are held in dematerialized form, this information should be passed on directly to their respective depository participant and not to the Company/RTA.

o) As per SEBI's directive, w.e.f. June 26, 2000 all investors should offer delivery of Company's shares in dematerialized form only. 51,74,670 number of Company's shares (97.48%) have been dematerialized as on 31.03.2017.

Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Registrar & Share Transfer Agent for assistance in this regard.

p) Members must quote their Folio No./Client ID and DP ID and contact details such as e-mail address, contact no., etc. in all their correspondence with the Company / Registrar & Share Transfer Agent.

To receive the dividend without loss of time, all the eligible Members holding shares in demat mode are requested to update with their respective depository participants before September 20, 2017, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, E-Mail ID and Mobile No(s). Members holding shares in physical form may communicate these details in the prescribed form, attached with this Annual Report (NECS Mandate Form) to the Registrar and Share Transfer Agent viz. Bigshare Services Private Limited having address at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai 400059, before September 20, 2017 by quoting the reference folio number and attaching a photocopy of the cheque leaf of their active bank account and a self-attested copy of their PAN card. This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically.

q) SEBI & the Ministry of Corporate Affairs, Government of India encourages paperless communication as a contribution to greener environment.

Members holding shares in physical mode are requested to register their e-mail ID's with M/s. Bigshare Services Private Ltd., the Registrar & Share Transfer Agent of the Company and Members holding shares in demat mode are requested to register their e-mail ID's with their respective DPs in case the same is still not registered.

If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrar & Share Transfer Agent of the Company in respect of shares held in physical form and to their respective depository participants in respect of shares held in electronic form.

r) Electronic copy of the Annual Report including financial statements, Board's Report, Notice of the AGM etc. is being sent to all the Members, whose email ID's are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode. The Notice of this AGM & the Annual Report will also be available on the Company's website, www.denoraindia.com. In case you wish to get a physical copy of the Annual Report, you may send your request to denoraindia@denora.com mentioning your Folio/DP ID & Client ID.

s) Every member entitled to vote at the Annual General Meeting of the Company can inspect the proxies lodged at the Company at any time during the business hours of the Company during the period beginning twenty-four hours before the time fixed for the commencement of the AGM and ending on the conclusion of the meeting. However, a prior notice of not less than 3 (three) days in writing of the intentions to inspect the proxies lodged shall be required to be provided to the Company.

t) Brief profile and other required information about the Directors proposed to be appointed/reappointed, is annexed hereto in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 on General Meetings. The Directors have furnished consent/declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules framed thereunder.

u) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Transfer Agent of the Company.

v) The Ministry of Corporate Affairs ('MCA') had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 effective from 7th September, 2016 ('IEPF Rules 2016'). Amongst other things, the Rules provides for the manner of transfer of the unpaid and unclaimed dividends to the IEPF and the manner of transfer of shares in case any dividend has not been encashed by the Members on such shares during the last seven years to the IEPF Authority.

Further, the MCA had notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017 on 28th February, 2017 ('IEPF Rules 2017'), substituting, amongst other things, Rule 6 of IEPF Rules, 2016 and providing that where the period of seven years provided under the sub section (5) of Section 124 of the Companies Act, 2013 has been completed during the period from 7th September, 2016 to 31st May,

2017 (instead of 6th December, 2016), the due date of transfer of such shares shall be 31st May, 2017.

As per the requirement of Rule 6 of the IEPF Rules 2017, the Company had sent information to all the Members who had not claimed/encashed dividends in the last seven years intimating, amongst other things, the requirements of the IEPF Rules, 2017 with regard to transfer of shares and that in the event those Members do not claim any unclaimed/unpaid dividends for the past seven years, the Company will be required to transfer the respective shares to the IEPF Authority by the due date prescribed as per the IEPF Rules, 2017 or such other extended date as may be notified. The Company also simultaneously published notice in the leading newspaper in English and regional language having wide circulation on 6th December, 2016 and 28th April, 2017 to such Members and uploaded on the "Investors Section" of the website of the Company viz. www.denoraindia.com giving details of such Members and shares due to transfer.

In accordance with the aforesaid IEPF Rules, the Company will be initiating the process to transfer the shares of all the Members who have not claimed any unclaimed/unpaid dividends for the last seven years to the designated Demat Account of the Authority.

Members may note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by the concerned Members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules 2017. In case, the Members have any queries on the subject matter and the IEPF Rules, they may contact the Company's Registrar and Transfer Agent; M/s. Bigshare Services Private Limited.

**w) Voting through electronic means**

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 {'Amended Rules 2015'}, Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the Members the facility to exercise their right to vote on resolutions proposed to be considered at the 28th AGM by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The Company would also provide the facility for voting through the ballot or polling paper at the AGM to the Members attending the AGM who have not already cast their vote by remote e-voting to enable them to exercise their right of voting at the meeting.

III. A Member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. If a Member casts votes by both the modes, then the vote casted through e-voting shall prevail and the vote casted through other mean shall be treated as invalid.

IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again at the AGM.

V. The remote e-voting period commences on Sunday, September 24, 2017 (9:00 a.m.) and ends on Tuesday, September 26, 2017 (5:00 p.m.). **Note: E-voting shall not be allowed beyond the said time.** During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday September 20, 2017 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast, the member shall not be allowed to change it subsequently or cast the vote again.

VI. A person who is not a Member of the Company as on the cut-off date should treat this Notice for information purpose only.

VII. The process and manner for remote e-voting is as under:

A. Members whose email ID's are registered with the Company/Depository Participant(s) will receive an email from NSDL informing them of their User ID and Password. Once the Members receive the email, he/she will need to follow the steps below to complete the e-voting process:

(i) Open email and open PDF file viz.; **'De Nora India remote e-voting.pdf'** with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com.

(iii) Click on Shareholder - Login

(iv) Put user ID and password as Initial Password/PIN noted in step (i) above. Click on 'Login'.

(v) Password change menu will appear. Change the Password/PIN with new Password/PIN of your choice with minimum 8 digits/ characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select 'EVEN' (E-Voting Event Number) of De Nora India Limited.

(viii) Now you are ready for remote e-voting as 'Cast Vote' page opens.

(ix) Cast your vote by selecting appropriate option and click on 'Submit' and 'Confirm' when prompted.

(x) Upon confirmation, the message 'Vote cast successfully' will be displayed.

(xi) Once you have voted on a Resolution, you will not be allowed to modify your vote.

(xii) Institutional Members (i.e., other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to sadashivshet@gmail.com or denoraindia@denora.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of the AGM [for Members whose email IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

**EVEN (Remote E-Voting Event Number) USER ID PASSWORD / PIN**

(ii) Please follow all steps from Sr. No. (ii) to (xii) above, to cast your vote electronically.

VIII. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the 'Downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Ltd., Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email IDs: evoting@nsdl.co.in or AmitV@nsdl.co.in or at telephone nos. +91 22 2499 4600/+91 22 2499 4360 who will also address the grievances connected with the voting by electronic means.

IX. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

X. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, i.e. September 20, 2017.

XI. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot/polling paper.

XII. Mr. Sadashiv V. Shet, Company Secretary (ICSI Membership No. 2477), Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XIV. The Scrutinizer shall after the conclusion of voting at the AGM count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three working days of the conclusion of the AGM a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.

XV. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.denoraindia.com and on the website of NSDL immediately after declaration of result by the Chairman or a person authorized by him in writing and shall also be communicated to National Stock Exchange of India Limited, Mumbai & Bombay Stock Exchange Limited, Mumbai.

XVI. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of notice of the AGM up to the cutoff date, they may acquire the details of the remote e-voting including their User ID and Password from the Company's Registrar and Transfer Agent and from NSDL at the below contact details:

**Mr. K. S. Laxminarayana Upadhya**
**M/s. Bigshare Services Private Limited**
**1st Floor, Bharat Tin works Building,**
**Opp. Vasant Oasis Apartment,**
**Makwana Road, Marol,**
**Andheri (E), Mumbai - 400059**
**Ph.No. 022 62638200, 022 62638261**
**Email: upadhya@bigshareonline.com**

**National Securities Depository Limited**
**Trade World, 4th floor, Kamala Mills Compound,**
**Senapati Bapat Marg, Lower Parel,**
**Mumbai - 400 013**
**Ph. No. 022 24994200**
**Email: evoting@nsdl.co.in**

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

x) Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Company during normal business hours 9.00 a.m. to 5.00 p. m. on all working days except Saturdays, Sundays and Public holidays up to the date of the AGM.

By Order of the Board of Directors
For **De Nora India Limited**

Place: Kundaim, Goa
Date: August 08, 2017

**Jyoti Bandodkar**
**Company Secretary**

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**EXPLANATORY STATEMENT**

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (The Act), sets out all material facts relating to the special business mentioned at Item No. 5, 6 & 7 of the accompanying Notice dated August 08, 2017:

**Item No. 5**

Mr. Vinay Chopra (DIN: 06543610) was appointed as the Managing Director of the Company pursuant to the recommendation by the Nomination and Remuneration Committee at is meeting held on May 25, 2016 by the Board of Directors at its meeting held on May 25, 2016 subject to the approval of the Members. At the Annual General Meeting held on 21st September, 2016 the Members of the Company approved his appointment as the Managing Director with effect from July 16, 2016 for a term of three years pursuant to the provisions of Sections 196, 197, 198 read with Schedule V of the Companies Act, 2013, and the Rules made thereunder on the terms and conditions including remuneration payable to the Managing Director mentioned in the notice of the meeting.

The terms of appointment of the Managing Director inter alia, provide for payment of salary with the authority to the Board to fix the salary and annual increments, performance related incentives, perquisites, allowances and other retirement benefits as per the policy of the Company based on the recommendations of the Nomination & Remuneration Committee, considering the merits and performance of Mr. Chopra, provided that, the aggregate of the remuneration shall be within the maximum limits as laid down under Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act as amended from time to time.

In case of no profits or inadequacy of profits in any financial year, the terms of appointment of Managing Director provide for payment of Minimum Remuneration during the currency of his tenure as per details mentioned in the Resolution.

Mr. Chopra is associated with the Company since long and has contributed towards the growth of Company. The continued association of Mr. Chopra provides immense benefits to the Company.

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration up to the ceiling limits as specified in Section II, Part II of Schedule V of the Act and the Members' approval by way of an ordinary resolution has been passed for payment of remuneration for a period not exceeding 3 years. Any remuneration paid/ to be paid to the Managerial Personnel in excess of the prescribed limits shall be subject to the approval of the Central Government.

Taking into consideration the above and the terms of appointment and remuneration (including minimum remuneration) agreed with Mr. Chopra, it is proposed to obtain Members approval by way of Ordinary Resolution, as stated herein above, to the payment of Minimum Remuneration to Mr. Chopra, where the Company has no profits or its profits are inadequate, during the currency of his tenure commencing from the financial year, April 1, 2017.

The Company had recorded a Profit before and after Tax for the financial year ended March 31, 2017 of ₹ 430.75 lakhs and ₹ 288.39 lakhs respectively. The Company had adequate profits in the financial years 2016-17 & 2015-16. However, out of abundant caution and in view of the relevant extant provisions of law relating to managerial remuneration, the Company is complying with the provisions of Section II of Part II of Schedule V of the Companies Act, 2013 for the payment of Minimum Remuneration to the Managing Director in the event the Company has no profits or inadequacy of profits in any financial year during the currency of his tenure commencing from the financial year, April 1, 2017.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company as approved by the Members of the Company shall remain unchanged.

The Board and the Nomination and Remuneration Committee of the Board in their respective meetings held on August 08, 2017 have accorded their approval to the above and in the interest of the Company have recommended the aforesaid resolution as set out in this Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested in the said resolution, except for Mr. Chopra, in resolution at Item No. 5 of the Notice.

**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT**

***I. General Information:***

*(1) Nature of industry*

The Company is mainly engaged in the business of manufacture of products for electrolytic processes.

*(2) Date of commencement of commercial production*

August 25th, 1993

*(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.*

Not applicable.

*(4) Financial performance based on given indicators*

(₹ in lakhs)

| | FY 2015-16 (Jan 2015-Mar 2016) * | FY 2014 (Jan-Dec 2014) | FY 2013 (Jan-Dec 2013) |
|---|---|---|---|
| Gross Revenue | 5182.39 | 3130.14 | 3743.78 |
| Profit before Tax | 1798.71 | 602.35 | 691.75 |
| Profit after Tax | 1197.61 | 425.25 | 477.57 |
| Reserves & Surplus | 4334.91 | 3395.56 | 3063.47 |

** The Company had changed its financial year from Jan-Dec to Apr-Mar in line with the provisions of the Companies Act, 2013. Accordingly, the financial year was extended up to March 31, 2016.*

*(5) Foreign investments or collaborators, if any.*

The Company has a Financial & Technical Collaboration with Oronzio De Nora International B. V., Netherlands which holds 53.68% equity in the Company. In addition, it has a technical collaboration with Industrie De Nora, Italy.

***II. Information about the appointee:***

*(1) Background details:*

Mr. Vinay Chopra, a Post Graduate in Management, Graduate in Industrial Engineering and a Diploma Holder in Mechanical Engineering has over 25 years of experience in Electro Chemical Industry and has been associated with De Nora since 1990. He joined De Nora India Limited at Rampur in the Production Department. In 2007, he moved to the Marketing Department as head of Oxygen products of De Nora (Cathodic Protection, Surface Finishing, Electro Chlorinators). Further, in the year 2013 he was promoted to the position of the Manager of the Company for a term of three years. Currently in charge of managing the affairs of the Company as the Managing Director, he is responsible for the overall management and administration of the Company.

*(2) Past remuneration (last two years):*

Mr. Vinay Chopra was paid Rs. 22.97 lakhs for financial year 2016-17 and Rs. 25.95 lakhs for the 15 months financial period 2015-16 as managerial remuneration.

*(3) Recognition or awards*

NIL

*(4) Job profile and his suitability*

Mr. Chopra has been associated with De Nora India Limited for more than 25 years and is serving the Company since 1990. He devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company, subject to the superintendence, control and supervision of the Board.

Mr. Chopra has over 2 decades of invaluable experience in the line of the business of the Company which is compatible with the organizational requirements and the Company would benefit under his leadership and valuable guidance. In addition to the above, he is also a member of the Corporate Social Responsibility (CSR) Committee and the Share Transfer Committee of the Company.

Taking into consideration the qualification and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

*(5) Remuneration proposed*

Salary, performance related incentives, perquisites and allowances up to a maximum of ₹ 50,00,000/- per annum (Rupees Fifty Lakhs only) with the authority to the Board of Directors to fix the salary and annual increments, based on merits and considering the Company's performance.

*(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.*

The remuneration proposed to be paid to Mr. Vinay Chopra, Managing Director is purely based on merit. Further, the remuneration of the MD is commensurate taking into consideration the responsibilities shouldered by him and has been considered by the Nomination and Remuneration Committee and approved by the Board of Directors in their respective meetings held on August 08, 2017.

*(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.*

Besides the remuneration paid/payable to Mr. Chopra, he does not have any other pecuniary relationship directly or indirectly with the Company or with the managerial personnel.

***III. Other information:***

*(1) Reasons of loss or inadequate profits*

The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above. The Company does not envisage any loss or inadequate profits. However, rising running cost and challenging business environment may affect the profitability of the Company in future.

*(2) Steps taken or proposed to be taken for improvement*

The Company has taken various initiatives to maintain its leadership, improve market share and financial

performance. It has been aggressively pursuing and implementing its strategies to improve volumes and reduce costs through sale, service, marketing campaigns and customer engagement programs. The Company has taken steps to strengthen its business fundamentals through focused network engagements, enhancing customer experience and thrust on improving working capital management. The Company also proposes to aggressively establish markets for the water technology products in India. The results of these initiatives are likely to be felt in the coming years.

*(3) Expected increase in productivity and profits in measurable terms.*

The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. However, it is extremely difficult in the present scenario to predict profits in measurable terms.

***IV. Disclosures:***

The Members of the Company have been informed of the remuneration package of Mr. Vinay Chopra, Managing Director as detailed in the explanatory statement.

Further, the disclosures on the remuneration package to all the Directors of the Company have been made in the Corporate Governance Report which forms a part of the Report of the Board of Directors in the Annual Report of the Company for FY 2016 -17.

The above explanatory statement along with the term & conditions including remuneration payable to the Managing Director as approved by the Shareholders at the AGM held on 21st September, 2016 shall be construed to be the memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

**Item No. 6**

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from December 2015, has provided a regulatory mechanism for re-classification of Promoters as Public Shareholders subject to the fulfillment of the conditions as provided therein. In this regard, the Company has received requests from the following members of the Promoter group of the Company pursuant to Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for re-classifying them under the Public category.

| Sr. No. | Name of the Applicants | No. of shares held as on the date | % of shares held as on the date of the Notice |
|---|---|---|---|
| 1. | Mrs. Bunty Khanna | Nil | Nil |
| 2. | Ms. Devika Khanna | 768 | 0.01 |
| 3. | Ms. Madhu Khanna | 20000 | 0.38 |

None of the concerned persons, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company. Their shareholding along with persons acting in concert does not exceed 10% of the total share capital of the Company.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

Further, they do not hold and have never held any key managerial position in the Company. None of their act influences the decisions taken by the Company and they do not have any special right through formal or informal arrangements with the Company.

In view of the explanations given by the applicants and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, the Board of Directors of the Company, have in their meeting held on August 08, 2017, approved all the applications for reclassification received by the Company as above, from Promoter group category to Public category subject to the approval of the Members, Stock Exchange and all other regulatory authorities as may be necessary.

Since the proposed resolution is merely a reclassification and does not have any financial or any other implication on any of the parties except the applicants, none of the Directors or Key Managerial Personnel of the Company or their relatives are in any way either directly or indirectly concerned or interested in the said resolution.

The Board therefore recommends the resolution as set out at item no. 6 of the notice for the approval of the Members.

**Item No. 7**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any Member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering to his office or address, or by such electronic or other mode as may be prescribed. Further, a Member may request for delivery of any document through a particular mode, for which he shall pay such fees in advance as may be determined by the Company in its Annual General Meeting. Therefore, to enable the Members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution.

Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Board accordingly recommends the ordinary resolution as set out at item no. 7 of the notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are in any way either directly or indirectly concerned or interested in the said Resolution.

By Order of the Board of Directors
For **De Nora India Limited**

Place: Kundaim, Goa
Date: August 08, 2017

**Jyoti Bandodkar**
**Company Secretary**

**Annexure**

**Details of Directors seeking appointment and re-appointment at the forthcoming AGM**

*(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

I. Name : Mr. Angelo Ferrari (DIN: 00436116)

Date of Birth : 24.06.1960

Qualification : Degree in Business Administration C/O "Luigi Bocconi" University in Milan.

Expertise : Educated in Italy, Mr. Angelo Ferrari has more than 28 years of extensive experience and renowned knowledge in the areas of Finance, Administration and Control functions. He has been associated with the parent company since last 28 years. He is presently the head of Group Corporate Finance and Special Projects Activity in Industrie De Nora S.p.A. He has also been the head of the Group Governance and Special Projects Activity in Federico De Nora. He is currently associated as a Director of various De Nora Group Companies. He also has vast experience as an Internal Auditor and Corporate Planner in different companies.

Other Directorship/ Committee Membership:

1. Oronzio De Nora International B. V., Netherlands – Managing Director
2. De Nora Deutschland GmbH, Germany – Managing Director
3. Jetnor B. V. – Director
4. De Nora Holding (UK) Ltd. – Director
5. De Nora Holding US Inc. – Director
6. De Nora Water Technologies UK Services Ltd. – Director
7. De Nora Water Technologies Ltd. – Director
8. De Nora Water Technologies (Overseas Holdings) Ltd. – Director

Details of Shareholding in the Company : NIL

Relationship between Directors inter-se : NIL

Board meetings attended in FY 2016-17 : 1

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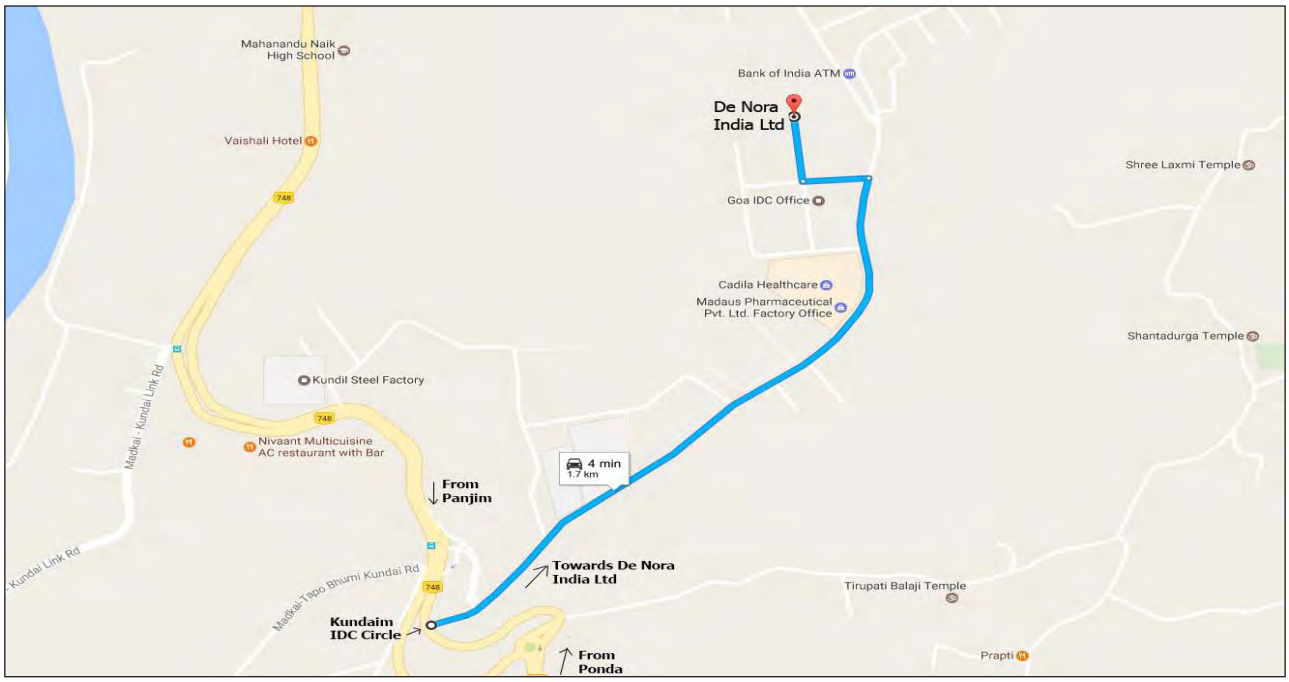
**ROUTE MAP**



# DIRECTORS' REPORT

TO

THE MEMBERS OF DE NORA INDIA LIMITED

The Directors hereby present their report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2017.

## 1. FINANCIAL RESULTS

(₹ in lakhs)

| Particulars | Financial Year ended on March 31, 2017 | Fifteen months' period ended on March 31, 2016* |
|---|---|---|
| | Audited | Audited |
| Sales & Other Income (Net of duties) | **3042.06** | 5460.41 |
| Profit/(Loss) before Depreciation & Taxation | **515.81** | 1914.67 |
| Provision for Depreciation | **85.06** | 115.96 |
| Provision for Taxation for current/prior years | **142.36** | 601.10 |
| Deferred Taxation (Liability)/Asset for current/prior years | **9.73** | 0.32 |
| Net Profit after Tax | **288.39** | 1197.61 |
| Balance of Profit brought forward | **2867.42** | 2047.83 |
| Transfer to General Reserves | **-** | 119.76 |
| Proposed Dividend | **-** | 212.35 |
| Tax on Dividend | **-** | 45.91 |
| Balance of Profit carried forward to next year | **3155.81** | 2867.42 |

** The Company's last financial year was for a period of fifteen months from 1st January, 2015 to 31st March, 2016 to bring it in line with the requirements of the provisions of Section 2(41) of the Companies Act, 2013, hence the figures are not comparable with the current year.*

## 2. OVERVIEW OF COMPANY PERFORMANCE

The Company continues to enjoy a leadership position in the chlor alkali and cathodic protection systems business.

During the financial year ended 31st March, 2017, the Company recorded a gross turnover of ₹ 3042.06 lakhs as compared to the gross turnover of ₹ 5460.41 lakhs during the fifteen months period ended 31st March, 2016. The net profit of the Company for the financial year ended 31st March, 2017 stood at ₹ 288.39 lakhs as compared to the net profit of ₹ 1197.61 lakhs for the fifteen months period ended 31st March, 2016. Other Expenses for the period include increased Corporate Social Responsibility spend which amounts to 2% of the last three year's average of the profit after tax.

## 3. DIVIDEND

Based on the performance of the Company the Directors are pleased to recommend a dividend of ₹ 2/- per equity share of face value ₹ 10/- (20% of the paid up share capital) for the year 2016-17 (Previous year ₹ 4/- per equity share for the fifteen months period). The payment of dividend is subject to the approval of the Members of the Company at the Annual General Meeting (AGM) on September 27, 2017 and will be paid on or after 16th October, 2017.

If approved by the Members at the AGM, the dividend will absorb ₹ 106.17 lakhs. The dividend distribution tax borne by the Company will amount to ₹ 21.62 lakhs.

## 4. RESERVES

The Company proposes to transfer an amount of ₹ 28.84 lakhs to the General Reserve for the financial year ended 31st March, 2017.

## 5. SHARE CAPITAL

The paid-up share capital of the Company as on March 31, 2017 is ₹ 530.86 lakhs and there has been no change in the capital structure of the Company during the financial year 2016-17.

## 6. MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this Report.

The Ministry of Corporate Affairs, Government of India vide its notification dated February 16, 2015 issued the Companies (Indian Accounting Standards) Rules, 2015 which lays down a roadmap for Companies for implementation of Indian Accounting Standards (Ind AS). Every listed Company having net worth of less than rupees five hundred crore (other than banking companies, insurance companies and non-banking financial companies) is required to comply with Ind AS in the preparation of their financial statements for accounting periods beginning on or after April 1, 2017, with the comparatives for the periods ending March 31, 2017. In pursuance of the above notification, the Company has adopted Ind AS with effect from April 1, 2017.

## 7. PUBLIC DEPOSITS

During the year under review, there were no deposits as per the provisions of Companies Act, 2013.

## 8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Corporate Social Responsibility (CSR) continues to be a commitment of the Company in order to create a good impact in the society it belongs. Acknowledging

this commitment, the Board of Directors has adopted a CSR policy in line with the provisions of the Companies Act, 2013 and also constituted a CSR Committee. The CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, its guiding principles, thrust areas, responsibilities of the CSR Committee, implementation plan and reporting framework. The details of the CSR Committee can be found in the Corporate Governance Report attached to this Report.

For the year ended 31st March, 2017 the Company was required to spend an amount of ₹ 20.62 lakhs for its CSR activities which have been expended in full. The Annual Report on the Corporate Social Responsibility Activities of the Company for the financial year 2016-17 is enclosed as **'Annexure I'** and forms a part of this report.

**9. MANAGEMENT DISCUSSION & ANALYSIS AND CORPORATE GOVERNANCE**

The Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence, improving investors' protection and maximizing long-term shareholders value. In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), a Report on Corporate Governance along with Compliance Certificate issued by a Practicing Company Secretary is attached as **'Annexure II'**.

Further, the Management Discussion and Analysis Report on the operations of the Company as stipulated under the Listing Regulations is also appended to the Board's Report as **'Annexure III'**.

**10. CHANGE IN THE NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the financial year ended 31st March, 2017.

**11. DIRECTORS & KEY MANAGERIAL PERSONNEL**

During the year Mr. Krishan Khanna stepped down as Director (Non-Executive) of the Company after a long association. The Directors wish to place on record their deep appreciation of the immense contribution made by Mr. Khanna to the growth and development of the Company's business.

The Board of Directors has appointed Ms. Supriya Banerji as Non-Executive Director with effect from 27th October, 2016 in the casual vacancy caused by the resignation of Mr. Krishan Khanna.

In terms of Section 196, 197 read with Schedule V of the Companies Act, 2013, the appointment by the Board of Directors of Mr. Vinay Chopra as the Managing Director of the Company for a term of 3 years was confirmed in the AGM of the Company held on September 21, 2016. Mr. Chopra shall hold office, not subject to retire by rotation, for a term of three years commencing from the date of his appointment as Managing Director i.e. from July 16, 2016 till July 15, 2019.

In the forthcoming Annual General Meeting, Mr. Angelo Ferrari, Director will retire by rotation and being eligible is considered for re-appointment.

Necessary details for the reappointment of the aforesaid Director have been included in the notice convening the ensuing AGM and have been provided in the explanatory statement of the notice. The Directors recommend his reappointment.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013.

The Key Managerial Personnel ('KMP') in the Company as per Section 2(51) and 203 of the Companies Act, 2013 are as follows:

Mr. Vinay Chopra: Managing Director

Mr. Deepak Nagvekar: Chief Financial Officer

Ms. Jyoti Bandodkar: Company Secretary

During the year there was no change (appointment or cessation) in the office of KMP.

**12. BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to applicable provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the Listing Regulations.

The overall performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the achievement of Company objectives, effectiveness of Board processes, information and functioning of Board, etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, relationship with

peers & Company Management etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, whenever their respective term expires.

The Directors expressed their satisfaction with the evaluation process.

**13. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 of the Company for that year;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and were operating effectively.

**14. BOARD MEETINGS**

During the Financial Year 2016-17, four Board meetings were held. For details thereof kindly refer to the section `Board of Directors - Board Meetings', in the Corporate Governance Report.

**15. AUDIT COMMITTEE**

The Audit Committee as on March 31, 2017 comprised of the following Directors: Mr. M. A. Sundaram (Chairman), Mrs. Sarita D'Souza and Mr. Robert Scannell as members. For more details thereof kindly refer to the section `Board Committees - Audit Committee', in the Corporate Governance Report. All recommendations made by the Audit Committee during the financial year 2016-17 were accepted by the Board of Directors.

**16. REMUNERATION POLICY**

Based on the recommendations of the Nomination & Remuneration Committee, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel (KMP) and all other employees of the Company. As part of the Policy, the Company strives to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

A summary of the Remuneration Policy is appended to this report as **'Annexure IV'**.

**17. RELATED PARTY TRANSACTIONS**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions which can be accessed on the Company's website at www.denoraindia.com/Company/Investors/ShareholderInformation/Policies&Codes.

All Related Party Transactions that are entered into during the year were on arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made with the Promoters, Directors or Key Managerial Personnel which may have a potential conflict of interest with the Company at large. Accordingly, disclosures of related party transactions in terms of clause (h) of sub section (3) of Section 134 of

Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC - 2, is not applicable. However you may refer to the Related Party Transactions as per the Accounting Standards under notes to the financial statements.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a yearly basis for transactions which are of a foreseen and repetitive nature and /or entered in the ordinary course of business and at arm's length basis.

**18. PARTICULARS OF REMUNERATION OF DIRECTORS, KMP's AND EMPLOYEES**

The disclosure pertaining to remuneration and other details of Directors, KMP's and employees 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 is annexed to this Report as '**Annexure V'**.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not provided since there were no employees who were drawing remuneration more than ₹ 5 lakhs per month during whole or part of the financial year under review.

**19. SECRETARIAL AUDIT**

Mr. Sadashiv V. Shet, Practising Company Secretary was appointed as the Secretarial Auditor of the Company for the financial year 2016-17 pursuant to Section 204 of the Companies Act, 2013. The Secretarial Audit Report submitted by him in the prescribed form MR - 3 is attached as '**Annexure VI'** and forms part of this report. There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditor in the report issued by him for the year 2016-17 which call for any explanation from the Board of Directors.

**20. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES**

The particulars of investment, loans/advances and guarantees under Section 186 of the Companies Act, 2013 for the financial year are given in the notes forming part of the Financial Statement which forms part of this Annual Report.

**21. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return as on March 31, 2017 in the prescribed Form No. MGT - 9 is appended as **'Annexure VII'** to this report.

**22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS**

There are no significant and material orders passed by the regulators, courts or tribunals impacting the going concern status and Company's operations in future.

**23. WHISTLE BLOWER POLICY/VIGIL MECHANISM**

In terms of Section 177 of the Companies Act, 2013, Rules framed thereunder and Regulation 22 of the Listing Regulations, the Company has a vigil mechanism in place for the Directors and employees of the Company through which genuine concerns regarding various issues relating to inappropriate functioning of the organization can be communicated. For this purpose, the Board has a Whistle Blower Policy and the same has been uploaded on the website of the Company at www.denoraindia.com/Company/Investors/ShareholderInformation/Policies&Codes. The Policy provides access to the Chairman of the Audit Committee in certain circumstances. No person has been denied an opportunity to have access to the Audit Committee Chairman. However, during the year under review, there has been no incidence reported which requires action by the Audit Committee.

**24. ADEQUACY OF INTERNAL FINANCIAL CONTROLS ('IFC')**

The Company has a well-placed and proper IFC system which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The controls are adequate for ensuring the orderly & efficient conduct of the business, including adherence to the Company's policies, compliance of applicable laws, prevention & detection of frauds/errors, the accuracy & completeness of accounting records and timely preparation of reliable financial information.

These controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on Internal Financial Controls over Financial Reporting has been reviewed by the Internal and Statutory Auditors. During the year the Internal Auditors have also been engaged for providing assistance in improvising the IFC framework.

The Board has implemented systems to ensure compliance of all applicable laws, these systems were effective and operative. At regular intervals the management place before the Board a certificate certifying compliance of laws and regulations as applicable to the business and operations of the Company after obtaining confirmation from all functional heads responsible for compliance of such applicable laws and regulations.

**25. STATUTORY AUDITORS**

The Company's Auditors, M/s B S R & Associates LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No.116231W/W-100024), were appointed as the Statutory Auditors of the Company for a period of three years at the 26th Annual General Meeting, upto the conclusion of the 29th Annual General Meeting, subject to ratification by Members at every Annual General Meeting of the Company. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for reappointment as Auditors of the Company. As required under Regulation 33 of the Listing Regulations, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. Accordingly, the Board recommends to the Members for ratification of the appointment of M/s B S R & Associates LLP, Chartered Accountants as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

**26. CONSERVATION OF ENERGY, TECHNOLGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Conservation of Energy**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Though the manufacturing activities of the Company involve consumption of energy, it is not of major significance and no additional investment is required to be made for reduction of energy consumption. However, efforts would be initiated by the Company to conserve energy in the best possible way in the future.

**Research and Development ('R&D')**

The Company has an ongoing technical collaboration for Ion Exchange Membrane Electrolysers for chlor-alkali industry, electrochlorinators for water treatment and cathodic protection (anti corrosion) systems. These agreements are performed through Industrie De Nora S.p.A. The Company did not incur any expenditure on R&D during the year under review.

**Technology absorption**

The Company is in the process of acquiring the technology for repair/recoating of NACL-ODC & HCL-ODC membrane technology from Industrie De Nora S.p.A. Milan, Italy.

**Foreign Exchange Earnings & Outgo**

The information on foreign exchange earnings are detailed in Note No. 33 (a) and foreign exchange outgo is detailed in Note No. 33 (b) to the Accounts.

**27. SUBSIDIARY COMPANIES**

The Company does not have any subsidiary, associate Company or a joint venture.

**28. SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA**

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgment, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Company has also formulated a Policy on Board Diversity and Board Recruitment and Succession Policy.

**29. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

The Statutory Auditor & Secretarial Auditor of the Company have not reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013, including Rules made thereunder.

**30. RISK MANAGEMENT**

Business risk evaluation and management is an ongoing process within the organization. The Company has a robust risk management framework to identify, monitor, minimize and report risks. As a process, the risk associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the Senior Management on a yearly basis. The Audit Committee of the Board of Directors of the Company assists the Board in overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

**31. CHANGE OF REGISTRAR & TRANSFER AGENT OF THE COMPANY**

The Securities and Exchange Board of India vide its Interim Order No. WTM/RKA/MIRSD2/41/2016 dated 22nd March 2016 had passed an interim order against the Company's Registrar & Transfer Agent (R&TA), M/s Sharepro Services (India) Pvt. Ltd. ("Sharepro") inter-alia restraining Sharepro and several entities linked with the management of Sharepro from buying, selling or dealing in the securities market

or associating themselves with securities market, either directly or indirectly, in any manner, till further directions. SEBI had also directed all the Companies who were clients of Sharepro to conduct an audit of the records and systems relating to share transfer, transmission, payment of dividend etc. carried out by Sharepro on behalf of these companies. Further, all such client companies were advised by SEBI to change the R&TA.

Accordingly, the audit of records and systems of Sharepro carried out by Mr. Umesh P. Maskeri, a Practising Company Secretary at the behest of the Company did not reveal any irregularity or violations in respect of the transfer of securities or payment of dividend during the audit period from 2006 to 2016.

Further, in compliance with the above SEBI mandate, the Company has also changed its Registrar and Transfer Agent and has appointed M/s. Bigshare Services Private Limited, a SEBI registered Category – I Registrar & Share Transfer Agent (SEBI Registration No. INR000001385) as the new RTA of the Company with effect from June 1, 2016.

**32. ACKNOWLEDGEMENT**

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the shareholders, customers, dealers, suppliers, bankers, employee unions, regulatory & government authorities, stock exchanges and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

**For and on behalf of the Board of Directors**
**For De Nora India Limited**

**M. A. Sundaram**
**Chairman**
DIN: 00144607

Place: Kundaim, Goa
Date: August 08, 2017

**ANNEXURE I**

## ANNUAL REPORT ON CSR ACTIVITIES

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

   De Nora India Limited strives to be a socially responsible Company and strongly believes in development which is beneficial to the society at large. As a corporate citizen receiving various benefits out of society, it is our co- extensive responsibility to pay back in return to the society in terms of helping needy people by providing food, clothes etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company's intent to make a positive contribution to the society in which Company lives and operates.

   The objective of the policy is to set guiding principles for carrying out CSR activities by the Company and to set up the process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company

   Weblink to CSR Policy: http://www.denoraindia.com/Company/ShareholderInformation/PoliciesandCodes/CSRPolicy.pdf

2. **The composition of the CSR Committee**

   The current members of the CSR Committee of the Board are:

   a) Mr. M. A. Sundaram - Chairman/Non-Executive Independent Director
   b) Mrs. Sarita D'Souza - Non Executive Independent Director
   c) Mr. Robert Scannell - Non-Executive Director
   d) Mr. Vinay Chopra - Managing Director

3. **Average Net Profit of the Company for last three financial years: ₹ 1030.93 Lakhs**
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 20.62 Lakhs**
5. **Details of CSR spent during the financial year:**

   a) Total amount spent for the financial year: ₹ 20.61 Lakhs
   b) Amount unspent: ₹ 667/-
   c) Manner in which the amount spent during the financial year is detailed below:

| Sr. No. | CSR project or activity identified | Sector in which the activity covered (Clause No. of Schedule VII to the Companies Act, 2013 as amended | Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs were undertaken | Amount outlay (budget) project or program wise | Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Over-heads | Cumulative Expenditure up to the reporting period | Amount spent: Direct or through implementing agency |
|---|---|---|---|---|---|---|---|
| 1. | Support to Schools/ Institutes for mentally & physically disabled children | Cl. (ii) – Promoting education & employment enhancing vocational skills among differently abled | Valpoi (North Goa); Honda (North Goa); Marcel (North Goa) | ₹ 4,00,000 | (1) Direct Expenditure – 100% (2) Over-heads – Nil | ₹ 3,98,684 | Direct |
| 2. | Support to Medical Institutes and Government Hospitals | Cl. (i) – Promoting health care including preventive health care and sanitation | Margao (South Goa); Ponda (South Goa); Old Goa (North Goa) | ₹ 16,62,000 | (1) Direct Expenditure – 100% (2) Over-heads - Nil | ₹ 16,62,649 | Direct |
| | **TOTAL** | | | **₹ 20,62,000** | | **₹ 20,61,333** | |

6. **In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report**

   Not Applicable

7. **A responsibility statement of the CSR Policy is in compliance with CSR objectives and policy of the Company**

   The CSR Committee of the Company's Board states that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

**S/d**
**Mr. Vinay Chopra**
**Managing Director**
**(DIN: 06543610)**

**S/d**
**Mr. M. A. Sundaram**
**Non-Executive, Independent Director**
**(Chairman, CSR Committee)**
**(DIN: 00144607)**

Place: Kundaim, Goa
Date: August 08, 2017

**ANNEXURE II**

# REPORT ON CORPORATE GOVERNANCE

**1. Company's Philosophy on Corporate Governance**

De Nora India Limited (DNIL) is committed to the adoption of best governance practices and it's adherence in the true spirit, at all times. Our governance practices are a product of self-desire, reflecting the culture of the trusteeship that is deeply ingrained in our value system and reflected in our strategic thought process. Our governance philosophy rests on five basic tenets viz., Board accountability to the Company and its Members, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all Members as well as superior transparency and timely disclosure. DNIL is striving for excellence through adoption of best governance and disclosure practices which go beyond the statutory and regulatory requirements as it's endeavour is to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities.

**2. Board of Directors**

In compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['Listing Regulations'] and the Companies Act, 2013 read with applicable Rules made thereunder, the Company has constituted a balanced and diverse Board of Directors ['Board'] under the Chairmanship of an Independent Director and comprises of requisite number of Non-Executive Directors, Executive Directors and Independent Directors.

***a. Composition of the Board***

The Board comprises of total six Directors with one Executive Director and five Non-Executive Directors, of which two are Independent Directors including two Woman Directors. The Chairman of the Board is an Independent cum Non-Executive Director. The number of Non-Executive Directors is more than 50% of the total number of Directors. All the Directors of the Company are persons of eminence having vast and varied experience in manufacturing, marketing, sales, financial and business administration. The Board reviews its strength and combination from time to time to ensure that it remains aligned with the statutory as well as business requirements. A brief profile of all the Directors is available on the website of the Company at www.denoraindia.com.

***b. Board Meetings***

Minimum four Board meetings are held every year. Additional meetings are held to address specific needs of the Company. In case of any exigency/emergency, resolutions are passed by circulation. During the financial year 2016 - 17 the Board met four times on 25th May, 2016, 28th July, 2016, 27th October, 2016, and 08th February, 2017. The maximum gap between any two meetings was less than one hundred and twenty days, as stipulated under Regulation 17 of the Listing Regulations and Secretarial Standards.

***c. Director's Disclosures, Attendance Record & their Other Directorships/Committee Membership Details***

As mandated by Regulation 26 of the Listing Regulations, none of the Directors is a member of more than ten Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairman of more than five Committees across all Public Limited Companies (listed or unlisted) in which he/she is a Director. Further, all Directors have informed about their Directorships, Committee Memberships/ Chairmanships including any changes in their positions.

None of the Directors serve as an Independent Director in more than seven listed Companies and none of the Independent Directors are Whole-time Directors in any listed Company.

There is no inter-se relationship between the Directors of the Company.

None of the Directors hold Directorship in more than ten Public Companies and neither of them hold any shares in the Company.

The Independent Directors have confirmed that they meet the 'Independence' criteria as laid down under the relevant provisions of the Listing Regulations and the Companies Act, 2013.

The details of attendance of each Director at the Board Meetings held during the financial year 2016 -17 and the last Annual General Meeting and the number of other Directorship and Chairmanship/ Membership of Board Committees as on 31st March, 2017 are as follows:

| Name of the Director | Director Identification Number (DIN) | Nature of Directorship | Attendance Particulars | | No. of other Directorships* | No. of Committee Membership/Chairmanship in other Companies# | |
|---|---|---|---|---|---|---|---|
| | | | Board Meetings | Last AGM | | Chairman | Member |
| **Mr. M. A. Sundaram** | 00144607 | Chairman/ Non-Executive Independent Director | 4 | Yes | - | - | - |
| **Mr. Vinay Chopra** | 06543610 | Managing Director | 4 | Yes | - | - | - |
| **Mr. Robert Scannell** | 06818489 | Non-Executive Director | 1 | Yes | - | - | - |
| **Mrs. Sarita D'Souza** | 06949439 | Non-Executive Independent Director | 4 | Yes | - | - | - |
| **Mr. Angelo Ferrari** | 00436116 | Non-Executive Director | 1 | No | - | - | - |
| **Mr. Krishan Khanna^** | 00046548 | Non-Executive Director | 2 | No | - | - | - |
| **Ms. Supriya Banerji$** | 05209284 | Non-Executive Director (Director appointed in casual vacancy) | 1 | No | - | - | - |

** In Indian Companies, excluding Private Companies, Section 8 Companies and Foreign Companies.*

*# Includes only membership/chairmanship in Audit Committee and Stakeholder's Relationship Committees of Indian Public Limited Companies whether listed or not*

*^ Resigned with effect from 02.08.2016*

*$ Appointed with effect from 27.10.2016*

***d. Independent Directors***

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the provisions of the Listing Regulations, a separate meeting of Independent Directors was held on 06th May, 2016, for considering the matters prescribed in the said Code and Listing Regulations, without the attendance of Non-Independent Directors and the Company Management. All the Independent Directors attended the said meeting.

***e. Familiarisation Program for Independent Directors***

The Company has a familiarisation programme for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business model of the Company etc. The familiarisation programme along with details of the trainings imparted to the Independent Directors during the year is available on the website of the Company. (Web link: https://www.denoraindia.com/Investors/ShareholderInformation/OtherDisclosures/Detailsoffamiliarisationprogrammesimpartedto Independent Directors.pdf)

**3. Board Committees**

The Board has constituted various Committees of Directors to monitor the activities falling within their terms of reference. The Board Committees focus on specific areas and make informed decisions within the authority delegated to them, in the best interest of the Company. The Committees also make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. As on 31st of March, 2017, the Company has four Board level Committees:

a. Audit Committee

b. Nomination and Remuneration Committee

c. Corporate Social Responsibility Committee

d. Stakeholder's Relationship Committee

The composition of various Committees of the Board of Directors is available on the website of the Company at www.denoraindia.com and web link for the same is http://www.denoraindia.com/Company/Investors/ShareholderInformation/CommitteesoftheBoardandtheircomposition.pdf. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided below.

***a. Audit Committee***

The Board has constituted a well-qualified Audit Committee. All the members of the Committee are Non-Executive Directors with majority of them being Independent Directors including the Chairman. They possess sound

knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as the Secretary to the Committee.

**Terms of reference and role of the Audit Committee:** The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations as applicable, besides other terms as referred by the Board.

The Committee's powers include investigating any activity within its terms of reference as specified by the Board and seeking information from any employee, obtain professional advice from external sources, secure attendance of outsiders with relevant expertise, if required and have full access to information contained in the records of the Company.

The role includes oversight of Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible; recommending the appointment, re-appointment, remuneration and terms of appointment of auditors and approval of payment for any other services rendered by statutory auditors; reviewing with the management quarterly results and annual financial statements before submission to the Board for approval; approval or any subsequent modification of any transactions of the Company with related parties; review and monitor the auditor's independence and performance and effectiveness of audit process; scrutiny of inter corporate loans and investments, if any; evaluation of internal financial controls and risk management system; and reviewing the functioning of the whistle blower mechanism amongst others.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

**Composition and Meetings:** As on March 31, 2017, the Audit Committee comprises of members as stated below. The composition of the Committee is in conformity with the Listing Regulations & the Companies Act 2013. During the financial year 2016-17, the Audit Committee met four times on 25th May, 2016, 28th July, 2016, 27th October, 2016 and 08th February, 2017. The time gap between any two meetings was less than 120 days.

The details of attendance of Members is as under:

| Name of the member | Category | Status | No. of meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. M. A. Sundaram | Independent Director | Chairman | 4 | 4 |
| Mrs. Sarita D'Souza | Independent Director | Member | 4 | 4 |
| Mr. Robert Scannell | Non-Executive Director | Member | 4 | 1 |

The Managing Director and Chief Financial Officer of the Company, the representatives of the Statutory Auditor and the Internal Auditor are permanent invitees to the Audit Committee. Ms. Jyoti Bandodkar, Company Secretary, is the Secretary to the Committee. All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the AGM held on September 21, 2016 to answer the shareholder's queries.

***b. Nomination and Remuneration Committee***

**Terms of reference and role of the Nomination & Remuneration Committee:** The roles and responsibilities of the Committee are in accordance with the requirements as specified in the Listing Regulations and Companies Act, 2013. Apart from the above, the Committee also exercises the role and powers entrusted upon it by the Board from time to time.

**Composition and Meetings:** As on March 31, 2017, the Committee comprises of members as stated below. The composition of the Committee is in conformity with the Listing Regulations, with all Directors being Non-Executives and fifty percent of them being Independent Directors. The Company Secretary acts as the Secretary to the Committee. During the financial year 2016-17, the Nomination and Remuneration Committee met three times on 25th May, 2016, 27th October, 2016 and 08th February, 2017.

The details of attendance of the Members is as under:

| Name of the member | Category | Status | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mrs. Sarita D'Souza | Independent Director | Chairperson | 3 | 3 |
| Mr. M. A. Sundaram | Independent Director | Member | 3 | 3 |
| Mr. Robert Scannell | Non-Executive Director | Member | 3 | 1 |

Mrs. Sarita D'Souza, the Chairperson of the Committee attended the AGM held on September 21, 2016 to answer the shareholder's queries.

**Performance evaluation criteria for Independent Directors**

In compliance with the requirements of the provisions of Section 178 of the Companies Act, 2013 read with Rules framed thereunder and provisions of Schedule IV to the Act as well as the Listing Regulations, the Company carries out a performance evaluation programme

for the Board, Committees of the Board and individual Directors for each financial year. Such performance evaluation process is discussed and reviewed by the Nomination and Remuneration Committee and approved by the Board.

The performance of the Independent Directors of the Company who are not involved in the day to day operations of the Company is assessed on the basis of:

a) individual's continuing commitment to the role, strategic thinking etc.;

b) commitment of time for Board and the other Committee meetings;

c) commitment of time for other duties towards Company like performance management integrity, independence etc.;

d) commitment to good corporate governance practices;

e) leadership, communication and relationship with the Chairman and other Board members;

f) their individual competencies and contribution to the discussions and decisions at meetings.

During the year under review, the performance evaluation of Independent Directors was done by the entire Board of Directors and in the process of evaluation, the Directors who were subject to evaluation, had not participated.

***c. Corporate Social Responsibility (CSR) Committee***

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013.

**Terms of reference and role of the CSR Committee:** The Committee oversees the CSR activities of the Company which includes formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, as per Schedule VII to the Companies Act, 2013; recommending the amount of expenditure to be incurred; monitoring the CSR Policy of the Company and discharging such other functions and exercise such other powers as may be delegated/directed by the Board of Directors.

**Composition and Meetings:** As on March 31, 2017 the CSR Committee consists of the Members as stated below. During the financial year 2016-17 the Committee met five times on 25th May, 2016, 28th July, 2016, 21st September, 2016, 27th October, 2016 and 08th February, 2017.

The details of attendance of the members is given below:

| Name of the member | Category | Status | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. M. A. Sundaram | Independent Director | Chairman | 5 | 5 |
| Mrs. Sarita D'Souza | Independent Director | Member | 5 | 5 |
| Mr. Robert Scannell | Non-Executive Director | Member | 5 | 2 |
| Mr. Vinay Chopra | Managing Director | Member | 5 | 5 |

The Company has in place a CSR Policy formulated by the Committee and approved by the Board. The formal CSR policy can be accessed through the website of the Company www.denoraindia.com at the web link http://www.denoraindia.com/Company/Investors/ShareholderInformation/Policies&Codes/CSR Policy. The Chairman of the Committee attended the AGM held on September 21, 2016 to answer the shareholder's queries.

***d. Stakeholder's Relationship Committee***

The Board has a Stakeholders Relationship Committee under the Chairmanship of an Independent Director of the Company.

**Terms of reference and role of the Stakeholder's Relationship Committee:** The terms of reference and the ambit of powers of the Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and Listing Regulations (specified in Part D of Schedule II). The status of member correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and a report thereof is also placed before the Stakeholders Relationship Committee which meets at regular intervals.

There is also a separate Share Transfer Committee for approval and registration of transfers and/ or transmissions of equity shares of the Company and to do all other acts and deeds as may be necessary or incidental thereto.

**Composition and Meetings:** The Committee is headed by Mr. M. A. Sundaram, Non-Executive Independent Director and consists of members as stated below. During the year under review, the Stakeholders' Relationship Committee met three times on 06th May, 2016, 27th October, 2016 and 08th February, 2017 which were attended by all the members as detailed below:

| Name of the member | Category | Status | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. M. A. Sundaram | Independent Director | Chairman | 3 | 3 |
| Mrs. Sarita D'Souza | Independent Director | Member | 3 | 3 |
| Mr. Vinay Chopra | Managing Director | Member | 3 | 3 |

The Company Secretary, Ms. Jyoti Bandodkar is designated as the "Compliance Officer" who oversees the redressal of the investors' grievances. The Chairman of the Committee attended the AGM held on September 21, 2016 to answer the shareholder's queries.

The detailed particulars of investor's complaints handled by the Company and its Registrar & Share Transfer Agent during the year are as under:

| Nature of Complaints | Opening | Received during the year | Resolved | Pending resolution |
|---|---|---|---|---|
| Non Receipt of Transferred Shares | - | - | - | - |
| Non Receipt of Dividend | - | - | - | - |
| Non Receipt of Revalidated Dividend Warrants | - | - | - | - |
| Letters from SEBI / Stock Exchanges, Ministry of Corporate Affairs etc. | - | 3 | 3 | - |
| Demat Queries | - | - | - | - |
| Miscellaneous Complaints | - | - | - | - |
| TOTAL | | 3 | 3 | - |

The Company has acted upon all valid requests for share transfer received during the year and no such transfer is pending.

Over and above the aforesaid complaints, the Company and its Registrar & Share Transfer Agent have received various letters / queries / requests on matters such as change of address, change of bank particulars, ECS mandate, nomination request etc. Except for requests received during the year end which are under process, all other queries/requests have been replied on time.

**4. Remuneration of Directors**

**a. Pecuniary relationship/transactions of Non-Executive Directors**

There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company except receipt of remuneration as Directors.

**b. Criteria of payments to Non-Executive Directors**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Senior Management Employees; regulated by the Nomination and Remuneration Committee of the Board. The same has been disclosed in the Director's Report which forms part of this Annual Report. The Board decides the remuneration of the Non-Executive Directors in accordance with the provisions of the Nomination & Remuneration Policy of the Company and the statutory requirements of the Companies Act, 2013 and Listing Regulations. Remuneration to Non-Executive Directors is paid by way of sitting fee for attending the meetings of the Board and Committees in addition to reimbursement of expenses incurred for attending the Board/ Committee/General Meetings.

**c. Remuneration of Directors**

***i. Details of remuneration paid to the Directors during the financial year 2016-17 are given below:***

(₹ in lakhs)

| Name of the Director | Sitting Fee | Basic Salary | Perquisites & Allowances | Pension/ PF/ Superannuation | Performance Linked Incentive | Total |
|---|---|---|---|---|---|---|
| Mr. Vinay Chopra (MD)[1] | - | 10.68 | 9.41 | 2.88 | - | 22.97 |
| Mr. M. A. Sundaram | 1.00 | - | - | - | - | 1.00 |
| Mr. Robert Scannell | 0.25 | - | - | - | - | 0.25 |
| Mrs. Sarita D'Souza | 1.00 | - | - | - | - | 1.00 |
| Mr. Angelo Ferrari | 0.05 | - | - | - | - | 0.05 |
| Mr. Krishan Khanna[2] | 0.10 | - | - | - | - | 0.10 |
| Ms. Supriya Banerji[3] | 0.05 | - | - | - | - | 0.05 |

*1. MD – Managing Director*

*2. Resigned as Non-Executive Director with effect from 02.08.2016*

*3. Appointed as Non-Executive Director with effect from 27.10.2016*

***ii. Details of fixed component and performance linked incentives***

The remuneration payable to the Executive Director is governed by the Companies Act, 2013, Listing Regulations and the Nomination and Remuneration Policy of the Company and is subject to approval of the Board and the Members. Remuneration of the Executive Director [i.e. the Managing Director] consists of a fixed salary and a variable performance linked incentive. The performance linked incentive is based on the profits of the Company and individual performance of the Director which is payable to him as an

employee of the Company as per Company Policy. The Board on the recommendation of the Nomination and Remuneration Committee determines the variable incentive every year. In addition, the Executive Director also receives benefits such as Company car and driver, telephone at home, mobile & internet connectivity, medical reimbursement etc. as per the Company Policy.

As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, these amounts pertaining to the Executive Director are not included above.

***iii. Service contracts, notice period & severance fees***

The appointment of the Executive Director is governed by resolution passed by the Members of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with the Executive Director. The notice period for the Executive Director is of three months. No severance fee is payable to the Executive Director.

***iv. Stock option details***

The Company does not have any Stock Options Scheme for its Directors or employees.

**5. General Body Meetings**

The details of the last three Annual General Meetings (AGM) are as follows:

| Year ended | Day, date & time | Location |
|---|---|---|
| December 31, 2013 | Wednesday, May 14, 2014 11.00 a.m. | Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403 115 |
| December 31, 2014 | Monday, June 29, 2015 11.00 a.m. | |
| March 31, 2016* | Wednesday, September 21, 2016 11.00 a.m. | |

** Financial Year comprised of 15 months from January 1, 2015 to March 31, 2016*

- There were no special resolutions passed in the previous 3 AGMs.
- During the year, no special resolution was passed through postal ballot.
- As on the date of this report there is no proposal for passing any special resolution through postal ballot.

**6. Means of communication**

**Website**: The Company's website www.denoraindia.com contains a separate dedicated section 'INVESTORS' where shareholders' information is available. The quarterly, half yearly and annual financial results and official news releases are promptly and prominently displayed on the website. The full Annual Report is also available on the website in a user friendly and downloadable form. Apart from this, quarterly shareholding pattern, details of unclaimed dividends and other corporate communications filed with the Stock Exchanges are also hosted on the Company's website.

**Financial Results:** The Company's quarterly, half yearly and annual financial results are submitted to the Stock Exchanges and published in 'Business Standard' and local newspaper, 'Lokmat' in compliance with the provisions of the Listing Regulations. Simultaneously, they are also put up on the Company's website. (www.denoraindia.com)

**Communication to shareholders on email:** As a support to the 'Green Initiative in Corporate Governance' of the Ministry of Corporate Affairs (MCA), documents like Notices, Annual Report, ECS advices for dividends etc. are sent to the Members at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). However, those Members who have not registered their email IDs, all corporate communications are sent to them through hard copies.

**NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & Listing Centre:** NSE & BSE have developed web based applications, NEAPS & BSE Listing Centre respectively for filing corporate compliances. All compliances prescribed under the Listing Regulations like Financial Results, Shareholding Pattern and Corporate Governance Report etc. are filed electronically on these platforms for speedy dissemination of information to the stakeholders of the Company.

**SCORES (SEBI Complaints Redressal System):** SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a Member can lodge compliant against a Company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the Member. The Company and Member can seek and provide clarifications online through SEBI.

**Exclusive email ID for investors:** The Company has designated the email id secretarial@denora.com exclusively for investor servicing, and the same is prominently displayed on the Company`s website www.denoraindia.com.

**7. General Shareholder Information**

**a. Annual General Meeting - day, date, time & venue**

Wednesday, September 27, 2017 at 11.00 a.m. at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim - Goa

**b. Financial Year**

April 1, 2016 to March 31, 2017

**c. Book Closure**

The dates of Book Closure are from the 21st day of September, 2017 to the 27th day of September, 2017 inclusive of both days.

**d. Dividend payment date**

Dividend of Rs. 2/- per equity share for the financial year 2016 -17 has been recommended by the Board to the Members for their approval. If approved at the AGM the same shall be paid on and from October 16, 2017.

**e. Listing of shares and stock code**

The Company's equity shares are presently listed on the National Stock Exchange of India Ltd. (NSE), Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. The listing fees for the financial years 2016-17 & 2017-18 have been paid by the Company within the stipulated time.

| | |
|---|---|
| NSE Stock Code | **DENORA EQ** |
| Company ISIN | **INE244A01016** |

**f. Market Price Data**

The high/low market price of the shares during the financial year 2016 -17 at the NSE and BSE are as under:

| Month | National Stock Exchange | | Bombay Stock Exchange | |
|---|---|---|---|---|
| | High(₹) | Low(₹) | High(₹) | Low(₹) |
| **Apr-16** | 373.95 | 307.00 | 375.00 | 313.10 |
| **May-16** | 404.00 | 312.20 | 405.00 | 315.00 |
| **Jun-16** | 427.95 | 350.30 | 428.35 | 349.00 |
| **Jul-16** | 433.00 | 331.55 | 430.00 | 340.00 |
| **Aug-16** | 369.80 | 296.10 | 366.00 | 291.10 |
| **Sept-16** | 370.00 | 302.00 | 369.95 | 305.00 |
| **Oct-16** | 356.10 | 272.70 | 356.00 | 272.25 |
| **Nov-16** | 282.30 | 202.00 | 280.55 | 200.00 |
| **Dec-16** | 273.30 | 205.70 | 272.50 | 214.00 |
| **Jan-17** | 278.35 | 234.15 | 276.50 | 234.00 |
| **Feb-17** | 278.00 | 218.30 | 274.95 | 218.20 |
| **Mar-17** | 242.90 | 211.30 | 238.50 | 217.15 |

**g. Share price performance in comparison to broad based indices – BSE Sensex & NSE Nifty**

| Month | De Nora India Limited | | NSE Nifty | | BSE Sensex | |
|---|---|---|---|---|---|---|
| | High (₹) | Low (₹) | High (₹) | Low (₹) | High (₹) | Low (₹) |
| **Apr-16** | 373.95 | 307.00 | 7992.00 | 7516.85 | 26100.54 | 24523.20 |
| **May-16** | 404.00 | 312.20 | 8213.60 | 7678.35 | 26837.20 | 25057.93 |
| **Jun-16** | 427.95 | 350.30 | 8308.15 | 7927.05 | 27105.41 | 25911.33 |
| **Jul-16** | 433.00 | 331.55 | 8674.70 | 8287.55 | 28240.20 | 27034.14 |
| **Aug-16** | 369.80 | 296.10 | 8819.20 | 8518.15 | 28532.25 | 27627.97 |
| **Sep-16** | 370.00 | 302.00 | 8968.70 | 8555.20 | 29077.28 | 27716.78 |
| **Oct-16** | 356.10 | 272.70 | 8806.95 | 8506.15 | 28477.65 | 27488.30 |
| **Nov-16** | 282.30 | 202.00 | 8669.60 | 7916.40 | 28029.80 | 25717.93 |
| **Dec-16** | 273.30 | 205.70 | 8274.95 | 7893.80 | 26803.76 | 25753.74 |
| **Jan-17** | 278.35 | 234.15 | 8672.70 | 8133.80 | 27980.39 | 26447.06 |
| **Feb-17** | 278.00 | 218.30 | 8982.15 | 8537.50 | 29065.31 | 27590.10 |
| **Mar-17** | 242.90 | 211.30 | 9218.40 | 8860.10 | 29824.62 | 28716.21 |

**h. Details of securities suspended**

Not applicable

**i. Registrar and Share Transfer Agent**

**M/s. Bigshare Services Private Limited,** 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai 400059. Ph. No.: 022 62638200/62638294 Fax No.: 022 62638299 email: investors@bigshareonline.com; website: www.bigshareonline.com

**j. Share Transfer System**

Share transfer is normally effected within a maximum period of 15 days from the date of receipt, provided the documents are complete in all respects. The Board has delegated the powers of share transfer to a Committee comprising of the Executive Director, the Chief Financial Officer and the Company Secretary. The Stakeholders Relationship Committee notes the approval of the same at its next meeting. The Share Transfer Committee meets for approval of share transfers, issue of duplicate share certificates, split, consolidation, etc. as per the request received. Grievances received from Members and other miscellaneous correspondence on change of address, mandates etc. are processed by the Registrar and/or the Company Secretary within 7 days. A half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations is obtained from the Company Secretary in Practice and a copy of the certificate is filed with the Stock Exchanges.

**k. Distribution of shareholding**

The shareholding distribution of the equity shares as on 31st March, 2017 is given below:-

| Range of Holding | No. of Shares | % to Capital | No. of Shareholders | % to Shareholders |
|---|---|---|---|---|
| Less than 500 | 747350 | 14.08 | 6453 | 90.53 |
| 501-1000 | 280081 | 5.28 | 355 | 4.98 |
| 1001-2000 | 277386 | 5.23 | 184 | 2.58 |
| 2001-3000 | 132454 | 2.49 | 52 | 0.73 |
| 3001-4000 | 68956 | 1.29 | 20 | 0.28 |
| 4001-5000 | 66145 | 1.25 | 14 | 0.20 |
| 5001-10000 | 198609 | 3.74 | 27 | 0.38 |
| 10001-99999999999 | 3537653 | 66.64 | 23 | 0.32 |
| **TOTAL** | **5308634** | **100.00** | **7128** | **100.00** |

**l. Shareholding Pattern**

The shareholding pattern as on 31st March, 2017 is given below:-

| Particulars | No. of Shareholders | % of Shareholders | No. of Shares held | % of Shareholding |
|---|---|---|---|---|
| Clearing Member | 66 | 0.93 | 40583 | 0.76 |
| Corporate Bodies | 183 | 2.57 | 145501 | 2.74 |
| Corporate Body – Non NBFC | 1 | 0.01 | 3332 | 0.06 |
| Foreign Promoter Company | 1 | 0.01 | 2849500 | 53.68 |
| Non Nationalised Banks | 1 | 0.01 | 3400 | 0.06 |
| NRIs | 82 | 1.15 | 65344 | 1.23 |
| Promoters | 2 | 0.02 | 165759 | 3.12 |
| Public | 6791 | 95.27 | 2034715 | 38.33 |
| Trusts | 1 | 0.01 | 500 | 0.01 |
| TOTAL | 7128 | 100.00 | 5308634 | 100.00 |

**m. Dematerialisation of shares and liquidity**

As on March 31, 2017, 97.48% of the total paid up share capital of the Company representing 51,74,670 equity shares is held in dematerialized mode. The balance 2.52% paid up share capital representing 1,33,964 equity shares is held in physical mode and these shareholders are requested to dematerialize their shares. Majority of dematerialized shares are with National Securities Depository Limited.

| Particulars | No. of Shares | % to Capital | No. of Accounts |
|---|---|---|---|
| NSDL | 4409080 | 83.05 | 3955 |
| CDSL | 765590 | 14.42 | 2244 |
| PHYSICAL | 133964 | 2.52 | 929 |
| TOTAL | 5308634 | 100.00 | 7128 |

The Company's shares are fairly liquid and are actively traded on NSE & BSE.

**n. Outstanding GDRs/Warrants/ADRs/Convertible Instruments, conversion dates and likely impact on equity**

None

**o. Commodity Price Risk or Foreign Exchange Risk & Hedging Activities**

Nil

**p. Plant locations**

Plot Nos. 184, 185 & 189, Kundaim Industrial Area, Kundaim, Goa – 403115

**q. Investor Correspondence**

The member's correspondence should be addressed to:

| | |
|---|---|
| **(a) For transfer/ dematerialisation of shares, payment of dividend on shares, and any other query relating to the shares of the Company** | **For Shares held in Physical Form:** M/s. Bigshare Services Private Limited: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai 400059. Ph. No.: 022 62638200/62638294 Fax No.: 022 62638299 email: investors@bigshareonline.com; website: www.bigshareonline.com; **For Shares held in Demat Form:** To the Depository Participant |
| **(b) E-mail id designated by the Company for Investor Complaints** | secretarial@denora.com; |
| **(c) Any query on Annual Report** | Company Secretary Plot Nos. 184, 185 & 189, Kundaim Industrial Area, Kundaim, Goa – 403115 Tel. No. 0832 3981100; Fax No. 0832 3981101; email:denoraindia@denora.com |

**8. Other Disclosures**

(i) During the year under review there were no materially significant related party transactions i.e. transactions material in nature, with its Promoters, Directors or Management or their relatives etc. having potential conflict with the interests of the Company. The details of general related party transactions which are in the normal course of business of the Company and on arm's length basis are given in the notes to accounts. The Board has formulated a policy on Materiality of Related Party Transactions and also on dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Regulations. The same is displayed on the website of the Company at http://www.denoraindia.com/Company/Investors/ShareholderInformation/Policies&Codes/RelatedPartyTransactionsPolicy.pdf.

(ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

(iii) The Company has a Whistle Blower Policy which provides a vigil mechanism for dealing with instances of fraud and mismanagement. The said policy can be accessed at: http://www.denoraindia.com/Company/Investors/ShareholderInformation/Policies&Codes/Whistleblowerpolicy.pdf. During the period under review, no person was denied access to the Audit Committee.

(iv) The Company does not have any Subsidiary Company.

**9. Compliance with mandatory requirements**

The Company has complied with all applicable mandatory requirements of the Listing Regulations as on 31.03.2017. A certificate to this effect obtained from Mr. Sadashiv Shet, Practising Company Secretary, has been attached to this Annual Report. Quarterly Compliance Report on Corporate Governance, in the prescribed format, duly signed by the compliance officer is also submitted regularly with the Stock Exchanges where the shares of the Company are listed.

**10. Compliance with non-mandatory requirements**

The status of compliance with non-mandatory requirements of Regulation 27 of the Listing Regulations is provided below:

a. **The Board** – The Chairman does not maintain any office at the expense of the Company.

b. **Shareholder Rights** - The Company does not send half-yearly financial results including summary of the significant events in the last six months to the household of each shareholder as the financial results are published in the newspapers and also posted on the website of the Company and the websites of NSE and BSE.

c. **Modified opinion(s) in Audit Report** - The Auditors have issued an unmodified opinion of the financial statements of the Company for the financial year 2016-17.

d. **Separate posts of Chairperson & CEO –** Separate persons have been appointed by the Company to the post of Chairman & Managing Director.

e. **Reporting of Internal Auditor** – The Internal Auditors of the Company report directly to the Audit Committee.

**11. Disclosure with respect to Demat Suspense Account/Unclaimed Suspense Account**

Not Applicable

## AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of De Nora India Limited

I have examined the compliance of conditions of Corporate Governance by De Nora India Limited (the Company), for the financial year ended on 31st March, 2017, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management:

I) I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

II) I state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Stakeholder's Relationship Committee.

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

**Sadashiv V. Shet**
PRACTICING COMPANY SECRETARY
CP No.: 2540; Membership No.: 2477

Place: Panjim, Goa
Date: August 08, 2017

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## DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and Senior Management of the Company, which has been posted on the website of the Company. It suitably incorporates the duties of the Independent Directors as laid down in the Companies Act, 2013.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the code of conduct framed by the Company for the Financial Year 2016-17 and a confirmation to that effect has been obtained from all the Directors and Senior Management.

For **De Nora India Limited**

**Vinay Chopra**
**Managing Director**
DIN : 06543610

Place: Kundaim, Goa
Date: August 08, 2017

**ANNEXURE III**

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

De Nora India Limited ('DNIL') started it's operations in India in 1989 with technical and financial collaboration of 'Industrie De Nora' of Italy mainly catering to chlor-alkali industry for manufacture and coating of anode and cathode for electrolytic process for several industrial applications such as water, pulp & paper manufacturing, surface finishing and plating industries and cathodic protection systems of steel structure, electrochlorination systems, platinized titanium anodes for surface finish application. Gradually it has expanded it's market presence in India with De Nora Water Technology products e.g. sea water electro chlorination (Seaclor®, Sanilec®), large capacity brine systems Clortec®.

Recoating of anode and cathode is a specialised process, formulation of which involves use of noble metals. These formulations and processes are proprietary and because of its affiliation to 'Industrie De Nora', the Company has the authority to use these formulations and processes, giving it the prominent market share in India. DNIL not only provides support to caustic soda industry customers in India but is also equipped to give technical support to all other technology suppliers of electrolytic processes sector.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The chlor-alkali industry in India forms an important component of the basic chemical industry, comprising around 74% of production in India. Caustic soda, soda ash, chlorine alongside hydrogen and hydrochloric acid comprise the chlor-alkali industry's components. These chemicals find their applications in several industries such as textiles, chemicals, paper, PVC, water treatment, alumina, soaps & detergents, glass, chlorinated paraffin wax, among others. The various technologies, which are being used in the chlor alkali industries, include mercury, membrane cell and diaphragm cells. In India, membrane cell technologies are widely used for caustic soda production.

DNIL is the leading manufacturer and supplier of anode and cathode elements used in the membrane cell technology for electrolyzers. It also performs recoating and mechanical repairs to the anode and cathode structures used in the membrane cell technology of the chlor-alkali industry. The dynamics of the chlor-alkali industry has a considerable effect on the overall performance of the Company. DNIL also provides support to the caustic soda industry customers in India as well as gives technical support to all technology suppliers of electrolytic processes sector. Besides, the Company is now selling and producing water disinfection system working with solar energy to serve small communities in remote areas.

Considering the industry's current market dynamics, the growth of caustic soda, main product of the chlor alkali industry in India is on a staggering pace at a CAGR of 6% with a demand of 3.4 million tons p. a. However, with the bright prospects for demand of caustic soda, all downstream consuming industries are on a growth trajectory. The alumina sector is also expected to grow at the rate of 7- 8% including all other major sectors which are consumers of caustic soda such as textiles, pharma, crop protection chemicals, soap & detergents, pulp and paper industries. It is also expected that with the consistent demand for aluminium in automotive, electrical power transmission & distribution, housing, cans packaging etc. the growth opportunities for the alumina sector would be spearheaded. Further the demand for alumina, a key component of the caustic soda industry is also expected to double in the next 5 years enabling a steady generation of demand for additional caustic soda of 0.7 to 0.8 million tons per year.

However, with the stifled demand/consumption of chlorine, the growth of the chlor alkali industry is dampened resulting in about 85% of capacity utilization of caustic soda installed capacity in India. Further, surplus chlorine generated during the electrolysis process imposes limitations on operating capacity of caustic soda leading to staggered development of the chlorine downstream and chloro-chemical industry segments.

DNIL is the industry leader in technology and in this challenging environment has made efforts to keep the cell technology competitive by reducing power consumption and has also set in motion initiatives to redefine its business model to maintain margins and to best deliver value to its stakeholders by ensuring continuous productivity and good financial performance. Further, the Company looks forward to diversify its business in the field of water technologies and augment the process of electrochlorination and water disinfection through its new product range.

### OPPORTUNITIES AND THREATS

The Goa factory is equipped with all the necessary equipment and facilities to meet the demands of the chlor-alkali industry. The Company continues to remain the market leader in the chlor-alkali and cathodic protection systems business. The main activity of the Company is dependent on recoating of electrodes for membrane cell electrolysers in chlor-alkali plant, which is cyclic in nature because the life of the coating lasts for 6 to 8 years.

The income from recoating business contributes a major share in the Company's total income. The mercury cell plants have gradually been converted to membrane cell plants. The Company does not get the business of Anode/ Cathodes coating at this conversion stage since these are inbuilt in the new cells and the complete set of cell elements are imported by the customers. The Company is not in the business of manufacturing membrane cell elements and the recoating business in respect of these anode/cathodes will happen only after 8 years.

### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The Company operates in a single segment of manufacturing of electrolytic products. An annual turnover of ₹ 2707.12 lakhs was registered by the Company during the year under review from the sale of its products.

## OUTLOOK

The Company is looking forward to maintain its position of market leader in membrane recoating activity and cathodic protection systems. The Company has also expanded it's market presence in India with De Nora Water Technology products during the last fiscal.

## RISKS & CONCERNS

Risk is a natural accompaniment to every business and it is of paramount importance for every organization to identify, classify and mitigate risks that may impact its normal functioning. To ensure seamless working, the Company has developed a robust risk management framework which is committed to calibrating and mitigating risks while ensuring sustainable growth and creating economic value. Major risks identified by the business functions are systematically addressed through mitigating actions on a continuing basis at the Audit Committee. A few of these include – downturn in economic conditions, unfavourable exchange rate fluctuations, competition from unorganised players/peers in the market, failure to control cost of key inputs resulting in inflationary conditions, labour unrest, any unexpected changes in regulatory framework, possibility of information technology failure, external threat to data integrity etc.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transactions of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. These systems are being reviewed regularly by the internal auditors and wherever necessary, they are modified or redesigned by the Audit Committee to ensure better efficiency, effectiveness and improved controls. The Audit Committee also reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management framework. To manage the risk profile of the Company, proper organisation structures, whistle blower mechanisms, risk management framework, performance reviews, secretarial audits are conducted at regular intervals.

The Company has a code of business conduct for all employees and a clearly articulated and internalized delegation of financial authority. These authority levels are periodically reviewed by the Management and modifications, if any, are submitted to the Audit Committee and Board for approval.

## FINANCIAL PERFORMANCE

The Company has been able to achieve a profitable growth continuously by posting a Profit Before Tax of ₹ 430.75 lakhs (previous period ₹ 1798.71 lakhs) and Profit After Tax of ₹ 288.39 lakhs (previous period ₹ 1197.61 lakhs) for the financial year 2016-17.

The Earning per Share (EPS) (Basic & Diluted) of the Company for the financial year ended March 31, 2017 was at ₹ 5.43. The EPS for the fifteen months period ended March 31, 2016 – the previous financial year of the Company was ₹ 22.56. The EPS for the twelve month period ended March 31, 2016 was ₹ 19.65.

The Company will adopt Indian Accounting Standards ('Ind AS') with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs notification of the Companies (Indian Accounting Standard) Rules, 2015. The implementation of Ind AS is a major change process which will impact the disclosures made in the financial statements.

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The Company has always believed that human capital is the most important factor to achieve the goals and objectives of the organisation. The industrial relations of the Company continue to remain harmonious with focus on improving productivity, quality and safety. Efforts are continuously made to strengthen organizational culture to attract and retain the best talent in the industry. Training needs are identified in a systematic manner and regular training programmes are organized to provide growth opportunities to its employees.

The Company has also put in place mechanisms to safeguard a positive workplace environment, free from harassment of any kind. The Internal Complaints Committee ('ICC') framed under the provisions of the 'Sexual Harassment of Women at Workplace (Prevention of Sexual Harassment Avoidance and Redressal) Act, 2013' provides a forum to all female personnel to lodge complaints (if any) therewith for redressal. The Committee submits an annual report to the Board of Directors on the complaints received and action taken by it during the financial year. During the year under review, no complaint was lodged with the ICC.

Further, to ensure recruitment and development of the Board and the Senior Management personnel in the Company as well as to counter attrition of employees performing key roles, the Company has also framed a Recruitment and Succession Policy. The policy provides a process to manage recruitment and succession to effectively fill key positions in the governance structure.

### People employed

As on March 31, 2017, there were 77 permanent employees on the rolls of the Company.

## CAUTIONARY STATEMENT

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in government regulations, tax regimes, economic developments within the country and outside the country and other factors such as litigation and labour negotiations.

**ANNEXURE IV**

## REMUNERATION POLICY

In accordance with the provisions of Regulation 19 of the SEBI (LODR) Regulations, 2015, the Committee had framed a Remuneration Policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees of the Company. The detailed policy is provided below for the reference of the shareholders of the Company.

The remuneration of the Directors, Key Managerial Personnel and the Senior Management of the Company is reviewed and recommended by the Nomination and Remuneration Committee ('Committee') based on criterias such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities handled, performance track record etc. and in accordance with the provisions of the Articles of Association of the Company, the provisions of the Companies Act, 2013 and the rules made thereunder and is decided by the Board of Directors. Also, the remuneration/compensation/ commission etc. payable to the Managing Director/Manager/Whole-time Director of the Company shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in the case of Managing Director/Manager/Whole-time Director. Increments will be effective from 1st January every year.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

**Remuneration to Managing Director/Manager/Whole-time Director**

1. Fixed Pay

   The Managing Director/Manager/Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, performance related incentives etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Pay

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Manager/Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration

   If any Managing Director/Manager/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he /she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

   The shareholders may by a resolution grant authority to the Board of Directors of the Company (including any Committee or Committees reconstituted by the Board for this purpose) to fix increased remuneration to the Managing Director/Manager/Whole-time Director of the Company subject to the overall limits as prescribed in the provisions of Sections 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force).

4. Stock Options of the Company

   The Managing Director/Manager/Whole-time Director may be entitled to participate in any stock option scheme operated by the Company or Group Company.

**Remuneration to the Non-Executive/Independent Director**

1. Sitting fees

   The Non- Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Currently the sitting fees to be paid to the Non- Executive/Independent Director for attending Board/Committee meetings is Rs. 5000/- per meeting. The Remuneration Committee may recommend to the Board at any time an increase in the sitting fees to be paid to the Non- Executive/Independent Directors and it shall be the power of the Board to approve such increase subject to the compliance of the provisions of the Companies Act, 2013 and rules made thereunder or any other applicable laws.

2. Reimbursement of expenses

   In addition to the sitting fees, the Company may pay or reimburse such fair and reasonable expenditure, as may have been incurred by the Non- Executive/Independent Director while performing their role as a Non-Executive/Independent Director of the Company in conjunction with the Company rules and policies. This could include reimbursement of expenditure incurred for attending Board/Committee Meetings, Annual General Meeting, Extra-Ordinary General Meetings, induction and training (organized by the Company for Directors) and other incidental expenses incurred in the performance of their role and duties.

3. Stock Options of the Company

   An Independent Director shall not be entitled to participate in any stock option scheme operated by the Company or Group Company.

**Remuneration to the KMP/Senior Management**

The remuneration of KMPs/Senior Management Personnel largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company Policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Committee while deciding the remuneration package shall take into consideration the current employment scenario, the industry benchmark and ensure that the pay structures are appropriately aligned with the remuneration levels prevalent in the industry from time to time.

The annual variable pay of KMPs/Senior Management Personnel is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year. They will also be entitled to customary non-monetary benefits such as Company car, Company health care, telephone etc. or any other benefits decided by the Committee and Board in accordance with the Company Policy.

**ANNEXURE V**

**Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. **Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the Financial Year 2016-17 and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial Year 2016-17**

| | |
|---|---|
| Median remuneration of all the employees of the Company for the financial year | 3.72 lakhs |
| Percentage increase in the median remuneration of employees in the financial year | 12% |
| Number of permanent employees on the rolls of the Company as on March 31, 2017 | 77 Nos. |

| Sr. No. | Name of Director | Designation | Remuneration (₹ in Lakhs) | Ratio of Directors remuneration to median remuneration | % increase in the remuneration in the FY 2016-17 |
|---|---|---|---|---|---|
| **I** | **Executive Director** | | | | |
| 1. | Mr. Vinay Chopra | Managing Director | 22.97 | 1:5.91 | 25 |
| **II** | **Non-Executive Directors** | | | | |
| 1. | Mr. Robert Scannell | Non – Executive Director | - | NA* | - |
| 2. | Mr. Angelo Ferrari | Non – Executive Director | - | NA* | - |
| 3. | Mr. M. A. Sundaram | Independent Director | - | NA* | - |
| 4. | Mrs. Sarita D'Souza | Independent Director | - | NA* | - |
| 5. | Ms. Supriya Banerji | Non – Executive Director | - | NA* | - |
| 6. | Mr. Krishan Khanna | Non – Executive Director | - | NA* | - |
| **III** | **Key Managerial Personnel** | | | | |
| 1. | Mr. Deepak Nagvekar | Chief Financial Officer | 20.79 | 1:5.37 | 17 |
| 2. | Ms. Jyoti Bandodkar | Company Secretary | 5.20 | 1:1.34 | 11 |

** The Independent Directors and the Non-Executive Directors do not receive any remuneration except sitting fees for attending Board/Committee Meetings.*

2. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

   The average annual increase was 12%. This is as per the market trend and based on the factors such as inflation, employee performance, talent retention etc. The individual performance and Company performance is also taken into consideration while ascertaining the annual increase.

3. **Affirmation that the remuneration is as per the remuneration policy of the Company**

   The Company affirms that the remuneration is as per the remuneration policy of the Company.

**For and on behalf of the Board of Directors**
**For De Nora India Limited**

Place: Kundaim, Goa
Date: August 08, 2017

**M. A. Sundaram**
**Chairman**
**(DIN: 00144607)**

## ANNEXURE VI

# SECRETARIAL AUDIT REPORT
# FORM MR - 3

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

To,
The Members,
DE NORA INDIA LIMITED
PLOT NOS. 184, 185 & 189,
KUNDAIM INDUSTRIAL ESTATE
KUNDAIM, GOA - 403 115

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DE NORA INDIA LIMITED,** (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 and 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;

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; ……***Not applicable***

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; …… ***Not applicable***

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; …… ***Not applicable***

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ; …… ***Not applicable***

(vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

The following other Laws as the case may be applicable specifically to the Company are:

1. The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Cess Rules, 1978
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Environment (Protection) Act, 1986 & the Environment (Protection) Rules, 1986;
4. The Noise Pollution (Regulation and Control) Rules, 2000;
5. Legal Metrology Act, 2009;
6. Competition Act, 2002;
7. Standard of Weights and Measures Act, 1976;
8. The Electricity Act, 2003 & rules made thereunder;
9. Negotiable Instruments Act, 1881;
10. The Trademarks Act, 1999

**I further report that**, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of yearly compliance report by the respective departmental heads / Company Secretary / Internal Auditor, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws and other legislations.

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

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

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015;

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

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

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

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I 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.

**I further report that** during the audit period there are no instances of major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

**Sadashiv V Shet**
Practicing Company Secretary
FCS No.: 2477
C.P No.: 2540

Date: August 08, 2017
Place: Panaji - Goa

**ANNEXURE VII**

**FORM No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2017**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| **i** | **CIN:** | L31200GA1993PLC001335 |
| **ii** | **Registration Date:** | 07.06.1989 |
| **iii** | **Name of the Company :** | DE NORA INDIA LIMITED |
| **iv** | **Category/Sub-Category of the Company:** | Public Company limited by shares |
| **v** | **Address of the Registered Office and contact details:** | Plot. Nos. 184, 185 & 189<br>Kundaim Industrial Estate, Kundaim - 403115, Goa, India<br>Ph.No. : 0832-3981100<br>Fax No : 0832-3981101<br>Email-Id : denoraindia@denora.com<br>Website : www.denoraindia.com |
| **vi** | **Whether listed Company:** | Yes |
| **vii** | **Name, Address and Contact details of Registrar and Transfer Agent (RTA):** | M/s. Bigshare Services Private Limited<br>1st Floor, Bharat Tin Works Building,<br>Opp. Vasant Oasis Apartments,<br>Makwana Road,<br>Marol, Andheri East, Mumbai - 400059<br>Ph. No.: 022 62638200/62638294<br>Fax No.: 022 62638299<br>Emai-Id: investor@bigshareonline.com<br>Website : www.bigshareonline.com |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main Products/ Services | NIC Code of the Product/ Service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Titanium metal anodes and Cathodes | 81089090 | 77 |
| 2 | Electrochlorinators | 84212190 | 7 |
| 3 | Cathodic Protection (anti corrosion) Systems | 81089090 | 16 |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Oronzio De Nora International B. V.<br>Prins Bernhardplein 200, 1097 JB<br>Amsterdam, Netherlands | Not Applicable | Holding Company | 53.68 | 2(46) |

## 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 01.04.2016 | | | | No. of Shares held at the end of the year as on 31.03.2017 | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. | Promoters | | | | | | | | | |
| | (1) Indian | | | | | | | | | |
| | a. Individual/HUF | 180732 | 0 | 180732 | 3.40 | 165759 | 0 | 165759 | 3.12 | (0.28) |
| | b. Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | c. State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | d. Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | e. Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | f. Any Other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total (A)(1):** | **180732** | **0** | **180732** | **3.40** | **165759** | **0** | **165759** | **3.12** | **(0.28)** |
| | (2) Foreign | | | | | | | | | |
| | a. NRIs – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | b. Other – Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | c. Bodies Corporate | 2849500 | 0 | 2849500 | 53.68 | 2849500 | 0 | 2849500 | 53.68 | 0.00 |
| | d. Banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | e. Any Other... | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | **Sub-Total (A)(2):** | **2849500** | **0** | **2849500** | **53.68** | **2849500** | **0** | **2849500** | **53.68** | **0.00** |
| | **Total Shareholding of Promoters (A) = (A)(1)+(A)(2)** | **3030232** | **0** | **3030232** | **57.08** | **3015259** | **0** | **3015259** | **56.80** | **(0.28)** |
| B. | Public Shareholding | | | | | | | | | |
| | (1) Institutions | | | | | | | | | |
| | a. Mutual Funds/UTI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | b. Banks/FI | 0 | 100 | 100 | 0.00 | 3400 | 0 | 3400 | 0.06 | 0.06 |
| | c. Central Govt. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | d. State Govt.(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | e. Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | f. Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | g. FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | h. Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | i. Others (Specify) | 0 | 7460 | 7460 | 0.14 | 0 | 0 | 0 | 0.00 | (0.14) |
| | **Sub-Total (B)(1):** | **0** | **7560** | **7560** | **0.14** | **3400** | **0** | **3400** | **0.06** | **(0.08)** |
| | (2) Non-Institutions | | | | | | | | | |
| | a. Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | i) Indian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | b. Individuals | | | | | | | | | |
| | i) Individual Shareholders holding nominal share capital upto ₹ 2 lakh | 1473520 | 126759 | 1600279 | 30.14 | 1578601 | 125046 | 1703647 | 32.09 | 1.95 |
| | ii)Individual Shareholders holding nominal share capital in excess of ₹ 2 lakh | 432286 | 0 | 432286 | 8.14 | 331068 | 0 | 331068 | 6.24 | (1.90) |
| | c. NBFC | 500 | 0 | 500 | 0.01 | 3332 | 0 | 3332 | 0.06 | 0.05 |
| | d. Others (Specify): | 236420 | 1357 | 237777 | 4.48 | 243010 | 8918 | 251928 | 4.75 | 0.27 |
| | **Sub-Total (B)(2):** | **2142726** | **128116** | **2270842** | **42.78** | **2156011** | **133964** | **2289975** | **43.14** | **0.36** |
| | **Total Public Shareholding (B) = (B)(1)+(B)(2)** | **2142726** | **135676** | **2278402** | **42.92** | **2159411** | **133964** | **2293375** | **43.20** | **0.29** |
| C. | Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0.00 | 0.00 | 0 | 0 | 0.00 | 0.00 | 0.00 |
| | **Grand Total (A+B+C)** | **5172958** | **135676** | **5308634** | **100.00** | **5174670** | **133964** | **5308634** | **100.00** | **0.00** |

### ii) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year as on 01.04.2016 | | | Shareholding at the end of the year as on 31.03.2017 | | | % change in Share holding during the period |
|---|---|---|---|---|---|---|---|---|
| | | 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 | Oronzio De Nora International B. V. | 2849500 | 53.68 | 0 | 2849500 | 53.68 | 0 | 0 |
| 2 | Bunty Khanna | 153762 | 2.90 | 0 | 0 | 0 | 0 | (2.90) |
| 3 | Madhu Khanna | 26970 | 0.51 | 0 | 26970 | 0.51 | 0 | 0 |
| 4 | Devika Khanna | 0 | 0 | 0 | 138789 | 2.61 | 0 | 2.61 |
| | **Total** | **3030232** | **57.08** | **0** | **3015259** | **56.80** | **0** | **(0.28)** |

### iii) Change in Promoter's Shareholding

| Sr. No. | Shareholder's Name | No. of Shares at the beginning of the year as on 01.04.2016 | % of total Shares of the Company | Date | Increase/ Decrease in Shareholding | Reason | Cumulative Shares during the year | % of total Shares of the Company during the year |
|---|---|---|---|---|---|---|---|---|
| 1. | Oronzio De Nora International B. V. | 2849500 | 53.68 | No change | | | 2849500 | 53.68 |
| 2. | Bunty Khanna | 153762 | 2.90 | 02.11.2016 | (4474) | Sale | 149288 | 2.81 |
| | | | | 04.11.2016 | (149288) | Inter se Promoter transfer | 0 | 0 |
| | At the end of the year (31.03.2017) | | | | | | 0 | 0 |
| 3. | Madhu Khanna | 26970 | 0.51 | No change | | | 26970 | 0.51 |
| 4. | Devika Khanna | 0 | 0 | 04.11.2016 | 149288 | Inter se Promoter transfer | 149288 | 2.81 |
| | | | | 15.02.2017 | (7000) | Sale | 142288 | 2.68 |
| | | | | 31.03.2017 | (3499) | Sale | 138789 | 2.61 |
| | At the end of the year (31.03.2017) | | | | | | 138789 | 2.61 |

### iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr. No. | Shareholder's Name | Date | Change in the Shareholding | Shareholding at the beginning of the year as on 01.04.2016 | | Cumulative Shareholding at the end of the year as on 31.03.2017 | |
|---|---|---|---|---|---|---|---|
| | For Each of the Top 10 Shareholders | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | NITIN SAXENA | 01/04/2016 | | 82428 | 1.55 | | |
| | | 22/04/2016 | 50 | | | | |
| | | 29/04/2016 | 25 | | | | |
| | | 06/05/2016 | 175 | | | | |
| | | 13/05/2016 | 196 | | | | |
| | | 20/05/2016 | 201 | | | | |
| | | 03/06/2016 | (1606) | | | | |
| | | 10/06/2016 | (550) | | | | |
| | | 17/06/2016 | 50 | | | | |
| | | 24/06/2016 | (169) | | | | |
| | | 30/06/2016 | (1625) | | | | |
| | | 08/07/2016 | 1 | | | | |
| | | 29/07/2016 | 110 | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 05/08/2016 | (1986) | | | | |
| | | 12/08/2016 | (1775) | | | | |
| | | 19/08/2016 | (1275) | | | | |
| | | 02/09/2016 | 375 | | | | |
| | | 09/09/2016 | 185 | | | | |
| | | 14/09/2016 | 658 | | | | |
| | | 30/09/2016 | (1708) | | | | |
| | | 07/10/2016 | (16925) | | | | |
| | | 21/10/2016 | (2056) | | | | |
| | | 28/10/2016 | (2650) | | | | |
| | | 04/11/2016 | (37400) | | | | |
| | | 11/11/2016 | (9950) | | | | |
| | | 25/11/2016 | (3400) | | | | |
| | | 09/12/2016 | (1000) | | | | |
| | | 16/12/2016 | (250) | | | | |
| | | 03/03/2017 | (100) | | | | |
| | | 31/03/2017 | | | | 29 | 0.00 |
| 2. | LALAN A. KAPADIA | 01/04/2016 | | 75000 | 1.41 | | |
| | | 31/03/2017 | | | | 75000 | 1.41 |
| 3. | BHARAT AJAY KAPADIA | 01/04/2016 | | 75000 | 1.41 | | |
| | | 31/03/2017 | | | | 75000 | 1.41 |
| 4. | AJITSINH GOKALDAS KHIMJI | 01/04/2016 | | 35000 | 0.66 | | |
| | | 31/03/2017 | | | | 35000 | 0.66 |
| 5. | VIJAY GUPTA (HUF) | 01/04/2016 | | 34829 | 0.66 | | |
| | | 17/02/2017 | 1000 | | | | |
| | | 31/03/2017 | | | | 35829 | 0.67 |
| 6. | VIJAY PRAKASH GUPTA | 01/04/2016 | | 28187 | 0.53 | | |
| | | 26/08/2016 | 3850 | | | | |
| | | 17/02/2017 | 1000 | | | | |
| | | 31/03/2017 | | | | 33037 | 0.62 |
| 7. | REKHA HARSHADRAY KAPADIA | 01/04/2016 | | 25000 | 0.47 | | |
| | | 31/03/2017 | | | | 25000 | 0.47 |
| 8. | ANUPAM SAXENA | 01/04/2016 | | 24419 | 0.46 | | |
| | | 20/05/2016 | 70 | | | | |
| | | 16/12/2016 | (11100) | | | | |
| | | 23/12/2016 | (7328) | | | | |
| | | 30/12/2016 | (6061) | | | | |
| | | 31/03/2017 | | | | 0 | 0.00 |
| 9. | PRITI UMESH KHIMJI | 01/04/2016 | | 23500 | 0.44 | | |
| | | 31/03/2017 | | | | 23500 | 0.44 |
| 10. | KAMLESH RAMNIKLAL MEHTA | 01/04/2016 | | 21500 | 0.41 | | |
| | | 31/03/2017 | | | | 21500 | 0.41 |
| 11. | JAIN PAL JAIN | 01/04/2016 | | 21423 | 0.40 | | |
| | | 28/10/2016 | (221) | | | | |
| | | 31/03/2017 | | | | 21202 | 0.40 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 12. | NITIN KAPIL TANDON | 01/04/2016 | | 0 | 0.00 | | |
| | | 03/06/2016 | 21000 | | | | |
| | | 31/03/2017 | | | | 21000 | 0.40 |
| 13. | JAINAM SHARE CONSULTANTS PVT LTD. | 01/04/2016 | | 2950 | 0.05 | | |
| | | 08/04/2016 | (2950) | | | | |
| | | 29/04/2016 | 1000 | | | | |
| | | 06/05/2016 | (965) | | | | |
| | | 20/05/2016 | (27) | | | | |
| | | 03/06/2016 | 60 | | | | |
| | | 15/07/2016 | 50 | | | | |
| | | 22/07/2016 | (28) | | | | |
| | | 29/07/2016 | 70 | | | | |
| | | 05/08/2016 | 150 | | | | |
| | | 12/08/2016 | (50) | | | | |
| | | 19/08/2016 | 25 | | | | |
| | | 26/08/2016 | 25 | | | | |
| | | 02/09/2016 | 60 | | | | |
| | | 14/09/2016 | (365) | | | | |
| | | 16/09/2016 | (5) | | | | |
| | | 23/09/2016 | 126 | | | | |
| | | 30/09/2016 | (101) | | | | |
| | | 07/10/2016 | 219 | | | | |
| | | 14/10/2016 | 25 | | | | |
| | | 21/10/2016 | (268) | | | | |
| | | 04/11/2016 | 730 | | | | |
| | | 11/11/2016 | (708) | | | | |
| | | 18/11/2016 | 113 | | | | |
| | | 25/11/2016 | (70) | | | | |
| | | 02/12/2016 | (60) | | | | |
| | | 09/12/2016 | 200 | | | | |
| | | 16/12/2016 | 50 | | | | |
| | | 30/12/2016 | 13 | | | | |
| | | 06/01/2017 | (61) | | | | |
| | | 13/01/2017 | (5) | | | | |
| | | 20/01/2017 | 22 | | | | |
| | | 27/01/2017 | (4) | | | | |
| | | 03/02/2017 | 80 | | | | |
| | | 10/02/2017 | (5) | | | | |
| | | 17/02/2017 | 258 | | | | |
| | | 24/02/2017 | (503) | | | | |
| | | 03/03/2017 | 2359 | | | | |
| | | 10/03/2017 | 35 | | | | |
| | | 17/03/2017 | 50 | | | | |
| | | 24/03/2017 | 12 | | | | |
| | | 31/03/2017 | 97 | | | 2604 | 0.05 |

**v) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No. | Name of the Director/Key Managerial Personnel | Shareholding at the beginning of the year as on 01.04.2016 | | Date | Reason | Increase/Decrease in Shareholding | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total shares of the Company | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1. | Jyoti Bandodkar – Company Secretary | 1 | 0.00 | 31.03.2017 | At year end | 0 | 0 | 1 | 0.00 |

Other than Ms. Jyoti Bandodkar, no other Director or Key Managerial Personnel holds any share in the Company during the year 2016-17.

**V. INDEBTEDNESS**

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

(₹ in Lakhs)

| Particulars | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year as on 01.04.2016** | 0 | 0 | 0 | 0 |
| a. Principal Amount | 0 | 0 | 0 | 0 |
| b. Interest due but not paid | 0 | 0 | 0 | 0 |
| c. Interest accrued but not due | 0 | 0 | 0 | 0 |
| Total (a+b+c) | 0 | 0 | 0 | 0 |
| **Change in Indebtedness during the financial year** | 0 | 0 | 0 | 0 |
| Addition | 0 | 0 | 0 | 0 |
| Reduction | 0 | 0 | 0 | 0 |
| **Net Change** | 0 | 0 | 0 | 0 |
| **Indebtedness at the end of the financial year as on 31.03.2017** | 0 | 0 | 0 | 0 |
| a. Principal Amount | 0 | 0 | 0 | 0 |
| b. Interest due but not paid | 0 | 0 | 0 | 0 |
| c. Interest accrued but not due | 0 | 0 | 0 | 0 |
| **Total (a+b+c)** | 0 | 0 | 0 | 0 |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of MD/WTD/Manager |
|---|---|---|
| | | **Mr. Vinay Chopra – Managing Director** |
| 1. | Gross Salary | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income -Tax Act, 1961 | 10,68,015 |
| | (b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961 | 9,40,812 |
| | (c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961 | - |
| 2. | Stock Options | - |
| 3. | Sweat Equity | - |
| 4. | Commission | |
| | - as % of profit | - |
| | - others, specify…. | - |
| 5. | Others, specify…. | |
| | Pension/PF/Superannuation | 2,88,366 |
| | **Total** | **22,97,193** |

**B. Remuneration to other Directors:**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| 1. | Independent Directors | Mr. M. A. Sundaram | Mrs. Sarita D'Souza | | | |
| | ▯ Fee for attending Board/ Committee meetings<br>▯ Commission<br>▯ Others, please specify | 1,00,000<br>Nil<br>Nil | 1,00,000<br>Nil<br>Nil | | | **2,00,000**<br>**Nil**<br>**Nil** |
| | **Total (1)** | **1,00,000** | **1,00,000** | | | **2,00,000** |
| 2. | Other Non-Executive Directors | Mr. Angelo Ferrari | Mr. Robert Scannell | Mr. Krishan Khanna* | Ms. Supriya Banerji# | |
| | ▯ Fee for attending Board/ Committee meetings<br>▯ Commission<br>▯ Others, please specify | 5,000<br>Nil<br>Nil | 25,000<br>Nil<br>Nil | 10,000<br>Nil<br>Nil | 5,000<br>Nil<br>Nil | **45,000**<br>**Nil**<br>**Nil** |
| | **Total (2)** | **5,000** | **25,000** | **10,000** | **5,000** | **45,000** |
| | **Total (B) = (1+2)** | | | | | **2,45,000** |
| | **Total Managerial Remuneration** | | | | | **NIL** |
| | **Overall Ceiling as per the Act** | Not applicable as only sitting fees paid | | | | |

*For the period 01.04.2016 till the date of resignation

# From the date of appointment till 31.03.2017

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**

(Amount in ₹)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total |
|---|---|---|---|---|
| | | **Mr. Deepak Nagvekar CFO** | **Ms. Jyoti Bandodkar CS** | |
| 1. | Gross Salary | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961 | 17,23,732 | 4,28,560 | **21,52,292** |
| | (b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961 | 1,40,426 | 23,658 | **1,64,084** |
| | (c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961 | - | - | **-** |
| 2. | Stock Options | - | - | **-** |
| 3. | Sweat Equity | - | - | **-** |
| 4. | Commission | - | - | **-** |
| | - as % of profit | - | - | **-** |
| | - others, specify…. | - | - | **-** |
| 5. | Others, specify…. | - | - | **-** |
| | Pension/PF/Superannuation | 2,14,963 | 68,148 | **2,83,111** |
| | **Total** | **20,79,121** | **5,20,366** | **25,99,487** |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the breach of any sections of the Companies Act against the Company or its Directors or other officers during the financial year ended 31st March, 2017.

**For and on behalf of the Board of Directors**
**For De Nora India Limited**

Place: Kundaim, Goa
Date: August 08, 2017

**M. A. Sundaram**
**Chairman**
**(DIN: 00144607)**

## Independent Auditor's Report

To the Members of

De Nora India Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of De Nora India Limited ("the Company"), which comprise the Balance Sheet as at 31 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**

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 relevant rules issued thereunder.

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**

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

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

We conducted our audit 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.

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.

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**

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 31 March, 2017, and its profits and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
   - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   - (c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
   - (e) on the basis of the written representations received from the Directors as on 31 March 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act;
   - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; 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 the explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 27 of 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and

iv. the Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBN) during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management – refer note 38 of the financial statements.

For **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration No: 116231W/W-100024

**Shabbir Readymadewala**
*Partner*
Membership No: 100060

Mumbai
8 May, 2017

**"Annexure A" to the Independent Auditor's Report - 31 March 2017**

Referred to in our report of even date.

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In accordance with this programme of physical verification, the Company has physically verified certain fixed assets during the year and we are informed that no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 9 to the financial statements are held in the name of the Company.

(ii) The inventory, except goods in transit have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. No discrepancies have been noticed on verification between the physical stocks and the book records.

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

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loan, made any investments, given any guarantee or provided any security under Sections 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits covered under the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services provided by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Employees' State Insurance, Provident Fund, Income-tax, Duty of excise, Duty of customs, Sales tax/ Value added tax, Service tax, cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities except in few cases where there have been slight delays.

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

(b) According to the information and explanations given to us, there are no dues of Income tax, Duty of customs, Sales tax/ Value added tax and Service tax which have not been deposited with the appropriate authorities on account of any dispute.

According to the information and explanations given to us, the following dues of Duty of excise have not been deposited as on 31 March, 2017 by the Company on account of disputes.

| Name of the Statute | Nature of the Dues | Amount Rs. | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|
| Central Excise Act, 1944 | Excise duty on assessable value consequent to the benefit availed under the Goa Value Added Tax Deferment-cum-net present value compulsory payment scheme, 2005 | 11,32,341 | 2003-2007 | Appellate Tribunal Customs, Excise and Service Tax |

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to bank, outstanding debentures or borrowing from government during the year.

(ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

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

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in Nidhi Rules, 2014. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and 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 Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

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

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

For **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration No: 116231W/W-100024

**Shabbir Readymadewala**
*Partner*
Membership No: 100060

Mumbai
8 May, 2017

**"Annexure B" to the Independent Auditor's Report - 31 March 2017**

Referred to in our report of even date

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

We have audited the internal financial controls over financial reporting of De Nora India Limited ("the Company") as of 31 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**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Act.

**Auditor's Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the 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 31 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 Financials Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration No: 116231W/W-100024

**Shabbir Readymadewala**
*Partner*
Membership No: 100060

Mumbai
8 May, 2017

# BALANCE SHEET

As at 31 March, 2017
(Currency: Indian Rupees)

| | Note | As at 31 March, 2017 | As at 31 March, 2016 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Shareholders' funds** | | | |
| Share capital | 3 | **5,30,86,340** | 5,30,86,340 |
| Reserves and surplus | 4 | **46,23,30,361** | 43,34,91,329 |
| | | **51,54,16,701** | 48,65,77,669 |
| **Non-current liabilities** | | | |
| Long-term provisions | 5 | **63,27,179** | 24,04,216 |
| | | **63,27,179** | 24,04,216 |
| **Current liabilities** | | | |
| Trade payables | 6 | | |
| Payables to Micro and Small Enterprises | | **-** | - |
| Payables to others | | **2,92,72,937** | 3,63,51,309 |
| Other current liabilities | 7 | **6,81,88,341** | 3,35,87,755 |
| Short-term provisions | 8 | **1,76,30,460** | 4,51,81,407 |
| | | **11,50,91,738** | 11,51,20,471 |
| **TOTAL** | | **63,68,35,618** | 60,41,02,356 |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, Plant and Equipment | | | |
| Tangible assets | 9A | **7,19,87,948** | 7,19,52,500 |
| Intangible assets | 9B | **5,57,099** | 2,87,695 |
| Intangible assets under development | | **7,34,85,518** | 1,89,65,244 |
| | | **14,60,30,565** | 9,12,05,439 |
| Non-current investments | 10 | **1,70,000** | 1,70,000 |
| Deferred tax assets (net) | 11 | **1,49,24,110** | 1,58,97,237 |
| Long-term loans and advances | 12 | **2,11,35,677** | 1,33,46,350 |
| Other non-current assets | 13 | **-** | 10,00,00,000 |
| | | **3,62,29,787** | 12,94,13,587 |
| **Current assets** | | | |
| Current investments | 14 | **20,26,03,421** | 19,19,17,925 |
| Inventories | 15 | **5,10,44,027** | 5,92,49,817 |
| Trade receivables | 16 | **5,97,68,357** | 10,44,14,517 |
| Cash and bank balances | 17 | **12,75,48,477** | 1,38,30,314 |
| Short-term loans and advances | 18 | **1,36,10,984** | 1,40,70,757 |
| | | **45,45,75,266** | 38,34,83,330 |
| **TOTAL** | | **63,68,35,618** | 60,41,02,356 |
| **Significant accounting policies** | 2 | | |
| The notes referred to above form an integral part of the financial statements | 3-39 | | |

As per our report of even date attached
For **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration No : 116231W/W-100024

**Shabbir Readymadewala**
*Partner*
Membership No : 100060

Mumbai
8 May, 2017

**For and on behalf of the Board of Directors of**
**De Nora India Limited**
CIN : L31200GA1993PLC001335

**M. A. Sundaram**
*Chairman*
DIN : 00144607

**Vinay Chopra**
*Managing Director*
DIN:06543610

**Deepak Nagvekar**
*Chief Financial Officer*

**Jyoti Bandodkar**
*Company Secretary*

Kundaim-Goa
8 May, 2017

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | Note | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|---|
| **Revenue from operations** | | | |
| Revenue from operations (gross) | 19 | **27,96,20,235** | 51,82,39,088 |
| Less: Excise duty | | **(89,08,425)** | (98,58,874) |
| Revenue from operations (net) | | **27,07,11,810** | 50,83,80,214 |
| Other income | 20 | **3,34,94,517** | 3,76,60,483 |
| **Total revenue** | | **30,42,06,327** | 54,60,40,697 |
| **Expenses** | | | |
| Cost of materials consumed | 21 | **8,61,61,478** | 17,05,56,145 |
| Purchase of stock-in-trade | 21 | **41,59,818** | 46,47,926 |
| Changes in inventory of finished goods, work-in-progress and stock-in-trade | 22 | **37,86,941** | (90,11,688) |
| Employee benefits expense | 23 | **5,85,77,440** | 6,96,67,884 |
| Finance costs | 24 | **24** | 13,745 |
| Depreciation and amortisation | 25 | **85,06,175** | 1,15,96,303 |
| Other expenses | 26 | **9,99,39,336** | 11,86,99,284 |
| **Total expenses** | | **26,11,31,212** | 36,61,69,599 |
| **Profit before tax for the year** | | **4,30,75,115** | 17,98,71,098 |
| **Tax expense:** | | | |
| Current tax | | **1,08,53,383** | 5,77,77,985 |
| Current tax relating to prior year | | **24,09,575** | 23,64,787 |
| Deferred tax charge / (credit) | | **9,73,126** | (32,320) |
| **Total tax expense** | | **1,42,36,084** | 6,01,10,452 |
| **Profit after tax for the year** | | **2,88,39,031** | 11,97,60,646 |
| **Earnings per equity share [Nominal value of share Rs 10 (previous year: Rs 10)]** | | | |
| Basic and diluted | 29 | **5.43** | 22.56 |
| **Significant accounting policies** | 2 | | |
| The notes referred to above form an integral part of the financial statements | 3-39 | | |

As per our report of even date attached
For **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration No : 116231W/W-100024

**Shabbir Readymadewala**
*Partner*
Membership No : 100060

Mumbai
8 May, 2017

**For and on behalf of the Board of Directors of**
**De Nora India Limited**
CIN : L31200GA1993PLC001335

**M. A. Sundaram**
*Chairman*
DIN : 00144607

**Vinay Chopra**
*Managing Director*
DIN:06543610

**Deepak Nagvekar**
*Chief Financial Officer*

**Jyoti Bandodkar**
*Company Secretary*

Kundaim-Goa
8 May, 2017

# CASH FLOW STATEMENT

for the year ended 31 March, 2017
(Currency : Indian Rupees)

| | | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|---|
| **(A)** | **Cash flows from operating activities:** | | |
| | Profit before tax | **4,30,75,115** | 17,98,71,099 |
| | **Adjustments:** | | |
| | Depreciation and amortisation | **85,06,175** | 1,15,96,303 |
| | Interest income | **(69,97,625)** | (26,96,851) |
| | Finance cost | **24** | 13,745 |
| | Loss/(Profit) on sale of tangible assets | **28,886** | (2,38,571) |
| | (Profit) on sale of Investments | **(1,12,868)** | - |
| | Net unrealised gain on foreign exchange | **(4,78,472)** | (1,607) |
| | Provision for doubtful debts | **(2,81,472)** | 48,007 |
| | Bad Debts | **18,16,136** | 5,90,761 |
| | Dividend income | **(1,00,76,584)** | (1,60,94,290) |
| | Provision for liquidated damages | **39,72,800** | - |
| | Provision for warranty (net) | **(20,77,200)** | 16,54,003 |
| | | **(57,00,200)** | (51,28,500) |
| | **Operating cash flow before working capital changes** | **3,73,74,915** | 17,47,42,599 |
| | Decrease in trade receivables | **4,31,11,496** | 1,12,21,944 |
| | Decrease in inventories | **82,05,790** | 77,26,098 |
| | (Increase) / decrease in long term loans and advances | **(8,73,587)** | 1,783 |
| | Decrease in short term loans and advances | **3,68,278** | 53,40,445 |
| | (Decrease) / Increase in trade payables | **(1,05,72,700)** | 1,68,01,321 |
| | (Decrease) / Increase in long term provisions | **39,22,963** | (72,68,762) |
| | (Decrease) / Increase in short term provisions | **83,631** | 1,52,406 |
| | Increase / (Decrease) in other current liabilities | **96,01,492** | (55,67,875) |
| | | **5,38,47,363** | 2,84,07,360 |
| | Cash generated from operations | **9,12,22,278** | 20,31,49,959 |
| | Income taxes (paid) | **(2,01,78,698)** | (6,55,79,878) |
| | **Net cash generated in operating activities ( A )** | **7,10,43,580** | 13,75,70,081 |
| **(B)** | **Cash flows from investing activities:** | | |
| | Purchase of fixed assets and change in capital work in progress and capital creditors | **(3,86,84,286)** | (1,90,39,909) |
| | Proceeds from sale of fixed assets | **3,39,504** | 2,38,571 |
| | Interest received | **69,97,625** | 32,60,477 |
| | Dividend received | **1,00,76,584** | 1,60,94,290 |
| | Purchase of investments | **(15,48,89,579)** | (17,40,00,026) |
| | Proceeds from sale/redemption of investments | **14,43,16,951** | 12,50,00,000 |
| | Movement in Bank deposits (having maturity of more than 3 months) | **(10,00,00,000)** | 1,80,00,000 |
| | Movement in other bank balances | **1,71,476** | 1,44,535 |
| | Investment in Term deposits with a (maturity of over 12 months) | **10,00,00,000** | (8,66,04,758) |
| | **Net cash (used) in investing activities ( B )** | **(3,16,71,726)** | (11,69,06,820) |
| **(C)** | **Cash flows from financing activities:** | | |
| | Interest paid | **(24)** | (13,745) |
| | Dividend and distribution tax paid | **(2,58,25,143)** | (95,83,832) |
| | **Net cash (used) by financing activities ( C )** | **(2,58,25,167)** | (95,97,577) |
| | **Net decrease in cash and cash equivalents (A+B+C)** | **1,35,46,687** | 1,10,65,684 |
| | **Cash and cash equivalents as at the beginning of the year** | **1,24,82,614** | 14,16,930 |
| | **Cash and cash equivalents as at the end of the year** | **2,60,29,301** | 1,24,82,614 |

# CASH FLOW STATEMENT

for the year ended 31 March, 2017
(Currency : Indian Rupees)

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **Notes to cash flow statement** | | |
| 1 Components of cash and cash equivalents | | |
| - Cash on hand | **8,305** | 46,739 |
| - Balances with banks | | |
| - in current accounts | **2,43,93,727** | 1,16,61,576 |
| - in EEFC account | **16,27,269** | 7,74,299 |
| | **2,60,29,301** | 1,24,82,614 |

As per our report of even date attached
For **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration No : 116231W/W-100024

**Shabbir Readymadewala**
*Partner*
Membership No : 100060

Mumbai
8 May, 2017

**For and on behalf of the Board of Directors of**
**De Nora India Limited**
CIN : L31200GA1993PLC001335

**M. A. Sundaram**
*Chairman*
DIN : 00144607

**Vinay Chopra**
*Managing Director*
DIN:06543610

**Deepak Nagvekar**
*Chief Financial Officer*

**Jyoti Bandodkar**
*Company Secretary*

Kundaim-Goa
8 May, 2017

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**1 Background**

De Nora India Limited (‘the Company’ or 'De Nora') was incorporated in June 1989 as Titanor Components Limited ('Titanor') and commenced business in November 1989. The Company's name was changed from Titanor to De Nora on 27 June 2007. The Company has its manufacturing facilities at Kundaim, Goa and is involved in the business of manufacturing and servicing of Electrolytic products.

**2 Significant accounting policies**

***2.1 Basis of preparation of financial statements***

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (‘Indian GAAP’) and comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with relevant rules issued thereunder and Companies (Accounting Standards) Amendment Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

The Board of Directors vide their resolution dated 19 February, 2015 has approved the change in financial year of the Company from January - December to April - March effective 1 January, 2015. In view of this, the previous financial period is for a period of fifteen months. i.e.1 January, 2015 to 31 March, 2016 ("period") and, accordingly, the figures for the current year are not comparable with the figures for the previous period ended 31 March, 2016 (‘previous period’) presented in the statement of profit and loss, cash flow statement and notes to the financial statement.

***2.2 Use of estimates***

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

***2.3 Current and Non-current classification***

All assets and liabilities are classified into current and non-current.

**Assets**

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the Company’s normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within 12 months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date.

All other assets are classified as non-current.

**Liabilities**

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the Company’s normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within 12 months after the balance sheet date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All other liabilities are classified as non-current.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**Operating cycle**

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

***2.4 Tangible assets and depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises of purchase price and any attributable cost such as duties, freight, borrowing costs, erection and commissioning expenses incurred in bringing the asset to its working condition for its intended use.

Depreciation on tangible fixed assets is provided on the straight-line method (SLM) over the useful lives of the assets as estimated by the Management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

Capital work-in-progress includes the cost of fixed assets that are not ready to use at the balance sheet date.

The Schedule II of the Act has been adopted by the Company and the useful lives for the fixed assets estimated by Management are as prescribed by the Schedule. The useful life are as follows

| Nature of assets | Useful Life |
|---|---|
| Factory building (RCC) | 30 years |
| Other than Factory buildings (RCC) | 60 years |
| Electrical fittings | 7 years |
| Office equipments | 5 years |
| Furniture and fixtures | 10 years |
| Computers | 3 years |
| Plant and machinery | 15 years |
| Vehicles | 8 years |

Losses arising from the retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of profit and loss.

Fixed assets individually costing up to Rs 5,000 are depreciated fully in the year of purchase.

Premium on leasehold land is amortised over the unexpired period of the lease.

***2.5 Intangible assets and amortisation***

Intangible assets includes system and application software. These intangible assets are recognised only where future economic benefits attributable to such assets are expected to flow to the Company and the cost of such assets can be reasonably measured. Software is initially recognised at cost and carried to subsequent years at cost less accumulated amortisation and accumulated impairment losses, if any.

The computer software is amortised over an expected benefit period of 3 years on a straight line method (SLM).

Intangible assets are derecognised when no future economic benefits are expected from their use and subsequent disposal.

***2.6 Borrowing costs***

Borrowing costs include interest and ancillary costs incurred in connection with the borrowings. Borrowing costs in connection with the borrowing of funds, to the extent attributable to the acquisition or construction of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

***2.7 Impairment of assets***

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets (cash generating unit) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

***2.8 Leases***

Lease payments under operating lease are recognised as an expense in the Statement of profit and loss on a straight line basis over the lease term.

***2.9 Investments***

Long term investments are stated at cost, less any other than temporary diminution in value.

Current investments are carried at lower of cost and fair value, computed separately in respect of each category of investment.

***2.10 Inventories***

Inventories include raw materials and consumable stores and spares, work in progress, manufactured and traded finished goods inventory. Inventory is valued at the lower of cost and net realisable value.

Cost comprises the purchase price, costs of conversion and other related costs incurred in bringing the inventories to their present location and condition. Costs of raw materials and consumable stores and spares are determined on the basis of the weighted average method. Cost of finished goods and work in progress include appropriate proportion of costs of conversion which include variable and fixed overheads. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Excise duty on unsold manufactured goods is included in the value of the work in progress and finished goods inventory.

Obsolete, defective and unserviceable inventories are duly provided for. The comparison of cost and net realisable value is made on an item to item basis.

***2.11 Revenue recognition***

Revenue from sale of products is recognised on transfer of all significant risks and rewards of ownership of the products on to the customers, which is generally on dispatch of goods.

Service income comprising mainly recoating/ repair of electrolytic products is recognised as per the terms of the contract with the customer when the related services are performed and the products are dispatched to the customer. Income from annual maintenance service contracts is recognised pro-rata over the period of the contract. Commission income is recognised when proof of shipment is received from the supplier.

Revenue from fixed price construction contracts is recognised by reference to the estimated overall profitability of the contract under the percentage of completion method. Percentage of completion method is determined as a proportion of the costs incurred to date to the total estimated costs. Provision for expected loss is recognised immediately when it is probable that the total estimated contract costs will exceed total contract revenue. Revenue recognised in excess of billings is recorded as unbilled revenue.

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

Interest income is recognised on the time proportion basis.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

***2.12 Foreign currency transactions***

Foreign currency transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

***2.13 Employee benefits***

***(a) Short-term employee benefits***

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period.

***(b) Post-employment benefits***

The Company's approved superannuation scheme is a defined contribution plan and funded by the Company. The Company also makes specified monthly contributions towards employee provident fund which is also a defined contribution plan. The Company's contribution paid/ payable under these schemes is recognised as an expense in the Statement of profit and loss during the year in which the employee renders the related service.

The Company's gratuity benefit scheme is a defined benefit plan and funded by the Company. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation at the balance sheet date by an independent actuary using the Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in the Statement of profit and loss.

***(c) Other Long-term employment benefits***

Compensated absences, partially funded by the Company, which are expected to occur beyond 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 which is determined at each balance sheet date based on an actuarial valuation by an independent actuary using the Projected Unit Credit Method, The said liability is funded by the Company. Actuarial gains and losses are recognised immediately in the Statement of profit and loss.

***2.14 Taxation***

Income tax expense comprises current income tax and deferred tax charge or credit.

***Current Tax***

Provision for income tax is recognised in accordance with the provisions of Indian Income Tax Act, 1961 and is made based on the tax liability after taking credit for tax allowances and exemptions.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of profit and loss. The credit available under the said act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

***Deferred taxes***

Deferred tax assets and liabilities are recognised for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available to realise the assets. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty that sufficient future taxable income will be available to realise these assets. Deferred tax assets are reassessed for the appropriateness of their respective carrying values at each balance sheet date.

***2.15 Provisions and contingent liabilities***

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

***2.16 Earnings per share (EPS)***

The basic earnings per share ('EPS') is computed by dividing the net profit for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

| | | **31 March, 2017** | 31 March, 2016 |
|---|---|---|---|
| **3** | **Share capital** | | |
| | **Authorised shares:** | | |
| | 1,00,00,000 (previous year : 1,00,00,000) equity shares of Rs.10/- each | **10,00,00,000** | 10,00,00,000 |
| | **Issued, subscribed and paid-up:** | | |
| | 53,08,634 (previous year : 53,08,634) equity shares of Rs.10/- each, fully paid-up | **5,30,86,340** | 5,30,86,340 |
| | | **5,30,86,340** | 5,30,86,340 |

**a. Reconciliation of equity shares outstanding as at the beginning and at the end of reporting period**

| **Particulars** | **31 March, 2017** | | 31 March, 2016 | |
|---|---|---|---|---|
| | **Number** | **Amount** | Number | Amount |
| Equity shares outstanding at the commencement of the period and at the end of the period | **53,08,634** | **5,30,86,340** | 53,08,634 | 5,30,86,340 |

**b. Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**c. Equity shares held by Holding Company**

| Name of Shareholder | Relationship | 31 March, 2017 | | 31 March, 2016 | |
|---|---|---|---|---|---|
| | | Number | Amount | Number | Amount |
| Oronzio De Nora International B. V. | Holding Company | **28,49,500** | **2,84,95,000** | 28,49,500 | 2,84,95,000 |

**d. Equity shares in the Company held by each shareholder holding more than 5% shares**

| Name of Shareholder | Relationship | 31 March, 2017 | | 31 March, 2016 | |
|---|---|---|---|---|---|
| | | Number | Percentage | Number | Percentage |
| Oronzio De Nora International B. V. | Holding Company | **28,49,500** | **53.68%** | 28,49,500 | 53.68% |

**e. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

Pursuant to the Shareholders' approval for buyback of equity shares under Section 77A of the Companies Act, 1956, the Company had bought back 1,35,451 equity shares during the year ended 31 December 2012, through open market transactions for an aggregate amount of Rs 1,34,32,195. The said shares have been subsequently extinguished. Capital Redemption Reserve was created by transfer of Rs 13,54,510 during the year ended 31 December 2012 from General Reserve being the nominal value of shares bought back in terms of Section 77AA of the Companies Act, 1956.

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 4 | **Reserves and surplus** | | |
| | **Capital redemption reserve** | | |
| | Balance at commencement of the year/period | **24,65,000** | 24,65,000 |
| | Balance at end of the year/period | **24,65,000** | 24,65,000 |
| | **Securities premium reserve** | | |
| | Balance at commencement of the year/period | **7,36,07,945** | 7,36,07,945 |
| | Balance at end of the year/period | **7,36,07,945** | 7,36,07,945 |
| | **General reserve** | | |
| | Balance at commencement of the year/period | **7,06,76,362** | 5,87,00,297 |
| | Add: Transfer from Surplus in Statement of profit and loss | **-** | 1,19,76,065 |
| | Balance at end of the year/period | **7,06,76,362** | 7,06,76,362 |
| | **Surplus in Statement of profit and loss** | | |
| | Balance at commencement of the year/period | **28,67,42,022** | 20,47,82,584 |
| | Add: Profit for the year/period | **2,88,39,031** | 11,97,60,646 |
| | Less: *Proposed equity dividend | **-** | 2,12,34,536 |
| | Per Share Rs. NIL [previous year Rs 4.0 per share] | | |
| | Less: *Tax on Proposed Dividend | **-** | 45,90,607 |
| | Less: Transfer to General Reserve | **-** | 1,19,76,065 |
| | Balance at end of the year/period | **31,55,81,053** | 28,67,42,022 |
| | | **46,23,30,360** | 43,34,91,329 |

*Proposed dividend on equity shares of Rs. 2 per share are subject to approval at the Annual General Meeting and are not recognised as a liability (including Dividend Distribution Tax thereon) as at 31 March, 2017.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 5 | **Long - term provisions** | | |
| | **Provision for employee benefits** | | |
| | Provision for compensated absences | **45,73,811** | 24,04,216 |
| | Provision for gratuity (refer note 32) | **17,53,368** | - |
| | | **63,27,179** | 24,04,216 |

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 6 | **Trade payables** | | |
| | Trade payables | | |
| | Payables to Micro and Small Enterprises* | **-** | - |
| | Payables to others | **2,92,72,937** | 3,63,51,309 |
| | | **2,92,72,937** | 3,63,51,309 |

* There are no amounts due to the suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006. This information takes into account only those suppliers who have responded to the enquiries made by the Company for this purpose.

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 7 | **Other current liabilities** | | |
| | Advances received from customers | **18,20,888** | 6,72,590 |
| | Amount liable to be deposited in Investor Education and Protection Fund (IEPF) but not yet due for deposit | | |
| | - Unpaid dividend | **15,19,176** | 13,47,703 |
| | Statutory dues * | **84,48,878** | 41,33,511 |
| | Employee payables | **84,82,563** | 73,03,897 |
| | Accrual of expenses | **1,99,21,346** | 1,71,33,659 |
| | Creditors towards purchase of fixed assets | **2,79,95,490** | 29,96,395 |
| | | **6,81,88,341** | 3,35,87,755 |

*It comprises of service tax, tax deducted at source, excise duty and sales tax.

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 8 | **Short - term provisions** | | |
| | **Provision for employee benefits** | | |
| | Provision for compensated absences | **9,12,603** | 8,28,972 |
| | **Other provisions** | | |
| | Proposed equity dividend | **-** | 2,12,34,536 |
| | Tax on proposed equity dividend | **-** | 43,22,842 |
| | Provision for warranties (refer note 31) | **1,67,17,857** | 1,87,95,057 |
| | | **1,76,30,460** | 4,51,81,407 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017
(Currency: Indian Rupees)

**9A Property, Plant and Equipment- Tangible Assets**

| Description of assets | Gross block | | | | Depreciation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2016 | Additions | Deductions | As at 31 March, 2017 | As at 1 April 2016 | for the period | Deductions | As at 31 March, 2017 | As at 31 March, 2017 |
| Leasehold land | **18,56,520** | **-** | **-** | **18,56,520** | **7,72,260** | **19,490** | **-** | **7,91,750** | **10,64,770** |
| | *(18,56,520)* | *(-)* | *(-)* | *(18,56,520)* | *(7,47,846)* | *(24,414)* | *(-)* | *(7,72,260)* | *(10,84,260)* |
| Office building | **26,14,836** | **-** | **-** | **26,14,836** | **8,83,455** | **43,073** | **-** | **9,26,528** | **16,88,308** |
| | *(26,14,836)* | *(-)* | *(-)* | *(26,14,836)* | *(8,29,481)* | *(53,974)* | *(-)* | *(8,83,455)* | *(17,31,381)* |
| Factory building | **4,97,20,476** | **14,97,326** | **-** | **5,12,17,802** | **2,71,83,714** | **17,33,477** | **-** | **2,89,17,191** | **2,23,00,611** |
| | *(4,91,66,004)* | *(5,54,472)* | *(-)* | *(4,97,20,476)* | *(2,51,25,064)* | *(20,58,650)* | *(-)* | *(2,71,83,714)* | *(2,25,36,762)* |
| Plant and machinery | **11,70,65,575** | **47,45,066** | **41,184** | **12,17,69,457** | **7,72,31,763** | **42,59,683** | **26,358** | **8,14,65,088** | **4,03,04,369** |
| | *(10,39,80,739)* | *(1,30,84,836)* | *(-)* | *(11,70,65,575)* | *(7,03,33,111)* | *(68,98,652)* | *(-)* | *(7,72,31,763)* | *(3,98,33,812)* |
| Furniture and fixtures | **87,58,242** | **80,087** | **-** | **88,38,329** | **66,82,843** | **3,58,472** | **-** | **70,41,315** | **17,97,014** |
| | *(83,68,461)* | *(3,89,781)* | *(-)* | *(87,58,242)* | *(64,35,822)* | *(2,47,021)* | *(-)* | *(66,82,843)* | *(20,75,399)* |
| Vehicles | **40,34,452** | **-** | **6,32,500** | **34,01,952** | **18,13,193** | **4,38,116** | **2,95,246** | **19,56,063** | **14,45,889** |
| | *(42,66,946)* | *(5,75,000)* | *(8,07,494)* | *(40,34,452)* | *(21,08,483)* | *(5,12,204)* | *(8,07,494)* | *(18,13,193)* | *(22,21,259)* |
| Office equipments | **72,83,724** | **13,03,763** | **30,500** | **85,56,987** | **53,00,343** | **9,13,382** | **30,500** | **61,83,225** | **23,73,762** |
| | *(69,73,423)* | *(3,10,301)* | *(-)* | *(72,83,724)* | *(44,13,981)* | *(8,86,362)* | *(-)* | *(53,00,343)* | *(19,83,381)* |
| Computers | **55,67,467** | **9,94,832** | **-** | **65,62,299** | **50,81,221** | **4,67,853** | **-** | **55,49,074** | **10,13,225** |
| | *(51,93,024)* | *(3,74,443)* | *(-)* | *(55,67,467)* | *(44,91,635)* | *(5,89,586)* | *(-)* | *(50,81,221)* | *(4,86,246)* |
| **Total** | **19,69,01,292** | **86,21,074** | **7,04,184** | **20,48,18,182** | **12,49,48,792** | **82,33,546** | **3,52,104** | **13,28,30,234** | **7,19,87,948** |
| | *(18,24,19,953)* | *(1,52,88,833)* | *(8,07,494)* | ***(19,69,01,292)*** | *(11,44,85,423)* | *(1,12,70,863)* | *(8,07,494)* | ***(12,49,48,792)*** | ***(7,19,52,500)*** |

**9B Intangible Assets**

| Description of assets | Gross block | | | | Amortisation | | | | Net block |
|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2016 | Additions | Deductions | As at 31 March, 2017 | As at 1 April 2016 | for the period | Deductions | As at 31 March, 2017 | As at 31 March, 2017 |
| Software | **16,84,253** | **5,42,033** | **-** | **22,26,286** | **13,96,558** | **2,72,629** | **-** | **16,69,187** | **5,57,099** |
| | *(15,95,325)* | *(88,928)* | *(-)* | *(16,84,253)* | *(10,71,118)* | *(3,25,440)* | *(-)* | *(13,96,558)* | *(2,87,695)* |
| **Total** | **16,84,253** | **5,42,033** | **-** | **22,26,286** | **13,96,558** | **2,72,629** | **-** | **16,69,187** | **5,57,099** |
| | *(15,95,325)* | *(88,928)* | *(-)* | *(16,84,253)* | *(10,71,118)* | *(3,25,440)* | *(-)* | *(13,96,558)* | *(2,87,695)* |
| **Intangible assets under development** | | | | | | | | | |
| Opening balance as at 1 April, 2016 | | | | | | | | | **1,89,65,244** |
| | | | | | | | | | *(1,24,90,701)* |
| Addition | | | | | | | | | **5,45,20,274** |
| | | | | | | | | | *(76,31,043)* |
| Less : Asset capitalised during the period | | | | | | | | | **-** |
| | | | | | | | | | *(11,56,500)* |
| Balance as at 31 March, 2017 | | | | | | | | | **7,34,85,518** |
| | | | | | | | | | *(1,89,65,244)* |

**Note:** Figures in brackets and italics pertain to the previous year. (previous year depreciation is for the fifteen months peroid)

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 10 | **Non-current investments** | | |
| | *(Valued at cost unless stated otherwise)* | | |
| | **Non-trade investments: quoted** | | |
| | ***Investments in equity instruments*** | | |
| | 10,000 (previous year: 2,000) equity shares of Bank of Baroda of Rs. 2 each, (previous year Rs. 10 each) fully paid-up | **1,70,000** | 1,70,000 |
| | | **1,70,000** | 1,70,000 |
| | The aggregate book value and market value of quoted non-current investments is as follows: | | |
| | Quoted non-current investments | | |
| | Aggregate book value | **1,70,000** | 1,70,000 |
| | Aggregate market value | **17,85,000** | 13,21,000 |

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 11 | **Deferred tax assets (net)** | | |
| | *Deferred tax assets* | | |
| | - Provision for warranty | **55,27,425** | 65,04,593 |
| | - Provision for doubtful receivables | **41,89,048** | 44,82,209 |
| | - Provision for inventory obsolescence | **68,65,110** | 94,56,414 |
| | - Employee benefits | **23,93,689** | 11,18,942 |
| | - Others | **29,94,159** | 15,55,338 |
| | **Total deferred tax assets** | **2,19,69,431** | 2,31,17,496 |
| | *Deferred tax liabilities* | | |
| | Timing differences on account of: | | |
| | - Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts | **70,45,321** | 72,20,259 |
| | **Total Deferred tax liabilities** | **70,45,321** | 72,20,259 |
| | ***Deferred tax assets, net*** | **1,49,24,110** | 1,58,97,237 |

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 12 | **Long-term loans and advances** | | |
| | **Unsecured, considered good** | | |
| | Capital advance | **11,96,440** | - |
| | Gratuity fund balance (refer note 32) | **-** | 3,22,853 |
| | Advance income tax (net of provision for tax) | **1,99,39,237** | 1,30,23,497 |
| | | **2,11,35,677** | 1,33,46,350 |

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| 13 | **Other non-current assets** | | |
| | Bank deposits (due to mature after 12 months from the reporting date) (refer note 17) | **-** | 10,00,00,000 |
| | | **-** | 10,00,00,000 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| **14** | **Current investments** | | |
| | *(valued at lower of cost and fair value)* | | |
| | Investments in mutual funds - unquoted | | |
| | 1,00,960 (previous year 86,857) units of HDFC Cash Management Fund - Savings Plan - daily dividend reinvestment | **10,73,85,162** | 9,23,85,147 |
| | 8,740 (previous year 3,976 ) units of HDFC Cash Management Fund Savings Plan | **92,97,084** | 42,28,621 |
| | NIL (previous year: 9,52,349) units of HDFC Short Term Oppurtunities Fund- Dividend payout | **-** | 96,18,921 |
| | 83,702 (previous year: 84,939) units of Tata Floater Fund - Plan A - weekly dividend payout | **8,44,01,900** | 8,56,85,236 |
| | 649 (previous year: NIL) units of Tata Floater Fund - Growth Plan | **15,19,275** | - |
| | | **20,26,03,421** | 19,19,17,925 |
| | Aggregate book value of unquoted investments | **20,26,03,421** | 19,19,17,925 |

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| **15** | **Inventories** | | |
| | *(valued at lower of cost and net realisable value)* | | |
| | Raw materials | **3,55,53,738** | 3,78,41,196 |
| | [including goods-in-transit Rs.3,72,250 (previous year: Rs 31,59,995)] | | |
| | Work-in-progress | **58,52,655** | 1,44,45,045 |
| | Finished goods and stock in trade | **96,37,634** | 48,32,185 |
| | Stores and spares | **-** | 21,31,391 |
| | | **5,10,44,027** | 5,92,49,817 |

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| **16** | **Trade receivables** | | |
| | Receivables outstanding for a period exceeding six months from the date they became due for payment | | |
| | (a) Unsecured, Considered good: | **16,14,024** | 6,60,389 |
| | (b) Doubtful: | **87,14,613** | 43,70,537 |
| | Less: Provision for doubtful receivables | **(87,14,613)** | (43,70,537) |
| | **(A)** | **16,14,024** | 6,60,389 |
| | Other receivables | | |
| | (a) Unsecured, Considered good: | **5,81,54,333** | 10,37,54,128 |
| | (b) Doubtful: | **39,55,283** | 85,80,831 |
| | Less: Provision for doubtful receivables | **(39,55,283)** | (85,80,831) |
| | **(B)** | **5,81,54,333** | 10,37,54,128 |
| | **(A) + (B)** | **5,97,68,357** | 10,44,14,517 |

Debtors include Rs. 7,57,652/- (previous year Rs. 9,82,382/-) due from Foreign Company in which the Company's Director is a Director/Member.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| **17** | **Cash and bank balances** | | |
| | Cash and cash equivalents | | |
| | - Cash on hand | **8,305** | 46,739 |
| | - Balances with banks | | |
| | - In current accounts | **2,43,93,727** | 1,16,61,576 |
| | - in exchange earner's foreign currency account | **16,27,269** | 7,74,299 |
| | | **2,60,29,301** | 1,24,82,614 |
| | Other bank balances | | |
| | - Unpaid dividend accounts* | **15,19,176** | 13,47,700 |
| | - In deposits accounts with original maturity of more than three months but less than twelve months# | **10,00,00,000** | - |
| | | **12,75,48,477** | 1,38,30,314 |
| | **Details of bank balances and deposits** | | |
| | - in deposit accounts (with original maturity of 3 months or less included under Cash and cash equivalents) | **-** | - |
| | - Bank deposits due to mature within 12 month of the reporting date included under Other bank balances | **10,00,00,000** | - |
| | - Bank deposits (due to mature after 12 months from the reporting date) (Other non-current assets) (refer note 13) | **-** | 10,00,00,000 |
| | | **10,00,00,000** | 10,00,00,000 |

*The above includes an amount of Rs. 15,19,176 (previous year Rs. 13,47,700) restricted in use on account of unpaid dividend.

# Lien on FDR for credit line of Rs. 1.50 crore (previous year Rs. 1.50 Crore)

| | | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| **18** | **Short-term loans and advances** | | |
| | *(unsecured, considered good)* | | |
| | Loans to staff | **5,37,468** | 10,50,473 |
| | Advances to staff | **25,589** | 55,270 |
| | Advance for supply of goods and services | **40,45,310** | 52,19,187 |
| | Security deposits | **3,96,472** | 10,40,618 |
| | Prepaid expenses | **28,50,066** | 16,32,560 |
| | Revenue deposit with Customs authorities | **15,07,294** | 15,07,294 |
| | Balance with Government authorities | **42,48,786** | 35,65,355 |
| | | **1,36,10,984** | 1,40,70,757 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **19 Revenue from operations (gross)** | | |
| Sale of products | | |
| - Finished goods | **12,57,01,697** | 20,61,69,052 |
| - Traded goods | **61,71,440** | 1,00,84,183 |
| Sale of products (gross) | **13,18,73,137** | 21,62,53,235 |
| Less : excise duty | **(89,08,425)** | (98,58,874) |
| Sale of products (net) | **12,29,64,712** | 20,63,94,361 |
| Sales of services | | |
| - Recoating | **14,46,55,208** | 29,75,39,516 |
| - Annual maintenance charges | **29,73,103** | 37,26,434 |
| Other operating revenue | | |
| - Scrap sales | **1,18,787** | 7,19,903 |
| | **27,96,20,235** | 51,82,39,088 |
| **Break up of revenue from sale of finished goods** | | |
| Coated metal anodes | **89,25,949** | 9,65,62,365 |
| Electrochlorinators | **7,91,12,535** | 2,91,60,132 |
| Cathodic Protection (anti corrosion) Systems | **3,76,63,213** | 8,04,46,555 |
| | **12,57,01,697** | 20,61,69,052 |
| **Break up of revenue from sale of traded goods** | | |
| Coated metal anodes | **2,70,000** | 19,28,404 |
| Electrochlorinators | **56,01,246** | 53,33,624 |
| Cathodic Protection (anti corrosion) Systems | **3,00,194** | 28,22,155 |
| | **61,71,440** | **1,00,84,183** |

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **20 Other income** | | |
| Dividend income from current investments | **1,00,76,584** | 1,60,62,290 |
| Dividend income from non-current investments | **-** | 32,000 |
| Interest income on others | **69,97,625** | 26,96,851 |
| Net gain on account of foreign exchange fluctuations | **-** | 71,291 |
| Income from deputations services | **1,33,59,215** | 57,24,036 |
| Income from sale of fixed assets | **-** | 2,38,571 |
| Income from sale of investment | **1,12,868** | - |
| Warranty provision withdrawn | **20,77,200** | - |
| Writeback of provision for doubtful receivables | **2,81,472** | - |
| Writeback of provision for liquidated damages | **-** | 1,00,00,000 |
| Miscellaneous income | **5,89,553** | 28,35,444 |
| | **3,34,94,517** | 3,76,60,483 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **21 Cost of materials consumed** | | |
| Inventory of materials at the beginning of the year/period | **3,78,41,196** | 5,41,68,226 |
| Purchases | **8,38,74,020** | 15,42,29,115 |
| Inventory of materials at the end of the year/period | **3,55,53,738** | 3,78,41,196 |
| | **8,61,61,478** | 17,05,56,145 |
| Purchases of stock-in-trade | **41,59,818** | 46,47,926 |
| **Breakup of cost of materials consumed** | | |
| Chemicals | **2,36,94,282** | 6,80,16,175 |
| Titanium metal | **31,96,226** | 66,89,531 |
| Canisters/ strings/ strips/ cables | **1,17,66,845** | 44,62,606 |
| Others | **4,75,04,125** | 9,13,87,833 |
| | **8,61,61,478** | 17,05,56,145 |
| **Breakup of purchase of stock-in-trade** | | |
| Titanium metal | **1,14,108** | 34,46,214 |
| Components for electro chlorinators | **39,01,216** | 9,43,247 |
| Others | **1,44,494** | 2,58,465 |
| | **41,59,818** | 46,47,926 |

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **22 Changes in inventory of finished goods, work-in-progress and stock-in-trade** | | |
| Inventories at the end of the year: | | |
| Finished goods and stock in trade | **96,37,634** | 48,32,185 |
| Work-in-progress | **58,52,655** | 1,44,45,045 |
| Sub-total | **1,54,90,289** | 1,92,77,230 |
| Inventories at the beginning of the year: | | |
| Finished goods and stock in trade | **48,32,185** | 80,64,880 |
| Work-in-progress | **1,44,45,045** | 22,00,662 |
| Sub-total | **1,92,77,230** | 1,02,65,542 |
| **Net increase / (decrease)** | **37,86,941** | (90,11,688) |
| **Break-up of inventories** | | |
| **Finished goods and stock-in-trade** | | |
| Coated metal anodes | **11,45,556** | 19,82,881 |
| Electrochlorinators | **33,85,025** | 10,41,062 |
| Cathodic protection (anti corrosion) systems | **51,07,052** | 18,08,242 |
| | **96,37,634** | 48,32,185 |
| **Work-in-progress** | | |
| Coated metal anodes | **30,48,398** | 1,82,292 |
| Cathodic protection (anti corrosion) systems | **24,91,851** | 7,93,083 |
| Electrochlorinators | **3,12,406** | 1,34,69,670 |
| | **58,52,655** | 1,44,45,045 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **23 Employee benefits expense** | | |
| Salaries, wages and bonus | **4,49,42,738** | 5,54,12,748 |
| Gratuity (refer note 32) | **20,76,221** | 20,12,229 |
| Contribution to provident and other funds (refer note 32) | **46,96,347** | 51,47,785 |
| Compensated absences | **23,43,689** | 14,72,243 |
| Staff welfare expenses | **45,18,445** | 56,22,879 |
| | **5,85,77,440** | 6,96,67,884 |

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **24 Finance costs** | | |
| Interest expenses | **24** | 13,745 |
| | **24** | 13,745 |

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **25 Depreciation and amortisation** | | |
| Depreciation of tangible assets | **82,33,546** | 1,12,70,863 |
| Amortisation of intangible assets | **2,72,629** | 3,25,440 |
| | **85,06,175** | 1,15,96,303 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| **26 Other expenses** | | |
| Consumption of stores and spare parts | **89,57,041** | 1,30,79,381 |
| Consumption of packing material | **1,22,150** | 2,53,859 |
| Job work charges | **5,65,237** | 6,33,691 |
| Labour charges | **1,03,73,298** | 1,06,00,883 |
| Installation, commissioning and repair cost of electrochlorinators | **6,67,290** | 21,72,869 |
| Power, fuel and water | **60,16,873** | 86,43,063 |
| Rent | **54,000** | 66,000 |
| Rates and taxes | **5,40,869** | 10,42,075 |
| Repairs and maintenance | | |
| - Building | **8,22,140** | 38,87,915 |
| - Machinery | **19,83,145** | 27,77,586 |
| - Others | **7,92,781** | 9,12,684 |
| Insurance | **22,66,655** | 30,11,736 |
| Advances written off | **-** | 48,007 |
| Provision for doubtful debts | **18,16,136** | 5,90,761 |
| Net loss on account of foreign exchange fluctuations | **1,08,973** | - |
| Provision for Liquidated damages | **39,72,800** | - |
| Travelling expenses | **1,51,30,272** | 1,47,28,043 |
| Freight and forwarding | **13,47,416** | 10,43,658 |
| Telephone and other communication expenses | **17,79,202** | 16,70,154 |
| Warranty cost (net) | **-** | 16,54,003 |
| Loss on sale of fixed assets | **28,886** | - |
| Corporate Social Responsibility 'CSR' expenses | **20,61,333** | 7,04,439 |
| Printing and stationery | **6,94,300** | 8,66,000 |
| Advertising and sales promotion | **10,40,587** | 8,69,881 |
| Legal and professional fees | **2,45,23,894** | 2,21,70,283 |
| Auditors' remuneration (refer note below) | **29,63,409** | 17,24,766 |
| Commission | **7,40,657** | 19,52,176 |
| Bank charges | **6,36,699** | 12,08,060 |
| Donation | **13,001** | 11,001 |
| Royalty | **62,36,246** | 1,58,50,544 |
| Miscellaneous expenses | **36,84,046** | 65,25,766 |
| | **9,99,39,336** | 11,86,99,284 |
| **Note: Auditors' remuneration (excluding service tax)** | | |
| As Auditor | | |
| Statutory audit | **15,18,309** | 6,20,000 |
| Tax accounts | **-** | 1,60,000 |
| Limited review of quarterly results | **9,00,000** | 8,00,000 |
| Others services | **2,00,000** | - |
| Reimbursement of expenses | **3,45,100** | 1,44,766 |
| | **29,63,409** | 17,24,766 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**27 A. Contingent liabilities**

| Particulars | 31 March, 2017 | 31 March, 2016 |
|---|---|---|
| ***Claims in respect of*** | | |
| Excise Matters* | **11,32,341** | 11,32,341 |

* Excise duty on assessable value consequent to the benefit availed under the Goa Value Added Tax Deferment-cum-net present value compulsory payment scheme, 2005

**B. Commitments**

| Particulars | 31 March, 2017 | 31 March, 2016 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account (net of advances), not provided for | 7,64,842 | - |
| **Total** | **7,64,842** | **-** |

**28 Related party transactions**

**a) *Parties where control exists***

| Name of related party | Relationship |
|---|---|
| Oronzio De Nora International B.V. | Holding Company (holds 53.68% of the equity share capital as at 31 March, 2017) |
| Industrie De Nora S.p.A. | Ultimate Holding Company ('UHC') |

**b) *Other related parties with whom transactions have taken place during the year***

| | Name of related party | Relationship |
|---|---|---|
| **i.** | Industrie De Nora S.p.A., Singapore Branch | Entities under common control ('EUCC') |
| | De Nora Elettrodi (Suzhou) Ltd. | |
| **ii.** | De Nora Deutschland GmbH | Fellow Subsidiaries ('FS') |
| | De Nora Tech Inc. | |
| | De Nora Permelec Limited | |
| | De Nora Water Technologies Texas, LLC | |
| | De Nora Water Technologies LLC - Singapore Branch | |
| | De Nora Water Technologies, Milan Srl | |
| | De Nora Water Technologies Inc. Colmar | |
| **iii.** | Vinay Chopra (Managing Director) | Key Management Personnel ('KMP') |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**c) Transactions with related parties have been set out below**

| Transactions | UHC | HC | EUCC | FS | KMP | Total |
|---|---|---|---|---|---|---|
| Purchase of raw materials, trading goods and spares | **13,83,667** | **-** | **41,348** | **1,52,60,746** | **-** | **1,66,85,761** |
| | (3,38,37,148) | ( - ) | (23,65,049) | (47,31,605) | ( - ) | (4,09,33,802) |
| Commission paid | **12,014** | **-** | **-** | - | **-** | **12,014** |
| | (56,950) | ( - ) | ( - ) | ( - ) | ( - ) | (56,950) |
| Purchase of services | **1,80,30,160** | **-** | **-** | **59,55,430** | **-** | **2,39,85,590** |
| | (1,45,45,665) | ( - ) | ( - ) | (90,06,647) | ( - ) | (2,35,52,312) |
| Purchase of intangible assets | **4,74,65,079** | **-** | **-** | **21,17,078** | **-** | **4,95,82,157** |
| | (75,73,905) | ( - ) | ( - ) | ( - ) | ( - ) | (75,73,905) |
| Purchase of tangible assets | **-** | **-** | **-** | **-** | **-** | **-** |
| | - | ( - ) | ( - ) | (4,35,429) | ( - ) | (4,35,429) |
| Payment of royalty | **62,36,246** | **-** | **-** | - | **-** | **62,36,246** |
| | (1,58,50,544) | ( - ) | ( - ) | ( - ) | ( - ) | (1,58,50,544) |
| Reimbursement of Expenses | **-** | **-** | **-** | - | **-** | **-** |
| | (6,41,616) | ( - ) | ( - ) | ( - ) | ( - ) | (6,41,616) |
| Sale of goods and services | **19,59,052** | **-** | **21,58,434** | **9,49,397** | **-** | **50,66,883** |
| | - | ( - ) | ( - ) | (36,31,976) | ( - ) | (36,31,976) |
| Recovery of expenses | **-** | **-** | **19,93,295** | **1,13,65,920** | **-** | **1,33,59,215** |
| | ( - ) | ( - ) | (22,81,510) | (34,42,526) | ( - ) | (57,24,036) |
| Dividends paid | **-** | **1,13,98,699** | **-** | - | **-** | **1,13,98,699** |
| | ( - ) | (42,74,250) | ( - ) | ( - ) | ( - ) | (42,74,250) |
| Remuneration* | **-** | **-** | **-** | - | **22,97,193** | **22,97,193** |
| | ( - ) | ( - ) | ( - ) | ( - ) | (25,95,406) | (25,95,406) |

**d)** Balance outstanding as on 31 March, 2017

| | | | | | | |
|---|---|---|---|---|---|---|
| - Receivables | **6,49,132** | **-** | **24,04,701** | **24,99,401** | - | **55,53,234** |
| | ( - ) | ( - ) | (5,03,367) | (26,60,287) | ( - ) | (31,63,654) |
| - Payables | **1,76,56,720** | **-** | **39,65,593** | **1,42,20,708** | - | **3,58,43,021** |
| | (1,11,44,565) | ( - ) | ( - ) | (61,05,012) | ( - ) | (1,72,49,577) |

*The above amount does not include gratuity and leave encashment benefits which is actuarially determined on an overall basis for the Company and individual information in respect of the Directors is not available.

Previous year numbers are in bracket.

**e)** ***Name of the parties having related party transactions in excess of 10% in line transactions***

| Name of the related party | Transactions | 31 March, 2017 | 31 March, 2016 |
|---|---|---|---|
| De Nora Deutschland GmbH, Germany | Purchase of raw materials, trading goods and spares | **9,06,677** | 47,31,605 |
| De Nora Elettrodi (Suzhou) Ltd., China | Purchase of raw materials, trading goods and spares | **-** | 8,73,768 |
| De Nora Tech Inc. | Purchase of raw materials, trading goods and spares | **-** | 14,91,281 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

| | | | |
|---|---|---|---|
| De Nora Water Technologies (Sugarland) | Purchase of raw materials, trading goods and spares | **1,29,69,664** | - |
| De Nora Permelec Limited | Purchase of raw materials, trading goods and spares | **41,348** | - |
| De Nora Water Technologies (Milan) | Purchase of raw materials, trading goods and spares | **13,84,405** | - |
| De Nora Deutschland GmbH, Germany | Purchase of services | **23,40,130** | 36,12,047 |
| De Nora Water Technologies LLC - Singapore Branch | Purchase of services | **36,15,300** | 53,94,600 |
| De Nora Deutschland GmbH, Germany | Purchase of intangible assets | **18,06,061** | 4,35,429 |
| De Nora Tech Inc. | Purchase of intangible assets | **3,11,017** | |
| De Nora Deutschland GmbH, Germany | Sale of goods and services | **9,49,397** | 36,31,976 |
| Industrie De Nora S.p.A., Singapore | Sale of goods and services | **21,58,434** | |
| De Nora Elettrodi (Suzhou) Ltd. | Recovery of expenses incurred on behalf of group companies | **19,93,295** | 22,81,510 |
| De Nora Water Technologies Texas, LLC | Recovery of expenses incurred on behalf of group companies | **39,95,650** | 34,42,526 |
| Vinay Chopra (Managing Director) | Remuneration paid to Key Managerial Personnel | **22,97,193** | 25,95,406 |
| De Nora Water Technologies (Sugarland) | Recovery of expenses incurred on behalf of group companies | **73,70,270** | - |

f)

| **Balances with related parties:** | **31 March, 2017** | 31 March, 2016 |
|---|---|---|
| **- Receivables** | | |
| Industrie De Nora S.p.A., Italy | **6,49,132** | - |
| Industrie De Nora S.p.A., Singapore | **14,21,445** | - |
| De Nora Deutschland GmbH, Germany | **1,08,520** | 9,82,382 |
| De Nora Elettrodi (Suzhou) Ltd., China | **9,83,256** | 5,03,367 |
| De Nora Water Technologies (Colmar) | **10,37,876** | - |
| De Nora Water Technologies Texas, LLC | **13,53,005** | 16,77,905 |
| **- Payables** | | |
| Industrie De Nora S.p.A., Italy | **1,76,56,720** | - |
| De Nora Deutschland GmbH, Germany | **21,64,411** | 7,10,412 |
| De Nora Tech Inc., USA | **2,48,813** | - |
| De Nora Water Technologies, INC Sugarland, Texas | **1,20,56,297** | - |
| De Nora Water Technologies (Milan) | **13,53,248** | - |
| De Nora Water Technologies LLC - Singapore Branch | **23,63,532** | 53,94,600 |

**29 Earnings per share**

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the period.

| | **31 March, 2017** | 31 March, 2016 |
|---|---|---|
| Weighted average number of equity shares outstanding during the year | **53,08,634** | 53,08,634 |
| Net profit after tax available for equity shareholders | **2,88,39,031** | 11,97,60,646 |
| Basic and diluted earnings per equity share of Rs.10 each | **5.43** | 22.56 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**30 Segment information**

The Company's primary (business) segment is singular viz. "Electrolytic Products". Further, the Company caters mainly to the needs of the domestic market. The export turnover is not significant in proportion to the total turnover. As such, there are no reportable geographic segments either. Therefore, segment information required by Accounting Standard No. 17 (AS-17) notified under Section 133 of the Act, read with relevant rules issued thereunder, is not furnished.

**31 Disclosure relating to provisions**

*Warranties/ recoating*

The Company offers warranties for one of the critical parts of certain electrochlorinators and for some of its coating / recoating services for an initial period of two years followed by support contracts for a period of four years in the case of electrochlorinators and for a period of six years in the case of coating, eight years in case of recoating services during which period amounts are recoverable from the customers based on pre-defined terms. Estimated costs from warranty terms standard to the deliverable are recognised when revenue is recorded for the related deliverable. The Company estimates its warranty costs standard to the deliverable based on historical warranty claim experience and applies this estimate to the revenue stream for deliverables under warranty. Future costs for warranties applicable to revenue recognised in the current period are charged to the revenue account.

The warranty accrual is reviewed periodically to verify that it properly reflects the remaining obligation based on the anticipated expenditures over the balance of the obligation period. Adjustments are made when the actual warranty claim experience differs from estimates. Provisions include estimated costs of support maintenance contracts to the extent such estimated costs are expected to exceed the expected recovery during the obligation period. No assets are recognised in respect of the expected recovery on support contracts.

Factors that could impact the estimated claim information include the Company's productivity, costs of materials, power and labour and the actual recoveries on support contracts.

The movement in the provision for warranties/ recoating are summarised as under :

| **Particulars** | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Opening carrying amount | **1,87,95,057** | 1,71,41,054 |
| Additional provisions made during the year | **39,72,800** | 96,62,154 |
| Unused amounts reversed during the year | **60,50,000** | 80,08,151 |
| Closing carrying amount | **1,67,17,857** | 1,87,95,057 |

Most of the outflows are expected to take place within 1 year from the balance sheet date and the remaining are expected to be incurred over 7 years from the balance sheet date.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**32 Employee benefits:**

**a) Defined contribution plan**

The Company offers its employees defined contribution plan in the form of provident fund, family pension fund and superannuation fund. Provident fund and family pension fund cover substantially all regular employees while the superannuation fund covers certain executives. The Company makes specified monthly contributions towards employees provident fund to government administrative provident fund scheme which is a defined contribution plan. Contributions are paid during the period into seperate funds under certain approved securities. While both the employees and the Company pay predetermined contributions into the provident fund, contributions into the family pension fund and the superannuation fund are made only by the Company. The contributions are normally based on a certain proportion of the employee's salary. The Company does not have any obligation beyond the amounts already contributed.

A sum of Rs 46,96,347 (previous year Rs 51,47,785) has been charged to the Statement of profit and loss in this respect, comprising of the following:

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Provident Fund | **18,62,545** | 20,05,401 |
| Family Pension Fund | **11,18,833** | 13,81,514 |
| Superannuation Fund | **17,14,969** | 17,60,870 |
| **Total** | **46,96,347** | 51,47,785 |

**b) Defined benefit plan**

The Company offers its employees defined-benefit plans in the form of a gratuity scheme. Benefits under the defined benefit plan is typically based on years of service and the employee's compensation (generally immediately before retirement). The gratuity scheme covers substantially all regular employees. The Company contributes funds to Life Insurance Corporation of India, which is irrevocable. Commitments are actuarially determined at year-end. The actuarial valuation is done based on "Projected Unit Credit" method. Gains and losses of changed actuarial assumptions are charged to the statement of profit and loss.

i) Reconciliation of opening and closing balance of obligation

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Present Value of obligation Beginning of the Year | **1,55,50,234** | 1,23,96,292 |
| Current Service Cost | **11,65,225** | 12,17,399 |
| Interest Cost | **11,70,075** | 12,93,043 |
| Benefits Paid | **(14,40,761)** | (63,092) |
| Actuarial (gain) / loss on Obligation | **12,45,786** | 7,06,592 |
| **Present Value of obligation End of The Year** | **1,76,90,559** | 1,55,50,234 |

ii) Reconciliation of opening and closing balance of fair value of plan assets

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Fair value of plan Assets Beginning of the Year | **1,58,73,087** | 95,85,673 |
| Expected Return on plan assets | **12,12,217** | 12,20,103 |
| Contributions by the employer | **-** | 51,45,701 |
| Benefits Paid | **(14,40,761)** | (63,092) |
| Actuarial gain / (loss) Plan Assets | **2,92,648** | (15,298) |
| Fair value of plan Assets End of the Year | **1,59,37,191** | 1,58,73,087 |

The plan assets of the Company are managed by the Life Insurance Corporation of India and the composition of investments relating to these assets are not available with the Company.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

iii) Expenses recognised on defined benefit plan in the profit and loss account

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Current Service Cost | **11,65,225** | 12,17,399 |
| Interest Cost | **11,70,075** | 12,93,043 |
| Expected Return on plan assets | **(12,12,217)** | (12,20,103) |
| Net Actuarial (gain) / loss recognised in the year | **-** | 7,06,592 |
| Actuarial Gains/(Losses) on Plan Assets | **9,53,138** | 15,298 |
| **Expenses Recognised in the Statement of Profit and Loss** | **20,76,221** | 20,12,229 |

iv) Amount recognised on defined benefit plan in the Balance Sheet

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Present value of the commitment | **1,76,90,559** | 1,55,50,234 |
| Fair value of plan assets | **1,59,37,191** | 1,58,73,087 |
| Net liability recognised in the balance sheet | **17,53,368** | (3,22,853) |

v) Actual return on plan assets

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Expected return on plan assets | **12,12,217** | 12,20,103 |
| Actuarial gains on plan assets | **(9,53,138)** | (15,298) |
| Actual return on plan assets | **15,04,865** | 12,04,805 |

vi ) Principal actuarial assumptions

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Discount rate | **7.20%** | 7.89% |
| Expected rate of return on plan assets | **8.00%** | 8.00% |
| Salary increment rate | **8.00%** | 8.00% |
| Mortality rates | **IALM (2006-08)** | IALM (2006-08) |

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

vii ) Net Assets / (Liabilities) recognised in the Balance Sheet as at respective year ends and experience adjustments

| Particulars | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 | For the year ended 31 December, 2014 | For the year ended 31 December, 2013 | For the year ended 31 December, 2012 |
|---|---|---|---|---|---|
| Fair value of Plan Assets, End of Period | **1,59,37,191** | 1,58,73,087 | 95,85,673 | 69,84,398 | 79,26,531 |
| Projected Benefit Obligation, End of Period | **1,76,90,559** | 1,55,50,234 | 1,23,96,292 | 99,36,426 | 85,87,636 |
| (Surplus)/Deficit in the Plan | **17,53,368** | (3,22,853) | 28,10,619 | 29,52,028 | 6,61,105 |
| Experience Adjustments on Plan Assets | **2,92,648** | 63,849 | 27,913 | - | 10,761 |
| (Gains)/Losses due to change in Assumptions | **9,46,880** | 4,19,751 | 7,01,796 | 10,15,477 | 1,40,685 |
| Experience (Gains)/ Losses on present benefit obligation | **2,98,905** | (4,93,322) | 2,20,835 | 7,65,841 | 5,01,567 |
| Total (Gain)/Loss | **12,45,786** | (73,571) | 9,22,631 | 17,81,318 | 6,42,252 |

**33 Transactions in foreign currency:**

***a) Earnings in foreign currency (on accrual basis)***

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Value of exports on a Free On Board ('FOB') basis | **1,16,63,028** | 87,19,521 |
| Income from deputation services | **1,33,59,215** | 57,24,036 |
| | **2,50,22,243** | 1,44,43,557 |

***b) Expenditure in foreign currency (on accrual basis)***

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Travelling expenses | **34,15,699** | 20,84,737 |
| Purchase of services | **2,39,85,590** | 2,35,52,312 |
| Royalty | **62,36,246** | 1,58,50,544 |
| Reimbursement of expenses | **1,29,69,664** | 6,41,616 |
| Commission | **12,014** | 56,950 |
| | **4,66,19,213** | 4,21,86,159 |

***c) Remittance of dividend in foreign currency***

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Amount remitted in foreign currency | **1,13,98,699** | 42,74,250 |
| Dividend for the year ended | **31-Mar-17** | 31-Dec-16 |
| Number of non-resident share holders | **1** | 1 |
| Number of shares held | **28,49,500** | 28,49,500 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

***d) Value of imports on Cost, Insurance and Freight ('CIF') basis***

| | **For the year ended 31 March, 2017** | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Raw material | **3,76,13,727** | 10,71,58,893 |
| Tangible assets | **-** | 53,57,172 |
| Intangible assets | **4,95,82,157** | 76,31,043 |
| | **8,71,95,884** | 12,01,47,108 |

***e) Foreign currency exposure***

The Company does not enter into any derivative contracts to hedge its risk associated with foreign currency fluctuations. The unhedged foreign currency exposure on the receivables and payables at the year end is given below:

| | **For the year ended 31 March, 2017** | | For the fifteen months period ended 31 March, 2016 | |
|---|---|---|---|---|
| | **Payables** | | Payables | |
| **Amounts denominated in respective Foreign Currency** | **Foreign Currency Amount** | **Rs.** | Foreign Currency Amount | Rs. |
| EURO | **2,84,011** | **1,98,21,131** | 2,76,757 | 2,09,64,380 |
| USD | **2,46,263** | **1,60,21,891** | 82,904 | 55,21,412 |
| GBP | | | 27,327 | 28,65,692 |

| | **For the year ended 31 March, 2017** | | For the fifteen months period ended 31 March, 2016 | |
|---|---|---|---|---|
| | **Receivables** | | Receivables | |
| **Amounts denominated in respective Foreign Currency** | **Foreign Currency Amount** | **Rs.** | Foreign Currency Amount | Rs. |
| EURO | **57,048** | **39,08,358** | 40,366 | 29,95,194 |
| USD | **37,103** | **23,90,882** | 25,750 | 16,95,353 |

***f) Details of imported and indigenous raw material, components and spare parts consumed during the period :-***

| | **For the year ended 31 March, 2017** | | For the fifteen months period ended 31 March, 2016 | |
|---|---|---|---|---|
| **Raw material** | **Value (Rs.)** | **% of total consumption** | Value (Rs.) | % of total consumption |
| Imported | **5,17,38,015** | **60** | 12,88,41,492 | 76 |
| Indigenous | **3,44,23,463** | **40** | 4,17,14,653 | 24 |
| | **8,61,61,478** | **100** | 17,05,56,145 | 100 |
| **Stores and spares** | | | | |
| Imported | **-** | **-** | - | - |
| Indigenous | **89,57,041** | **100** | 1,30,79,381 | 100 |
| | **89,57,041** | **100** | 1,30,79,381 | 100 |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**34 Disclosure in accordance with Accounting Standard – 7 (Revised)**

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| a) Contract revenue (net of excise) | - | - |
| b) Disclosure for contracts in progress: | | |
| (i) Aggregate amount of costs incurred | - | - |
| (ii) Recognized profits (net of recognized losses) | - | - |
| (iii) Retention money | - | - |
| c) Gross amount due from customers for contract work | - | - |
| d) Gross amount due to vendors for contract work | **23,00,000** | 23,00,000 |

**35 Taxation**

The Company's international transactions with its associated enterprises are at arm's length as per the independent accountant's report for the year ended 31 March, 2016. Management believes that the Company's international transactions with associated enterprises post 31 March, 2016 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the year end.

**36 Corporate Social Responsibility (CSR) expenditure**

The Company has set up a Corporate Social Responsibility (CSR) Committee as per Section 135 and Schedule VII of the Companies Act, 2013 ('the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company is in the process of identifying the Projects for CSR spending. The efforts are being undertaken to implement the same in the financial year 2016-17.

**a)** Gross amount required to be spent by the Company for the year ended 31 March, 2017 Rs. 20,62,000/-

**b)** Amount spent during the year Rs. 20,61,333/-

**37 Dues to micro, small and medium enterprises:**

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 2, 2006 certain disclosures are required to be made relating to Micro Small and Medium enterprises. On the basis of the information and records available with the Management, the following disclosures are made for the amounts due to the Micro Small and Medium enterprises, who have registered with the competent authorities:

| | For the year ended 31 March, 2017 | For the fifteen months period ended 31 March, 2016 |
|---|---|---|
| Principal amount remaining unpaid to any supplier as at the year end Interest due thereon | - | - |
| Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year | - | - |
| 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 | - | - |
| Amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006 | - | - |

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2017

(Currency: Indian Rupees)

**38 Disclosure for Specified Bank Notes**

During the year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308E, dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

| | Specified Bank Notes (Rs.1000 and Rs.500) | Other Denomination Notes | Total |
|---|---|---|---|
| **Closing cash in hand as on November 8, 2016** | **84,500** | **15,269** | **99,769** |
| (+) Permitted receipts | - | 3,74,000 | 3,74,000 |
| (-) Permitted payments | - | 3,42,373 | 3,42,373 |
| (-) Amount deposited in Banks | 84,500 | - | 84,500 |
| **Closing cash in hand as on December 30, 2016** | - | **46,896** | **46,896** |

**39 Prior year comparatives**

Previous period figures are for 15 months for the period from 1 January, 2015 to 31 March, 2016 and are not strictly comparable with those of the current year ended 31 March, 2017.

For **B S R & Associates LLP**
*Chartered Accountants*
Firm's Registration No : 116231W/W-100024

**Shabbir Readymadewala**
*Partner*
Membership No : 100060

Mumbai
8 May, 2017

**For and on behalf of the Board of Directors of**
**De Nora India Limited**
CIN : L31200GA1993PLC001335

**M. A. Sundaram**
*Chairman*
DIN : 00144607

**Vinay Chopra**
*Managing Director*
DIN:06543610

**Deepak Nagvekar**
*Chief Financial Officer*

**Jyoti Bandodkar**
*Company Secretary*

Kundaim-Goa
8 May, 2017

# SH- 13

**Please fill this Nomination form in Duplicate after carefully reading the instructions given below:**

**NOMINATION FORM**

**[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014]**

To,

De Nora India Limited

Plot Nos. 184, 185 & 189, Kundaim Industrial Estate,

Kundaim, Goa – 403 115

I/We _____

residing at _____

the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**1) PARTICULARS OF THE SECURITIES** (in respect of which nomination is being made)

| Nature of Securities | Folio No. | No. of securities | Certificate No. | Distinctive No. | |
|---|---|---|---|---|---|
| | | | | From | To |
| | | | | | |
| | | | | | |

**2) PARTICULARS OF NOMINEE**

| | | |
|---|---|---|
| Name: | Date of Birth: _____/_____/_____ | |
| Father's/ Mother's/ Spouse's name: | Occupation: Nationality: | |
| E-mail id: | | |
| Phone No : | Relationship with the security holder: | |
| Address: _____ | | Signature of the Nominee |
| | Pin code_____ | |

**3) IN CASE NOMINEE IS A MINOR**

| | | |
|---|---|---|
| Date of birth: _____/_____/_____ | Date of attaining Majority: _____/_____/_____ | Name of guardian: |
| Address of guardian:_____ | | |
| | | Pincode :_____ |

| **Name of the Security Holder(s)** | **Signature** |
|---|---|
| 1. | |
| 2. | |
| 3. | |

| **Name of witness** | **Signature of Witness with date** |
|---|---|
| Address: _____ | |
| Pincode _____ | |
| Place: Date: _____/_____/_____ | |

1. The Nomination can be made by individuals only holding shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The Member[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per section 72 of the Companies Act 2013, if the shares are held by more than one person jointly, then the jointholders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of any one of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving Members.
6. The nomination form filled in "**duplicate"** should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. Bigshare Services Private Limited, (Unit: De Nora India Limited),1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai 400059 Ph. No.: 022 62638200/62638294 Fax No.: 022 62638299.** The Registrar will return one copy of the nomination form to the Member after registering the nomination.The registration number allotted will be furnished in the said form.
7. The Member[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)
8. Nomination stands cancelled whenever the shares in the given folio are transferred/dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the Company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore, the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. A copy of photo identity proof (like PAN/Passport) of nominee is required.

| **FOR OFFICE USE ONLY** | | |
|---|---|---|
| **Nomination Registration No.** | **Date of Registration** | **Signature of Employee with Code No.** |
| | | |

## BANK ACCOUNT PARTICULARS/NECS MANDATE FORM

I/We _____ are holding _____shares against Folio

No._____ (Physical mode) and _____ shares (Demat mode) against Client ID No._____ DP ID

No._____ and do hereby authorise DE NORA INDIA LIMITED

1. To print the following details on my/our dividend warrant

2. To credit my dividend amount directly to my Bank Account in accordance with RBI's scheme (Strike out whichever is not applicable)

**Particulars of Bank Account:**

A. Bank Name : _____

B. Branch Name : _____

Address (for Mandate only) : _____

C. 9 Digit Code number of the Bank & Branch : _____

name appearing on the MICR cheque : _____

D. Account Type (Saving/Current) : _____

E. Account No. as appearing on the cheque

book (Core Banking A/c No.) : _____

F. STD Code & Telephone No. : _____

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No./Beneficiary Account.

Mail To: **M/s. Bigshare Services Private Limited**
**1st Floor, Bharat Tin Works Building,**
**Opp. Vasant Oasis Apartments,**
**Makwana Road,**
**Marol, Andheri East, Mumbai 400059**
**Ph. No.: 022 62638200/62638294**
**Fax No.: 022 62638299**

_____
**Signature of the Shareholder**

*Note: Please attach a self attested copy of PAN Card and a photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for verifying the accuracy of the bank details.*

## NOTES

*If undelivered, please return to :*

**DE NORA INDIA LIMITED**
Registered Office and Works:
Plot Nos. 184, 185 & 189, Kundaim Industrial Estate
kundaim, Goa - 403 115.

Orient Press Ltd.