



**Bodal Chemicals Ltd.**  
COLOURS. INTEGRATION. INNOVATION.

By online submission

Sec/18-19/109  
Date: 22/09/2018

To,  
The General Manager,  
Department of Corporate Services  
BSE Ltd.  
1st Floor, New Trading Ring,  
Rotunda Building, P. J Tower,  
Dalal Street, Fort  
Mumbai-400 001  
BSE Code: 524370

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

Dear Sir /Madam,

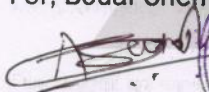
**Sub: Annual Report- Regulation 34 of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015**

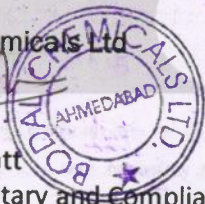
Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015, we hereby enclose a Copy of Annual Report of the Company for the Financial Year 2017-18.

You are request to take the same on your record.

Thanking You,  
Yours Faithfully

For, Bodal Chemicals Ltd

  
Ashutosh B Bhatt  
Company Secretary and Compliance Officer  
Encl-a/a



**HEAD OFFICE:**

Plot No. 123-124, Phase-1,  
G.I.D.C, Vatva, Ahmedabad- 382 445.,  
Gujarat, India.

[www.bodal.com](http://www.bodal.com)

CIN No. : L24110GJ1986PLC009003

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**E-mail:** bodal@bodal.com

2017-18 ANNUAL  
REPORT



**Bodal Chemicals Ltd.**  
COLOURS. INTEGRATION. INNOVATION.

**SHAPING  
THE FUTURE**



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## FORWARD LOOKING STATEMENT

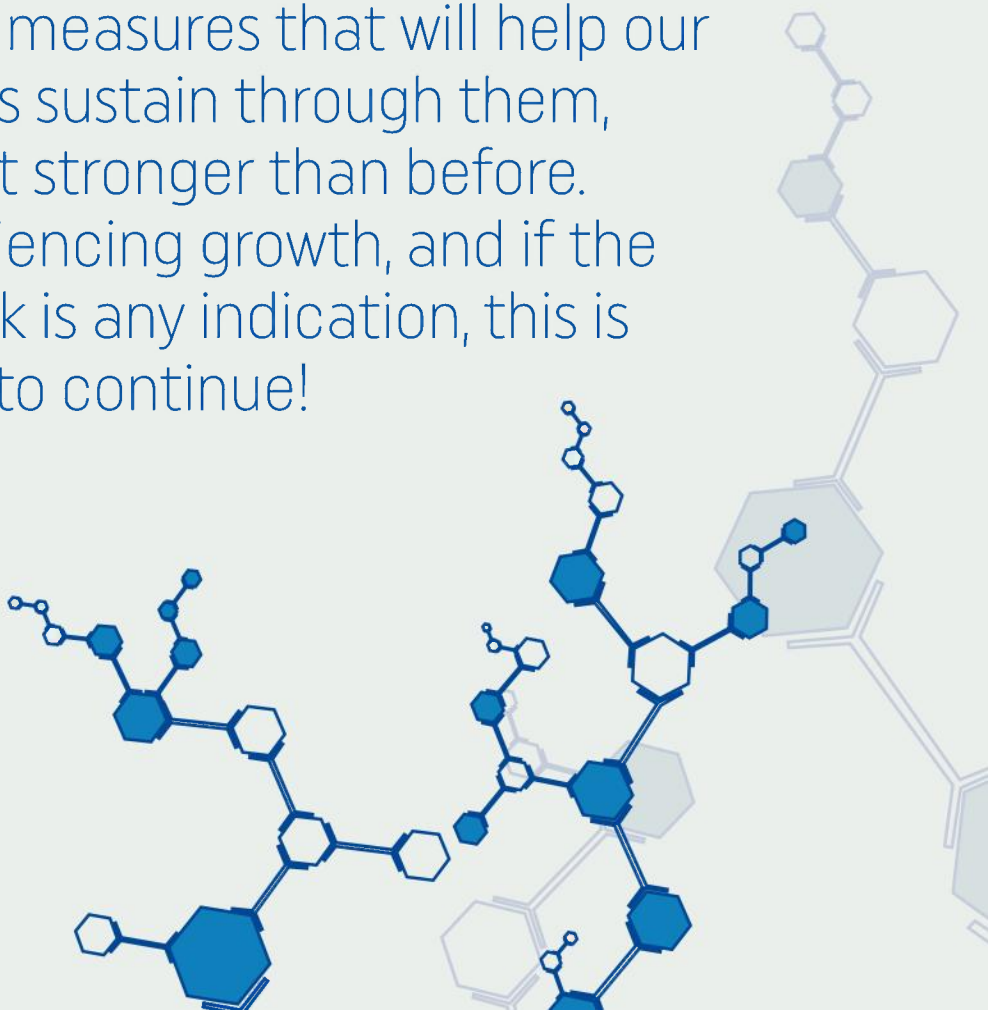
Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

To view this report  
online please log on to



[www.bodal.com](http://www.bodal.com)

With every major change, comes a challenge to adapt to it and an opportunity to shape the future in a newer and often, better way. But it all begins with first accepting the changes. And that is exactly what we did at Bodal. The numerous micro-economic changes that we faced may have slowed us down for a moment, but did not deter us from our path. We embraced the changes, incorporated measures that will help our performances sustain through them, and came out stronger than before. We are experiencing growth, and if the future outlook is any indication, this is simply going to continue!





# BODAL AT A GLANCE

We are one of the leading integrated Dyestuff companies present in India, offering end-to-end solutions to our customers across the world.

Established in 1989, Bodal Chemicals Limited is one of the world's largest manufacturers and exporters of Dye Intermediates and Dyestuff. We are an integrated Company providing products and solutions to our customers present across downstream industries.

Over a period of 28 years we have experienced a mix of both organic as well as inorganic growth, in terms of manufacturing capacity, number of facilities and product portfolio along with a rise in revenues and profitability.

**1485.82**

Market Capitalization  
as on 31st March 2018  
(in ₹ crores)

**20x**

Growth in stock price  
in last five years  
(as on March 31, 2018)



Growth over past 10 years\*

**2.8x**

Revenue

**4.9x**

EBITDA

**7.0x**

PAT



Sustainable Performance

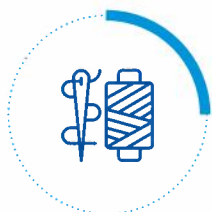
**11517**

Revenue in 17-18 (₹ in Million)

**1219**

PAT in 17-18 (₹ in Million)

Some of the Industries our products cater to:



Textiles



Leather



Paper



Detergent



Water  
Treatment

# MESSAGE TO THE SHAREHOLDERS



Over a period of more than two decades, we have invested towards being a completely integrated Company – having enhanced our capabilities both at backward and forward integration. This gives us a competitive edge and helps us improve our efficiency levels. During the year, we delivered satisfactory performance despite various micro economic challenges, like after-effects of demonetization, introduction of GST, surge in raw material prices, and volatility in currency.



## The industry is experiencing a constant growth in exports, reaching around ₹ 99,549 crores till September 2017.

Our sustainable progress in FY18 was supported by some key strategic decisions, which were directed towards ensuring a sustainable growth, with continuous focus on innovation and strengthening a stronger export presence for dyestuff and dye intermediates. The Indian dyestuff and dye intermediates industry contributes around 16% to the total world production. Since the past few years, the industry has been experiencing a constant growth in exports, reaching to around ₹ 99,549 crores till September 2017. The industry is mainly driven by the demand generated from textile industry, leather industry, paper industry, ink industry, plastic industry and paint industry.

During the year, various tailwinds from the industry supported our progress and helped us record a growth of 100 bps in share of exports in total revenue. In FY18, we recorded a revenue of ₹ 11,517 million and an EBITDA of ₹ 2,039 million was registered. Despite of challenges from various economic factors and rise in raw material prices, we witnessed a healthy EBITDA margin of 18% for the year. We were also successful in recording a Profit After Tax (PAT) of ₹ 1,219 million with a PAT margin of 11%. To strengthen further our integration model, company has started and concluded certain CAPEX during the year. This expansion will help us experience a volume-led growth and enhance our operational efficiencies, thereby leading to value-creation for our stakeholders.

In FY18, we completed the expansion of our Dyestuff plant by 12,000 MTPA and 5MW of Cogeneration Power Plant. We also completed the formalities of acquisition of the GIDC land at Saykha for around ₹ 85 crores. On an operational front, we experienced a growth in volume

for dyestuff by 23% which is in line with our long term vision to increase dyestuff production and maximise captive consumption of dye intermediates. There is nominal lower volume in dye intermediates and basic chemicals.

Moving ahead, we expect to experience a sustained growth in coming years, where our focus will be on improving our profitability levels. We expect our Trion and SPS business, acquired during FY17, to generate cash and increase our margins. We are also working on a new product development, which is based on both forward as well as backward integration, i.e., Thinoyl Chloride (TC). We are establishing a TC plant of 36,000 MTPA at Unit VII. We plan to use 30% of TC produced for captive consumption and rest 70% will be sold to Chemical, Pharma, and Agro industries. This will give us the benefit of economies of scale, maintain low inventory, supply quality products and reduce our logistics costs.

We look forward to a great year ahead with stabilization in raw material prices, increase in yields due to higher margins in domestic sales and exports, and strengthening of rupee, which will strengthen our liquidity position. I would like to take this opportunity to thank our shareholders who put their trust and faith in us, our employees for their hard work, and our management and Board for their continued support towards the Company.

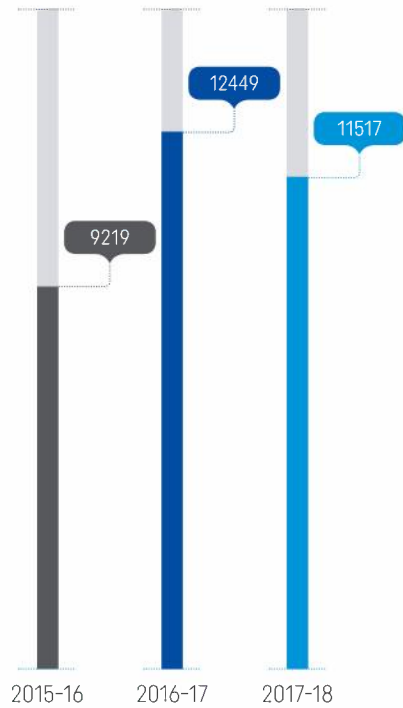
### Suresh J. Patel

Chief Executive Officer, Chairman & Managing Director

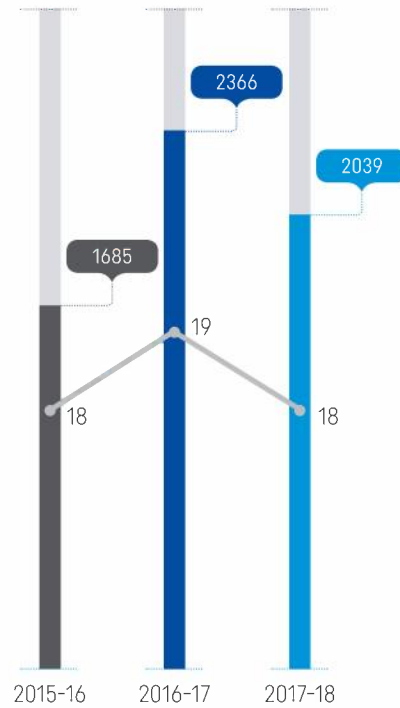


# PERFORMANCE THAT SUSTAINS

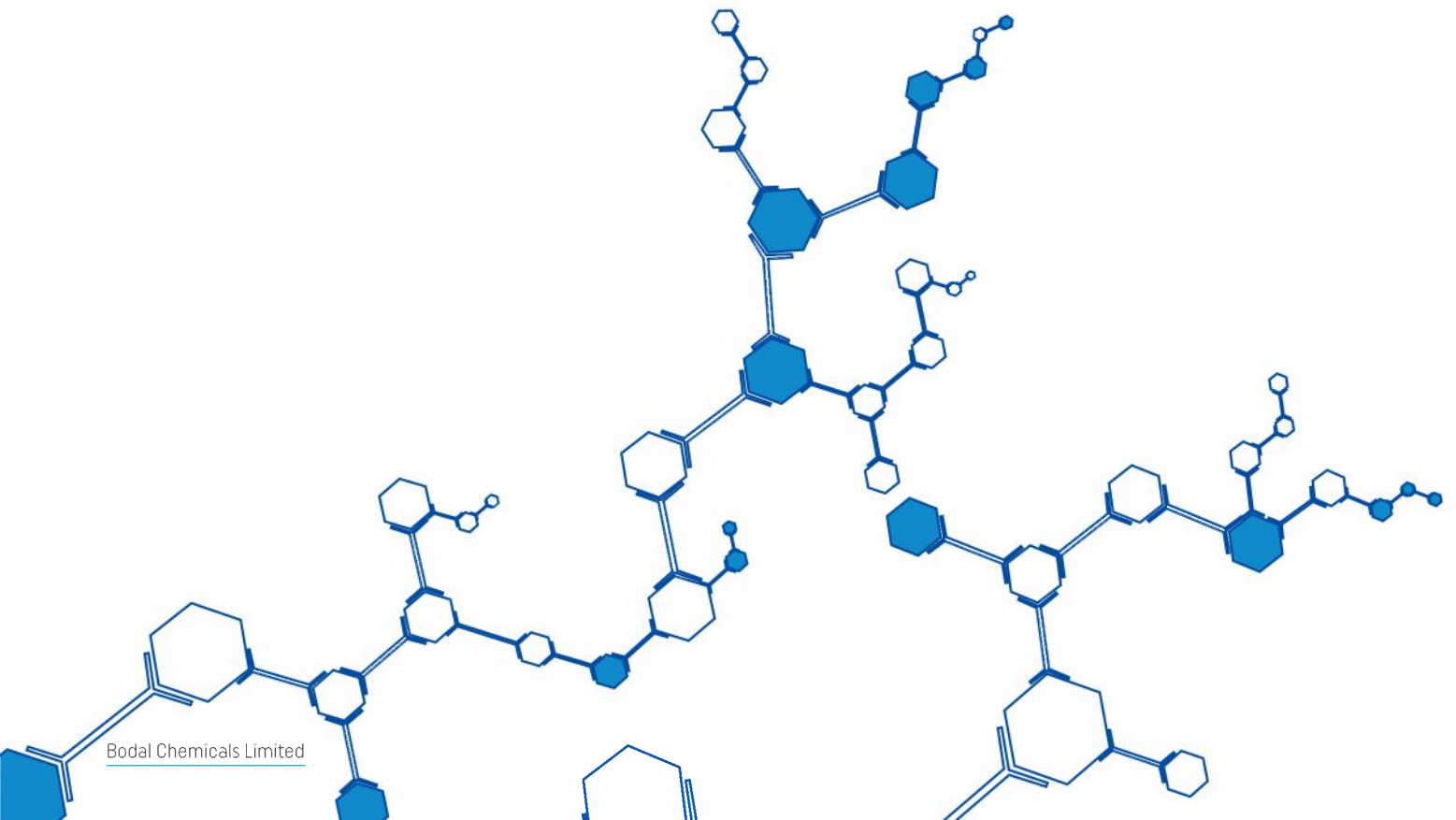
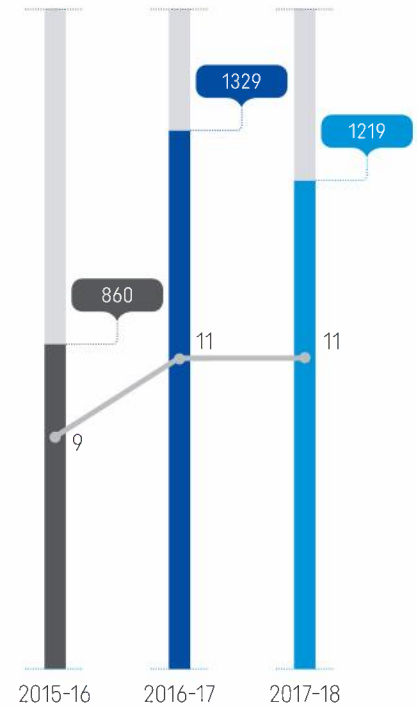
**Revenue** (₹ in Million)

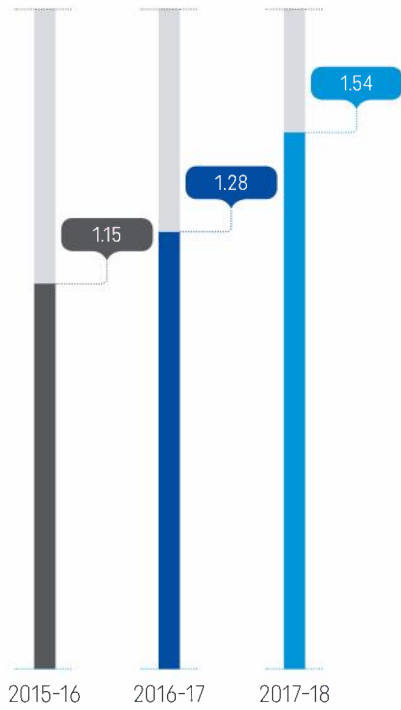
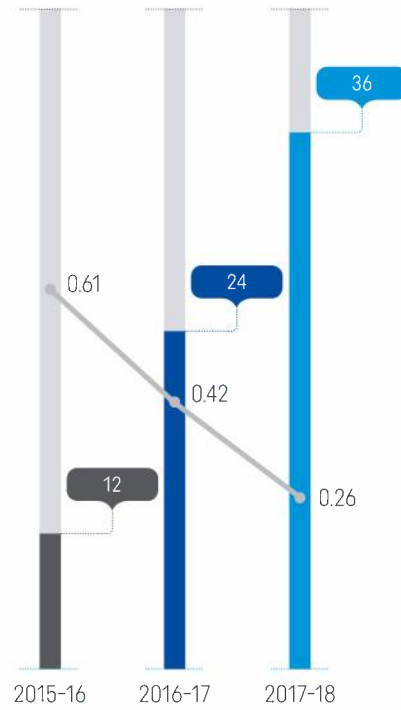
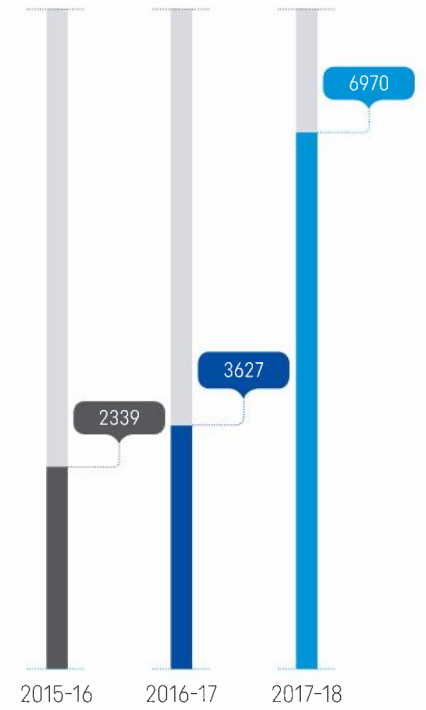


**EBITDA** (₹ in Million)  
**EBITDA Margin** (in %)

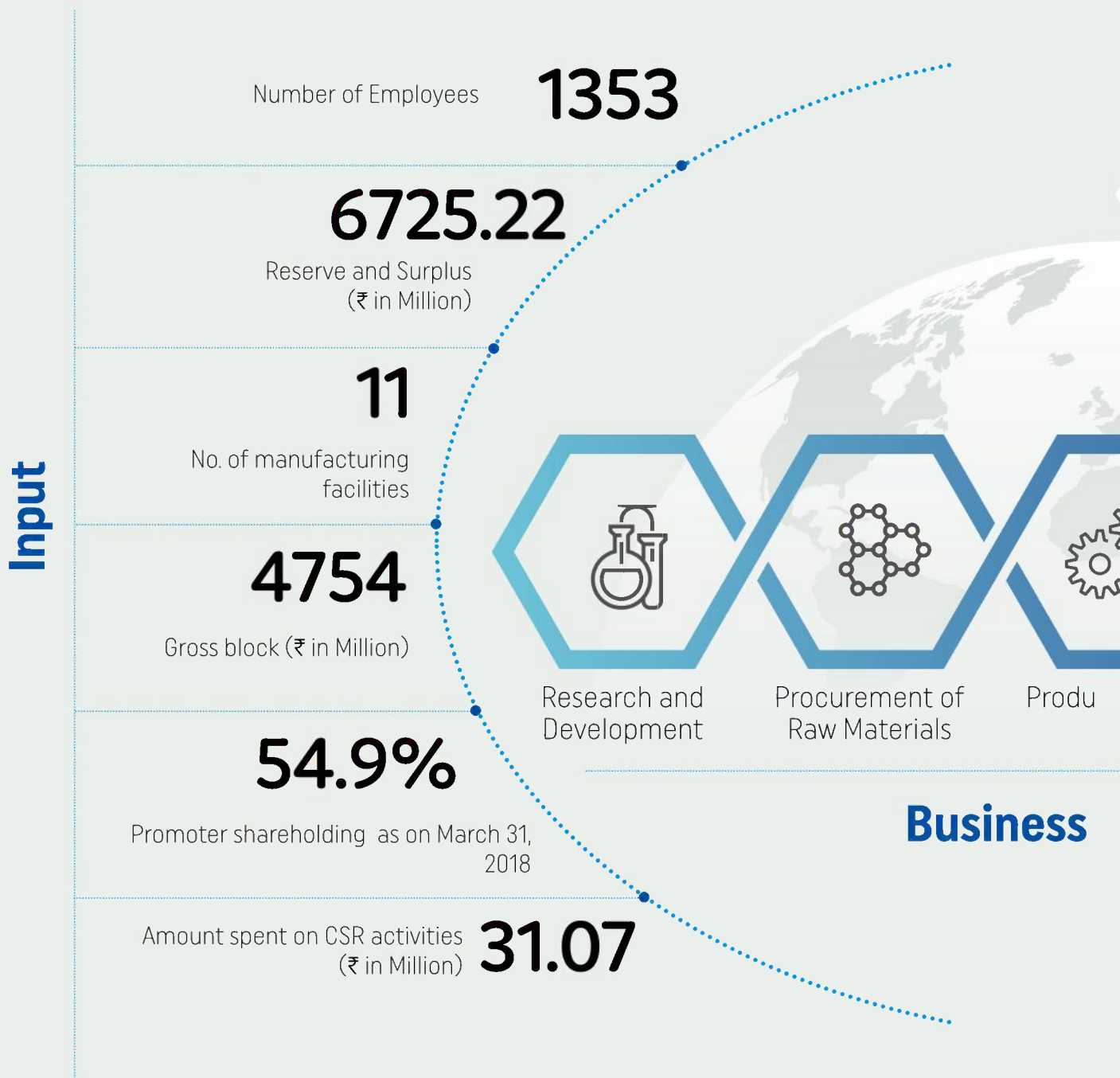


**PAT** (₹ in Million)  
**PAT Margin** (in %)



**Current Ratio** (In times)**Interest Coverage Ratio** (In times)  
**Debt Equity Ratio** (In times)**Net Worth** (₹ in Million)

# BUSINESS MODEL





**472.16** Employee benefit expenses during the year (₹ in Million)

**26.4%**

ROCE as on 31st March 2018

**~90%+**

Average capacity utilisation level in 2017-18

**11.34%**

ROA as on 31st March 2018

**40%**

Dividend paid during the year

**40+** Market presence in number of countries

**Output**

**Process**



ction

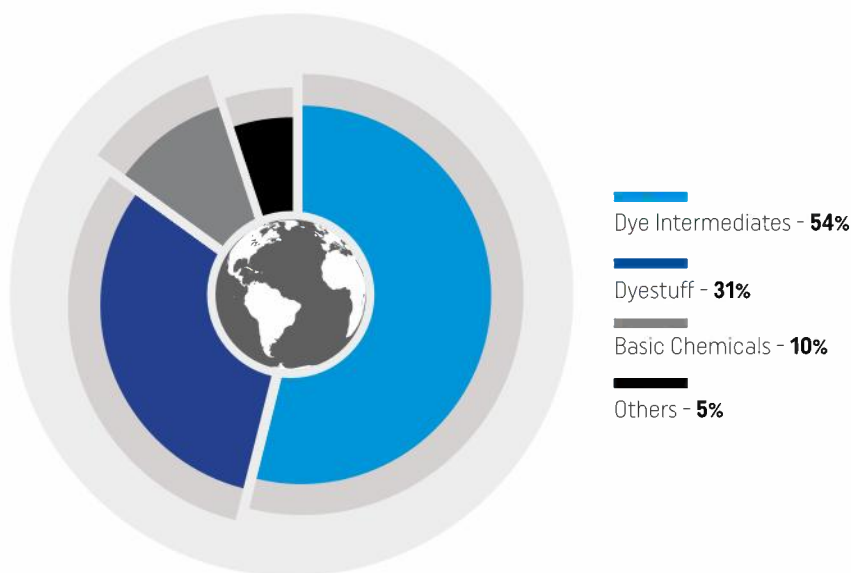
Sales

Waste  
Treatment



# BUSINESS SEGMENTS

## Business Segment wise revenue breakup



## Dye Intermediate Segment

At Bodal, we commenced our operations with one product, i.e., Vinyl Sulphone Ester (Acetanilide Base) by setting up a small unit at Vatva, Ahmedabad. With enhancement in production capacities, we now produce 25 variants of Dye intermediates. Over the years, we have introduced several products under Dye Intermediates for industries such as textile, leather, paper, etc. Since our inception, we experienced an exceptional growth in Dye Intermediates segment where we export around 41.2% of our total Dye Intermediates sales to clients present across the world.

**22344**

Quantity of Dye Intermediates produced during the year (in MT)

**500000**  
liters per day

Multiple Effect Evaporator Plant (MEEP)  
Capacity to treat high load waste water

### Brands we serve

- Jay Chemicals Industries Ltd.
- Oh Young Inc.
- Huntsman
- BASF
- Meghmani Organics Ltd.
- Aceto Corporation
- Lanxess
- Pranav Industries
- Mcfills Enterprises Pvt. Ltd.
- Chemistar Intermediates Pvt. Ltd

### Future Plans

- In the coming year, we expect to initiate production of new Vinyl Sulphone Plant at Kosi, Mathura. The plant will help us increase our capacity by 6000 MTPA. The production of both H Acid as well as Vinyl Sulphone will allow the SPS to utilize effluents of the two plants into each other's production respectively. This will help us to improve our efficiency as we will be able to generate higher revenues and reduce our costs involved in managing effluents.



## Dyestuff Segment

We are amongst the leading players for dyestuff in India, with a presence in Reactive as well as Acid and Direct Dyes. With three manufacturing units present in India, we have an annual capacity of 39,000 MT, where 29,000 MTPA is dyestuff capacity in powder and 10,000 MTPA is in liquid. We have also installed an in-house ice plant of 500 MTs/day that provides support to our dyestuff plant.

**1 Mn**  
liters per day  
Permission available for  
treated effluent disposal

**150**  
Variants of Dyestuff

**15412**  
Quantity of Dyestuff  
produced during the  
year (in MT)

**90.7%**  
Capacity Utilization

### Brands we serve

- Dystar
- Huntsman
- Archroma
- Colorantes Industriales S.a.
- BASF
- Stahl
- United Fabricare Supply,inc
- Sen-Er Boya Kimya Tekstil Santic. Ltd.
- Exel Chemicals India Pvt. Ltd.
- Raj Chemicals Ltd.

### Future Plans

- As a part of our expansion plan we aim to continue investing towards expanding our Dyestuff business.



## Basic Chemicals

We entered into the production of basic chemicals in 2008 by setting up facilities for production of Beta Naphthol, Acetanilide, Para Nitro Aniline, etc. In 2010, we also started the manufacturing of Sulphuric Acid, Chloro Sulphuric Acid and Oleum. Our inception into Basic Chemicals and Sulphur Chemicals division helped us move towards backward integration. This further helped us to be self-reliant and competitive in terms of price.

Acetanilide is a key raw material for Vinyl Sulphone, Beta Naphthol is a raw material for some dye intermediates as well as few dyestuff and PNA is a raw material for dye intermediates such as FC Acid and DASA, which is further used as a raw material for acid dyes. Sulphuric Acid is one of the most common used chemical in our Company, which is used as a raw material for almost all the products produced by us. Chloro Sulphuric Acid is a key raw material for Vinyl Sulphone and reactive dyes. Oleums 23% and 65% are used as a raw material for various products in our portfolio.

### Brands we serve

- Lanxess India Pvt. Ltd
- Grasim Industries Ltd (Chemical Division)
- Deepak Nitrite Ltd
- Meghmani Organics Ltd
- SRF Ltd
- Gujarat Fluorochemicals Limited
- Vertelus Specialty Materials (India) Pvt. Ltd
- Evonic Specialty Silica India Pvt. Ltd
- Aksharchem India Ltd
- Jay Chemicals Ltd

**1,90,000**  
Annual Capacity for  
Basic Chemicals  
(in MT)

**94.5%**

Capacity Utilization

**179544**

Quantity of Basic  
Chemicals produced  
during the year (in MT)

# RESPONDING TO THE WORLD AROUND US

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

## Guiding principles for Corporate Social Responsibility

### Impact

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



### Partnership

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



### Affirmative action

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



### Volunteerism

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



### Communication

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



### Innovation

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



## AWARDS



Mr. Ankit S. Patel, Executive Director receiving "Export Award" from CHEMEXCIL.



Mr. Suresh S. Patel, Chairman & Managing Director and Mr. Bhavin Patel, Executive Director, receiving Award from The Gujarat Dyestuff Manufacturers Association



Mr. Ankit Patel, Executive Director, receiving the Award from DMAI in recognition for export excellence in 2017-18

# KEY HIGHLIGHTS\*

(₹ in Millions)

Particulars	2013-14	2014-15	2015-16	2016-17 <sup>4</sup>	2017-18
Sales	10,272	11,189	9,758	12,701	11,317
Less : Excise Duty	776	831	790	1,008	226
Net Sales	9,496	10,358	8,968	11,693	11,091
Other Income <sup>1</sup>	136	142	250	233	238
Total Income	9,632	10,500	9,218	11,926	11,329
PBIDT	1,927	1,889	1,620	2,311	2,084
Interest	466	273	122	66	49
Gross Profit	1,461	1,616	1,498	2,245	2,035
Depreciation	253	222	258	259	109
Profit Before Tax & Exceptional Items	1,208	1,394	1,240	1,986	1,926
Exceptional Items	(737)	-	79	48	-
Profit Before Tax	471	1,394	1,319	2,034	1,926
Tax	164	474	453	705	651
Profit After Tax	307	920	866	1,329	1,275
Other Comprehensive Income (Net of tax)	-	-	-	(2)	(7)
Total Comprehensive Income	307	920	866	1,327	1,268
Paid Up Equity Capital	218	218	218	218	244
Preference Share Capital	250	250	-	-	-
Reserves and Surplus	471	1,390	2,177	3,409	6,775
Shareholders' Funds	939	1,858	2,395	3,627	7,019
Loans (Non Current)	2,158	862	7	8	8
Deferred Tax Liability (Net)	6	130	168	182	277
Capital Employed <sup>2</sup>	3,019	2,818	2,567	3,725	7,159
Gross Fixed Assets (Historical Cost)	3,603	4,039	4,231	4,584	6,841
Capital Work in Progress	84	32	3	92	145
Net Fixed Assets	1,683	1,897	1,842	1,959	4,122
Net Current Assets	1,101	685	469	658	2,079
Book Value (₹)	8.6	170	22.0	33.2	61.1
Earnings per Equity Share (₹)	2.81	8.43	7.94	12.18	11.11
Cash Earnings per Equity Share (₹)	5.31	11.60	10.65	14.86	12.91
Dividend % <sup>3</sup>	0.00%	0.00%	30.00%	40.00%	40.00%
Debt : Equity (Long Term Debt/Total Net Worth)	2.30	0.46	0.00	0.00	0.00

1. Other Income includes Other Operating Income.

2. Capital Employed excluding Capital Work in Progress.

3. Dividend for the year 2017-18 includes dividend declared at 40% by Board of Directors in their meeting held on May 29, 2018, subject to approval of shareholders in AGM.

4. Data from the year 2016-17 onwards are in compliance with Ind AS.

\* The above figures are on a standalone basis



# CORPORATE INFORMATION

## Board of Directors

Mr. Suresh J. Patel  
Chairman and Managing Director

Mr. Bhavin S. Patel  
Executive Director

Mr. Ankit S. Patel  
Executive Director

Mr. Sunil K. Mehta  
Independent Director

Mr. Bipin R. Patel  
Independent Director

Mr. Nalin Kumar  
Independent Director

Mrs. Neha Huddar  
Independent Director

## Chief Financial Officer

Mr. Mayur B. Padhya

## Company Secretary

Mr. Ashutosh B. Bhatt

## Registered Office

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

## Statutory Auditors

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

## Bankers

Union Bank of India  
Bank of India

# BOARD'S REPORT

To  
The Members, of  
Bodal Chemicals Limited

Your Directors have pleasure in presenting the "32nd ANNUAL REPORT" on the business and operations of the Company along with the Audited financial statement for the Financial Year ended 31st March, 2018.

## Financial Result

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

₹ in Million

year Ended 31st March	Standalone			Consolidated		
	2018	2017	Growth	2018	2017	Growth
Total Revenue	11555	12934	(10.66)	11756	13497	(12.90)
Earnings before Interest, Depreciation and Tax (EBIDTA)	2085	2359	(11.62)	2039	2366	(13.82)
Profit after Tax	1275	1329	(4.06)	1219	1329	(8.28)
Total comprehensive income	1268	1327	(4.45)	1212	1327	(8.67)
Earnings Per Share (EPS) (Basic)	11.11	12.18	(8.78)	10.62	12.18	(12.81)

Note: previous year's figures have been recast wherever necessary.

## The Financial Year under Review 2017-18

### Performance Discussion

The Financial year 2017-18 is another consecutive year where your company has performed well but the same has not been fully reflected in the topline and bottomline as we experienced normalisation of prices of finished goods and increased cost of the raw materials. Despite all odds company has achieved productivity gains, volume growth and sustained margins. The Company has also absorbed cost increases with purchasing efficiencies.

Total Consolidated Revenue of the Company was lowered by 12.90% and profit after tax was lowered by 8.28%. The same is mainly because of there had been some abnormal price hike in one of the dye intermediate during FY2017.

The Company is committed towards expansion of its market share in the domestic market as well as in the overseas market.

### Bodal Chemicals Limited (BCL)

Bodal Chemicals Limited is the most integrated Dyestuffs Company in India and also the biggest manufacturer of Dye Intermediates in India. The Company's product range covers Dyestuffs, Dye Intermediates and Basic Chemicals broadly classified under Specialty Chemicals. It has a unique and integrated product line covering forward and backward integration to dye intermediates. It contributes about 20% of India's capacity and about 5% of the world's capacity for Dye Intermediates. Out of the total sales, about 31% is exported to over 40+ countries across the world.

The Company is listed on BSE Ltd. (Bombay Stock Exchange) and National Stock Exchange of India Ltd. (NSE). The broad areas of operations of the Company are as under:

### Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal Chemicals has capacity of manufacturing more than 150 variants of Dyestuff which are principally used as raw materials in Textiles, Leather, Paper & other Dyestuff consuming industries

### Dye Intermediates

Bodal the largest manufacturer of Dye Intermediates in India and among the leading manufacturers of Dye Intermediates in the world. Bodal Chemicals has capacity of manufacturing up to 25 Dyes Intermediates products. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

### Other/Basic Chemicals

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

### Subsidiaries, Associates & Joint Ventures

During the period under review, Bodal Chemicals had one Subsidiary Company and one Associate Company namely, S P S Processors Pvt. Ltd. and Trion Chemicals Pvt. Ltd., respectively, and pursuant to section 129(3) of the Companies Act, 2013 and Indian Accounting Standards-110 ("IND AS 110") issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the Financial Statements of its associates companies and Subsidiaries

and form part of this Annual Report. A Statement containing the salient features of the financial statement of the Company's Subsidiaries, Associate(s) and Joint Ventures is enclosed as Annexure 1 in Form AOC-1 annexed to this Annual Report. In terms of provisions of sections 136 of the Companies act, 2013, the Company shall place separate audited accounts of the Subsidiary and Associate Companies on the website of the Company- [www.bodal.com](http://www.bodal.com)

### **S P S Processors Pvt. Ltd. (SPS)**

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

Your Company is holding 70% equity stake in S P S Processors Pvt. Ltd, which is a subsidiary company of Bodal Chemicals Ltd.

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

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

With the available permissions, the Company has started building a 6000 TPA Vinyl Sulphone plant which is estimated to cost about ₹ 200 million. The project is expected to be completed in the second quarter of FY2019.

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

### **Trion Chemicals Pvt. Ltd. (TCPL)**

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

During the current financial 2018-2019, your Company has made further investment in TCPL of ₹ 29.86 Million during the month of June 2018 and after the said acquisition the stake of Bodal Chemicals Ltd in TCPL is 59% and TCPL had become a subsidiary company of Bodal Chemicals Ltd.

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

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

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

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

### **Capital Structure & Liquidity**

#### **Authorised Share Capital**

During the year under review, Authorised Share Capital of the Bodal Chemicals Ltd. is ₹ 52,00,00,000/- (Rupees Fifty Two Crore Only) divided into 13,50,00,000 (Thirteen Crore Fifty Lacs only) Equity Shares of ₹ 2/- (Rupees Two) each and 2,50,00,000 (Two Crore Fifty Lacs only) Preference Shares of ₹ 10/- (Rupees Ten) each.

#### **Qualified Institutional Placement:**

During the year under review your Company has successfully completed its maiden Qualified Institutional Placement (QIP) of ₹ 2250 million by way of issue of 1,30,81,395 Number of Equity Shares of ₹ 2 each to QIPs, at a premium of ₹ 170 per equity share. The funds raised from QIP are being used towards building production capacities of Dyestuff and Basic chemicals plants at unit 7 situated at Dudhwada, Vadodara, Gujarat and also building production capacity of Vinyl Sulphone Plant of Subsidiary Company i.e. SPS, situated at Kosi, Uttar Pradesh. Further, the amount raised is also used for General Corporate purpose. Furthermore the funds raised by the company is used only for the purpose mentioned in the offer document issued by the Company for raising fund under QIP.

#### **Issued and paid up Share Capital**

During the year under review, Company issued and allotted 1,30,81,395 Number of Equity Shares to QIPs (Qualified Institutional Placement). Hence the Issued, Subscribed & Paid-up Equity Share Capital of the Company increased from 109107370 Equity Shares to 122188765.

Further, the Issued, Subscribed & Paid-up Equity Share Capital of the Company as at 31st March, 2018 was ₹ 244.38 million divided into 122188765 Equity Shares, having face value of ₹ 2 each.

#### **Employees Stock Option (ESOP/ESOS)**

During the year under review, member of the company has approved Employee stock option plan i.e. Bodal Chemical- ESOP 2017, in the Annual General Meeting held on 23-09-2017. Further, your company has granted 146200 Number of options to the various employees of the company under the scheme. Details of Employee Stock Options granted/vested/exercised during the year 2017-18 are given in "Annexure 2" to this report.

## General Reserve

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

## Term Loan and Working Capital

As on 31st March, 2018, the Total Debt was ₹ 1478.76 Million, Cash and Cash Equivalents were ₹ 185.55 Million resulting in Net Debt of ₹ 1,293.21 Million (₹ 1,361.54 Million as on 31st March, 2017) Total Debt consisted of ₹ 1471.06 Million of working capital loans and ₹ 7.70 Million of long term loans, including long term loans maturing within 12 months of the balance sheet date.

## Ratings

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

Type of Credit Rating	India Rating	CARE Rating
Rating for Long-Term Bank Facilities	IND A+	CARE A; Stable [Single A; Outlook: Stable]
Rating for Short Term Bank Facilities	IND A+	CARE A1 [A One]

Symbols	Rating Definition (source from <a href="http://www.careratings.com">www.careratings.com</a> )
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE A1	Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

## Dividend

During the FY- 2017-18, the Company declared Final Dividend of ₹ 0.80 Per share (or 40% of face value ₹ 2), which will absorb ₹ 117.65 Million, including dividend distribution tax of ₹ 19.90 Million.

During the FY- 2016-17, the Company declared Interim Dividend of ₹ 0.30 Per share (or 15% of face value ₹ 2), which absorbed ₹ 39.39 Million, including dividend distribution tax of ₹ 6.66 Million. Further, Final Dividend of ₹ 0.50 (or 25% of face value ₹ 2) per share absorbed ₹ 65.66 Million, including dividend distribution tax of ₹ 11.11 Million..

## Transfer of Unclaimed Shares & Dividend Amount to Investor Education and Protection Fund

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend that remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education

and Protection Fund (IEPF). Un-claimed dividend which has been transferred to IEPF, has been disclosed in the Corporate Governance report forming part of Directors Report

Further, In pursuance of Regulation 39 read with Schedule VI of the Listing Regulations, the Company has in FY 2018, transferred 612835 unclaimed shares belonging to 3314 shareholders, to the 'Unclaimed Suspense Account' opened by IEPF Authority with CDSL System with depository Participant SBI CAP Securities Ltd., for the purpose after following due process. Details of shares transferred to the suspense account, claimed during the year and balance as on 31st March, 2018, are given below:

SR. NO	Particulars	Shareholders/ No of Records	No. of shares
1	Outstanding shares at the beginning of the year	3314	612835
2	Shareholders approached the Company for transfer	0	0
3	Shareholders whose shares were transferred from suspense account	0	0
4	Outstanding shares at the end of the year	3314	612835

Voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Furthermore, Shareholders may claim back the shares credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at [www.mca.gov.in](http://www.mca.gov.in) and [www.iepf.gov.in](http://www.iepf.gov.in).

Furthermore, Underlying shares on which dividend has remained unclaimed from 2010-11 onwards, will be due for transfer to IEPF account during the year and individual notices to that effect have been sent to concerned shareholders. Shareholders who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest to avoid transfer of dividend and underlying shares to IEPF.

## Capital Expenditure

During the year under review, your company had successfully completed upgraded/ expansion of following manufacturing facilities and, during the month of March, 2018, commercial production has also been started at the Unit VII situated at Village Dudhwada, Padara, Vadodara. Furthermore, capacity utilization will gradually increase in the current financial year 2018-19. The details of the plants are mentioned as below;

1. Your Company has completed Expansion of Dyestuff plant by 12,000 Metric Tons Per Annum (MTPA). After the said Expansion, the total capacity of Dyestuff plants of the company stands at 29,000 MTPA, excluding Liquid Dyestuff.
2. Completed Up gradation of Utility Section including establishment of Co-generation power plant of 5 Mega Watts (MW).



## Public /Fixed Deposits

The Company has not accepted any deposit during the financial year under review. There were no deposits remaining unpaid/ unclaimed as at the end of the financial year 2017-18 and as such no amount of principal or interest was outstanding, as on the date of the balance sheet.

## Listing of Securities

Bodal Chemicals has 12,21,88,765 Equity Shares of ₹ 2 each fully paid, listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company confirms that it has paid annual listing fees for the financial year 2018-19 to both the Exchanges where the Company's equity shares are listed.

## Directors and Key Managerial Personnel

### Directors' Appointment, Retirement and Resignation

Bodal Chemicals has 7 (Seven) Directors including 3 (Three) Executives Director and 4(Four) Independent Directors including a woman Director.

#### Appointment of Directors

On the recommendation of the Nomination and Remuneration Committee, Mr. Sunil K Mehta (having DIN:01736527) was appointed as an Additional Director of the Company with effect from 13th December 2017. In accordance with Section 161 of the Companies Act, 2013, Mr. Sunil K Mehta will hold office upto the date of the forthcoming AGM of the Company and being eligible, offers his candidature for appointment as a Director accustomed to act as an Independent Director, on the Board of the Company for 5 years w.e.f. 13th December 2017. Your approval for his appointment as Independent Director has been sought in the Notice convening the forthcoming AGM of the Company.

On the recommendation of the Nomination and Remuneration Committee, Board has re-appointed Mr. Suresh J. Patel (DIN: 00007400) as Chairman and Managing Director for a period of 2(Two) years with effect from 13th May 2018 and Mr. Bhavin S Patel (DIN: 00030464) as Executive Director for a period of 5 (five) years with effect from 13th May 2018. Their appointments are subject to approval of Members of the Company. Further, Members approvals are required for appointment of Mr. Suresh J. Patel as Chairman and MD and Mr. Bhavin S. Patel as Executive Director and payment of remuneration and your approval has been sought for the same in the Notice convening the forthcoming AGM of the Company.

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

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

## Resignation of Director

Mr. Surendra N. Shah, (having DIN: 00160401) Director accustomed to act as an Independent Director, resigned from the post of Director (Independent) of the Company with effect from 07th October, 2017 and the Board of Directors took note of the same at the Board Meeting held on 10th October, 2017. The Board of Directors places on record their deep appreciation of the valuable guidance and immense contribution made by Mr. Surendra N Shah during his tenure as Independent Director of the Company.

## Key Managerial Personnel

Mr. Suresh J Patel, Chairman and Managing Director (DIN:0007400), Mr. Bhavin S Patel, Executive Director (DIN:0030464), Mr. Ankit S Patel, Executive Director (DIN:02173231), Mr. Mayur B Padhya, Chief Financial Officer and Mr. Ashutosh B Bhatt, Company Secretary and Compliance Officer (FCS No.: 9516) are the Key Managerial Personnel of the Company as on the date of this Report.

## Declaration by Independent Directors

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

## Remuneration of Directors and KMP

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

## Remuneration Policy

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

## Familiarization Programme for Independent Directors:

The Company has an ongoing programme where Directors in the course of meetings of the Board of Directors give information about Chemical Business developments, Expansion of the Company and various amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (LODR) regulations, 2015 (herein referred to as "Listing Agreement"), Prohibition & Insider trading regulations, and SAST Regulations so as to enable them to effectively discharge their roles, rights and responsibilities in the Company. Details of the same are available on the website of the Company- [www.bodal.com](http://www.bodal.com)

## Diversity of The Board

The Company recognizes and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-[www.bodal.com](http://www.bodal.com) and its weblink [https://bodal.com/live.php?data=6\\_I2](https://bodal.com/live.php?data=6_I2)

## Board Meetings

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

## Meeting of Independent Directors

The Independent Directors of the Company met separately on 13th December, 2017 without the presence of Non-Independent Directors and the members of management. In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the following matters were, inter-alia discussed in the meeting:

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

## Board's Annual Evaluation

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

## Auditors

### Statutory Auditors

Your Directors recommend, as identified and suggested by the Audit Committee of the Company, to continue with M/s Deloitte Haskins & Sells LLP, (FRN No. 117366W/W-100018) as statutory Auditor of the Company for FY-2018-19, subject to approval of the Members of the Company, to hold office from the conclusion of the Thirty Second (32nd) Annual General Meeting until the conclusion of the Thirty Third (33rd) Annual General Meeting of the Company.

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

The report of the Statutory Auditors along with Notes to Schedules is enclosed with this Report. The Auditor's Comments on the Company's Accounts for the financial year ended on 31st March, 2018 are self explanatory in nature and do not require any explanation as per provisions of Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

### Internal Auditors

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

### Secretarial Auditor

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

The Report of Secretarial Auditor for the financial year 2017-18 is set out as Annexure 4 and it forms a part of this Report.

### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed cost audit related to the Company's product Dye Intermediates and Dyes. Based on this requirement and the recommendation made by the Audit Committee, the Board of Directors has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor for the Financial Year 2018-19. The Company has received a written certificate from the Cost Auditor stating that their re-appointment, if made, would be within the prescribed limits under sections 141 of the Companies Act, 2013. The Cost Audit report for the FY 2017 has been filed within the prescribed time limits. The Cost Auditor's Report does not contain any qualification, reservation or adverse remark. Further, remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included as Item No. 6 of the Notice convening the Annual General Meeting.

During the year under review, the statutory auditors, secretarial auditors and cost auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

## Management Discussion & Analysis

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

## Corporate Governance

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

Report on Corporate Governance is annexed and forms an integral part of this Annual Report. Certificate from the Mr. Tapan Shah, Company Secretary in practice, regarding compliance of conditions of Report on Corporate Governance as stipulated in the Listing Regulations is also appended to the Report on Corporate Governance.

## Secretarial Standards

Secretarial Standards for the Board and General Meetings (SS-1 & SS-2) are applicable to the Company. The Company has complied with the provisions of both these Secretarial Standards.

## Industrial Relations & Human Resources

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

### Human Resources

Human Resource in Bodal is not a just function but strategic agenda. As we all know our company is preparing itself for the "NEXT PHASE" since FY16. Bodal is extensively working on the transformation of the existing practices, working methods etc. and gearing up for the changing business environment. Also during the year Management and HR together have taken one of the strategic agenda to breaking silos and creating company without boundaries to ensure simplification, speed, and agility.

Bodal believes in youth and develop them as future leader by giving different challenging assignments to lead. Also our company celebrating different days like World Environment Day, Safety Week Celebration, and Independence Day (15th August) to engage our team members in informal occasions.

In FY 17 company has invested into new technology in existing operations and that leads to skill enhancement of existing team members, for that we called external trainers and subject matter experts who trains our team members for the new installed technology. During the year HR, Safety

and OHC department has also organized different training programs to educate and enhance the competencies of existing team members.

During the year Bodal Management has taken positive initiative for employees by offering ESOP to their Senior team members and given opportunity to be partner in business. This step was welcomed at very large level and spread positivity among team members.

## Health, Safety and Environment

Employee's Health, Safety and Environmental protection are core business values within your Company. The Company's Management believes that environment and safety of all its Employees including those who associated with the projects sites and manufacturing facilities is of prime importance. We believe that it's our responsibility to protect its employees, property and environment in which it operates.

As your Company deal with chemical and is in the manufacturing dye intermediate, dyes stuff, sulphuric acid, and speciality chemicals, it has to make sure that the highest degree of safety measures is maintained in order to avoid any risk at the workplace.

Your Company is committed to maintain its operations and workplace free from incidents and significant risk to the health and safety of its stakeholders through improving their work skills, strong channels of communication, safety awareness, and sound training practices. Further, Your Company has well-equipped Occupational Health Centre to monitor health of employees on regular interval basis. This Occupational Health Centres facility is driven by the qualified team of medical representatives, which include Doctor, and medical representatives, those are giving service 24x7.

Your Company has structured plan for educating its team members and new appointees on the Safety, where your company provides Safety Induction to new team members and to create awareness among existing team members and their updation. Company provides regular training on Safety and Health related topics. Further, all safety initiatives are driven through well defined SOP (Standard Operating Policies).

Your Company has an ISO 9001: 2015, ISO 14001:2015, certifications for its production of dye intermediates & Dye stuff.

All safety statutory requirements like licenses, mock drills under emergency conditions, fire Hydrant for each unit and testing of manufacturing equipments etc. are being complied with Requirements of environmental acts and regulations. Further Your Company focusing on the Reduce, Recover and Reuse model for the natural resources. By keeping future in mind we are building up facility for water treatment.

## Material Changes and Commitments

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



## Extract of The Annual Report

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return of the Company in Form MGT-9 is annexed herewith as Annexure 5 to this Annual Report.

## Environment Protection

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

## Green Initiative

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

## Safety & Wellbeing of Woman at the Work Place

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

Sr. No.	Complaints Under Sexual Harassment (From 01-04-2017 TO 31-03-2018)	Status
1	Number of Complaints/Cases pending as at the beginning of FY 2017-18 i.e. 01-04-2017	NIL
2	Number of Complaints/ Cases filed during the year (from 01-04-2017 to 31-03-2018)	NIL
3	Number of Complaints/ Cases as at the end of FY 2017-18 i.e. 31-03-2018	NIL

## Vigil Mechanism and Whistleblower Policy

The provisions of Section 177(9) and (10) of the Companies Act, 2013 mandates every listed company to establish vigil mechanism for Directors and employees. Bodal Chemicals Ltd. has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. Details of complaints received and the action taken are reviewed by the Audit Committee. No concerns or irregularities have been reported by employees/directors till date.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Company's personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the Company's website and its web link is [https://bodol.com/live.php?data=6\\_I2](https://bodol.com/live.php?data=6_I2)

## Annual Accounts of Subsidiary & Associate Companies

The Accounts of the Subsidiary & Associate Companies for the financial year ended on 31st March, 2018 will be made available to any shareholder of the Company on request and will also be available for inspection at the registered office of the Company during working hours till the date of the Annual General Meeting.

Statement containing salient features of financial statements of Subsidiaries and Associates pursuant to section 129 of the Companies Act, 2013 (Act) read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this Report in the prescribed Form AOC-1, as "Annexure 1"

The Audited Financial Statements of Company's subsidiary for financial year 2018 are available on the Company's website at [www.bodol.com](http://www.bodol.com) and the same are also available for inspection at the Registered Office of the Company. Your Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

The Company has laid down policy on material subsidiaries and none of the subsidiary is material subsidiary as per the policy. The policy is placed on the website of the Company and its weblink is [https://bodol.com/live.php?data=6\\_I2](https://bodol.com/live.php?data=6_I2).

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

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

## Risk Management & Internal Control

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

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



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

### Particulars of Loans, Guarantees and Investments

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

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

### Corporate Social Responsibility

The Company's CSR Policy primarily rests on three broad tenets viz., Healthcare, Education & Community welfare and the same is within the ambit of Schedule VII of the Act. During the year, Company continued several initiatives under the CSR program, directly as well as through agency namely UVA Unstoppable permitted under the Act. Details of CSR policy and CSR activities undertaken during the year is annexed to this report as "Annexure 7" and forms part of this Report.

### Related Party Transactions

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

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction Policy for the purpose of identification and monitoring of such transaction. The Related Party Transaction policy is placed on the Company's website [www.bodal.com](http://www.bodal.com) and its web link- [https://bodai.com/live.php?data=6\\_I2](https://bodai.com/live.php?data=6_I2)

Particulars of Contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013, are disclosed in Form AOC-2 as Annexure 8

### Insurance

The Company's assets are adequately insured.

### Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the financial year ended on 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts for the financial year ended on 31st March, 2018 on a going concern basis;
- (e) the Directors, have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with provisions of all the applicable laws and that such systems were adequate and operating effectively.

### Acknowledgement

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated performance by employees at all levels which was instrumental in sustained performance of the Company. Your Directors also sincerely thank all the stakeholders, professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, cooperation and support.

For and on behalf of the Board

**Suresh J. Patel**

Chairman & Managing Director  
(DIN: 00007400)

Date: 14th August, 2018  
Place: Ahmedabad

# ANNEXURE -1: AOC - 1

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

## Part "A"- Subsidiary & Associate

(₹ in Millions)

Sr. No.	particulars	Subsidiary Co.,	Associate Co.,
1	Name of the Subsidiary & Associate Co.,	S P S Processors Pvt. Ltd	Trion Chemicals Pvt. Ltd
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mrarch-2018	31-Mrarch-2018
3	Reporting currency for the subsidiary	Indian Rupees	Indian Rupees
4	Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31 March 2018 (')	N.A.	N.A.
5	Share Capital	16.23	70.00
6	Reserves & Surplus	21.11	(82.42)
7	Total Assets	570.40	705.03
8	Total Liabilities (excluding Share Capital and Reserves & Surplus)	533.06	717.45
9	Investments	NIL	NIL
10	Turnover	779.11	104.78
11	Profit before taxation	(52.89)	(85.56)
12	Provision for taxation	(31.65)	(21.23)
13	Profit after taxation	(21.24)	(64.33)
14	Proposed Dividend	----	----
15	% of shareholding	70%	41.51%

## Part "B" - Joint Ventures: None

For and on behalf of Board of Directors of Bodal Chemicals Limited

**Suresh J Patel**

Chairman and Managing Director

DIN: 00007400

# ANNEXURE - 2

## Employee Stock Option Scheme

Sr. No.	Description	Details / No. of Options
a)	Total Options granted	146200
b)	The pricing formula	Exercise price is ₹ 50/- per option
c)	Options vested	NIL
d)	Options exercised	NIL
e)	Total number of shares arising as result of exercise of options	NIL
f)	Options lapsed during the year	NIL
g)	Variation of terms of options	No variation during the year
h)	Money realized by exercise of options	NIL
i)	Total no. of options in force	1,46,200
j)	Employee-wise details of options granted to	As Below
	Senior Managerial Personnel	1,46,200 options granted to employees of the Company
	Any other employees to whom options granted amounting to 5% or more, of the total options granted during the year	None
	Employees to whom options equal to or exceeding 1% of the issued capital have been granted during the year	None
k)	Diluted earnings per share (EPS) calculated in accordance with Indian Accounting Standard (Ind AS 33) related to EPS	The dilutive EPS calculated as per the Indian Accounting Standard (IND AS 33) is NIL.
l)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the Company	This clause is not applicable to the Company as the valuation method adopted for the ESOP is Fair Value
m)	Weighted average exercise prices and weighted average fair values of options outstanding, disclosed separately for options whose exercise price either equals or exceeds or is less than market price of the stock	Weighted average exercise price: ₹ 50.00 per option Weighted average Fair Value: ₹ 123.52 per option
n)	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information :	
	Variables- Weighted Average Information	
	Plan- Bodal Chemicals Limited- ESOS 2017	
	Grant date	13-01-2018
	Risk free rate (%)	7.45%
	Expected Life (years)	15 years
	Volatility (%)	31.00%
	Dividend yield (%)	0.19%
	Price of the underlying share in the market at the time of option grant	168.70

### Notes:

- Fair value: Fair value calculated by using BLACK-SCHOLES option pricing formula.
- Stock price: The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- Exercise price: The price at which a specific derivative contract can be exercised. The exercise price per option in our case as represented by the management is INR 50 per option.
- Historical Volatility: is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in the BLACK-SCHOLES option- pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period of time.
- Risk free rate of return: The Risk free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for Government Securities or respective years Government bonds.
- Time to Maturity: It is the period for which the Company expects the options to be alive. The term of the option exercise is taken as 2 years from the date of grant as per the offer letter given to the employees.
- Expected dividend yield: The dividend yield for the year is derived by dividing the dividend for the period with the current market price. The company has declared dividend of INR 0.30 per share so we have taken the Dividend yield as 0.19%.

# ANNEXURE - 3

## Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the FY 2017-18	% increase/(decrease) in remuneration in the FY 2017-18
Executive/Whole Time Directors			
i	Mr. Suresh J Patel	51.66:1	NIL
ii	Mr. Bhavin S Patel	34.44:1	NIL
iii	Mr. Ankit S. Patel	34.44:1	NIL
Independent Directors have been paid only sitting fees during FY 2017-18 and hence the Ratio to Median Remuneration has not been shown for Independent Directors.			
iv	Mr. Mayur B Padhya, Chief Financial Officer	N.A.	40.62 %
v	Mr. Ashutosh B Bhatt, Company Secretary and Compliance officer	N.A.	35.55 %
2	The percentage increase in the median remuneration of employees in the financial year	12.24%	
3	The number of permanent employees on the rolls of company	1353	
4	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	Average increase in remuneration of employee for the financial year 2017-18 was 12.24% against which the increase in managerial remuneration was 15.23%. There is no increase in the remuneration of Managing Director and Executive Directors of the Company hence, Percentile Increase in median remuneration and that of managerial personnel is not possible for the current year.	
5	Affirmation that the remuneration is as per the remuneration policy of the company	YES	

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

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

Name of Employee	Mr. Suresh J. Patel
Designation	Chairman and Managing Director
Remuneration	108 Lakhs
Nature of Employment	Permanent
Qualification	Bachelor in Science (B.Sc.)
Date of Commencement of Employment	01/06/2005
Age	62
Previous Employment	NA
% of Equity Shares held in the Company	28.51% as on 31-March-2018

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

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



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

Sr No.	Name of Employee	Designation	Per Month Remuneration (CTC)	Annual Remuneration (CTC)	Nature of Employment	Qualification & Experience	Date of Commencement of Employment	Age	Last employment	% of Equity Share held by Employee	Whether employee is relative of any Director or Manager
1	PRASAD HARI PUJARI	HEAD SULPHUR	3,97,953.00	47,75,436.00	ON ROLL	M.CHEM.ENG.	11-Sep-08	55	Dharmashi Moraji Chemical Co. limited	0.00%	N.A.
2	MAYUR BACHUBHAI PADHYA	Chief Financial Officer	3,75,000.00	45,00,000.00	ON ROLL	CA, CMA, B.com	01-Apr-13	47	Hi-Rel Electronics Pvt Ltd	0.14%	N.A.
3	V K SASIDHARAN K SASIDHARAN	VP TEC	3,52,583.00	42,30,996.00	ON ROLL	B.E.METROLOGY	01-Jul-09	68	Dharmashi Moraji Chemical Co. limited	0.00%	N.A.
4	RAKESHBHAI RAVJIBHAI PATEL	Prisedent Tech and Production	2,20,000.00	26,40,000.00	ON ROLL	B.Sc.	01-Jun-07	54	NA	0.03%	Brother - in - Law
5	WARIS AKHIL M. SUBHAN CHAUDHARY	SR.GENERAL MANAGER (PROJECT)	2,00,000.00	24,00,000.00	ON ROLL	DME,ME(MECH)	29-Dec-16	56	PAITHAN MEGA FOOD PARK PVT LTD	0.00%	N.A.
6	ANIL P.L. DUGAAL	General Manager	1,78,792.00	21,45,504.00	ON ROLL	MBA	07-Sep-11	57	Meghmani Organics Ltd	0.00%	N.A.
7	AMIT BALMUKUND ACHARYA	General Manager	1,73,433.00	20,81,196.00	ON ROLL	MBA(HR&IR),LLB	17-Aug-15	39	Apothecon Pharmaceuticals Pvt Ltd	0.00%	N.A.
8	SUBRATAKUMAR ANANDAGOPAL MODAK	G.M.Business Development	1,60,524.00	19,26,288.00	ON ROLL	B.TECH TEXTILE (SPECIALIZATION IN CHEMICAL PROCESSING)	27-Apr-16	51	Colortex Industries Ltd	0.00%	N.A.
9	SHASHANK ATULBHAI MEHTA	General Manager	1,50,878.00	18,10,536.00	ON ROLL	MBA	01-Mar-12	43	Rachana Global Exlavation LDA	0.01%	N.A.
10	BANSIBHAI MAGANBHAI PATEL	Prisedent Tech and Production	1,50,000.00	18,00,000.00	ON ROLL	M.SC	01-Apr-13	59	Shyam intermediates	0.03%	N.A.

# ANNEXURE - 4

## SECRETARIAL AUDIT REPORT

For the financial year ended 31/03/2018

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 and made available to me, according to the provisions of:

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;
- c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2).

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

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

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

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

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

#### **I further report that -**

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

#### **I further report that -**

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

#### **I further report that -**

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

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

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

**I further report that** during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below :

- i. Company has taken approval from members for issue of Employee Stock Option Scheme under 'Bodal Chemicals Limited- ESOP 2017 Scheme' for 10,00,000 equity shares. Out of that 1,46,200 Stock Options, convertible into equal number of equity shares of ₹ 2/- each were offered to different employees of the Company.
- ii. The Company has adopted new set of Article of Association of the Company as approved by the members in the Annual General Meeting held 23rd September, 2017.
- iii. The Company has approved fund raising through Qualified Institutional Placement to the extent of ₹ 225 Crores in the Annual General Meeting held on 23rd September, 2017 and accordingly the Company has made allotment of 13,081,395 Equity Shares of ₹ 2/- at a price of ₹ 172/- per share (including share premium of ₹ 170/- per share) to selected Qualified Institutional buyers under Qualified Institutional Placement as on 17th October, 2017

Name of Company Secretary in practice:

**Tapan Shah**

Place : Ahmedabad

Date: 14.08.2018

FCS No. : 4476

C P No. : 2839

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

**Annexure A**

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

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

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

Place : Ahmedabad  
Date: 14.08.2018

Name of Company Secretary in practice:

**Tapan Shah**

FCS No. : 4476

C P No. : 2839



# ANNEXURE - 5

## FORM NO. MGT-9

### Extract of Annual Return as on the financial year ended on 31.03.2018

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

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

## Annexure A

## I Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	VINLY SULPHONE ESTER	20119	23.81
2	H ACID	20119	14.08

## Annexure B

## II Particulars of Holding, Subsidiary and Associate Companies

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

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

## Annexure C

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

## I) Category-wise Shareholding

Sr No	Category of Shareholder (III)	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
(A)	<b>Shareholding of Promoter and Promoter Group</b>									
[1]	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	59268869	0	59268869	54.3216	56533259	0	56533259	46.27	-8.08
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0	0
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0	0
(d)	Any Other (Specify)									
	<b>Sub Total (A)(1)</b>	<b>59268869</b>	<b>0</b>	<b>59268869</b>	<b>54.3216</b>	<b>56533259</b>	<b>0</b>	<b>56533259</b>	<b>46.27</b>	<b>-8.08</b>
[2]	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	10746090	0	10746090	9.8491	10581700	0	10581700	8.6601	-1.189
(b)	Government	0	0	0	0.0000	0	0	0	0	0
(c)	Institutions	0	0	0	0.0000	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0	0
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>10746090</b>	<b>0</b>	<b>10746090</b>	<b>9.8491</b>	<b>10581700</b>	<b>0</b>	<b>10581700</b>	<b>8.6601</b>	<b>-1.189</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>70014959</b>	<b>0</b>	<b>70014959</b>	<b>64.1707</b>	<b>66974959</b>	<b>0</b>	<b>66974959</b>	<b>54.93</b>	<b>-9.26</b>
(B)	<b>Public Shareholding</b>									

## I) Category-wise Shareholding

Sr No	Category of Shareholder (III)	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	0	0	0.0000	8034057	0	8034057	6.5751	6.5751
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0	0
(e)	Foreign Portfolio Investor	4814351	0	4814351	4.4125	9037999	0	9037999	7.3968	2.9843
(f)	Financial Institutions / Banks	111351	0	111351	0.1021	105960	0	105960	0.0867	-0.0154
(g)	Insurance Companies	0	4000	4000	0.0037	0	4000	4000	0.0033	-0.0004
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0	0
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>4925702</b>	<b>4000</b>	<b>4929702</b>	<b>4.5182</b>	<b>17178016</b>	<b>4000</b>	<b>17182016</b>	<b>15.7478</b>	<b>11.2296</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Central Government / State Government(s)</b>	0	0	0	0.0000	612835	0	612835	0.5015	0.5015
	<b>Sub Total (B)(2)</b>	0	0	0	0.0000	612835	0	612835	0.5617	0.5617
<b>[3]</b>	<b>Non-Institutions</b>									
<b>(a)</b>	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	18550631	1429040	19979671	18.3119	22271698	855835	23127533	18.9277	0.6158
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4271500	124000	4395500	4.0286	4788517	0	4788517	3.9190	-0.1096
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
<b>(c)</b>	<b>Employee Trusts</b>	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	<b>Trusts</b>	48561	0	48561	0.0445	34650	0	34650	0.0284	-0.0161
	Foreign Nationals	11239	0	11239	0.0103	6993	0	6993	0.0057	-0.0046
	Hindu Undivided Family	1163198	0	1163198	1.0661	1170798	0	1170798	0.9582	-0.1079
	Non Resident Indians (Non Repat)	364233	11605	375838	0.3445	411382	3285	414667	0.3394	-0.0051
	Non Resident Indians (Repat)	1290360	0	1290360	1.1827	1234106	0	1234106	1.0100	-0.1727
	Clearing Member	1198789	0	1198789	1.0987	689295	0	689295	0.5641	-0.5346
	Bodies Corporate	5699553	0	5699553	5.2238	5812396	0	5812396	4.76	-0.47
	<b>Sub Total (B)(3)</b>	<b>32598064</b>	<b>1564645</b>	<b>34162709</b>	<b>31.3111</b>	<b>36559835</b>	<b>859120</b>	<b>37418955</b>	<b>34.2955</b>	<b>2.9844</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>37523766</b>	<b>1568645</b>	<b>39092411</b>	<b>35.8293</b>	<b>54350686</b>	<b>863120</b>	<b>55213806</b>	<b>50.6050</b>	<b>14.7757</b>
	<b>Total (A)+(B)</b>	<b>107538725</b>	<b>1568645</b>	<b>109107370</b>	<b>100.0000</b>	<b>121325645</b>	<b>863120</b>	<b>122188765</b>	<b>100.0000</b>	<b>0.0000</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total (A)+(B)+(C)</b>	<b>107538725</b>	<b>1568645</b>	<b>109107370</b>	<b>100.0000</b>	<b>121325645</b>	<b>863120</b>	<b>122188765</b>	<b>100.0000</b>	

## II) Share Holding of Promoters (Including Promoters Group)

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Shareholding at the End of the year		% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company	
1	Mr. Suresh J Patel	34695151	31.80	34835151	28.51	-3.29
2	Mr. Bhavin S. Patel	9459549	8.67	9459549	7.74	-0.93
3	Mr. Ankit S. Patel	6536550	5.99	6536550	5.35	-0.64
4	Mr. Ramesh P. Patel	385299	0.35	385299	0.32	-0.04
5	Mrs. Meena S. Patel	5228960	4.79	5228960	4.28	-0.51
6	Mr. Ramesh D. Patel	4936960	4.52	4796960	3.93	-0.60
7	Mr. Jayanti D. Patel	3499165	3.21	3499165	2.86	-0.34
8	Mr. Bansil M. Patel	231680	0.21	31680	0.03	-0.19
9	Mr. Rakesh R. Patel	2731680	2.50	31680	0.03	-2.48
10	Mrs. Shankuntala J. Patel	2285575	2.09	2285575	1.87	-0.22
11	Ramesh P. Patel- HUF	24390	0.02	24390	0.02	0.00
<b>TOTAL</b>		<b>70014959</b>	<b>64.17</b>	<b>67114959</b>	<b>54.93</b>	<b>-9.24</b>

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

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (as on 1st April, 2017)			Increase/ decrease in Shareholding	Cumulative Shareholding during the year (as on 31st March, 2018)	
		No. of Shares	% of total Shares of the Company	Reason		No. of Shares	% of total Shares of the Company
1	Mr. Suresh J. Patel	34695151	31.80	Increase	140000	34835151	
				At the end of the year	-	34835151	28.51
2	Mr. Bhavin S. Patel	9459549	8.67	No Change	-	9459549	7.74
				At the end of the year	-	9459549	7.74
3	Mr. Ankit S. Patel	6536550	5.99	No Change	-	6536550	5.35
				At the end of the year	-	6536550	5.35
4	Mr. Ramesh P Patel	385299	0.35	No Change	-	385299	0.32
				At the end of the year	-	385299	0.32
5	Mrs. Meena S. Patel	5228960	4.79	No Change	-	5228960	4.28
				At the end of the year	-	5228960	4.28
6	Mr. Ramesh D. Patel	4936960	4.52	Decrease	-140000	4796960	3.93
				At the end of the year	-	4796960	3.93
7	Mr. Jayanti D. Patel	3499165	3.21	No Change	-	3499165	3.21
				At the end of the year	-	3499165	3.21
8	Mr. Bansil M. Patel	231680	0.21	Decrease	-200000	31680	0.03
				At the end of the year	-	31680	0.03
9	Mr. Rakesh R. Patel	2731680	2.50	Decrease	-150000	2581680	2.11
				Decrease	-2350000	231680	0.19
				Decrease	-200000	31680	0.03
				At the end of the year	-	31680	0.03



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

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year (as on 1st April, 2017)			Increase/ decrease in Shareholding	Cumulative Shareholding during the year (as on 31st March, 2018)	
		No. of Shares	% of total Shares of the Company	Reason	No. of Shares	No. of Shares	% of total Shares of the Company
10	Mrs. Shakuntala J. Patel	2285575	2.09	No Change	-	2285575	1.87
				At the end of the year	-	2285575	1.87
11	Ramesh P. patel - HUF	24390	0.02	No Change	-	24390	0.02
				At the end of the year	-	24390	0.02

### iv) Shareholding Pattern of top 10 shareholders

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
<b>1</b>	<b>ICICI PRUDENTIAL LONG TERM EQUITY FUND TAX SAVINGS</b>	0	0.0000			0	0.0000
	Transfer			27 Oct 2017	4360465	4360465	3.5686
	Transfer			22 Dec 2017	28682	4389147	3.5921
	Transfer			19 Jan 2018	136625	4525772	3.7039
	Transfer			26 Jan 2018	177638	4703410	3.8493
	Transfer			02 Feb 2018	284368	4987778	4.0820
	AT THE END OF THE YEAR					4987778	4.0820
<b>2</b>	<b>RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND</b>	0	0.0000			0	0.0000
	Transfer			27 Oct 2017	2616279	2616279	2.1412
	AT THE END OF THE YEAR					2616279	2.1412
<b>3</b>	<b>NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND</b>	0	0.0000			0	0.0000
	Transfer			27 Oct 2017	2093023	2093023	1.7129
	Transfer			09 Feb 2018	18791	2111814	1.7283
	AT THE END OF THE YEAR					2111814	1.7283
<b>4</b>	<b>BENGAL FINANCE &amp; INVESTMENT PVT. LTD</b>	0	0.0000			0	0.0000
	Transfer			14 Jul 2017	767861	767861	0.6284
	Transfer			21 Jul 2017	660000	1427861	1.1686
	Transfer			10 Nov 2017	23600	1451461	1.1879
	Transfer			17 Nov 2017	76400	1527861	1.2504
	AT THE END OF THE YEAR					1527861	1.2504
<b>5</b>	<b>KUWAIT INVESTMENT AUTHORITY FUND 225</b>	0	0.0000			0	0.0000
	Transfer			27 Oct 2017	1188000	1188000	0.9723
	AT THE END OF THE YEAR					1188000	0.9723

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
6	<b>MONARCH NETWORK FINSERVE PRIVATE LIMITED</b>	1100000	0.9002			1100000	0.9002
	Transfer			11 Aug 2017	140810	1240810	1.0155
	Transfer			08 Sep 2017	(55121)	1185689	0.9704
	Transfer			22 Sep 2017	(23124)	1162565	0.9514
	Transfer			13 Oct 2017	(28100)	1134465	0.9285
	Transfer			03 Nov 2017	(34465)	1100000	0.9002
	Transfer			17 Nov 2017	(649497)	450503	0.3687
	Transfer			24 Nov 2017	(70503)	380000	0.3110
	Transfer			29 Dec 2017	500000	880000	0.7202
	Transfer			16 Mar 2018	(500000)	380000	0.3110
	Transfer			23 Mar 2018	500000	880000	0.7202
	AT THE END OF THE YEAR					880000	0.7202
7	<b>EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY OPEN LIMITED</b>	0	0.0000			0	0.0000
	Transfer			27 Oct 2017	850000	850000	0.6956
	AT THE END OF THE YEAR					850000	0.6956
8	<b>USAA MUTUAL FUNDS TRUST, EMERGING MARKETS FUND</b>	0	0.0000			0	0.0000
	Transfer			17 Nov 2017	487439	487439	0.3989
	Transfer			24 Nov 2017	304789	792228	0.6484
	AT THE END OF THE YEAR					792228	0.6484
9	<b>EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)</b>	333307	0.2728			333307	0.2728
	Transfer			07 Apr 2017	27985	361292	0.2957
	Transfer			14 Apr 2017	24312	385604	0.3156
	Transfer			21 Apr 2017	20472	406076	0.3323
	Transfer			12 May 2017	6331	412407	0.3375
	Transfer			19 May 2017	4185	416592	0.3409
	Transfer			26 May 2017	19313	435905	0.3567
	Transfer			09 Jun 2017	22925	458830	0.3755
	Transfer			30 Jun 2017	4380	463210	0.3791
	Transfer			11 Aug 2017	5034	468244	0.3832
	Transfer			18 Aug 2017	3869	472113	0.3864
	Transfer			22 Sep 2017	3883	475996	0.3896
	Transfer			29 Sep 2017	7983	483979	0.3961
	Transfer			06 Oct 2017	6394	490373	0.4013
	Transfer			13 Oct 2017	11812	502185	0.4110
	Transfer			03 Nov 2017	16506	518691	0.4245
	Transfer			10 Nov 2017	12601	531292	0.4348

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
	Transfer			24 Nov 2017	20709	552001	0.4518
	Transfer			15 Dec 2017	12644	564645	0.4621
	Transfer			22 Dec 2017	28709	593354	0.4856
	Transfer			29 Dec 2017	7169	600523	0.4915
	Transfer			12 Jan 2018	30209	630732	0.5162
	Transfer			19 Jan 2018	15728	646460	0.5291
	AT THE END OF THE YEAR					646460	0.5291
10	<b>INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS</b>	0	0.0000	612835	0.50		
	AT THE END OF THE YEAR					612835	0.50
11	<b>PRAVIN HARIKRISHNA SURTI</b>	606617	0.4965			606617	0.4965
	Transfer			16 Jun 2017	(5000)	601617	0.4924
	Transfer			14 Jul 2017	75	601692	0.4924
	Transfer			21 Jul 2017	(5000)	596692	0.4883
	AT THE END OF THE YEAR					596692	0.4883
12	<b>KARNA ARVIND SURTI</b>	410856	0.3362			410856	0.3362
	Transfer			09 Jun 2017	(180894)	229962	0.1882
	Transfer			16 Jun 2017	(5000)	224962	0.1841
	Transfer			07 Jul 2017	(8000)	216962	0.1776
	Transfer			14 Jul 2017	176144	393106	0.3217
	Transfer			21 Jul 2017	(5000)	388106	0.3176
	Transfer			08 Dec 2017	3867	391973	0.3208
	Transfer			26 Jan 2018	16000	407973	0.3339
	Transfer			16 Feb 2018	8	407981	0.3339
	Transfer			02 Mar 2018	125	408106	0.3340
	Transfer			16 Mar 2018	20000	428106	0.3504
	AT THE END OF THE YEAR					428106	0.3504
13	<b>INDIRA ARVIND SURTI</b>	433822	0.3550			433822	0.3550
	Transfer			07 Apr 2017	20247	454069	0.3716
	Transfer			21 Apr 2017	17985	472054	0.3863
	Transfer			02 Jun 2017	(14953)	457101	0.3741
	Transfer			16 Jun 2017	(5000)	452101	0.3700
	Transfer			23 Jun 2017	(15000)	437101	0.3577
	Transfer			14 Jul 2017	(35437)	401664	0.3287
	Transfer			21 Jul 2017	(5000)	396664	0.3246
	Transfer			22 Dec 2017	10000	406664	0.3328
	Transfer			09 Mar 2018	(1000)	405664	0.3320
	AT THE END OF THE YEAR					405664	0.3320

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of The Company
14	<b>ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND LLC</b>	859345	0.7033			859345	0.7033
	Transfer			23 Jun 2017	14315	873660	0.7150
	Transfer			15 Sep 2017	65423	939083	0.7686
	Transfer			27 Oct 2017	(85491)	853592	0.6986
	Transfer			08 Dec 2017	(96483)	757109	0.6196
	Transfer			22 Dec 2017	(62784)	694325	0.5682
	Transfer			12 Jan 2018	(73295)	621030	0.5083
	Transfer			26 Jan 2018	(74868)	546162	0.4470
	Transfer			16 Feb 2018	(54004)	492158	0.4028
	Transfer			09 Mar 2018	(41010)	451148	0.3692
	Transfer			31 Mar 2018	(59216)	391932	0.3208
	AT THE END OF THE YEAR					391932	0.3208
15	<b>SUNIL KANAIALAL MEHTA</b>	300000	0.2455			300000	0.2455
	Transfer			21 Jul 2017	(100000)	200000	0.1637
	AT THE END OF THE YEAR					200000	0.1637
16	<b>OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM MANAGED THROUGH VICTORY CAPITAL MANAGEMENT INC.</b>	551716	0.4515			551716	0.4515
	Transfer			12 May 2017	(205466)	346250	0.2834
	Transfer			19 May 2017	(284459)	61791	0.0506
	Transfer			11 Aug 2017	(61791)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
17	<b>KRONE FINSTOCK PVT LTD</b>	400000	0.3274			400000	0.3274
	Transfer			17 Nov 2017	(400000)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
18	<b>PUBLIC EMPLOYEES RETIREMENT SYSTEM OF MISSISSIPPI</b>	279588	0.2288			279588	0.2288
	Transfer			30 Jun 2017	(37700)	241888	0.1980
	Transfer			28 Jul 2017	(80673)	161215	0.1319
	Transfer			29 Sep 2017	(65768)	95447	0.0781
	Transfer			27 Oct 2017	(44117)	51330	0.0420
	Transfer			10 Nov 2017	(51330)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

- Note:** 1. Paid up Share Capital of the Company (Face Value ₹ 2.00) at the end of the year is 122188765 Shares  
2. The details of holding has been clubbed based on PAN.  
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.



**V) Share Holding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Directors/ KMPs	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
1	Mr. Suresh J. Patel Chairman & Managing Director				
	At the beginning of the year	34695151	31.80	34695151	28.39
	Bought During the year	140000	0.11	34835151	28.51
	Sold during the year	-	-	-	-
	At the end of the year	34695151	31.80	34835151	28.51
2	Mr. Bhavin S. Patel Executive Director				
	At the beginning of the year	9459549	8.67	9459549	7.74
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	9459549	8.67	9459549	7.74
3	Mr. Ankit S. Patel Executive Director				
	At the beginning of the year	6536550	5.99	6536550	5.35
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	6536550	5.99	6536550	5.35
4	Mr. Surendra N. Shah (resigned w.e.f. 07-10-2017) Independent Director				
	At the beginning of the year	75347	0.07	75347	0.07
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	75347	0.07	75347	0.07
5	Mr. Bipin R. Patel Independent Director				
	At the beginning of the year	-	-	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Mr. Sunil K. mehta (appointed as Additional Director w.e.f. 13-12-2017) Independent Director				
	At the beginning of the year	300000	0.27	300000	0.25
	Bought During the year	-	-	-	-
	Sold during the year	100000	0.09	200000	0.2
	At the end of the year			200000	0.16
7	Mr. Nalin Kumar Independent Director				
	At the beginning of the year	-	-	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-

**V) Share Holding of Directors and Key Managerial Personnel:**

Sl. No.	Name of Directors/ KMPs	Shareholding at the beginning of the year		Shareholding at the End of the year	
		No. of Shares	% of Total Shares of The Company	No. of Shares	% of Total Shares of The Company
8	Mrs.Neha Huddar Independent woman Director				
	At the beginning of the year	1000	0.00	-	-
	Bought During the year	1000	0.00	1000	0.00
	Sold during the year	-	-	-	-
	At the end of the year	-	-	1000	0.00
9	Mr. Mayur B. Padhya Chief Financial Officer				
	At the beginning of the year	180800	0.17	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-11050	-0.01	169750	0.14
	At the end of the year	169750	0.14	169750	0.14
10	Mr. Ashutosh B. Bhatt Company Secretary				
	At the beginning of the year	-	-	-	-
	Bought During the year	-	-	-	-
	Sold during the year	-	-	-	-
	At the end of the year	-	-	-	-

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	89,19,66,264.00	51,95,54,964.00	71,90,668.00	1,41,87,11,896.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,77,286.00	-	6,28,111.00	9,05,397.00
<b>Total (i+ii+iii)</b>	<b>89,22,43,550.00</b>	<b>51,95,54,964.00</b>	<b>78,18,779.00</b>	<b>1,41,96,17,293.00</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	45,44,89,719.00	(39,49,55,128.00)	(1,79,797.00)	5,93,54,794.00
Reduction	-	-	-	-
<b>Net Change</b>	<b>(2,77,286.00)</b>	<b>-</b>	<b>63,166.00</b>	<b>(2,14,120.00)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,34,64,55,983.00	12,45,99,836.00	70,10,871.00	1,47,80,66,690.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	6,91,277.00	6,91,277.00
<b>Total (i+ii+iii)</b>	<b>1,34,64,55,983.00</b>	<b>12,45,99,836.00</b>	<b>77,02,148.00</b>	<b>1,47,87,57,967.00</b>

## Annexure E

## VI Remuneration of Directors and Key Managerial Personnel

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

(In RS.)					
Sl. No.	Particulars of Remunerations	Mr. Suresh J. Patel Chairman & Managing Director	Mr. Bhavin S. Patel Executive Director	Mr. Ankit S. Patel Executive Director	Total
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	10800000	7200000	7200000	25200000
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	288732	309108	382877	980717
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-
2	<b>Stock Options</b>	-			
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	as % of profit				
	others, specify...(Performance based)				
5	<b>Others (Contribution to PF)</b>	-	-	-	-
<b>Total (A)</b>		<b>11088732</b>	<b>7509108</b>	<b>7582877</b>	<b>26180717</b>
Ceiling as per the Act (@10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					191579522.2

## II Remuneration to other Directors:

(In RS.)					
Sl. No.	Particulars	Fees for attending Board Meeting/ Committee Meeting	Commission	Others, Specify	Total Amount
	Independent Directors		-	-	
1	Mr. Surendra N. Shah (Resigned from the Company w.e.f. 07-10-2017)	75,000.00	-	-	75,000.00
2	Mr. Bipin R. Patel	1,50,000.00	-	-	1,50,000.00
3	Mr. Sunil K. Mehta (Appointed w.e.f 13-12-2017)				
	Independent Director	25,000.00	-	-	25,000.00
4	Mr. Nalin Kumar	1,25,000.00	-	-	1,25,000.00
5	Mrs. Neha Huddar	75,000.00	-	-	75,000.00
TOTAL		4,50,000.00	-	-	4,50,000.00
Ceiling as per the Act (@1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					19157952

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

				(In RS.)
Sl. No.	Particulars of Remunerations	Mr. Mayur B. Padhya Chief Financial Officer	Mr. Ashutosh B. Bhatt Company Secretary	Total
<b>1</b>	<b>Gross salary</b>			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4051992	705684	4757676
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	87000	0	87000
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
<b>2</b>	<b>Stock Options</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission</b>	-	-	-
	as % of profit			
	others, specify...(Performance based)			
<b>5</b>	<b>Others (Contribution to PF)</b>	-	-	-
<b>Total</b>		<b>4138992</b>	<b>705684</b>	<b>4844676</b>

### Annexure F

#### VII Penalties / Punishment / Compounding of Offences:

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



# ANNEXURE - 6

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

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

### Energy Conservation measures taken:

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

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

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

### Impact of above:

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

### Total Energy Consumption per unit of Production:

Particulars		2017-18	2016-17
(i)	Total consumption of Electric (Units)	38.27 Million	36.50 Million
	Total Amount (₹ in Million)	299.00 Million	267.91 Million
	Unit/Average Rate (in ₹)	Unit/₹ 7.81	Unit/₹ 7.34
(ii)	Fuel		
	Quantity	Kgs 31.92 Million	Kgs 30.51 Million
		Ltr 0.06 Million	Ltr 0.25 Million
		MMBTU 0.012 Million	MMBTU 0.007 Million
	Total Amount (₹ in Million)	270.82 Million	227.26 Million
	Unit /Average Rate (in ₹)	Kgs/ -₹ 8.05	Kgs/ -₹ 6.79
		Ltr/ -₹ 63.49	Ltr/ -₹ 58.38
		MMBTU/₹ 887.68	MMBTU/₹ 828.08

## Research & Development (R & D)

The Company has incurred capital expenditure related to Research & Development during the year as mentioned followings.

### Future Plans of Action

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

Expenditure on R & D (on standalone basis):

Particulars	(₹ In Million)
Capital Expenditure	2.33
Recurring Expenditure	20.64
Total	22.97
Total R&D expenditure as a percentage of total turnover	0.21%

## Technology Absorption, Adaptation and Innovation

### (a) Efforts in brief:

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

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

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

### (c) Details relating to imported technology: Nil

## Foreign Exchange Earning and Outgo

(₹ In Million)

Particulars		2017-18	2016-17
<b>(a)</b>	<b>Foreign Exchange Inflow</b>		
(i)	Foreign Exchange Earning F.O.B. Value of Export	3308.79	3410.31
<b>(b)</b>	<b>Foreign Exchange Outgo</b>		
(i)	Value of imported Raw materials calculated on CIF basis	769.34	744.72
(ii)	Value of imported Other materials calculated on CIF basis	NIL	1.03
(iii)	Value of imported Capital Goods calculated on CIF basis	3.24	4.03
(iv)	Foreign Traveling Expenditure	1.49	2.61
(v)	Export Sales Commission	74.76	41.41
(vi)	Business Development Expenses	1.71	2.32
(vii)	Interest	19.68	11.40
(viii)	Bank Charges	5.49	7.03
(ix)	Cash Discount	0.30	0.08
(x)	Other Selling Expense	0.01	0.07

# ANNEXURE - 7

Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

## Corporate Social Responsibility (CSR) Report for FY 2017-18:

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

### Focused Geographic Spread

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

The company may also support initiatives in other geographies, as approved by the CSR committee of the board, from time to time.

### CSR Focused Area

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

### Approach:

The company's CSR approach would be around following guiding principal.

Impact	Partnership	Affirmative Action
Volunteerism	Communication	Innovation

The company follows Ackerman's Model for CSR. This model defines CSR in three different phase.

**First Phase** : Top management recognizes a social problem.

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

**Third Phase** : Implementation of the strategy derived

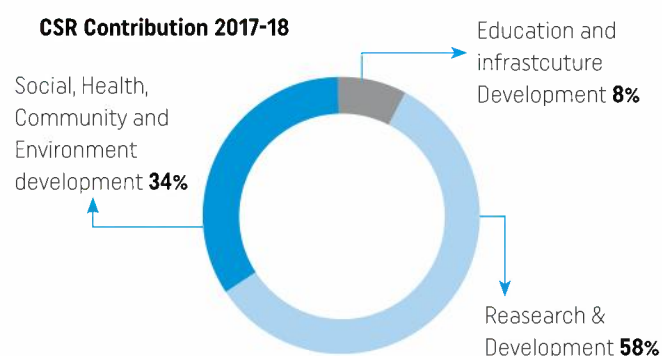
### Delivery Mechanism

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

### Guiding Principle for CSR

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

## CSR for the year 2017-18



During the year under review, we utilize our CSR fund under the different sector like Education, Environment, Social Development of Community, and support in the Research and Development, for achieving overall objective of CSR.

This year, 2017-18 we are majorly focus to do CSR activity by our own, direct route for ensuring appropriate use of our CSR fund.

We have spent CSR fund for the year 2017-18 to enhancing the infrastructure for educational institutes, Rural Infrastructure Development, in Research & Development institutes, in Government

organizations, Sports Council of India, in Armed Force Department etc. for achieving our overall objective.

To provide quality infrastructure to educational institutes, schools etc. BCL has partnered with YUVA Unstoppable, renowned NGO who works for the development of schools in the country with their Pan India network. BCL CSR team along with YUVA volunteers identify the social issues in the community around our manufacturing site at Padra, Baroda. Based on our past experience and based on our survey, together our team identify 3 schools for this year, where different infrastructure developments are required. These developments are mainly related to Class rooms, Sanitation Areas for boys and girl students, Drinking water facility, Canteen for Children, Cleanliness and educational paintings on the walls.

To enhance rural infrastructure and environment, we work with village people to make clean village, we have do cleaning of roads, waste water savage and other areas where cleaning is required in entire village.

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

## CSR FOR FY 2017-18

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of Society and area in which companies operates. The Company aims to create educated, healthy, sustainable and culturally vibrant communities. We also contribute as a company to various charitable causes and we seek to participate in ways that touch people's lives in these communities  The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website - <a href="http://www.bodal.com">www.bodal.com</a> and its weblink - <a href="https://bodal.com/live.php?data=6_I2">https://bodal.com/live.php?data=6_I2</a>
2	Last reconstituted of CSR Committee  Composition of the CSR Committee.	Your Board reconstituted CSR committee on 10th October, 2017 due to resignation of Mr. Surendra N. Shah, Independent Director of the company w.e.f. 07-10-2017  Composition of CSR Committee as below: 1)Mr. Suresh J. Patel - Chairman 2)Mr. Ankit S. Patel- Member 3)Mr. Bipin R Patel- Member
3	Average net profit of the Company for last three financial year	1550426078.68
4	Prescribed CSR Expenditure (Two per cent of the amount as in item 3 above)	31008521.57
5	Carry forward unspent amount from last year	NIL
<b>Details of CSR spent during the financial year 2017-18</b>		
a.	Total amount to be spent for the financial year	31008521.57
b.	Total amount spent during financial year	31077741
c.	Amount Unspent, if any	NIL
d.	Excess amount spent	69,219.43



6	In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.	NA
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.	The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

### Areas of Interest:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centers and other facilities for senior citizens.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the the Central Government for rejuvenation of river Ganga.
5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.
6. Measure for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief fund and welfare of the schedule castes, the scheduled tribes, other backward classes, minorities and women.  
  
[Contribution to any fund set up by Central Government means it does not include the fund set up by State Government or any local Government.
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Slum area development.

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

#### CSR ACTIVITY DURING 2017-18

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure upto the reporting period (Amt in ₹)	Amount spent: Direct or through implementing agency* (Amt in ₹)	Direct or through implementing agency*
Being amount paid to Anupam mission, a public Charitable trust for developing health, Culture, Social Services etc	social development	Anand Gujarat	15,000.00	15,000.00	15,000.00	15,000.00	Direct by Company
Being amount paid to Convenor Model District Programme	social development	Vadodara	35,000.00	35,000.00	35,000.00	35,000.00	Directly by Company

## CSR ACTIVITY DURING 2017-18

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure upto the reporting period (Amt in ₹)	Amount spent: Direct or through implementing agency* (Amt in ₹)	Direct or through implementing agency*
Being amount paid to Center for Social Development (CSD)	employment enhancing vocation skills, preventing health care	Jivraj Park, Ahmedabad	15,000.00	15,000.00	15,000.00	15,000.00	Directly by Company
Being amount paid towards sree govardhan gaurakshak jivadaya gaushala trust	Animal welfare	Kheda	1,500.00	1,500.00	1,500.00	1,500.00	Directly by Company
Being amount paid to Parul Ins. Of Eng. And Tech. towards fees of student	Promotion of Education	Padra, Vadodara	62,000.00	62,000.00	62,000.00	62,000.00	Directly by Company
Being amount paid NGO for GREENATHON -2017, A Walk for Green Clean and Healthy Baroda on the Occation of World Environment Day	social development	Vadodara	50,000.00	50,000.00	50,000.00	50,000.00	Directly by Company
Being amount paid to "Shree jala Kelavani Seva Trust"	Promotion of Education for differently abled Children	Padra,m Vadodara	50,000.00	50,000.00	50,000.00	50,000.00	Directly by Company
Being amount paid as (Fees for 2nd Standard student)- studing at Sayona Vidhyalaya	Promotion of Education	Karkhadi,Ta. Padra,Dist. Vadodara	15,580.00	15,580.00	15,580.00	15,580.00	Directly by Company
Being amount paid to Mahasagar Education and Charitable Trust	Promotion of Education	Padra, Vadodara	11,000.00	11,000.00	11,000.00	11,000.00	Directly by Company
Being amount paid For making of Benches for the School - Vijay Vidhyamandir High School	Promotion of Education	kareli	90,000.00	90,000.00	90,000.00	90,000.00	Directly by Company
Being amount paid to sardar patel College of Pharmacy towards fees	Promotion of Education	-	79,000.00	79,000.00	79,000.00	79,000.00	Directly by Company
Being amount paid as School fees of Student to Aarpi Science School	Promotion of Education	padara Vadodara	8,750.00	8,750.00	8,750.00	8,750.00	Directly by Company
Being amount paid to Babubhai Sarva Manav Seva charitable trust	social development	Vadodara	2,101.00	2,101.00	2,101.00	2,101.00	Directly by Company
Being amount paid to "SAMAST PATIDAR AAROGYA TRUST"	Preventive Health care	katargam, Surat	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	Directly by Company
Being amount paid to Divine Colours foundation trust towards CSR.	Healthcare promotion of differently abled person	Paldi, Ahmedabad	100,000.00	100,000.00	100,000.00	100,000.00	Directly by Company
Being amount paid for educational promotional purpose to Gandhi Ashram School	Promotion of Education	Piludhara	35,000.00	35,000.00	35,000.00	35,000.00	Directly by Company
Being amount paid towards banaskatha flood	Natural calamities	-	219,410.00	219,410.00	219,410.00	219,410.00	Directly by Company
Being amount paid as donation for YUVA UNSTOPPABLE towards distribution of Blind Sticks to Blind People and Mosquito Net in Slum Areas	social development	-	35,000.00	35,000.00	35,000.00	35,000.00	Directly by Company
Being amount paid to student towards fees for educational	Promotion of Education	-	60,000.00	60,000.00	60,000.00	60,000.00	Directly by Company
Being amount paid to Bankers nursing institute towards GNM course fee	Promotion of Education	Dudhwada	126,900.00	126,900.00	126,900.00	126,900.00	Directly by Company

## CSR ACTIVITY DURING 2017-18

CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Amt in ₹)	Amount spent on the projects or programs sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amt in ₹)	Cumulative expenditure upto the reporting period (Amt in ₹)	Amount spent: Direct or through implementing agency* (Amt in ₹)	Direct or through implementing agency*
Being amount paid to Ahmedabad BehraMunga Mitra mandal	Preventive Health care	Ahmedabad	10,000.00	10,000.00	10,000.00	10,000.00	Directly by Company
Being amount paid to MESA for Praveg-16 Organised by Nirma University for various Social, Sports and Technical events	Promote Sports , Social activity	Ahmedabad	10,000.00	10,000.00	10,000.00	10,000.00	Directly by Company
Being amount paid to Local Crime Branch for renovation of Cyber Cell		Vadodara	20,000.00	20,000.00	20,000.00	20,000.00	Directly by Company
Being amount paid to Collector and President, Armed force flag day Fund for celebration of Flag Day	Benefit of Armed force	Vadodara	11,000.00	11,000.00	11,000.00	11,000.00	Directly by Company
Being amount paid to SRI ARVINDO INSTITUTE OF APPLIED SCIENTIFIC RESEARCH TRUST	Promoting Special Education and research work	Mumbai Maharashtra	17,900,000.00	17,900,000.00	17,900,000.00	17,900,000.00	Directly by Company
Being Fees paid for one student to Baroda Institute of Medical Science towards fees for MLT Course	Promoting Education	Manjalpur Vadodara	18,000.00	18,000.00	18,000.00	18,000.00	Directly by Company
Being Fees paid for one student to Neotech Institute of Technology towards fees for B.E Course	Promoting Education	Vadodara	49,000.00	49,000.00	49,000.00	49,000.00	Directly by Company
Being Fees paid for one student to Aditya Science School towards fees	Promoting Education	Vadodara Padra	15,000.00	15,000.00	15,000.00	15,000.00	Direct by Company
Being amount paid to Sarkari Madhyamil Sakha towards providing food for Students for their study trip to Science city	Promoting Education	Ahmedabad	10,000.00	10,000.00	10,000.00	10,000.00	Directly by Company
Being amount paid to YUVA UNSTOPABLE for development of Below School: Umraya Pri. School Tithor Pri. School Piludra Primary School	Promoting Education	Umraya Tithor PiludraVadodara	1,350,000.00	1,350,000.00	1,350,000.00	1,350,000.00	Through YUVA UNSTOPABLE
Being amount paid to Gram Panchayat Towards Repairing and Cleaning work of Drinking Water, Pipe Lines, and Dranage Lines	Promoting Healthcare and Rural development	Kareli Vaodadara	120,000.00	120,000.00	120,000.00	120,000.00	Direct by Company
Being amount paid to Computer Infosys for developing Computer lab at Prathmik Kanya School	promoting Education	Vedaj	53,500.00	53,500.00	53,500.00	53,500.00	Direct by Company
Being amount paid to Health and Care Foundation (Formerly Known as Polio Foundation)	Promoting Healthcare	Ahmedabad	500,000.00	500,000.00	500,000.00	500,000.00	Direct by Company
<b>Total Expenditures for FY 2017-18</b>			<b>31,077,741.00</b>	<b>31,077,741.00</b>	<b>31,077,741.00</b>	<b>31,077,741.00</b>	

For, Bodal Chemicals Limited

**Suresh J. Patel**Chairman and Managing Director  
Chairman of CSR Committee  
(DIN: 00007400)

# ANNEXURE - 8

## FORM NO. AOC-2

### Particulars of Contracts/arrangements made with related parties

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

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

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

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March, 2018, which were not at arm's length basis.

#### B. Details of transactions at arm's length basis

There was no material transactions entered in to during the year ended on 31st March, 2018 with the related parties of the Company. Further below mentioned transactions entered by the Company with related parties were at arm's length basis for the year ended 31st March, 2018.

Sr. No	Particulars	Details	Details	Details	Details	Details
1.	Name(s) of the related party and nature of relationship	Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and Member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Rudraksh Caterers Pvt. Ltd. Mr. Ankit S. Patel, Executive Director is interested in the capacity of Director and Member.	S P S Processors Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd	Trion Chemicals Pvt. Ltd. Associate Company of Bodal Chemicals Ltd.
2.	Nature of contracts/ arrangements/transactions	Sale and purchase	Taking of factory premises on lease basis.	Availing service for Functions.	Sale and purchase	Sale and purchase
3.	Duration of the contracts / arrangements/transactions	Repetitive during the year	Repetitive during the year	Repetitive during the year	Repetitive during the year	Repetitive during the year
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 56.09 Million	₹ 0.60 Million	NIL	₹ 534.17 Million	₹ 4.87 Million
5.	Date(s) of approval by the Board	28th May, 2014	28th May, 2014	28th May, 2014	20th March, 2017	26th May, 2016
6.	Amount paid as advances, if any :	--	--	--	--	--

Sr. No	Particulars	Details	Details
1.	Name(s) of the related party and nature of relationship	Trion Chemicals Pvt. Ltd. Associate Company of Bodal Chemicals Ltd.	SPS Processors Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd.
2.	Nature of contracts/arrangements/transactions	Sale of Assets	Sale of Assets
3.	Duration of the contracts /arrangements/transactions	Repetitive during the year	Repetitive during the year
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 0.04 Million	₹ 8.80 Million
5.	Date(s) of approval by the Board	26th May, 2016	20th March, 2017
6.	Amount paid as advances, if any :	-	-

For and on behalf of the Board

**Suresh J. Patel**

Chairman and Managing Director  
(DIN: 00007400)

Date: 14th August, 2018  
Place: Ahmedabad



# MANAGEMENT DISCUSSION & ANALYSIS

## Global economy

During 2017, the global economy grew at 3.8%, highest since 2011. It was majorly driven by rise in profits, improved market sentiments, and robust growth in emerging markets and developing economies along with improvement in commodity exporters. In 2017, faster growth was experienced by around two-thirds of the countries accounting for almost 75% of the global output in comparison to 2016. Additionally, there was an estimated growth in global trade by 5%. A recuperation in investment spending in the advanced economies along with stabilisation in investment in commodity exporting emerging markets and developing economies are the key drivers of growth.

Moving ahead, the world economy is expected to grow at 4% during 2018. The advanced economies will grow due to tax reductions and rise in public spending. A robust growth in the euro area will be witnessed with an increase in demand due to rise in the confidence of consumer and business, accommodative monetary and fiscal policy, and rebound in labour markets. In EMDEs, growth will be noticed with continued revival of commodity exporters, growth in trade, and increase in investments. (Source: OECD)

## Indian Economy

India is one of the fastest growing economies of the world with a GDP of \$2.6 trillion. During the year, Indian economy experienced a cyclical movement in its growth rate where the growth fell down to 5.7% in the first quarter only to bounce back at 6.3% in the second quarter. The fourth quarter of FY18 recorded a growth rate of 7.1% for the Indian economy. The GDP growth rate fell from 7.1% in 2016 to 6.7% in 2017 for the full year.

In FY18-19, the economy will recover owing to rise in the stock market index, the indicator of industrial production and exports. It would

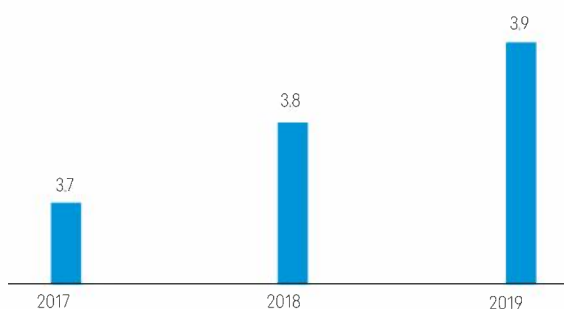
have to face new challenges of managing the increasing inflationary pressures and higher fiscal deficit coupled with increasing debt burden without compromising with the growth rate. The conundrum could be managed effectively with the revival of consumer demand and private investment. With this, the Indian economy is expected to reach at a GDP level of \$5 trillion in the coming decade. (Source: RBI)

## Chemical Industry Overview

Global chemical industry consists of 70,000 diversified commercial products. The global specialty chemical industry after experiencing a subdued growth since 2007, is expected to grow from \$970 billion industry in 2017 to \$1.2 trillion industry in 2022. The global growth of industry is driven mainly by rapid industrialization and improved living standards. China and India have emerged as hubs for specialty chemicals in the world in the past few years. China's specialty industry experienced a growth due to constant innovation, and a shift from a low cost producer to a producer offering high value and high quality products. (Source: Global news wire)

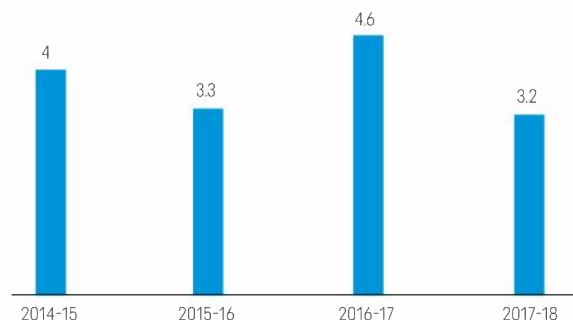
Indian chemical industry is expected to grow from a current market size of \$160 billion in 2017 to \$300 billion in 2025. The growth of the chemical industry is expected to be driven by robust demand due to increasing population, opportunities in market of petrochemicals and agrochemicals, increasing and government initiatives. Indian Chemical industry is expected to grow at CAGR of 8%-10% till 2025. India's share in world specialty chemical market is expected to reach 5% by 2020 against 3% in 2015. The Indian Chemical Industry driven by various government initiatives, is expected to get a boost in demand for both domestic and international demand. Among sub-sectors, it is expected that specialty chemicals and agro-chemicals grow at a higher pace than other chemicals. (Source: IBEF & JM Financial Report)

World Real GDP Growth (Y-O-Y %)



(Source: OECD)

IIP Growth (In %)



(Source: Economic Survey of India)

Chemical industry constitutes of 80% of specialty chemicals and 20% of other chemicals. Specialty chemicals includes agrochemicals, construction chemicals, polymer additives, water treatment chemicals and textile chemicals. India is the largest exporter for agrochemicals and colorants, with major specialty chemical sector of India including agrochemicals, colorants, paint and coatings and flavours and fragrances. The Indian specialty chemical industry is expected to be a \$50 billion worth industry by 2018, driven by strong growth, mainly in the domestic market. (Source: JM Financial Report; Research and Markets)

Indian dyestuff and dye intermediates industry which contributes 16% to the world production, is continuously experiencing an increase in exports, with exports reaching about ₹ 99549 crore till September 2017. Indian dyestuff and dye intermediates market supply high quality product, exactly matching the international standards. The key customers for dye in India are paper industry, ink industry, textile industry, leather industry, plastic industry and paint industry. Indian Dyestuff industry which was mainly started to meet the domestic demand, is now one of the leading exporters under the chemical industry. The main countries where Indian Dyestuff is exported are USA, China, Brazil, Russia and Indonesia. (Source: Chemexcil, Department of Chemicals and Petrochemicals)

**3rd largest chemical industry in Asia, preceded by China & Japan.**

**Gujarat & Maharashtra have emerged as most favoured zones for Indian Chemical Industry**

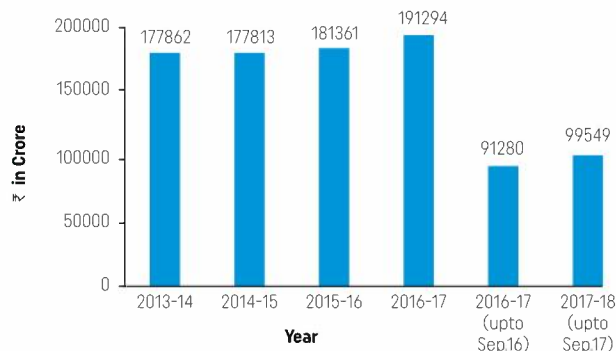
**Government allows 100 % FDI in the chemical sector**

## Key Drivers for the Indian Chemical Industry

### Strong Domestic Demand

India is experiencing a continuous growth in domestic demand for the chemical industry. The growth in demand of chemical is directly linked to economic growth, due to a need for chemical in various industry such as packaged food industry, personal care and health care products, construction and textile industry. Increase in population of India is also expected to help the chemical industry to grow. India's

**Trends in Export of total Chemicals and Chemical Products**



(Source: Department of Chemicals and Petrochemicals)

under penetrated chemical industry is expected to get a boost with downfall in China's chemical industry.

### Low cost

With a large number of educated labour available at low cost, the cost of production for Indian chemical industry is lower than its competitor countries. Also, availability of raw materials at relatively low cost helps to reduce the cost of production for the chemical industry.

### Investment in R&D

Though, Indian Chemical Industry invests a substantial amount in R&D, the Indian R&D to Sales ratio is 1.3% as against global ratio of 3-4%. Despite of a low R&D to Sales ratio for Indian Chemical Industry, the CAGR for investment in R&D has been at 17%, more than CAGR for investment in R&D of USA at 11%. There is a need for an increase in the investment in R&D in various areas such as additives, construction chemicals and personal care chemicals. (Source: JM Financial Report)

### Government Initiatives

Government has allowed for 100% FDI in the Chemical Industry, increasing the scope for the industry to grow with easy availability of funds. (Source: Make In India)

The Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) was introduced with the objective to increase investment in these sectors, and make the country a domestic as well as investment hub for the sector. PCPIR are special investment regions, with an area of 250 square kilometers established for manufacturing facilities. PCPIRs is expected to receive an investment of \$117.42 billion in the years to come. (Source: Department of Chemical and Petrochemical)

Chemical Production Development Scheme (CPDS) introduced by government aims to facilitate the growth of chemical and petrochemical industry, and incentivize research and innovation. The Scheme aims for both creation of knowledge through studies, surveys and promotional materials, and dissemination of knowledge through seminars and conferences (Source: Department of Chemical and Petrochemical)

## Company Overview

### About the Company

Bodal Chemicals is the biggest producer of Dye Intermediates and one of the most integrated Dyestuff Company in India with products ranging from Dyestuff, Dye Intermediates and Basic Chemicals. The company manufactures more than 25 types of Dye Intermediates and about 150 varieties of Dyestuff; a primary input in textiles, leather, paper and other dye consuming industries. Contributing to about 20% of India's capacity, the company produces 5% of global capacity for Dye Intermediates. The company exports about 31% of its total production to over 40+ countries across the world.

## Financial Performance (Consolidated)

	(₹ in Million)		
	2017-18	2016-17	Y-O-Y Growth
Revenue from Operations	11,661	13,392	(13)%
EBITDA	2,039	2,366	(13.8)%
Profit after Tax	1,219	1,329	(8)%
Earnings Per Share (₹)	10.62	12.18	(13)%

There has been decrease in the consolidated revenue from operating by 13% to ₹ 11,661 million. EBITDA faced a lowered by 13.8% to ₹ 2039 million and Profit after Tax lowered by 8% to ₹ 1219 million. During the year, EBITDA margin was at 17.5% while the PAT margin of the company was 10.5%. As compared to previous year, there was decrease in the margins due to high costs of inputs from the start of the year.

## Geographic Revenue Analysis (Consolidated)

	(in %)	
	FY18	FY17
Domestic	71	73
Exports	29	27

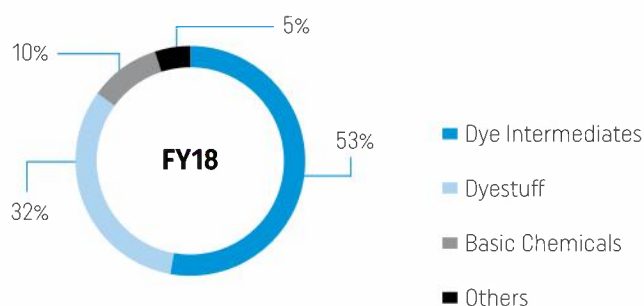
## Segment Performance

The company's business was affected by change in technology, consistent increase in crude prices and significant movement in currency.

### Dye Intermediate

During FY18, the share of sale of Dye Intermediates fell by 7 percentage. In the previous year, Dye Intermediates share in overall sales was close to 60% whereas in the previous year, it fell down to 53%. There has been slight downfall of 3% in the production from 23,100 MT to 22,344 MT. The company has an installed capacity of 30,000 MT out of which about 75% has been utilised during the year.

## Segment Revenue Analysis



## Dyestuff

The Company saw a growth in the share of sale of Dyestuff. In the previous year, it had occupied a share 24% of total sales made while in the current year, its share expanded by 800 bps to 32%. The production was about 23% greater than the previous year. It increased from 12,503 MT to 15,412 MT. The company has an installed capacity for production of 17,000 MT excluding the lately supplemented capacity of 12,000 MT out of which it was successful in utilising about 90.7% leading to such a production

## Basic Chemicals

The sales of Basic Chemicals registered rise by 100 bps point from 10% of overall sales to 11% in the current year. The production was lowered by 5% from 1,88,767 MT to 1,79,544 MT, utilising about 94.5% of its overall installed capacity of 1,90,000 MT.

## Others

There hasn't been any considerable growth or even downfall in the Others segment of the products. The share in sales remained constant to 5%.

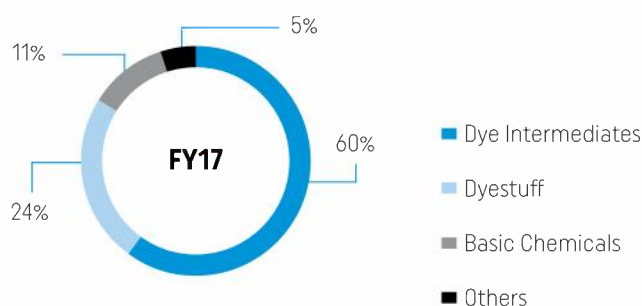
## Trion and SPS

In case of Trion, the company is facing issues related to the price hike of raw materials.

## Outlook

The company expects a positivity in revenue and growth in FY 2018-19. Revenue will be dictated by:-

- Trion and SPS, which would commence generating profits from the next year.
- The company is on a consistent path of expanding its capacity of Dyestuff business. Gradual improvements in capacity utilisation would be there for newly added 12000 MTPA.
- Thionyl chloride (TC) sits very interestingly between Sulphuric Acid and Vinyl Sulphone. Therefore, TC is a forward + backward integration project. Bodal is building a TC Plant of 36,000 MTPA



at Unit VII. SO3 from Sulphuric Acid Plant will be used to make TC. Then, TC will be used to make Vinyl Sulphone. About 30% TC will be used in-house. Bodal will benefit from scale, low inventory, quality supply and minimum logistics cost. Balance 70% TC will be sold to Chemical, Pharma and Agro industries in the vicinity. Presently, there are only three major TC producers. This project will start contributing from second half of the year.

- The company has completed up-gradation of existing major Utility facilities at its unit to save energy cost.

Cogeneration Power Plant has been effective it is generating a power of 5MW along with Steam enabling it to produce seamlessly.

- The New Vinyl Sulphone Plant will incept its production of 6000 MTPA. The company could strategically utilise effluents generated during the production of H acid and Vinyl Sulphone in the production process. It generate additional revenue and reduce costs of managing effluent.
- Prospect of better pricing in domestic and exports would yield higher margins of the existing business. Moreover, the dollar is becoming stronger which would lead to rebound in profitability.

### CSR Initiatives

- The company strives to be an active corporate citizen by working through renowned NGO's like YUVA UNSTOPABLE and other trusts.
- Its main focus lies in the betterment of rural infrastructure and healthcare facilities in the backward regions of the country. It helps in development of such areas by providing capital in terms of funds for construction of pipelines to supply drinking water. Moreover, it also conducts regular health check-up camp.
- The company is an active promoter of sports and regularly contributes to Sports Council of the Deaf Basketball Club and helps in raising individual talents to represent the country in the sporting events.
- In FY2018, the company's CSR contribution was ₹ 31.1 million.

### Safety, Health and Environment (SHE)

Employee's Health, Safety and Environmental protection are core business values within your Company. The Company's Management believes that environment and safety of all its Employees including those who associated with the projects sites and manufacturing facilities is of prime importance. We believe that it's our responsibility to protect its employees, property and environment in which it operates.

As your Company deal with chemical and is in the manufacturing intermediate, dyesstuff, sulphuric acid, and speciality chemicals, it has to make sure that the highest degree of safety measures is maintained in order to avoid any risk at the workplace.

Your Company is committed to maintain its operations and workplace free from incidents and significant risk to the health and safety of its stakeholders through improved their work skills, strong channels of communication, safety awareness, and sound training practices. Further, Your Company has well-equipped Occupational Health Centres to monitor health of employees on interval basis. This Occupational Health Centres facility is driven by the qualified team of medical representatives, which include Doctor, and medical representatives, those are giving service 24X7.

Your Company have structured plan for educating our team members and new appointees on the Safety, where your company provides Safety Induction to new team members and to create awareness among existing team members and their updation. Company provides regular training on Safety and Health related topics. Further, all safety initiatives are driven through well defined SOP (Standard Operating Policies).

Your Company have an ISO 9001: 2015, ISO 14001:2015, certifications for their production of dye intermediates & Dye stuff.

All safety statutory requirements like licenses, mock drills under emergency conditions, fire Hydrant for each unit and testing of manufacturing equipments etc. are being complied with requirements of environmental acts and regulations. Further Your Company focusing on the Reduce, Recover and Reuse model for the natural resources. To keeping future in mind we are building up facility for water treatment.



# REPORT ON CORPORATE GOVERNANCE

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

## Company Philosophy on Corporate Governance:

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

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

### (a) Transparency:

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

### (b) Disclosures:

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

### (c) Accountability:

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

### (d) Compliances:

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

### (e) Ethical conduct:

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

### (f) Stakeholders' interest:

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

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

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

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

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

This report sets out the compliance status of the Company during the financial year 2017-18 with respect to the conditions of corporate governance.

## Board of Directors:

### a. Composition of the Board

The Company's board consists of 7 (seven) Directors as on 31-03-2018. Out of 7 Directors, 4 Directors are Independent Directors including one (1) woman Director. The Chairman of the Board is an Executive Director.

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

Promoter Director	Executive Director (Promoter Group)	Independent Director
Mr. Suresh J. Patel (Din:00007400) Promoter Chairman & Managing Director	Mr. Bhavin S. Patel (Din:00030464) (Promoter Group)	Mr. Bipin R. Patel (Din:01186974)
	Mr. Ankit S. Patel (Din:02173231) (Promoter Group) Executive Director	Mr. Nalin Kumar (Din: 03060741) Mr. Sunil K Mehta (Din:01736527) Mrs. Neha Huddar (Din:00092245)

#### Notes:

- None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, its promoter, its management during the Financial Year 2017-18, which may affect independence of the Independent Directors.



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

During the Financial Year 2017-18, the Board of Directors has appointed Mrs. Neha Huddar and Mr. Sunil K Mehta (DIN: 01736527) as an Additional Director to the Board of Directors of the Company w.e.f. 10th May, 2017 and 13th December 2017 respectively. Mrs. Neha Huddar and Mr. Sunil K Mehta are appointed in the category of an Independent Director of the Company.

Further, During the Financial Year 2017-18, Mr. Nalin Kumar and Mrs. Neha Huddar are regularized as Director (Independent Director) in the 31st Annual General Meetings of the Company.

During the Financial Year 2017-18, Mr. Surendra N Shah, (DIN: 00160401) Independent Director of the company resigned from the Board w.e.f. 07th October 2017.

## b. Board Meeting and Agenda:

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

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

### Attendance record of Board meetings:

During the Financial Year, 2017-18, 6(Six) Board meeting were held on 11.05.2017, 25.05.2017, 24.08.2017, 10.10.2017, 13.12.2017 and 07.02.2018. The time gap between two Board Meetings was less than 120 days.

Details regarding attendance of Board Meeting held during Financial Year 2017-18 and the Last Annual General Meeting held on Saturday, the 23rd September, 2017.

Sr. No.	Name of Director	Designation	Total Number of Board Meetings during FY 2017-18	No. of Board Meetings attended	Attendance at the Last AGM
1	Mr. Suresh J. Patel	Chairman & Managing Director	6	6	Yes
2	Mr. Bhavin S. Patel	Executive Director	6	5	Yes
3	Mr. Ankit S. Patel	Executive Director	6	6	Yes
4	Mr. Surendra N. Shah	Independent Director (resigned from the Board of the Company w.e.f. 07th October, 2017)	6	3	No
5	Mr. Bipin R. Patel	Independent Director	6	6	Yes
6	Mr. Sunil K. Mehta	Independent Director (appointed as an Additional Director to the Board of Directors of the Company w.e.f. 13th December 2017 )	6	1	Not Applicable
7	Mrs. Neha Huddar	Independent Director	6	3	Yes
8	Mr. Nalin Kumar	Independent Director	6	5	Yes

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

Name of Director	BOARD**		Committees**	
	Chairman	Member	Chairman	Member
Mr. Suresh J. Patel	NIL	NIL	NIL	NIL
Mr. Bhavin S. Patel				
Mr. Ankit S. Patel				
Mr. Bipin R. Patel				
Mr. Sunil K Mehta				
Mr. Nalin Kumar				
Mrs. Neha Huddar				

**Notes:**

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

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

Further, During the Year Board constituted QIP (Qualified Institutional Placement) Committee to complete the procedures in relation of issue of New Equity Shares of Bodal Chemicals Ltd to QIPs.

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

**C. Details of Share Holdings of Executive and Non Executive Directors as on 31.03.2018:**

Sr. No.	Name of Director With Designation	Status/Category	No. of Share Held as on 31.03.2018	% holding as on 31.03.2018
1	Mr. Suresh J. Patel Chairman & M. D.	Promoter/Executive Director	34,83,5151	28.51%
2	Mr. Bhavin S. Patel Executive Director	Promoter group/Executive Director	94,59,549	7.74%
3	Mr. Ankit S. Patel Executive Director	Promoter group/Executive Director	65,36,550	5.35%
4	Mr. Bipin R. Patel Independent Director	Independent Director/ Non-Executive Director	NIL	NIL
5	Mr. Sunil K Mehta Independent Director	Independent Director/ Non-Executive Director	2,00,000	0.16
6	Mr. Nalin Kumar Independent Director	Independent Director/ Non-Executive Director	NIL	NIL
7	Mrs. Neha Huddar Independent Director	Independent Director/ Non-Executive Director	1000	0.00

**d. Code of Conduct**

The Company has adopted a Code of Conduct for Directors and Senior Management of the Company as per Regulation 17(5) of the SEBI (LODR) Regulations, 2015. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the financial year ended March 31, 2018. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report. The code has been displayed on the Company's website.

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

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

Name of the Director	Mr. Suresh J Patel	Mr. Bhavin S. Patel	Mr. Sunil K Mehta
DIN	00007400	00030464	01736527
Date of Birth	15-04-1956	05-01-1981	23-12-1960
Date of First Appointment	01-06-2005	01-06-2005	14-08-2007
Qualification	Bachelor of Science (B. Sc.)	Bachelor of Science (B.Sc.)	B.Com, M.Com., LL.B, FCA.,

Name of the Director	Mr. Suresh J Patel	Mr. Bhavin S. Patel	Mr. Sunil K Mehta
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*	Novel Spent Acid Management	NIL	NIL
Specific Functional Areas/Experience	Mr. Suresh J Patel holds a graduate degree in Science (B.Sc.), having experience of more than 28 years in the Chemicals Industry, Specifically in Manufacturing and sale of dyes and dyes intermediates.	Mr. Bhavin S Patel holds a graduate degree in Science, Having 14 years of Experience in the Chemical Industry specially in marketing of dyes and dyes intermediates. Mr. Bhavin S Patel heads the dyestuff division of the Company, including production, Marketing and new growth areas.  He is leading the liquid dyestuff initiatives also.	Mr. Sunil K Mehta held graduate degree in Bachelor and Master of Commerce and degree in Law from Gujarat University and hold certificate/degree of FCA from ICAI. Having experience of more than 30years as a Chartered accountant and have sound knowledge of Accounting, Finance and Taxation Matters.
Chairmanship / Membership of Committee (s) of Board of Director of the Company.	Chairman of CSR (Corporate Social Responsibility) Committee, Share Transfer Committee, Management Committee and QIP (Qualified Institutional Placement) Committee	Member in Audit Committee, Security Holders Grievance Committee, Management Committee, Share Transfer Committee and QIP (Qualified Institutional Placement) Committee	Member in Audit Committee, Nomination and Remuneration Committee, Stakeholder's relationship/ Investor Grievance Committee
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	NIL	NIL	NIL
Shareholding in the Company as on 31-03-2018 & percentage of paid up capital	34835151 (28.51%)	9459549 (7.74%)	200000 (0.16%)

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

Name of the Director	Mr. Ankit S Patel
DIN	02173231
Date of Birth	01-11-1982
Date of First Appointment	24-05-2008
Qualification	Bachelor in Economics, MBA (Finance)
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*	Rudraksh Caterers Private Limited
Specific Functional Areas/Experience	Mr. Ankit S Patel holds a graduate degree in economics from university of Nevada and Master's degree in business administration from Devry University. He has been significantly involved in the development of the sulphuric acid plant of our Company. He has been associated with Bodal Chemicals Ltd for 10years. He heads basic chemicals division at our Company including production, marketing and new growth areas. He is leading the LABSA initiatives of Bodal Chemicals Ltd.
Chairmanship / Membership of Committee (s) of Director of the Company	Member in Share transfer Committee, QIP (Qualified Institutional Placement), Management Committee, Corporate Social Responsibility Committee.
Chairman/Member of the Committee (s) of Board of Directors of other Public Limited Companies in which he is a Director	NIL
Shareholding in the Company as on 31-03-2018 & percentage of paid up capital	6536550 (5.35%)

## Committee of The Board

### Audit Committee

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

#### • Brief description of terms of reference:

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

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval, with particular reference to:
  - Matters required to be included in Director's Responsibility Statement included in Board's report;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries based on exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

16. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle-Blower mechanism.
19. Approval of appointment of Chief Financial Officer.
20. To review report submitted by Monitoring Agency informing material deviations in the utilization of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee..

**During the year under review, the Committee met 04 times on 24.05.2017, 24.08.2017, 13.12.2017 and 07.02.2018. Attendance of the Members at the meetings was as follows:**

Name of Members	Status		No. of Meeting attended during FY 2017-18
	Category	Designation	
Mr. Surendra N. Shah*	Independent-Non Executive Director	Chairman*	02
Mr. Bipin R. Patel*	Independent-Non Executive Director	Chairman*	04
Mr. Bhavin S. Patel	Executive Director	Member	03
Mr. Sunil K Mehta@	Independent-Non Executive Director	Member	01
Mr. Nalin Kumar * @	Independent-Non Executive Director	Member	01

**Notes:**

\* Mr. Surendra N. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 07-10-2017 and the same was accepted by the Board in their meeting held on 10-10-2017. Further, in that Board meeting, Audit Committee had been reconstituted by board and Mr. Bipin R. Patel is designated as chairman of the Audit Committee and Mr. Nalin Kumar had been added as member of Audit Committee.

@ Mr. Sunil K. Mehta is appointed as Independent Director of the company in the Board meeting held on 13-12-2017. Further, Board Members also reconstituted Audit Committee and Mr. Nalin Kumar, member of the audit committee has been replaced by Mr. Sunil K Mehta, as Member of Audit Committee w.e.f. 13-12-2017.

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

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

**The following business was conducted during the year.**

- Review of quarterly financial statements.
- Review of internal control systems with reference to the audits conducted by the internal auditors.
- Review of annual financial statements for the financial year 2017 -18.
- Review of related party disclosures by the Directors.
- Review of Business performance of the Company.



## Nomination and Remuneration Committee

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

During the year under review, the Committee met 05 times on 10.05.2017, 09.10.2017, 13.12.2017, 13.01.2018 and 07.02.2018. Details of Members of the Committee and attendance of the members at the meetings were as follows:

Name of Members	Status		No. of Meeting attended during FY 2017-18
	Category	Designation	
Mr. Surendra N. Shah*	Independent-Non Executive Director	Chairman*	01
Mr. Bipin R. Patel*	Independent-Non Executive Director	Chairman*	05
Mr. Sunil K. Mehta@	Independent-Non Executive Director	Member	02
Mr. Nalin Kumar	Independent-Non Executive Director	Member	03
Mrs. Neha Huddar* @	Independent-Non Executive Director	Member	01

### Notes:

\* Mr. Surendra N. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 07-10-2017 and the same was accepted by the Board in their meeting held on 10-10-2017. Further, in that Board meeting, Nomination and Remuneration Committee (NRC) had been reconstituted by board and Mr. Bipin R. Patel is designated as chairman of the Nomination and Remuneration Committee (NRC) and Mrs. Neha Huddar had been added as member of Nomination and Remuneration Committee (NRC).

@ Mr. Sunil K. Mehta is appointed as Independent Director of the company in the Board meeting held on 13-12-2017. Further, Board Members also reconstituted Nomination and Remuneration Committee (NRC) and Mrs. Neha Huddar, member of the Nomination and Remuneration Committee (NRC) has been replaced by Mr. Sunil K Mehta, as Member of Nomination and Remuneration Committee (NRC) w.e.f. 13-12-2017.

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

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

### • Terms of Reference

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

## Remuneration Policy:

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

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks, which are unambiguously laid down and communicated.

- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- **Following criteria are also to be considered:-**
  - Responsibilities and duties;
  - Time & efforts devoted;
  - Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick;
  - Standards for certain functions where there is a scarcity of qualified resources;
  - Ensuring tax efficient remuneration structures;
  - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low;
  - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

#### Remuneration paid to Executive Directors for the Financial Year 2017-18.

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

Particulars	(Amount in ₹)		
	Mr. Suresh J. Patel Chairman & Managing Director	Mr. Bhavin S. Patel Executive Director	Mr. Ankit S. Patel Executive Director
Salary and Other Allowance	1,10,88,732.00	75,09,108.00	75,82,877.00
Sitting Fees	-	-	-
Commission	-	-	-
<b>Total</b>	<b>1,10,88,732.00</b>	<b>75,09,108.00</b>	<b>75,82,877.00</b>

#### Remuneration paid to Non-Executive Directors for the Financial Year 2017-18.

Name of Non-Executive - Independent Director	(Amount in ₹)	
	Sitting Fees	Total
Mr. Surendra N. Shah*	75,000	75,000
Mr. Bipin R. Patel	1,50,000	1,50,000
Mr. Sunil K. Mehta#	25,000	25,000
Mr. Nalin Kumar	1,25,000	1,25,000
Mrs. Neha Huddar	75,000	75,000
<b>Total</b>	<b>4,50,000</b>	<b>4,50,000</b>

**Note:**

Mr. Surendra N Shah\*, Independent Director of the Company resigned from the Company w.e.f. 07-10-2017 and Mr. Sunil K Mehta appointed as an additional Director accustomed to act as Independent Director of the Company w.e.f. 13-12-2017

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

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

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

**Stakeholders Relationship Committee/ Investors Grievance Committee:**

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

- Composition, Meetings and attendance:**

During the Financial Year, 4 meetings were held on 24-05-2017, 23-08-2017, 13-12-2017 and 07-02-2018:

Name of Members	Category	Designation	Attendance
Mr. Surendra N. Shah*	Independent-Non Executive Director	Chairman*	02
Mr. Bipin R. Patel *	Independent-Non Executive Director	Chairman*	04
Mr. Nalin Kumar* @	Independent-Non Executive Director	Member	01
Mr. Sunil K Mehta@	Independent-Non Executive Director	Member	01
Mr. Bhavin S. Patel	Executive Director	Member	03

**Notes:**

\* Mr. Surendra N. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 07-10-2017 and the same was accepted by the Board in their meeting held on 10-10-2017. Further, in that Board meeting, Stakeholders Relationship Committee/ Investors Grievance Committee had been reconstituted by board and Mr. Bipin R. Patel is designated as chairman of the Stakeholders Relationship Committee/ Investors Grievance Committee and Mr. Nalin Kumar had been added as member of Stakeholders Relationship Committee/ Investors Grievance Committee.

@ Mr. Sunil K. Mehta is appointed as Independent Director of the company in the Board meeting held on 13-12-2017. Further, Board Members also reconstituted Stakeholders Relationship Committee/ Investors Grievance Committee and Mr. Nalin Kumar, member of the Stakeholders Relationship Committee/ Investors Grievance Committee has been replaced by Mr. Sunil K Mehta, as Member of Stakeholders Relationship Committee/ Investors Grievance Committee w.e.f. 13-12-2017

- Terms of Reference:**

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

- Name and Designation of Compliance Officer**

Mr. Ashutosh B. Bhatt

Company Secretary & Compliance Officer

- Prohibition of Insider Trading**

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

### Details of Shareholders'/Investors' Complaints

Link Intime India Pvt. Ltd (RTA) the Company, and SCORES- the official website of SEBI received shareholders/investors complaints and they were resolved by the company/the RTA in consultation with the Company for the Financial Year 2017-18. The details are as follows:

Sr. No.	Nature of Complaints	Opening Balance 01-04-2017	Received during the year	Redressed/ attended	Pending as on 31-03-2018
1	Non receipt of share certificates after transfer etc.	NIL	NIL	NIL	NIL
2	Non receipt of Dividend Warrants	NIL	NIL	NIL	NIL
3	Query regarding demat credit	NIL	NIL	NIL	NIL
4	Non receipt of duplicate share certificates after issue	NIL	NIL	NIL	NIL
5	Others Received from SEBI	NIL	NIL	NIL	NIL
<b>Total</b>		<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

### Share Transfer Committee

The members of Share Transfer Committee are as below:

- Composition**

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

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

### Management Committee

- Composition**

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

### Independent Directors Meeting

A Separate meeting of Independent Directors of the Company was held on 13th December, 2017 without the presence of Non-Independent Directors and Members of Management. The Independent Directors reviewed following matter in their Meeting:

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

## Directors' Induction and Familiarisation Programme for Independent Directors

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

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

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

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

## Corporate Social Responsibility (CSR) Committee:

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

## Composition and Attendance of the Meeting:

During the financial year, 3(Three) meetings were held on 24-05-2017, 24-08-2017 and 07-02-2018.

Name of Members	Status		No. of Meetings attended during FY 2017-18
	Category	Designation	
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman	03
Mr. Surendra N. Shah*	Independent-Non Executive Director	Member	02
Mr. Bipin R. Patel#	Independent-Non Executive Director	Member	01
Mr. Ankit S. Patel	Executive Director	Member	03

\* Mr. Surendra N. Shah has resigned as Independent Director and member of the committee of Board of Directors of the Company w.e.f. 07-10-2017 and the same was accepted by the Board in their meeting held on 10-10-2017.

# Mr. Bipin R. Patel is inducted as a Member of Committee w.e.f. 10-10-2017

The Committee meets as and when required. The Committee inter alia devises/recommends to the Board, a CSR policy which indicates activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013. The Activities and programmes undertaken by the Company and the amount spent by the Company are given as part of Annexure to Directors Report. This Policy can be accessed from the Company's website-www.bodal.com and its weblink- [https://bodai.com/live.php?data=6\\_I2](https://bodai.com/live.php?data=6_I2)

## Other Policies Mandated Under SEBI (LODR) Regulations, 2015

### • Archival Policy

In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, the Company discloses on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and there after determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website-www.bodal.com and its weblink- [https://bodai.com/live.php?data=6\\_I2](https://bodai.com/live.php?data=6_I2)

### • Policy for preservation of Documents

In Compliance with Regulation 9 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website-www.bodal.com and its weblink- [https://bodai.com/live.php?data=6\\_I2](https://bodai.com/live.php?data=6_I2)

### • Policy for Determining Materiality of Events

In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, the Board of Directors has adopted a policy on Determining Materiality of Events or Information. The objective of this policy is to ensure timely and adequate disclosure of events or information. This Policy can be accessed from the Company's website-www.bodal.com and its weblink- [https://bodai.com/live.php?data=6\\_I2](https://bodai.com/live.php?data=6_I2)



## • Policy for Determining Material Subsidiaries

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

## • Whistle Blower Policy

The Company encourages an open door policy (called Whistle Blower Policy) where employees have access to the Head of the business / function. In terms of Company's Code of Conduct, any instance of non adherence to the code / any other observed unethical behavior are to be brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee. This Policy can be accessed from the Company's website-[www.bodal.com](http://www.bodal.com) and its weblink- [https://bodal.com/live.php?data=6\\_I2](https://bodal.com/live.php?data=6_I2)

## • Policy on Board Diversity

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

## General Body Meetings:

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

YEAR	DATE	TIME	VENUE
Preference Shareholders Meeting	03.08.2015	3.00 P.M.	At Registered office of the Company at Plot No 123 and 124 Phase -1 GIDC Vatva Ahmedabad-382445
2014-15 AGM	24.09.2015	11.00 A.M.	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009
2015-16 AGM	20.09.2016	11.30 A.M.	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009
2016-17 AGM	23-09-2017	03.00 P.M.	Ahmedabad Management Association (AMA), ATIRA Campus, Dr. V.S. Marg, IIM-A Road, Vastrapur, Ahmedabad- 380 015

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

Sr. No.	Date of AGM	Details of Special Resolutions Passed
1	23-09-2017	I. Alteration of Article of Association of the Company as per the provisions of the Companies act, 2013 II. To approve Employees Stock Option Scheme and to give authority to issue Equity Shares under ESOP Scheme. III. To approve Fund raising through Qualified Institutional Placement.
2	20-09-2016	I. For obtaining consent of Shareholders for Maintenance of Register and Index of Members of the Company under Section 88 and Copies of the Return prepared under Section 94 of Companies Act, 2013 shall be kept at the registered office of the Company and or be shifted and maintained with RTA of the Company. II. For obtaining consent of Shareholders for Re- Appointment of Mr. Ankit S. Patel, as Executive Director of the Company for a period of three years w.e.f. 24-05-2016 to 23-05-2019.
3	24-09-2015	I. For obtaining consent of Shareholders for Re- Appointment of Mr. Suresh J. Patel, as Chairman and Managing Director of the Company for a period of three years w.e.f. 13-05-2015 to 12-05-2018. II. For obtaining consent of Shareholders for Re- Appointment of Mr. Bhavin S. Patel, as Executive Director of the Company for a period of three years w.e.f. 13-05-2015 to 12-05-2018.

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

#### Details of Holding/Subsidiary/Associates Companies (as on 31st March, 2018):

Name of the Company	CIN	Holding/ Subsidiary/ Associate	% of Share Held	Applicable Section
Trion Chemicals Pvt Ltd	U51900GJ2009PTC056781	Associate	41.51%	2(6)
S P S Processors Pvt Ltd	U18201DL2002PTC115883	Subsidiary	70%	2(87)

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

#### Other Compliances:

##### Basis of Related Party Transactions

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

For details, about related parties transactions see Note No. 43 of Notes on Accounts of Balance Sheet of the Company.

##### Compliance by the Company

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

##### Disclosure of Accounting Treatment

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

##### Risk management

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

#### Code of Conduct for Prevention of Insider Trading

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

#### Shareholders' Information

1	<b>Registered Office</b>	Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445
2	<b>Annual General Meeting Date, Time and Venue</b>	Monday, the 17th September, 2018 at 11.00 A.M. at ATMA Auditorium, Opp. Old RBI Office, Ashram Road, Ahmedabad- 380 009.
3	<b>Financial Year</b>	2017-2018 (consisting of 12 months) 01/04/2017 to 31/03/2018
4	<b>Date of Book Closure</b>	Monday, 10th September, 2018 to Monday, the 17th September, 2018 (Both days inclusive)
5	<b>Listing on Stock Exchange</b>	BSE LTD Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai 400 051

6	<b>Stock Codes</b>	BSE Scrip Code: 524370 NSE Scrip Code: BODALCHEM Demat ISIN: INE338D01028 CIN: L24110GJ1986PLC009003
7	<b>Types of Security No. of paid up shares</b>	Equity Shares 122188765 equity shares of ₹ 2/- each fully paid
	<b>Market lot of shares</b>	1 Equity Share
8	<b>Registrar &amp; Share Transfer Agent</b>	<b>M/s. Link Intime India Pvt Ltd.</b>  <b>Mumbai:</b> C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083.  <b>Ahmedabad Branch:</b> 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellishbridge, Ahmedabad – 380 006  <b>ahmedabad@linkintime.co.in</b> Tel: 079-26465179 Fax: 079-26465179
9	<b>Compliance Officer / Company Secretary</b>	<b>Mr. Ashutosh B. Bhatt</b> Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445 Phone No: 079 25835437 Fax No: 079 2583 4223, 2583 5437
10	<b>Depository System</b>	Currently 99.29% of the Company share capital is held in dematerialized form. For any assistance in converting physical shares in electronic form, investor may approach Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
11	<b>Bank details for Electronic Shareholding</b>	Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their bank.
12	<b>Furnish copies of Permanent Account Number (PAN)</b>	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002  For transfer of shares in physical form, SEBI has made it mandatory to the transferee to submit a copy of PAN card to the Company.
13	<b>Investor complaint to be addressed to</b>	Link Intime India Pvt Ltd or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
14	<b>E-mail ID of Grievance Redressal Division</b>	secretarial@bodal.com
15	<b>Payment of Listing Fees</b>	Annual listing fee for the financial year 2018-19 has been paid by the Company to BSE & NSE
16	<b>Payment of Depository Fees</b>	Annual Custody / Issuer fee for the Financial Year 2018-19 has been paid by the Company to CDSL & NSDL.
17	<b>Outstanding Warrants GDRs/ADRs, and Convertible Bonds, Conversion date and likely impact on equity</b>	Not Applicable

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

**Share Transfer System:**

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

**Results were announced During FY 2017-18 (April 1, 2017 to March 31, 2018)**

Sr. NO.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June, 2017	24th August, 2017
2	Unaudited Quarterly Results for the Quarter ended on 30th September, 2017	13th December, 2017
3	Unaudited Quarterly Results for the Quarter ended on 31st December, 2017	07th February, 2018
4	Audited Financial Results for the financial year ended 31st March, 2018	29th May, 2018

**Results will be announced during F.Y. 2018-19 (April 1, 2018 to March 31, 2019): (Tentative)**

Sr. NO.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June, 2018	14th August, 2018
2	Unaudited Quarterly Results for the Quarter ended on 30th September, 2018	Last week of October, 2018
3	Unaudited Quarterly Results for the Quarter ended on 31st December, 2018	Last week of January, 2019
4	Audited Financial Results for the financial year ended 31st March, 2019	Last week of May, 2019

**Stock Data: Monthly equity share price data on BSE and NSE for the financial year 2017-18 are as under.****NSE:**

Month	High Price	Low Price	Close Price	Volume No. of Shares
April-17	167.90	151.10	155.25	70,15,019
May-17	170.20	149.00	166.00	94,41,377
June-17	171.90	156.10	158.20	62,22,315
July-17	193.75	157.40	182.10	1,43,00,232
August-17	183.60	159.05	168.45	71,21,979
September-17	183.90	160.05	161.25	87,95,953
October-17	185.00	159.70	179.60	1,29,56,389
November-17	189.90	170.00	170.30	1,42,27,018
December-17	174.40	153.05	166.40	62,39,591
January-18	175.50	157.65	159.10	89,24,975
February-18	160.45	132.10	136.55	43,06,897
March-18	138.00	109.85	120.60	66,58,763

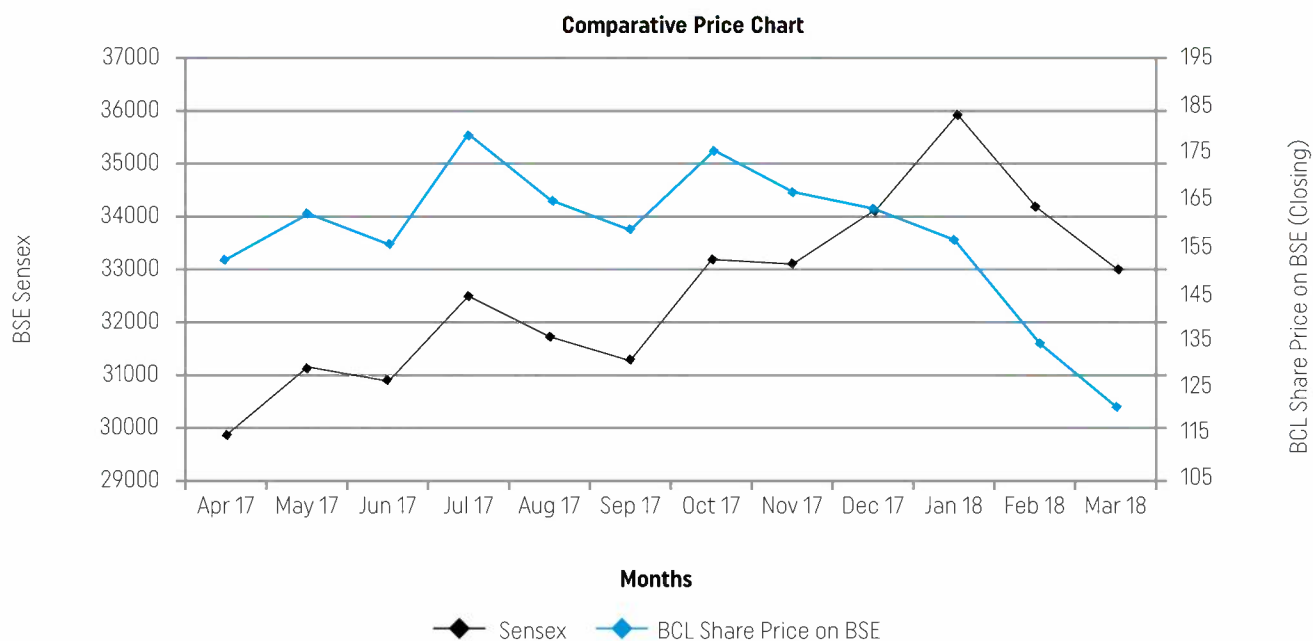
(Source from NSE Website)



**BSE:**

Month	High Price	Low Price	Close Price	Volume No. of Shares
April-17	167.75	151.00	155.10	2086594
May-17	170.10	149.50	165.25	2424833
Jun-17	171.50	156.00	158.00	1361050
July-17	193.60	157.00	182.60	6584563
August-17	183.35	159.30	168.10	1778294
September-17	183.50	160.10	161.55	1853660
October-17	184.90	160.15	179.35	2573329
November-17	189.40	169.00	169.90	2224371
December-17	174.00	153.05	166.55	1301899
January-18	175.50	156.90	158.55	1902989
February-18	160.25	131.75	136.15	785317
March-18	138.90	111.50	121.60	1473974

(Source from BSE Website)

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

Dematerialization of Shares and liquidity: Company's Paid-up capital has been dematerialized up to 31.03.2018 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Particular	No. of Shares	% of share capital
NSDL	7,91,92,452	64.81
CDSL	4,21,33,193	34.48
Physical	8,63,120	0.71
<b>Total</b>	<b>12,21,88,765</b>	<b>100.00</b>

**Note:**

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

Those shareholders whose shares are held in physical form are requested to dematerialize the same at the earliest in their own interest. Thus, Investors can exercise dematerialization through a recognized Depository Participant (DP) who is connected to NSDL or CDSL. The DEMAT security code (ISIN) for the equity shares of ₹ 2/- each is **INE - 338 D 01028**.

**Bank Mandate for Dividend**

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

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

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

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2010-11(Final)	29-09-2011	04-11-2018
2.	2015-16(Interim)	12-08-2015	19-09-2022
3.	2015-16(2nd Interim)	10-03-2016	17-04-2023
4.	2016-17(Interim)	03-08-2016	09-09-2023
5.	2016-17 (Final)	23-09-2017	27-11-2024

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

Further, pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Shares on which dividend has not been encashed for last 7 years have to be transferred to suspense account open by IEPF Authority.

In regard to above, the Company has transferred 612835 Equity Shares of ₹2/- each for Interim and Final dividend 2009-10 in respect of which dividends have not been claimed by the Share holders for a period of seven or more consecutive years, to the DMAT account open by IEPF Authority with CDSL System with depository Participant SBI CAP Securities Ltd.

Further, The Company has uploaded complete details of such Shares which were transferred to DEMAT Account of IEPF Authority on its website: **www.bodal.com**.

Furthermore, Shareholders may claim back the shares credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at **www.mca.gov.in** and **www.iepf.gov.in**.

**Distribution of Shareholding as on 31-03-2018****According to number of Equity Shares**

Sr. No.	No. of Equity Shares held	No. of Shareholders	% of Total Shareholders	Total Shares For The Range	% of Issued Capital
1	1-500	42553	82.0647	5564548	4.5541
2	501-1000	4448	8.5781	3609975	2.9544
3	1001-2000	2367	4.5648	3561760	2.9150
4	2001-3000	833	1.6065	2107231	1.7246
5	3001-4000	381	0.7348	1360762	1.1137
6	4001-5000	331	0.6383	1543956	1.2636
7	5001-10000	482	0.9296	3539741	2.8969
8	10001-*****	458	0.8833	100900792	82.5778
<b>Total</b>		<b>51853</b>	<b>100.0000</b>	<b>122188765</b>	<b>100.0000</b>

## Shareholding pattern for equity shares of the Company as on 31-03-2018

Category	As on 31-03-2018			
	No. of members	% of Total Number of Share Holders	No. of Shares	% of Total Shareholding
<b>A Shareholding of Promoters and Promoter Group</b>				
(i) Indian Promoters-Individuals	8	0.02	56533259	46.27
(ii) Foreign Promoters- Individuals	3	0.01	10581700	8.66
<b>Total Shareholding of Promoters and Promoter Group</b>	<b>11</b>	<b>0.02</b>	<b>67114959</b>	<b>54.93</b>
<b>B Public Shareholding</b>				
(1) Institutions				
a. Mutual Funds	4	0.01	8034057	6.58
b. Foreign Portfolio Investors	28	0.06	9037999	7.40
c. Financial Institutional/Banks	5	0.01	105960	0.09
d. Insurance Companies	1	0.00	4000	0.00
<b>Sub- Total B(1)</b>	<b>38</b>	<b>0.07</b>	<b>17182016</b>	<b>14.06</b>
(2) Non Institution				
Individual Share Capital up to ₹2 Lakhs	47720	93.77	24277520	19.87
Individual Share Capital excess of ₹2 Lakhs	15	0.03	3437530	2.81
<b>Any Other</b>		0.00		
a. Bodies Corporate	439	0.86	5812396	4.76
b. Clearing Members	195	0.38	689295	0.56
c. HUF	1104	2.17	1170798	0.96
d. Foreign Individuals / NRIs (rep-non rep)	1359	2.67	1648773	1.35
e. Trusts	4	0.01	34650	0.03
f. Director or Director's Relatives	2	0.00	201000	0.16
g. Foreign Nation/NRI	2	0.00	6993	0.01
h. IEPF	1	0.00	612835	0.50
<b>Sub- Total B(2)</b>	<b>50841</b>	<b>99.90</b>	<b>37891790</b>	<b>31.01</b>
<b>Total Public Shareholding B=B(1) +B(2)</b>	<b>50879</b>	<b>99.98</b>	<b>55073806</b>	<b>45.07</b>
<b>Total (A)+(B)</b>	<b>50890</b>	<b>100.00</b>	<b>122188765</b>	<b>100.00</b>

## Means of Communication

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

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

Presentations made to institutional investors or to the analysts are available on the website of the Company [www.bodal.com](http://www.bodal.com) and its weblink-  
[https://bodal.com/live.php?data=5\\_11](https://bodal.com/live.php?data=5_11)

## Company's Website

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

All the above details can be accessed from the website of the Company – [www.bodal.com](http://www.bodal.com)

## CEO and CFO Certification

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

## Compliance Certificate

Certificate from Mr. Tapan Shah, Practicing Company Secretary, confirming compliance with Conditions of Corporate Governance as stipulated under Listing Regulations, 2015 is attached as Annexure to this Report.

## Secretarial Audit

Mr. Tapan Shah, Practicing Company Secretary, carried out a Secretarial Audit for FY 2017-18 pursuant to Section 204 of the Companies Act, 2013 and he has issued a Certificate to that effect. The Certificate issued by Mr. Tapan Shah, PCS vide Form MR-3 is annexed to the Report of the Board of Directors as Annexure-4.

## Reconciliation of Share Capital Audit

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

## Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Clause 49 of Listing Agreement with the Stock Exchange(s), the Board Members and senior management personnel of the Company have confirmed compliance with the Code of Conduct for the financial year ended March 31, 2018.

## Mandatory Requirements

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

## Non-Mandatory Requirements

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

## DECLARATION BY THE MANAGING DIRECTOR

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

Date: 14 August, 2018  
Place: Ahmedabad

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

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L24110GJ1986PLC009003

Nominal Capital: ₹ 520000000/-

To  
The Members of  
**BODAL CHEMICALS LTD**  
Ahmedabad

I have examined the compliance of conditions of corporate governance by BODAL CHEMICALS LTD, for the year ended on March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of regulations 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), as amended (the Listing Regulations) (applicable criteria) with respect to Corporate Governance, pursuant to the Listing Agreement of the said Company with stock exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions of corporate governance as mentioned in paragraph 1 above under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended March 31, 2018.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Place : Ahmedabad  
Date : 14 August, 2018

**TAPAN SHAH**  
Practicing Company Secretary  
Membership No.: FCS4476  
C P No.: 2839



## CERTIFICATE BY THE CEO & CFO OF THE COMPANY

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

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief :
  - (a) these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading ;
  - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee :-
  - (a) significant changes in internal control over financial reporting during the year ;
  - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Suresh J. Patel**

Chief Executive Officer  
Chairman & Managing Director  
Date: 29 May, 2018

**Mayur B. Padhya**

Chief Financial Officer

# Independent Auditor's Report

To  
The Members of  
Bodal Chemicals Limited

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Bodal Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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

## Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Other Matters

The comparative financial information of the Company for the year ended 31st March 2017 and the transition date opening balance sheet as at 1st April 2016 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated 29th May, 2018 expressed an unmodified opinion.

Our opinion on the standalone Ind AS financial statements is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 46
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Gaurav J. Shah**

Partner  
(Membership No. 35701)

Place: Ahmedabad  
Date: 29<sup>th</sup> May, 2018

# Annexure "A" to the Independent Auditors' Report

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

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

We have audited the internal financial controls over financial reporting of Bodal Chemicals Limited ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at 31st March, 2018, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Gaurav J. Shah**

Partner

(Membership No. 35701)

Place: Ahmedabad

Date: 29<sup>th</sup> May, 2018



# Annexure B to the Independent Auditors' Report

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of the CARO, 2016 is not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Sales Tax, Excise duty, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Sales Tax, Excise Duty, Service Tax, Customs Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

- (c) There were no disputed amounts payable in respect of Goods & Service Tax and cess as at March 31, 2018. Details of dues of Income Tax, Sales Tax, Excise Duty, Service Tax and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of the statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount
Income Tax Act, 1961	Demand for Tax	Commissioner of Income Tax (Appeals)	2006-2008	2,48,44,460
		Deputy Commissioner of Income Tax	2013-2014	7,17,650
Central Excise Act, 1944	Demand for Tax and Penalty	Customs Excise and Service Tax Appellate Tribunal	2005-2015	2,79,77,690
		Commissioner (Appeals)	2009-2015	27,49,313
The Finance Act, 1994	Demand for Tax and Penalty	Central Excise and Service Tax Appellate Tribunal	2011-2012	3,93,419

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not borrowed any amounts from government. The Company has not issued any debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.
- xiv) According to the information and explanations given to us, the Company has made allotment of fully paid equity shares to Qualified Institutional Buyers (QIB) during the year.
- In respect of the above issue, we further report that:
- (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Gaurav J. Shah**

Partner

(Membership No. 35701)

Place: Ahmedabad

Date: 29<sup>th</sup> May, 2018

# Balance Sheet

As at 31st March, 2018

₹ in Millions

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>Non - Current Assets :</b>				
Property, Plant and Equipment	3	4,115.06	1,950.54	1,910.29
Capital work-in-progress		144.75	91.67	2.72
Intangible Assets	4	6.53	8.11	9.63
Financial Assets				
Investments	5	207.06	214.93	15.38
Loans	6	437.53	531.81	4.35
Other Financial Assets	7	54.17	61.18	7.34
Non-current tax Assets	8	103.30	103.30	103.30
Other Non-current assets	9	157.13	196.90	49.15
<b>Total Non - Current Assets</b>		<b>5,225.53</b>	<b>3,158.44</b>	<b>2,102.16</b>
<b>Current Assets</b>				
Inventories	10	1,121.05	1,186.58	898.02
Financial Assets				
Investments	11	30.08	Nil	Nil
Trade Receivables	12	2,722.58	1,828.17	1,273.01
Customers Bill Discounted	12	631.18	420.04	381.80
Cash and Cash Equivalents	13	8.37	34.34	4.70
Other Bank Balances	14	47.01	25.65	33.85
Loans	15	121.93	18.88	136.01
Other Financial Assets	16	9.17	1.04	0.40
Other Current Assets	17	494.02	242.26	338.92
<b>Total Current Assets</b>		<b>5,185.39</b>	<b>3,756.96</b>	<b>3,066.71</b>
<b>Total Assets</b>		<b>10,410.92</b>	<b>6,915.40</b>	<b>5,168.87</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	18	244.38	218.21	218.21
Other Equity	19	6,775.18	3,408.68	2,120.65
<b>Total Equity</b>		<b>7,019.56</b>	<b>3,626.89</b>	<b>2,338.86</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	20	77.0	77.7	6.79
Provisions	21	0.34	Nil	Nil
Deferred Tax Liability (Net)	22	277.08	182.18	150.13
<b>Total Non-Current Liabilities</b>		<b>285.12</b>	<b>189.95</b>	<b>156.92</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	23	839.88	991.48	1,040.45
Customers Bill Discounted	23	631.18	420.04	381.80
Trade Payables	24	1,481.76	1,556.54	1,091.72
Other Financial Liabilities	25	112.94	35.42	38.37
Other Current Liabilities	26	17.69	39.37	42.68
Provisions	27	5.00	Nil	Nil
Current Tax Liabilities (Net)	28	177.9	55.71	78.07
<b>Total Current Liabilities</b>		<b>3,106.24</b>	<b>3,098.56</b>	<b>2,673.09</b>
<b>Total Liabilities</b>		<b>3,391.36</b>	<b>3,288.51</b>	<b>2,830.01</b>
<b>Total Equity and Liabilities</b>		<b>10,410.92</b>	<b>6,915.40</b>	<b>5,168.87</b>
See accompanying notes forming part of the financial statements	1-52			

As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

Bodal Chemicals Limited

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman &amp; Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary

# Statement of Profit and Loss

for the year ended 31st March, 2018

₹ in Millions

Particulars	Notes	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>INCOME</b>			
Revenue from Operations	29	11,436.42	12,829.85
Other Income	30	118.80	104.54
<b>Total Income</b>		<b>11,555.22</b>	<b>12,934.39</b>
<b>EXPENSES</b>			
Cost of materials consumed	31	7,087.84	7,621.13
Purchases of Stock-in Trade	32	21.25	102.99
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	33	(92.48)	(118.79)
Excise Duty on Sale of Goods		226.39	1,007.72
Employee Benefits Expenses	34	447.30	404.74
Finance Costs	35	49.24	66.34
Depreciation and Amortisation expense	36	109.26	258.53
Other Expenses	37	1,780.17	1,606.13
<b>Total Expenses</b>		<b>9,628.97</b>	<b>10,948.79</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>1,926.25</b>	<b>1,985.60</b>
Exceptional Items	38	Nil	48.55
<b>Profit Before Tax</b>		<b>1,926.25</b>	<b>2,034.15</b>
<b>Tax Expenses</b>	42		
Current Tax		557.54	663.38
(Short)/Excess Provision of tax of prior years		(5.34)	8.43
Net Current Tax		552.20	671.81
Deferred Tax		98.61	33.04
<b>Net Tax Expense</b>		<b>650.81</b>	<b>704.85</b>
<b>Profit for the Year</b>		<b>1,275.44</b>	<b>1,329.30</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(10.72)	(2.87)
Income Tax relating to items that will not be reclassified to profit and loss account		3.71	0.99
<b>Total Comprehensive Income for the period</b>		<b>1,268.43</b>	<b>1,327.42</b>
Earnings per equity share (Face value of Rs.2)	44		
Basic (in Rs.)		11.11	12.18
Diluted (in Rs.)		11.11	12.18
See accompanying notes forming part of the financial statements	1-52		

As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman &amp; Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary

# Statement of Changes in Equity

for the year ended 31st March, 2018

## A) Equity Share Capital

Particulars	₹ in Millions	
	As at 31st March, 2018	As at 31st March, 2017
Balance at the commencement of the year	218.21	218.21
Add : Issue of Shares under Qualified Institutional Placement (refer note 18.3)	26.17	Nil
<b>Balance at the end of the year</b>	<b>244.38</b>	<b>218.21</b>

## B) Other Equity

Particulars	₹ in Millions					
	Capital Reserves	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings
Balance as at 1st April, 2016 (A)	76.12	289.67	222.04	0.00	138.86	1,393.96
Additions during the year:						
Profit for the year						1,329.30
Other Comprehensive Income for the year, net of tax						(1.88)
<b>Total Comprehensive Income for the Year 2016-17 (B)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,327.42</b>
Reductions during the year:						
Dividends						(32.73)
Tax on Dividends						(6.66)
<b>Total (C)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(39.39)</b>
<b>Balance as at 31st March, 2017 (D) (A+B+C)</b>	<b>76.12</b>	<b>289.67</b>	<b>222.04</b>	<b>0.00</b>	<b>138.86</b>	<b>2,681.99</b>
Additions during the year:						
Profit for the year						1,275.44
Other Comprehensive Income for the year, net of tax						(7.01)
<b>Total Comprehensive Income for the Year 2017-18 (E)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,268.43</b>
Securities Premium on issue of shares (refer note 18.3)			2,159.87			
Addition due to Employee share based expense (refer note 50)				3.86		
Reductions during the year:						
Dividends						(54.55)
Tax on Dividends						(11.11)
<b>Total (F)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(65.66)</b>
<b>Balance as at 31st March, 2018 (D+E+F)</b>	<b>76.12</b>	<b>289.67</b>	<b>2,381.91</b>	<b>3.86</b>	<b>138.86</b>	<b>3,884.76</b>

As Per Our Report of even date attached

For **Deloitte Haskins and Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

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Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary



# Statement of Cash Flows

for the year ended 31st March, 2018

₹ in Millions

Particulars	Year 2017-18	Year 2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and after Exceptional Items	1,926.25	2,034.15
Adjustment for		
Depreciation and Amortisation Expense	109.26	258.53
Unrealised Foreign Exchange Gain	(17.28)	(7.29)
Fair Value (Gain) / Loss on Investments measured through profit or loss	7.78	(49.58)
Allowance for doubtful trade receivables	8.34	(0.43)
Finance Cost	49.24	66.34
Expenses recognised in respect of share based payments	3.86	Nil
Exceptional Item	Nil	(48.55)
(Profit)/Loss on Sale of Assets (Net)	(9.49)	3.43
Interest and Dividend Income	(57.14)	(26.71)
Profit on sale of Investments (Net)	(26.16)	(5.49)
<b>Operating Profit before Working Capital Changes</b>	<b>1,994.66</b>	<b>2,224.40</b>
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(1,105.05)	(609.21)
(Increase) / Decrease in Inventories	65.52	(288.56)
(Increase) / Decrease in Other Receivables	(251.55)	35.44
Increase / (Decrease) in Trade and Other payables	(103.68)	452.85
<b>Cash generated from Operations</b>	<b>599.90</b>	<b>1,814.92</b>
Income Taxes Paid (Net of Refund)	590.11	694.17
<b>Net Cash from Operating Activities (A)</b>	<b>9.79</b>	<b>1,120.75</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment including Capital Work in Progress and capital advances	(2,207.10)	(503.95)
Sale proceeds of Property, Plant & Equipment	15.58	56.89
Loan given to Subsidiary	(73.86)	(366.33)
Loan given to Associated Concern	(219.97)	(158.12)
Loan repaid by Subsidiary	329.02	Nil
Loan repaid by Associated Concern	60.76	Nil
Net Increase in Loans to Employees	(2.25)	(5.05)
Interest/Dividend received	57.14	26.71
Inter corporate Loan received back	Nil	119.17
Inter corporate Loan Given	(102.47)	Nil
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(16.67)	(19.21)
Matured	3.47	19.60
Advance for Investment	Nil	(27.37)
(Purchase)/Sale of Current Investments	(3.84)	5.49
Purchase of Non-Current Investments	Nil	(5.00)
Investments in Subsidiary	Nil	(40.91)
Investments in Associates	Nil	(104.06)
<b>Net Cash used in Investing Activities (B)</b>	<b>(2,160.19)</b>	<b>(1,002.14)</b>

# Statement of Cash Flows

for the year ended 31st March, 2018

₹ in Millions

Particulars	Year 2017-18	Year 2016-17
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	1.10	1.86
Repayment of Long Term Borrowings	(1.22)	(0.83)
Increase in Short Term Borrowings	53.27	15.88
Proceeds from issue of Equity Shares of the Company	2,186.04	Nil
Finance Cost Paid	(49.24)	(66.34)
Dividend Paid on Equity Shares	(65.52)	(39.54)
<b>Net Cash used in Financing Activities (C)</b>	<b>2,124.43</b>	<b>(88.97)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>(25.97)</b>	<b>29.64</b>
Cash & Cash Equivalents at the beginning of the year	34.34	4.70
Cash & Cash Equivalents at the end of the year	<b>8.37</b>	<b>34.34</b>

**Note :** Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

See accompanying notes forming part of the financial statements 1-52

As Per Our Report of even date attached

For **Deloitte Haskins and Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman & Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary

# Notes to the Financial Statements for the year ended 31st March, 2018

## Company Background

Bodal Chemicals Limited ('the Company') is a public limited company incorporated in India. The registered office of the Company is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad – 382445, India.

The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

## 1 Significant Accounting Policies:

### 1.1 Statement of compliance:

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 2 for the details of first-time adoption exemptions availed by the Company.

### 1.2 Basis of Preparation of Financial Statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

The principal accounting policies are set out below.

### 1.3 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

#### a) Sale of Goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with Ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### b) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 1.4 Leasing:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## 1.5 Foreign currencies:

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

## 1.6 Employee Benefits:

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a

charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

## 1.7 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 51.



# Notes to the Financial Statements for the year ended 31st March, 2018

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 1.8 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the

Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## 1.9 Property, plant and equipment:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	10 years
Office Equipments	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.



# Notes to the Financial Statements for the year ended 31st March, 2018

## 1.10 Intangible Assets:

### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

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

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

### Deemed cost on transition to Ind AS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 1.11 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent

basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

## 1.12 Inventory:

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

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

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

Materials in transit are valued at cost-to-date.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 1.13 Provisions and Contingencies :

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

## 1.14 Financial Instruments

Financial assets and financial liabilities are recognized when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

## 1.15 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

## Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting Contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Para of Impairment of financial assets. All other financial assets are subsequently measured at fair value.

## Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at

# Notes to the Financial Statements for the year ended 31st March, 2018

FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

## **Financial assets at fair value through profit or loss (FVTPL)**

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

## **Impairment of financial assets**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses, 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

## **Derecognition of financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.



# Notes to the Financial Statements for the year ended 31st March, 2018

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part that continues to recognize under continuing involvement, and the part that no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

## 1.16 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

### Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

## 1.17 Derivative Financial Instrument and Hedge Accounting:

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

### Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognized in the Statement of Profit and Loss. Derivative financial instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

## 1.18 Cash Flow Statement:

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

## 1.19 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 1.20 Cash and Cash Equivalents:

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

## 1.21 Borrowing Cost:

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

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

# Notes to the Financial Statements for the year ended 31st March, 2018

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 1.22 Government Grants and subsidies:

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

Government grants are recognized in statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in statement profit and loss in the period in which they become receivable.

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

## 1.23 Use of Estimates

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

## 1.24 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.6)

- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.9)
- Estimation of taxes (Note 1.8)
- Estimation of impairment (Note 1.11)
- Estimation of provision and contingent liabilities (Note 1.13)

## 1.25 Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 - Revenue from Contract with Customers, Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration and amendment to certain existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018. The Company will be adopting the amendments from their effective date.

### (a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

Application of above standard is not expected to have any material impact on the Company's Financial Statements.

### (b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

The impact of the Appendix on the financial statements, as assessed by the Company, is expected to be not material

### Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 40 - Investment Property
- ii. Ind AS 12 - Income Taxes
- iii. Ind AS 28 - Investments in Associates and Joint Ventures and
- iv. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.



# Notes to the Financial Statements for the year ended 31st March, 2018

## 2 First Time Adoption of IND-AS

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These separate financial statements for the year ended 31st March, 2018 are the first financial statements the company has prepared under Ind AS.

For all periods upto and including the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the company has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in other equity (retained earnings or another appropriate category of equity). This note explains the adjustments made in restating its Previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

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

### 1. Classification and measurement of financial assets

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

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

### 2. Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, or of interests in associates and joint ventures and transactions which are considered businesses for Ind AS, that occurred before 1st April, 2016. The carrying amounts of assets and liabilities in accordance with Previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurement is in accordance with Ind AS.

### 3. Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

### 4. Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

### 5. Investment in Subsidiaries, Associates & Joint Ventures

The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

### Transition to Ind AS – Reconciliations

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

# Notes to the Financial Statements for the year ended 31st March, 2018

The presentation requirements under IGAAP differs from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited financial statements of the Company for the year ended March 31, 2016 and March 31, 2017.

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

- I. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017
- II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017
- III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

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

## I. Reconciliation of Equity as at 31st March, 2017

Particulars	Note No.	₹ in Millions	
		As at 31st March, 2017	As at 1st April, 2016
<b>Equity as per Previous GAAP</b>		3,593.14	2,346.42
<b>Add / Less Adjustments</b>			
Impact of measuring Investment at fair value through profit and loss (FVTPL)	1	48.69	(0.89)
Allowance for doubtful debts as per expected credit loss model	2	(2.42)	(2.85)
Impact of fair valuation of forward contracts	3	(20.42)	(7.34)
Deferred tax impact on Ind AS Adjustments	5	7.90	3.52
<b>Total Equity as per IND AS</b>		<b>3,626.89</b>	<b>2,338.86</b>

\* As required under Paragraph (10C) of Ind AS 101, the Company has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

## II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	₹ in Millions	
		As at 31st March, 2017	
Profit after Tax as per Indian GAAP		1,286.12	
<b>Adjustments:</b>			
Impact of measuring Investment at fair value through profit and loss (FVTPL)	1	49.58	
Allowance for doubtful debts as per expected credit loss model	2	0.43	
Impact of fair valuation of forward contracts	3	(13.08)	
Reclassification of Net actuarial loss on defined benefit plan to other comprehensive income	4	2.87	
Deferred tax impact on Ind AS Adjustments	5	3.38	
<b>Total Adjustments</b>		<b>43.18</b>	
Profit after Tax as per Ind AS		1,329.30	
Items that will not be reclassified to Profit or Loss	6	(2.87)	
Income Tax relating to items that will not be reclassified to Profit or Loss	6	0.99	
<b>Total comprehensive income under Ind AS</b>		<b>1,327.42</b>	

# Notes to the Financial Statements for the year ended 31st March, 2018

## III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

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

### Notes to the Reconciliations

#### 1: Investments

In the financial statements prepared under Previous GAAP, Non-current Investments of the Company were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Company has recognised such investments as follows

- Quoted Equity Shares – At fair value through profit and loss (FVTPL)
- Quoted Mutual Fund – At fair value through profit and loss (FVTPL)
- Unquoted Equity Shares – At cost
- Equity shares of subsidiary and associate companies – At cost
- Preference shares of associate company – At cost

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of subsidiary and associate companies).

On the date of transition to Ind AS, the difference between the fair value of Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in a decrease in the carrying amount of these investments by Rs. 0.89 million which has been recognised directly in retained earnings (Equity).

As at 31st March, 2017, the difference between the fair value of Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by Rs. 48.69 million. On such fair valuation, net gain amounting to 49.58 million has been recognised in other income in the Statement of Profit and Loss.

The above transition has resulted in decrease in equity by Rs. 0.89 million as at date of transition to Ind AS and increase by Rs. 48.69 million as at 31st March, 2017.

#### 2: Trade Receivables

On the date of transition to Ind AS, the provision for expected credit loss on trade receivables has resulted in a decrease in

the carrying amount of these receivables by Rs. 2.85 million which has been recognised directly in retained earnings (Equity). Deferred Tax Liability of Rs.0.99 million has been recognized on such provision.

As at 31st March, 2017, the provision for expected credit loss on trade receivables has resulted in a decrease in the carrying amount of these receivables by Rs. 2.42 million. On such provision, net gain amounting to Rs. 0.43 million has been recognised in other income in the Statement of Profit and Loss. Deferred Tax Liability of Rs.0.15 lakhs has been recognized on such gain.

The above transition has resulted in decrease in equity by Rs. 1.86 million as at date of transition to Ind AS and increase by Rs. 0.28 million as at 31st March, 2017.

#### 3: Other Financial Assets / Liabilities

Under Ind AS, foreign exchange forward contracts are mark-to-market as at each Balance Sheet date and unrealised net gain or loss is recognised. Derivative assets and derivative liabilities are presented on gross basis. Under previous GAAP, in case of forward contracts covered under AS 11, difference between forward rate and spot rate was recognised in profit or loss over the term of contract. This difference has resulted in decrease in equity under Ind AS Rs. 20.42 million as at March 31, 2017 and deferred tax of Rs. 7.07 million on such provision has been recognised (decrease of Rs. 7.34 million as at April 1, 2016 and Deferred Tax Liability of Rs. 2.54 million has been recognized on such provision) and decrease of profit by Rs. 13.08 million for the year ended March 31, 2017 and deferred tax of Rs. 0.45 million has been recognized on such gain.

#### 4: Remeasurements of Net Defined Benefit Plans

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31st March, 2017, remeasurement of gratuity liability resulted in a net cost of Rs. 2.87 million which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI. This has resulted in decrease in employee benefits expense by Rs. 2.87 million and loss in OCI by Rs. 2.87 million for the year ended 31st March, 2017. Consequently, tax effect of the same amounting to Rs. 0.99 million is also recognized separately in OCI.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 5: Deferred Tax

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

The above changes have resulted in creation of deferred tax liabilities (net) amounting to Rs. 352 million as at date of transition to Ind AS and Rs. 790 million as at 31st March, 2017. For the year ended 31st March, 2017, it has resulted in

an increase in deferred tax expense by Rs. 3.38 million in the Statement of Profit and Loss and recognition of deferred tax benefit by Rs. 0.99 million in OCI.

## 6: Other comprehensive income

Under IGAAP, actuarial gains and losses were recognised in profit or loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of profit or loss. The actuarial losses for the year ended March 31, 2017 were Rs. 2.87 million and the tax effect thereon Rs. 0.99 million. This change does not affect total other equity, but there is a increase in profit before tax of Rs. 2.87 million, and in total profit of Rs. 1.87 million for the year ended March 31, 2017.

# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

3. Property, Plant and Equipment		Land	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total
<b>Gross Block</b>									
<b>Balance as at 1st April, 2016 (Deemed Cost)</b>		<b>110.63</b>	<b>431.37</b>	<b>19.21</b>	<b>1,308.04</b>	<b>10.23</b>	<b>6.77</b>	<b>24.04</b>	<b>1,910.29</b>
Additions		5.59	62.98	Nil	198.37	175	5.39	33.67	307.75
Disposals		0.43	0.51	Nil	4.24	Nil	Nil	7.33	12.51
<b>Balance as at 31st March, 2017</b>		<b>115.79</b>	<b>493.84</b>	<b>19.21</b>	<b>1,502.17</b>	<b>11.98</b>	<b>12.16</b>	<b>50.38</b>	<b>2,205.53</b>
Additions		845.68	328.50	0.78	1091.54	0.59	5.74	4.05	2,276.88
Disposals		Nil	Nil	Nil	6.64	Nil	0.02	0.58	7.24
<b>Balance as at 31st March, 2018</b>		<b>961.47</b>	<b>822.34</b>	<b>19.99</b>	<b>2,587.07</b>	<b>12.57</b>	<b>17.88</b>	<b>53.85</b>	<b>4,475.17</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April, 2016</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Additions		Nil	42.82	0.94	192.47	3.33	4.82	11.34	255.72
Disposals		Nil	0.04	Nil	0.30	Nil	Nil	0.39	0.73
<b>Balance as at 31st March, 2017</b>		<b>Nil</b>	<b>42.78</b>	<b>0.94</b>	<b>192.17</b>	<b>3.33</b>	<b>4.82</b>	<b>10.95</b>	<b>254.99</b>
Additions		Nil	17.58	0.32	80.11	1.40	2.58	4.27	106.26
Disposals		Nil	Nil	Nil	0.96	Nil	0.01	0.17	1.14
<b>Balance as at 31st March, 2018</b>		<b>Nil</b>	<b>60.36</b>	<b>1.26</b>	<b>271.32</b>	<b>4.73</b>	<b>7.39</b>	<b>15.05</b>	<b>360.11</b>
<b>Net Block</b>									
<b>Balance as at 1st April, 2016</b>		<b>110.63</b>	<b>431.37</b>	<b>19.21</b>	<b>1,308.04</b>	<b>10.23</b>	<b>6.77</b>	<b>24.04</b>	<b>1,910.29</b>
<b>Balance as at 31st March, 2017</b>		<b>115.79</b>	<b>451.06</b>	<b>18.27</b>	<b>1,310.00</b>	<b>8.65</b>	<b>7.34</b>	<b>39.43</b>	<b>1,950.54</b>
<b>Balance as at 31st March, 2018</b>		<b>961.47</b>	<b>761.98</b>	<b>18.73</b>	<b>2,315.75</b>	<b>7.84</b>	<b>10.49</b>	<b>38.80</b>	<b>4,115.06</b>



# Notes to the Financial Statements for the year ended 31st March, 2018

₹ in Millions

	Computer Software	Membership Fees	Website	Total
<b>4. Intangible Assets</b>				
<b>Gross Block</b>				
Balance as at 1st April, 2016 (Deemed Cost)	2.23	7.40	0.00	9.63
Additions	1.29	Nil	Nil	1.29
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2017	3.52	7.40	0.00	10.92
Additions	0.20	1.22	Nil	1.42
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	3.72	8.62	0.00	12.34
<b>Accumulated Amortisation</b>				
Balance as at 1st April, 2016	Nil	Nil	Nil	Nil
Additions	1.14	1.67	0.00	2.81
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2017	1.14	1.67	0.00	2.81
Additions	1.26	1.74	0.00	3.00
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	2.40	3.41	0.00	5.81
<b>Net Block</b>				
Balance as at 1st April, 2016	2.23	7.40	0.00	9.63
Balance as at 31st March, 2017	2.38	5.73	0.00	8.11
Balance as at 31st March, 2018	1.32	5.21	0.00	6.53

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>5. Investments (Non-Current)</b>			
<b>Quoted</b>			
<b>Investments in Equity Instruments</b>			
100 (31st March, 2017 : 100 and 1st April, 2016 : 100) Equity Shares of Beta Nepthol Ltd. of Rs. 10/- Each Fully Paid Up	0.00	0.00	0.00
2,00,000 (31st March, 2017 : 2,00,000 and 1st April, 2016 : 1,00,000) Equity Shares of Bhageria Industries Ltd. of Rs. 5/- Each (31st March, 2017 : Rs. 5/- each and 1st April, 2016 : Rs. 10/- each) Fully Paid Up	55.46	63.60	14.04
	55.46	63.60	14.04
Less : Allowance for Impairment Loss	0.00	0.00	0.00
<b>Total of Investments in Equity Instruments</b>	55.46	63.60	14.04
<b>Investments in Mutual Funds</b>			
5,00,000 (31st March, 2017 : 5,00,000 and 1st April, 2016 : Nil) Units of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	5.29	5.02	Nil
<b>Total of Investments in Mutual Funds</b>	5.29	5.02	Nil
<b>Total of Quoted Investments</b>	60.75	68.62	14.04

# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Unquoted</b>			
<b>Investments in Equity Instruments</b>			
<b>Investment in Subsidiary</b>			
1,13,634 (31st March, 2017 : 1,13,634 and 1st April, 2016 : Nil) Equity Shares of SPS Processors Pvt. Ltd. of Rs. 100/- Each Fully Paid Up.	40.91	40.91	Nil
<b>Investment in Associate Concern</b>			
29,05,701 (31st March, 2017 : 29,05,701 and 1st April, 2016 : Nil) Equity Shares of Trion Chemicals Pvt. Ltd. of Rs. 10/- Each Fully Paid Up	29.06	29.06	Nil
<b>Investments in other entities</b>			
250 (31st March, 2017 : 250 and 1st April, 2016 : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of Rs. 100/- each Fully Paid Up	0.03	0.03	0.03
1,12,350 (31st March, 2017 : 1,12,350 and 1st April, 2016 : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of Rs. 10/-each Fully Paid Up	1.12	1.12	1.12
100 (31st March, 2017 : 100 and 1st April, 2016 : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of Rs. 10/- Each Fully Paid Up	0.00	0.00	0.00
10 (31st March, 2017 : 10 and 1st April, 2016 : 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of Rs. 100/- Each Fully Paid Up	0.00	0.00	0.00
10,200 (31st March, 2017 : 10,200 and 1st April, 2016 : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of Rs. 10/- Each Fully Paid Up	0.10	0.10	0.10
3,542 (31st March, 2017 : 3,542 and 1st April, 2016 : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of Rs. 25/- Each Fully Paid Up	0.09	0.09	0.09
<b>Total of Investments in Equity Instruments (Unquoted)</b>	<b>71.31</b>	<b>71.31</b>	<b>1.34</b>
<b>Investments in Preference Shares</b>			
<b>Investment in Associate Concern</b>			
75,00,000 (31st March, 2017 : 75,00,000 and 1st April, 2016 : Nil) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of Rs. 10/- Each Fully Paid Up	75.00	75.00	Nil
<b>Total Investments in Preference Shares</b>	<b>75.00</b>	<b>75.00</b>	<b>Nil</b>
<b>Total of Unquoted Investments</b>	<b>146.31</b>	<b>146.31</b>	<b>1.34</b>
<b>Total of Non-Current Investments</b>	<b>207.06</b>	<b>214.93</b>	<b>15.38</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>6. Loans (Non-Current)</b>			
(Unsecured and Considered Good)			
Loans to Employees	9.03	7.36	4.35
Loans to related party (refer note 43)	428.50	524.45	Nil
<b>Total</b>	<b>437.53</b>	<b>531.81</b>	<b>4.35</b>

# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>7. Other Financial Assets (Non-Current)</b>			
Security Deposits	26.69	25.69	6.88
Advance for Investment	27.37	27.37	Nil
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	0.11	8.12	0.46
<b>Total</b>	<b>54.17</b>	<b>61.18</b>	<b>7.34</b>

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

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>8. Non-Current Tax Assets</b>			
Non-Current Tax Assets	103.30	103.30	103.30
<b>Total</b>	<b>103.30</b>	<b>103.30</b>	<b>103.30</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>9. Other Non-Current Assets</b>			
(Unsecured and Considered Good)			
Capital Advances	100.68	136.67	30.85
Balance With Statutory Authorities	56.45	60.23	18.30
<b>Total</b>	<b>157.13</b>	<b>196.90</b>	<b>49.15</b>

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

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>10. Inventories</b>			
(Valued at the lower of cost or net realisable value)			
a) Raw Materials	249.66	363.25	274.29
Raw Materials in Transit	44.99	86.15	17.24
	<b>294.65</b>	<b>449.40</b>	<b>291.53</b>
b) Finished Goods	210.60	176.66	101.99
Finished Goods in Transit	15.56	15.61	27.12
	<b>226.16</b>	<b>192.27</b>	<b>129.11</b>
c) Stock In Process	528.67	486.51	427.57
	<b>528.67</b>	<b>486.51</b>	<b>427.57</b>
d) Stock In Trade (in Transit)	Nil	4.47	Nil
	<b>Nil</b>	<b>4.47</b>	<b>Nil</b>
e) Packing Materials	6.29	5.94	6.75
Packing Materials in Transit	0.08	0.28	0.11
	<b>6.37</b>	<b>6.22</b>	<b>6.86</b>

# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
f) Stock of Fuel	7.56	4.76	5.38
	<b>7.56</b>	<b>4.76</b>	<b>5.38</b>
g) Stores and Spares	55.86	42.95	37.57
Stores and spares in Transit	1.78	Nil	Nil
	<b>57.64</b>	<b>42.95</b>	<b>37.57</b>
<b>Total</b>	<b>1,121.05</b>	<b>1,186.58</b>	<b>898.02</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>11. Investments (Current)</b>			
<b>Quoted</b>			
<b>Investments in Mutual Funds</b>			
5,218.057 (31st March, 2017 : Nil and 1st April, 2016 : Nil) Units of SBI Magnum Insta Cash Fund - Direct Plan -Growth	20.05	Nil	Nil
4,454.535 (31st March, 2017 : Nil and 1st April, 2016 : Nil) Units of SBI Ultra Short Term Debt Fund - Direct Plan -Growth	10.03	Nil	Nil
<b>Total</b>	<b>30.08</b>	<b>Nil</b>	<b>Nil</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>12. Trade Receivables</b>			
<b>Trade receivables</b>			
Unsecured & Considered Good	3,353.76	2,248.21	1,654.81
Unsecured & Considered Doubtful	6.22	2.42	2.85
Less : Allowance for bad and doubtful debts (refer note 40)	(6.22)	(2.42)	(2.85)
	<b>3,353.76</b>	<b>2,248.21</b>	<b>1,654.81</b>
Customers Bill Discounted	631.18	420.04	381.80
Other Trade Receivables	2,722.58	1,828.17	1,273.01
<b>Total</b>	<b>3,353.76</b>	<b>2,248.21</b>	<b>1,654.81</b>

**12.1** Trade Receivables include Rs. 4795 million (31st March, 2017 Rs. 22.73 million) to related parties. (refer note 43)

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>13. Cash and Bank Balances</b>			
<b>Cash &amp; Cash Equivalents</b>			
Cash on hand	1.77	1.78	0.89
Balance with Banks in current accounts	6.60	32.56	3.81
<b>Total</b>	<b>8.37</b>	<b>34.34</b>	<b>4.70</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>14. Other Bank Balances</b>			
Margin Money Deposits with bank *	44.63	23.41	31.47
Unclaimed Dividend Accounts	2.38	2.24	2.38
<b>Total</b>	<b>47.01</b>	<b>25.65</b>	<b>33.85</b>

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

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>15. Loans (Current)</b>			
<b>(Unsecured &amp; considered good)</b>			
Loans to Employees	19.46	18.88	16.84
Inter-Corporate Loans	102.47	Nil	119.17
<b>Total</b>	<b>121.93</b>	<b>18.88</b>	<b>136.01</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>16. Other Financial Assets (Current)</b>			
Derivative Assets	5.69	Nil	Nil
Other Receivables	3.48	1.04	0.40
<b>Total</b>	<b>9.17</b>	<b>1.04</b>	<b>0.40</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>17. Other Current Assets</b>			
Export Incentives Receivables	38.28	25.20	42.29
Advance to Suppliers of Goods	105.94	64.81	64.74
Advance to Suppliers of Expenses	8.94	2.04	10.79
Balance with Statutory Authorities	333.42	136.19	201.36
Pre-paid Expenses	6.00	7.58	14.19
Others	1.44	6.38	5.55
Licence on Hand (at Cost)	Nil	0.06	Nil
<b>Total</b>	<b>494.02</b>	<b>242.26</b>	<b>338.92</b>

**17.1** Advance to Suppliers of Goods include Rs. 76.51 million (31st March, 2017 : Rs. 41.64 million) to related parties (refer note 43).

**17.2** Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept. etc.



# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>18. Equity Share Capital</b>			
Authorised Share Capital			
13,50,00,000 (31st March, 2017 : 13,50,00,000 and 1st April, 2016 : 13,50,00,000)			
Equity Shares of Rs.2/- each	270.00	270.00	270.00
2,50,00,000 (31st March, 2017 : 2,50,00,000 and 1st April, 2016 : 2,50,00,000)			
Preference Share of Rs. 10/- each	250.00	250.00	250.00
	<b>520.00</b>	<b>520.00</b>	<b>520.00</b>
Issued, Subscribed & Paid up Share Capital			
12,21,88,765 (31st March, 2017 : 10,91,07,370 and 1st April, 2016 : 10,91,07,370)			
Equity shares of Rs. 2/- each	244.38	218.21	218.21
<b>Total</b>	<b>244.38</b>	<b>218.21</b>	<b>218.21</b>

**18.1** Pursuant to the Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 and u/s 52 of the Companies Act, 2013 for amalgamation of Bodal Agrotech Ltd. (Transferor Company) with the Company, with effect from 1st April, 2016 (appointed date), as sanctioned by the Hon'ble High Court of Gujarat dated 11th November 2016, Authorised Share Capital of Bodal Agrotech Ltd. of Rs. 30.00 million has been added in the Authorised Share Capital of the Company.

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>18.2 Reconciliation of the number of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Opening balance	10,91,07,370	10,91,07,370	10,91,07,370
Issue of Shares under Qualified Institutional Placement (refer note 18.3)	1,30,81,395	Nil	Nil
<b>Closing balance</b>	<b>12,21,88,765</b>	<b>10,91,07,370</b>	<b>10,91,07,370</b>

**18.3** The Board of Directors of the Company at its meeting held on 17th October, 2017 approved the allotment of 13,081,395 Equity Shares of face value of Rs. 2/- each to Qualified Institutional Buyers (QIBs) at the issue price of Rs. 172/- per Equity Share (including a premium of Rs. 170/-) aggregating to 224.99 Million in accordance with the Provisions of Chapter VIII of SEBI (ICDR) Regulations, 2009.

## 18.4 Rights, preferences and restrictions attached to shares

### Equity shares

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

# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
<b>18.5 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.</b>						
<b>Equity Shares :</b>						
Shri Suresh J. Patel	3,48,35,151	28.51	3,46,95,151	31.80	3,33,45,151	30.57
Shri Bhavin S. Patel	94,59,549	7.74	94,59,549	8.67	94,59,549	8.67
Shri Ankit S. Patel	65,36,550	5.35	65,36,550	5.99	65,36,550	5.99

**18.6** The Board of Directors at its meeting held on 29th May, 2018 has recommended a dividend of Re. 0.80 (Paise eighty only) per equity share for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of Rs. 117.65 million including corporate dividend tax of Rs. 19.90 million.

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>19. Other Equity</b>			
<b>Capital Reserves</b>	76.12	76.12	76.12
<b>Capital Redemption Reserve Fund</b>	289.67	289.67	289.67
<b>Securities Premium Account</b>			
At the commencement of the year	222.04	222.04	
Add : Premium on shares issued during the year (refer note 18.3)	2,223.83	Nil	
	<b>2,445.87</b>	<b>222.04</b>	
Less : Expenses related to issue of shares	63.96	Nil	
At the end of the year	<b>2,381.91</b>	<b>222.04</b>	<b>222.04</b>
<b>Employee Stock Options Outstanding Account (refer note 50)</b>	3.86	Nil	Nil
<b>General Reserve</b>	138.86	138.86	138.86
<b>Surplus in the Statement of Profit and Loss</b>			
At the commencement of the year	2,681.99	1,393.96	
Add : Surplus during the year	1,275.44	1,329.30	
Remeasurements of Net Defined Benefit Plans	(701)	(188)	
	<b>3,950.42</b>	<b>2,721.38</b>	
Less : Appropriations :			
Final Dividend on Equity Shares	54.55	Nil	
Interim Dividend on Equity Shares	Nil	32.73	
Tax on Dividends	11.11	6.66	
	65.66	39.39	
At the end of the year	<b>3,884.76</b>	<b>2,681.99</b>	<b>1,393.96</b>
<b>Total</b>	<b>6,775.18</b>	<b>3,408.68</b>	<b>2,120.65</b>

# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>20. Borrowings (Non-Current)</b>			
Unsecured			
Trade Deposits	7.70	7.77	6.79
<b>Total</b>	<b>7.70</b>	<b>7.77</b>	<b>6.79</b>
Current Maturities of Long Term Borrowings (Refer Note 25)	Nil	0.05	Nil

**20.1** Trade deposits are payable as per the terms attached to them. Interest rate on trade deposit is 11% (PY: 11%)

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>21. Provisions (Non-Current)</b>			
Provision for Employee Benefits (Refer Note 45)	0.34	Nil	Nil
<b>Total</b>	<b>0.34</b>	<b>Nil</b>	<b>Nil</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>22. Deferred Tax Liabilities (Net)</b>			
<b>Deferred Tax Liabilities</b>			
Property, Plant and Equipment	299.34	191.85	174.88
Fair Value of Forward Contracts	1.99	Nil	Nil
Expense claimed for tax purpose on payment basis	Nil	0.21	0.21
Difference in carrying value and tax base of investments measured at FVTPL	0.12	Nil	Nil
<b>Deferred Tax Assets</b>			
Unabsorbed Depreciation & c/f loss	Nil	Nil	(17.51)
Expense claimed for tax purpose on payment basis	(4.31)	(1.97)	(3.92)
Allowance for Doubtful Debts	(2.18)	(0.84)	(0.99)
Expenditure covered by section 35D of Income Tax Act, 1961	(17.88)	Nil	Nil
Fair Value of Forward Contracts	Nil	(7.07)	(2.54)
<b>Total</b>	<b>277.08</b>	<b>182.18</b>	<b>150.13</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>23. Borrowings (Non-Current)</b>			
<b>Secured</b>			
Working Capital Loans from Banks	715.28	471.93	1,014.34
<b>Unsecured</b>			
Working Capital Loans from Banks	Nil	100.00	Nil
Loans From Directors	124.60	343.70	Nil
Loans From Corporates	Nil	75.85	26.11
	<b>839.88</b>	<b>991.48</b>	<b>1,040.45</b>
Borrowing Bill Discounted (Secured)	631.18	420.04	381.80
<b>Total</b>	<b>1,471.06</b>	<b>1,411.52</b>	<b>1,422.25</b>

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

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

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>24. Trade Payables</b>			
Due to Micro and Small Enterprises (refer note 48)	14.38	8.09	11.32
Due to Others	1,467.38	1,548.45	1,080.40
<b>Total</b>	<b>1,481.76</b>	<b>1,556.54</b>	<b>1,091.72</b>

**24.1** Trade Payables include Rs. 0.62 million (31st March, 2017 : Rs. 67.89 million) to related parties (refer note 43)

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>25. Other Financial Liabilities (Current)</b>			
Current Maturities of Long Term Debt	Nil	0.05	Nil
Unclaimed Dividends	2.38	2.24	2.38
Creditors for Capital Goods	110.51	22.22	22.37
Derivative Liabilities	Nil	10.38	3.39
Other Payables	0.05	0.53	10.23
<b>Total</b>	<b>112.94</b>	<b>35.42</b>	<b>38.37</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>26. Other Current Liabilities</b>			
Advance Received from Customers	4.13	5.23	15.00
Statutory Liabilities	13.56	34.14	27.68
<b>Total</b>	<b>17.69</b>	<b>39.37</b>	<b>42.68</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

**26.1** Advance from Customers include Rs. 0.30 million (31st March, 2017 : Rs. Nil) to related parties (refer note 43)

Particulars	₹ in Millions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>27. Provisions (Current)</b>			
Provision for Employee Benefits (refer note 45)	5.00	Nil	Nil
<b>Total</b>	<b>5.00</b>	<b>Nil</b>	<b>Nil</b>

Particulars	₹ in Millions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>28. Current Tax Liabilities (Net)</b>			
Provision for Taxes (Net)	17.79	55.71	78.07
<b>Total</b>	<b>17.79</b>	<b>55.71</b>	<b>78.07</b>

Particulars	₹ in Millions	
	2017-18	2016-17
<b>29. Revenue From Operations</b>		
Sale of products (including excise duty)	11,317.32	12,701.49
<b>Other Operating Income</b>		
Export Incentives	97.48	117.29
HCL Lifting Charges Income	11.58	Nil
Scrap Sales	10.03	11.00
Brokerage Income	0.01	0.07
<b>Total</b>	<b>119.10</b>	<b>128.36</b>
<b>Total Revenue From Operations</b>	<b>11,436.42</b>	<b>12,829.85</b>

**29.1** Revenue from operations for period up to 30th June, 2017 included Excise duty, which is discontinued from 1st July, 2017 on implementation of Goods and Service tax (GST) in India. In accordance with Ind AS 18 - Revenue, GST, is not included in revenue from operations. In view of the aforesaid restructuring of Indirect taxes, revenue from operations for the year ended on 31st March, 2018 is not comparable with previous year.

Particulars	₹ in Millions	
	2017-18	2016-17
<b>30. Other Income</b>		
Interest Income		
On Deposits	2.65	2.85
On Others	49.07	23.36
Profit on sale of Investments (Net)	26.16	5.49
Fair Value Gain on Investments measured through profit or loss	Nil	49.58
Reversal of allowance for Doubtful Debts	Nil	0.43
Profit on sale of Assets (Net)	9.49	Nil
Dividend Income	5.42	0.50
Exchange Rate Difference (Net)	25.30	17.59
Other Income	0.71	4.74
<b>Total Revenue From Operations</b>	<b>118.80</b>	<b>104.54</b>



# Notes to the Financial Statements for the year ended 31st March, 2018

	₹ in Millions	
Particulars	2017-18	2016-17
<b>31. Cost of Materials Consumed</b>		
Opening Stock	449.40	291.53
Add: Purchases during the year	6,933.09	7,779.00
	<b>7,382.49</b>	<b>8,070.53</b>
Less : Closing Stock	294.65	449.40
<b>Total</b>	<b>7,087.84</b>	<b>7,621.13</b>

	₹ in Millions	
Particulars	2017-18	2016-17
<b>32. Purchase of Stock in Trade</b>		
Purchase of Stock in Trade	21.25	102.99
<b>Total</b>	<b>21.25</b>	<b>102.99</b>

	₹ in Millions	
Particulars	2017-18	2016-17
<b>33. Changes in Inventories of Finished Goods, Stock in Process &amp; Stock in Trade</b>		
Inventories at the end of the year		
Finished Goods	226.16	192.27
Stock In Process	528.67	486.51
Stock - in Trade	Nil	4.47
<b>Total (A)</b>	<b>754.83</b>	<b>683.25</b>
Inventories at the beginning of the year		
Finished Goods	192.27	129.11
Stock In Process	486.51	427.57
Stock - in Trade	4.47	Nil
<b>Total (B)</b>	<b>683.25</b>	<b>556.68</b>
Changes in Inventories	(71.58)	(126.57)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	20.90	(778)
<b>Changes In Inventories Of Finished Goods, Stock In Process &amp; Stock in Trade</b>	<b>(92.48)</b>	<b>(118.79)</b>

	₹ in Millions	
Particulars	2017-18	2016-17
<b>34. Employee Benefit Expenses</b>		
Salaries, Wages & Bonus	395.02	362.43
Contribution to Provident & Other Funds (refer note 45)	23.56	19.78
Employee Share Based Payments (refer note 50)	3.86	Nil
Staff Welfare Expenses	24.86	22.53
<b>Total</b>	<b>447.30</b>	<b>404.74</b>

	₹ in Millions	
Particulars	2017-18	2016-17
<b>35. Finance Costs</b>		
Bank Interest	28.47	41.10
Other Interest Expenses	3.89	8.19
Other Borrowing Cost	16.88	17.05
<b>Total</b>	<b>49.24</b>	<b>66.34</b>

# Notes to the Financial Statements

for the year ended 31st March, 2018

Particulars	₹ in Millions	
	2017-18	2016-17
<b>36. Depreciation and Amortisation Expense</b>		
Depreciation on Tangible Assets (refer note 36.1)	106.26	255.72
Amortisation on Intangible Assets	3.00	2.81
<b>Total</b>	<b>109.26</b>	<b>258.53</b>

**36.1** During the year, the Company has changed its method of providing depreciation on fixed assets from Written Down Value Method (WDV) to Straight Line Method (SLM) with effect from 1st April, 2017.

Due to the change in the method of depreciation, the amount of depreciation has been lower by Rs.149.27 million for the year ended on 31st March, 2018 and hence the said figures are not comparable with the figures of the corresponding year.

If the Company would have continued to provide depreciation on earlier method (WDV) on its assets, the profit after tax would have been Rs.1178.41 million instead of Rs.1275.44 million for the year ended 31st March, 2018.

Particulars	₹ in Millions	
	2017-18	2016-17
<b>37. Other Expenses</b>		
Stores Consumption	37.65	42.85
Power & Fuel Consumption	569.82	495.17
Repairs to		
Machinery	167.72	184.25
Building	20.96	15.68
Others	0.55	1.16
Pollution Control Expenses	163.67	136.51
Rent & Taxes	3.91	3.15
Labour Charges	218.19	181.76
Insurance Expenses	11.49	8.63
Corporate Social Responsibility Expenses (refer note 49)	31.07	21.50
Directors' Sitting fees	0.45	0.50
Travelling & Vehicle Expense	27.62	23.92
Payment to Auditors (refer note 37.1)	1.40	1.70
Legal & Professional Fees	24.29	24.82
Loss on Disposal of Assets	Nil	3.43
Fair Value Loss on Investments measured through profit or loss	7.78	Nil
Packing Material Consumption	108.26	94.17
Freight & Handling Charges	197.40	206.04
Advertisement & Business Promotion Expenses	24.41	21.04
Sales Commission	73.37	65.24
Allowance for Doubtful Debts	8.34	Nil
Other Expenses	81.82	74.61
<b>Total</b>	<b>1,780.17</b>	<b>1,606.13</b>

**37.1** Payment to Auditors include (excluding GST/service tax) as below:

Particulars	₹ in Millions	
	2017-18	2016-17
I) As Statutory Auditors	1.40	1.20
II) Taxation matters	Nil	0.50

# Notes to the Financial Statements for the year ended 31st March, 2018

₹ in Millions

Particulars	2017-18	2016-17
<b>38. Exceptional Items</b>		
Profit from Sale of Unit-V (refer note 47)	Nil	48.55
<b>Total</b>	<b>Nil</b>	<b>48.55</b>

## Additional Disclosure requirement:

### 39. Financial Instruments

Financial Instruments Classification by Category

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial Assets</b>			
<b>Financial Assets measured at fair value through profit and loss</b>			
Investments	90.83	68.62	14.04
Derivative Assets	5.69	Nil	Nil
<b>Financial Assets measured at amortised cost</b>			
Investments	146.31	146.31	1.34
Loans	559.46	550.69	140.36
Trade Receivables	3,353.76	2,248.21	1,654.81
Cash and Cash Equivalents	8.37	34.34	4.70
Other Bank Balances	47.01	25.65	33.85
Other Financial Assets	57.65	62.22	7.74
<b>Total Financial Assets</b>	<b>4,269.08</b>	<b>3,136.04</b>	<b>1,856.84</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial Liabilities</b>			
<b>Financial Liabilities measured at fair value</b>			
Derivative Liabilities	Nil	10.38	3.39
<b>Financial Liabilities measured at amortised cost</b>			
Borrowings	1,478.76	1,419.29	1,429.04
Trade Payables	1,481.76	1,556.54	1,091.72
Other Financial Liabilities	112.94	25.04	34.98
<b>Total Financial Liabilities</b>	<b>3,073.46</b>	<b>3,011.25</b>	<b>2,559.13</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## Fair Value Hierarchy

₹ in Millions

### Financial Assets measured at fair value 31.03.2018

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured at fair value through profit or loss				
Investments in quoted equity shares	55.46	Nil	Nil	55.46
Investments in quoted mutual fund	35.37	Nil	Nil	35.37
Derivative Assets	Nil	5.69	Nil	5.69

₹ in Millions

### Financial Assets and liabilities measured at fair value 31.03.2017

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured at fair value through profit or loss				
Investments in quoted equity shares	63.60	Nil	Nil	63.60
Investments in quoted mutual fund	5.02	Nil	Nil	5.02
<b>Financial Liabilities</b>				
Measured at fair value through profit or loss				
Derivative Liabilities	Nil	10.38	Nil	10.38

₹ in Millions

### Financial Assets and liabilities measured at fair value 01.04.2016

	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured at fair value through profit or loss				
Investments in quoted equity shares	14.04	Nil	Nil	14.04
<b>Financial Liabilities</b>				
Measured at fair value through profit or loss				
Derivative Liabilities	Nil	3.39	Nil	3.39

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

### Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

# Notes to the Financial Statements for the year ended 31st March, 2018

## 40. Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk
<b>Credit Risk</b>
<b>Liquidity Risk</b>
<b>Market Risk</b>
- Foreign Exchange Risk
- Interest Rates
- Security Price

### (A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company is making provision on trade receivables based on Expected Credit Loss Model (ECL).

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

#### Reconciliation of loss allowance provision

	₹ in Millions	
Reconciliation of Loss Allowance	2017-18	2016-17
Opening Balance	2.42	2.85
Loss allowance measured at ECL	8.34	(0.43)
Write off Bad Debts	(4.54)	Nil

₹ in Millions

Reconciliation of Loss Allowance	2017-18	2016-17
Closing Balance (As reported in Note 12)	6.22	2.42

### (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Maturities of financial instruments as on 31.03.2018

	₹ in Millions	
	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	30.08	207.06
Trade Receivables	3,353.76	Nil
Other Bank Balances	47.01	Nil
Loans	121.93	437.53
Other Financial Assets	9.17	54.17
<b>Financial Liabilities</b>		
Borrowings	1,471.06	7.70
Trade Payables	1,481.76	Nil
Other Financial Liability	112.94	Nil

#### Maturities of financial instruments as on 31.03.2017

	₹ in Millions	
	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	Nil	214.93
Trade Receivables	2,248.21	Nil
Other Bank Balances	25.65	Nil
Loans	18.88	531.81
Other Financial Assets	1.04	61.18



# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

	Within 12 months	After 12 months
<b>Financial Liabilities</b>		
Borrowings	1,411.52	7.77
Trade Payables	1,556.54	Nil
Other Financial Liability	35.42	Nil

## (C) Market Risk Management

### i) Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

### (A) Foreign currency risk exposure

₹ in Millions

Particulars	31-Mar-18			31-Mar-17		
	USD	EUR	Other	USD	EUR	Other
Financial Assets						
Trade Receivables	15.82	Nil	Nil	1.56	0.01	Nil
Financial Liabilities						
Trade Payables	1.42	0.01	Nil	3.76	0.01	0.05
Borrowings	18.08	Nil	Nil	6.01	Nil	Nil
Net Exposure	(3.68)	(0.01)	Nil	(8.21)	0.00	(0.05)

### (B) Sensitivity (+/-5%)

₹ in Millions

Currency	2017-18			2016-17		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(783)	(783)	5.00%	(1741)	(1741)
USD	-5.00%	783	783	-5.00%	1741	1741
EUR	5.00%	(0.03)	(0.03)	5.00%	(0.00)	(0.00)
EUR	-5.00%	0.03	0.03	-5.00%	0.00	0.00

### ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Company's borrowings at variable rate were mainly denominated in INR & USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (a) Interest rate risk exposure

₹ in Millions

Particulars	31.03.2018	31.03.2017
Variable Rate borrowings	1,346.46	991.97
Fixed Rate Borrowings	7.70	7.77

At the end of reporting period the Company had the following variable rate borrowings:

# Notes to the Financial Statements for the year ended 31st March, 2018

₹ in Millions

Particulars	31-Mar-18			31-Mar-17		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Cash Credit Facility	10.11%	170.39	12.70%	11.64%	44.00	4.40%
Packing Credit Facility	2.34%	439.42	32.60%	2.85%	388.63	39.20%
Buyers Credit Facility	2.02%	104.09	7.70%	1.59%	39.30	4.00%
Bills Discounting Facility	2.34%	631.18	46.90%	2.85%	420.04	42.30%
WCDL-HDFC	Nil	Nil	0.00%	9.23%	100.00	10.10%
Overdraft facility -Yes Bank	8.15%	1.38	0.10%	Nil	Nil	0.00%
Net Exposure		1,346.46	100.00%		991.97	100.00%

## Sensitivity (+/-1%)

₹ in Millions

	Movement in Rate	As at	
		31.03.2018	31.03.2017
Interest rates	1.00%	8.80	6.49
Interest rates	-1.00%	(8.80)	(6.49)

## iii) Security Price Risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

## Sensitivity (+/-5%)

₹ in Millions

Particulars	Investment in Quoted Securities			
	31.03.2018		31.03.2017	
Increase/(decrease)	5%	-5%	5%	-5%
Impact on PAT	1.81	(1.81)	2.08	(2.08)

## 41. Capital Management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

# Notes to the Financial Statements for the year ended 31st March, 2018

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

Particulars	₹ in Millions	
	31-Mar-18	31-Mar-17
Net Debt	1,470.39	1,384.95
Total Equity	7,019.56	3,626.89
Debt Equity Ratio	0.21	0.38

## 42. Income Taxes

Particulars	₹ in Millions	
	31.03.2018	31.03.2017
Current Tax	552.20	671.81
Deferred Tax	98.61	33.04
Total Income Tax Expenses (excluding deferred tax benefit on OCI)	650.81	704.85

### Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

Particulars	₹ in Millions	
	31.03.2018	31.03.2017
Profit Before Tax	1,926.25	2,034.15
Statutory Tax Rate (%)	34.608%	34.608%
Tax at statutory rate	666.64	703.98
Effect of income that is exempt from tax	(1.88)	(17.01)
Effect of expenses that are not deductible in determining taxable profit	14.82	8.21
Effect of share issue expenses debited to securities premium	(22.13)	Nil
Effect of tax on special rate income	Nil	(2.34)
Effect of tax deduction under section 35AC, 35(i) (ii) & 80G	(11.46)	(11.77)
Effect of deferred tax balances due to change in income tax rate from 34.608 % to 34.944% (effective 01.04.19)	2.66	Nil
Effect of interest on tax	Nil	11.15
Others	7.50	4.20
	<b>656.15</b>	<b>696.42</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(5.34)	8.43
Income tax exposé recognised in profit or loss	650.81	704.85
Effective Tax Rate	33.79%	34.65%

## 43. Related Party Transactions:

### (a) List of Related Parties

#### I. Key Management Personnel (KMP)

- Shri Suresh J. Patel Chairman & Managing Director
- Shri Bhavin S. Patel Executive Director
- Shri Ankit S. Patel Executive Director
- Shri Mayur B. Padhya Chief Financial Officer

# Notes to the Financial Statements for the year ended 31st March, 2018

5. Shri Ashutosh B. Bhatt Company Secretary
6. Shri Surendra N. Shah Independent Director (Upto 7th October, 2017)
7. Shri Bipin R. Patel Independent Director
8. Shri Nalin Kumar Independent Director
9. Smt. Neha Huddar Independent Director
10. Shri Sunil K. Mehta Independent Director (w.e.f. 13th December, 2017)
11. Smt. Kajal R. Soni Independent Director (Upto 11th February, 2017)

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

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

## III. Associate Concern (AC)

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

## IV. Subsidiary Company (SC)

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

## a) Transactions with related parties

₹ in Millions

Related party disclosure	Relationship	2017-2018	2016-2017
<b>Remuneration</b>			
Shri Suresh J. Patel	KMP	10.80	10.80
Shri Bhavin S. Patel	KMP	7.20	7.20
Shri Ankit S. Patel	KMP	7.20	7.20
Shri Mayur B. Padhya	KMP	4.14	3.14
Shri Ashutosh B. Bhatt	KMP	0.71	0.57
Directors' Sitting Fees			
Shri Surendra N. Shah	KMP	0.07	0.15
Shri Bipin R. Patel	KMP	0.15	0.13
Shri Nalin Kumar	KMP	0.13	Nil
Smt. Neha Huddar	KMP	0.08	0.03
Shri Sunil K. Mehta	KMP	0.02	0.10
Smt. Kajal R. Soni	KMP	Nil	0.10
<b>Loan Given</b>			
Trion Chemicals Pvt. Ltd.	AC	219.97	192.40
SPS Processors Pvt. Ltd.	SC	73.86	366.46
<b>Loan Received Back</b>			
Trion Chemicals Pvt. Ltd.	AC	60.76	149.46
SPS Processors Pvt. Ltd.	SC	329.02	0.14
<b>Loan Received</b>			
Shri Suresh J. Patel	KMP	86.00	475.28
Shri Bhavin S. Patel	KMP	4.50	116.83
Shri Ankit S. Patel	KMP	10.40	5.00
<b>Loan Repaid</b>			
Shri Suresh J. Patel	KMP	203.90	237.11
Shri Bhavin S. Patel	KMP	107.40	13.90
Shri Ankit S. Patel	KMP	8.70	2.40

# Notes to the Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Related party disclosure	Relationship	2017-2018	2016-2017
<b>Purchases of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.20	117
SPS Processors Pvt. Ltd.	SC	406.90	287.72
Trion Chemicals Pvt. Ltd.	AC	0.16	Nil
<b>Rent Expense</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	0.60
<b>A.G.M. Expenses</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.03
<b>Business Development Expenses</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.01
<b>Canteen Expenses</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.72
<b>Dividend Paid</b>			
Shri Suresh J. Patel	KMP	17.35	10.00
Shri Bhavin S. Patel	KMP	4.73	2.84
Shri Ankit S. Patel	KMP	3.27	1.96
Shri Mayur B. Padhya	KMP	0.09	0.06
<b>Interest Income</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.31	Nil
Trion Chemicals Pvt. Ltd.	AC	21.93	19.59
SPS Processors Pvt. Ltd.	SC	18.21	1.37
<b>Sales of Asset</b>			
Trion Chemicals Pvt. Ltd.	AC	0.04	0.27
SPS Processors Pvt. Ltd.	SC	8.80	Nil
<b>Sales of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	52.89	34.12
Trion Chemicals Pvt. Ltd.	AC	4.71	Nil
SPS Processors Pvt. Ltd.	SC	127.27	Nil
<b>Related Party Balances as at the year end.</b>			
<b>Amount Payable</b>			
<b>As Unsecured Loan</b>			
Shri Suresh J. Patel	KMP	120.27	238.17
Shri Bhavin S. Patel	KMP	0.03	102.93
Shri Ankit S. Patel	KMP	4.30	2.60
<b>As Trade Payables</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.03
Trion Chemicals Pvt. Ltd.	AC	0.19	Nil
SPS Processors Pvt. Ltd.	SC	Nil	66.68
Shri Suresh J. Patel	KMP	0.04	0.31
Shri Bhavin S. Patel	KMP	0.16	0.42
Shri Ankit S. Patel	KMP	0.18	0.27
Shri Mayur B. Padhya	KMP	0.00	0.14
Shri Ashutosh B. Bhatt	KMP	0.05	0.04
<b>As Advance from Customer</b>			
Trion Chemicals Pvt. Ltd.	AC	0.30	Nil
<b>As Investment</b>			
<b>As Equity shares</b>			
Trion Chemicals Pvt. Ltd.	AC	29.06	29.06
SPS Processors Pvt. Ltd.	SC	40.91	40.91



# Notes to the Financial Statements for the year ended 31st March, 2018

₹ in Millions

Related party disclosure	Relationship	2017-2018	2016-2017
As Preference shares			
Trion Chemicals Pvt. Ltd.	AC	75.00	75.00
<b>Amounts Receivable</b>			
<b>As Trade Receivables</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	27.36	22.73
SPS Processors Pvt. Ltd.	SC	20.59	Nil
<b>As Advance Given to Supplier</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	53.04	41.64
SPS Processors Pvt. Ltd.	SC	23.47	Nil
<b>As Loan to Subsidiary</b>			
SPS Processors Pvt. Ltd.	SC	111.17	366.33
<b>As Loan to Associate concern</b>			
Trion Chemicals Pvt. Ltd.	AC	317.33	158.12

**Notes:-**

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

## 44. Earnings per Share

Particulars	2017-18	2016-17
Net Profit/(Loss) after Tax as per statement of Profit and Loss (Rs. in Millions)	1,275.43	1,329.30
Weighted average number of Equity Shares	114,841,680	109,107,370
Basic and Diluted EPS (Rs.)	11.11	12.18
Nominal Value per Share (Rs.)	2	2

## 45. Employee Benefits

### Defined Contribution Plan

₹ in Millions

Particulars	2017-18	2016-17
Employer's contribution to Provident Fund	16.10	14.97

### Defined Benefits Plan

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

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements based on actuarial valuations being carried out as at 31st March 2018.

# Notes to the Financial Statements

for the year ended 31st March, 2018

## Balance sheet disclosures

### (a) The amounts disclosed in the balance sheet and the movements in the defined benefit obligation over the year:

Particulars	31.03.2018	31.03.2017
Liability at the beginning of the year	30.59	22.46
Interest Costs	2.22	1.80
Current Service Costs	5.39	5.02
Past Service Cost	2.88	Nil
Benefits paid	(2.33)	(1.57)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	2.99	Nil
- Financials	7.83	(2.99)
- Experience	(0.69)	5.87
<b>Liability at the end of the year</b>	<b>48.88</b>	<b>30.59</b>

### (b) Movements in the fair value of plan assets

Particulars	31.03.2018	31.03.2017
Fair value of plan assets at the beginning of the year	36.51	27.81
Interest Income	2.86	2.50
Expenses deducted from the Fund	Nil	(0.55)
Expected return on plan assets	(0.59)	0.01
Contributions	7.09	8.31
Benefits paid	(2.33)	(1.57)
<b>Fair value of plan assets at the end of the year</b>	<b>43.54</b>	<b>36.51</b>

### (c) Net liability disclosed above relates to

Particulars	31.03.2018	31.03.2017
Fair value of plan assets at the end of the year	43.54	36.51
Liability as at the end of the year	48.88	30.59
<b>Net (Liability)/Asset</b>	<b>(5.34)</b>	<b>5.92</b>
Non-Current Portion	(0.34)	0.53
Current Portion	(5.00)	5.39

### (d) Balance Sheet Reconciliation

Particulars	31.03.2018	31.03.2017
<b>Opening Net liability</b>	<b>(5.92)</b>	<b>(5.35)</b>
-Expenses recognised in the statement of P&L	7.63	4.87
-Expenses recognised in the OCI	10.72	2.87
-Employer's Contribution	(7.09)	(8.31)
<b>Amount recognised in the Balance Sheet</b>	<b>5.34</b>	<b>(5.92)</b>

# Notes to the Financial Statements for the year ended 31st March, 2018

## Profit & Loss Disclosures

### (a) Net interest Cost for Current period

Particulars	31.03.2018	31.03.2017
Interest Cost	2.22	1.80
Interest Income	2.86	2.50
<b>Net interest Cost/(Income)</b>	<b>(0.64)</b>	<b>(0.70)</b>

### (b) Expenses recognised in the profit & loss

Particulars	31.03.2018	31.03.2017
<b>Net Interest Cost</b>	<b>(0.64)</b>	<b>(0.70)</b>
Expenses deducted from the Fund	Nil	0.55
Current Service Cost	5.39	5.02
Past service cost and loss/(gain) on curtailments and settlement	2.88	Nil
<b>Expenses recognised in the profit &amp; loss</b>	<b>7.63</b>	<b>4.87</b>

### (c) Expenses recognised in the Other Comprehensive Income

Particulars	31.03.2018	31.03.2017
<b>Remeasurement</b>		
Expected return on plan assets	0.59	(0.01)
Actuarial (Gain) or Loss	10.13	2.88
<b>Net (Income) / Expenses recognised in OCI</b>	<b>10.72</b>	<b>2.87</b>

## Sensitivity Analysis

Particulars	31.03.2018	31.03.2017
<b>Projected Benefit obligation on current assumptions</b>		
Data effect of change in Rate of		
- Discounting by +0.5%	46.40	28.52
- Salary Increase by +0.5%	51.11	32.84
- Employee Turnover by +20%	48.97	30.92
Data effect of change in Rate of		
- Discounting by -0.5%	51.58	32.88
- Salary Increase by -0.5%	46.72	28.51
- Employee Turnover by +20%	48.72	30.22

## Significant Actuarial Assumptions

Particulars	31.03.2018	31.03.2017
Discount Rate	7.70%	7.40%
Salary Escalation	8.00%	5.75%
Attrition Rate	2-10%	1-3%

# Notes to the Financial Statements for the year ended 31st March, 2018

## 46. Contingent Liabilities and Commitments

Particulars	₹ in Millions	
	As at 31st March, 2018	As at 31st March, 2017
(a)Contingent Liabilities		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	61.33	30.12
ii. Excise	31.38	31.95
iii. Service Tax	0.39	0.39
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
2) Letter of Credit issued by bankers and outstanding as on 31st March, 2018.	9713	9150
(a)Commitments		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	136.72	297.91

## 47. Brief Description of exceptional items:

During the previous year 2016-17, the Company had sold out Unit-5 located at Ankleswar- GIDC, Bharuch, Gujarat. The Company has gained Rs. 48.55 million out of sale of whole unit and the same is disclosed under "Exceptional items" in the statement of Profit and loss.

48. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2017-18, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	₹ in Millions	
	As at 31st March, 2018	As at 31st March, 2017
a. Principal and interest amount remaining unpaid	14.38	8.09
b. Interest due thereon remaining unpaid	0.00	0.00
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	0.00	0.00
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	0.00	0.00
e. Interest accrued and remaining unpaid	0.00	0.00
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	0.00	0.00

# Notes to the Financial Statements for the year ended 31st March, 2018

## 49. Corporate Social Responsibility Expenses

A. Gross amount required to be spent by the Company during the year 2017-18 Rs. 31.07 million (Previous year – Rs. 21.50 million)

B. Amount spent during the year on :

₹ in Millions

Currency	2017-18			2016-17		
	In Cash*	Yet to be paid in cash	Total	In Cash*	Yet to be paid in cash	Total
i) Construction / Acquisition of any Assets	0.00	0.00	0.00	0.00	0.00	0.00
ii) Purposes other than (i) above	31.07	0.00	31.07	21.50	0.00	21.50

\*Represents actual outflow during the year.

## 50. Share Based Payments

a) The Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September, 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Company, administers the Scheme and grants stock options to eligible directors or employees of the Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (Rs.)	Fair Value at Grant Date (Rs.)
ESOP 2017	146,200	13/01/2018	12/01/2019	50	123.52

## b) Compensation Expenses arising on account of the Share Based Payments

₹ in Millions

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employee Share Based Payments (refer note 34)	3.86	Nil



# Notes to the Financial Statements for the year ended 31st March, 2018

## c) Fair Value on the grant date

The fair value on the grant date is determined using "Black Scholes Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31st March, 2018 included as mentioned below.

- a) Weighted average exercise price Rs. 50/-
- b) Grant date: 13/01/2018
- c) Vesting Period: 13/01/2018 to 12/01/2019
- d) Share Price at grant date: Rs. 168.70
- e) Expected price volatility of Company's share: 31%
- f) Expected dividend yield: 0.19%
- g) Risk free interest rate: 7.45 %

The expected price volatility is based on the historic volatility (based on remaining life of the options).

**51.** The Ind AS financial Statements of the Company for the year ended 31st March, 2017, were audited by M/s. Mayank Shah & Associates, Chartered Accountants, the predecessor statutory auditors.

**52.** Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

As Per Our Report of even date attached

For **Deloitte Haskins and Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman & Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary

# Independent Auditor's Report

To  
The Members of  
Bodal Chemicals Limited

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Bodal Chemicals Limited (hereinafter referred to as "the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), which includes Group's share of loss in its associates, comprising the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Associate in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the

accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

## Opinion

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

## Other Matters

- (a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 570.40 Million as at 31st March, 2018, total revenues of Rs. 781.61 Million and net cash outflows amounting to Rs. 103.69 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements.

The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 26.69 Million for the year ended 31st March, 2018, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and associate is based solely on the reports of the other auditors.

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

- (b) The comparative financial information of the Group for the year ended 31st March 2017, which includes its share of loss in its associate and the related transition date opening balance sheet as at 1st April 2016 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information and the said opening balance sheet dated 29th May, 2018 expressed an unmodified opinion.

### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

- (e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company and associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary company and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate – Refer Note 49
- ii. The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company and associate company.

For **Deloitte Haskins and Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Gaurav J. Shah**

Partner

(Membership No. 35701)

Place: Ahmedabad

Date: 29th May, 2018

# Annexure "A" to the Independent Auditors' Report

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Bodal Chemicals Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which includes internal financial controls over financial reporting of its subsidiary and its associate company, which are companies incorporated in India, as of that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

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

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

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

### Other Matters

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

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

For **Deloitte Haskins and Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Gaurav J. Shah**

Partner  
(Membership No. 35701)

Place: Ahmedabad  
Date: 29th May, 2018



# Consolidated Balance Sheet

As at 31st March, 2018

₹ in Millions

Particulars	Notes	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>ASSETS</b>				
<b>Non - Current Assets :</b>				
Property, Plant and Equipment	3	4,358.97	2,206.89	1,910.29
Capital work-in-progress		187.00	91.67	2.72
Intangible Assets	4	6.53	8.11	9.63
Financial Assets				
Investments	5	139.25	173.81	15.38
Loans	6	326.36	165.48	4.35
Other Financial Assets	7	60.07	68.51	7.34
Deferred Tax Assets	8	33.45	0.51	Nil
Non-current tax Assets	9	105.69	103.30	103.30
Other Non-current assets	10	158.33	196.91	49.15
<b>Total Non - Current Assets</b>		<b>5,375.65</b>	<b>3,015.19</b>	<b>2,102.16</b>
<b>Current Assets</b>				
Inventories	11	1,133.05	1,308.18	898.02
Financial Assets				
Investments	12	30.08	Nil	Nil
Trade Receivables	13	2,836.42	1,882.90	1,273.01
Customers Bill Discounted	13	631.18	420.04	381.80
Cash and Cash Equivalents	14	117.6	141.42	4.70
Other Bank Balances	15	47.01	25.66	33.85
Loans	16	187.71	18.88	136.01
Others Financial Assets	17	9.72	1.04	0.40
Other Current Assets	18	48.41	253.93	338.92
<b>Total Current Assets</b>		<b>5,374.34</b>	<b>4,052.05</b>	<b>3,066.71</b>
<b>Total Assets</b>		<b>10,749.99</b>	<b>7,067.24</b>	<b>5,168.87</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	19	244.38	218.21	218.21
Other Equity	20	6,725.22	3,408.65	2,120.65
<b>Total Equity</b>		<b>6,969.60</b>	<b>3,626.86</b>	<b>2,338.86</b>
<b>Non-Controlling Interests</b>		<b>11.20</b>	<b>17.62</b>	<b>Nil</b>
<b>Non-Current Liabilities</b>				
Financial Liabilities				
Borrowings	21	10.20	78.77	6.79
Provisions	22	0.83	0.11	Nil
Deferred Tax Liability	23	277.09	182.18	150.13
<b>Total Non-Current Liabilities</b>		<b>288.12</b>	<b>261.06</b>	<b>156.92</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	24	1,167.07	991.48	1,040.45
Customers Bill Discounted	24	631.18	420.04	381.80
Trade Payables	25	1,519.09	1,590.30	1,091.73
Other Financial Liabilities	26	119.76	54.49	38.37
Other Current Liabilities	27	21.17	49.68	42.67
Provisions	28	5.00	Nil	Nil
Current Tax Liabilities (Net)	29	17.80	55.71	78.07
<b>Total Current Liabilities</b>		<b>3,481.07</b>	<b>3,161.70</b>	<b>2,673.09</b>
<b>Total Liabilities</b>		<b>3,769.19</b>	<b>3,422.76</b>	<b>2,830.01</b>
<b>Total Equity and Liabilities</b>		<b>10,749.99</b>	<b>7,067.24</b>	<b>5,168.87</b>

See accompanying notes forming part of the financial statements

1-54

As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

Bodal Chemicals Limited

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman &amp; Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary

# Consolidated Statement of Profit & Loss

for the year ended 31st March, 2018

₹ in Millions

Particulars	Notes	Year Ended 31st March, 2018	Year Ended 31st March, 2017
<b>INCOME</b>			
Revenue from Operations	30	11,661.38	13,392.03
Other Income	31	94.91	105.12
<b>Total Income</b>		<b>11,756.29</b>	<b>13,497.15</b>
<b>EXPENSES</b>			
Cost of materials consumed	32	7,126.04	7,971.06
Purchases of Stock-in Trade	33	21.25	102.99
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	34	(90.46)	(100.81)
Excise Duty		239.23	1,048.37
Employee Benefits Expenses	35	472.16	419.05
Finance Costs	36	53.08	86.96
Depreciation and Amortisation expense	37	120.92	288.95
Other Expenses	38	1,949.29	1,690.89
<b>Total Expenses</b>		<b>9,891.51</b>	<b>11,507.46</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>1,864.78</b>	<b>1,989.69</b>
Exceptional Items	39	Nil	48.54
<b>Profit Before Tax</b>		<b>1,864.78</b>	<b>2,038.23</b>
<b>Tax Expenses</b>			
Current Tax	43	557.54	664.02
(Short)/Excess Provision of tax of prior years		(4.38)	12.10
Net Current Tax		553.16	676.12
Deferred Tax		65.71	32.80
<b>Net Tax Expense</b>		<b>618.87</b>	<b>708.92</b>
<b>Profit After Tax Before Share of Loss of Associate</b>		<b>1,245.91</b>	<b>1,329.31</b>
Less: Share of (Loss) of Associate		(26.68)	(0.21)
Pre-Acquisition Profit adjusted against Capital Reserve		Nil	(0.01)
<b>Profit for the Year</b>		<b>1,219.23</b>	<b>1,329.09</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		(10.88)	(2.86)
Income Tax relating to items that will not be reclassified to profit and loss account		3.75	0.99
Share of OCI in associate		(0.01)	Nil
<b>Total Other Comprehensive Income</b>		<b>(7.14)</b>	<b>(1.87)</b>
<b>Total Comprehensive Income for the year</b>		<b>1,212.09</b>	<b>1,327.22</b>
<b>Profit for the Year Attributable to:</b>			
Owners of the Company		1,225.60	1,329.08
Non-controlling interest		(6.37)	0.01
		<b>1,219.23</b>	<b>1,329.09</b>
<b>Other Comprehensive Income for the Year Attributable to:</b>			
Owners of the Company		(7.10)	(1.87)
Non-controlling interest		(0.04)	Nil
		<b>(7.14)</b>	<b>(1.87)</b>
<b>Total Comprehensive Income for the Year Attributable to:</b>			
Owners of the Company		1,218.50	1,327.21
Non-controlling interest		(6.41)	0.01
		<b>1,212.09</b>	<b>1,327.22</b>
Earnings per equity share (Face value of ₹2)	46		
Basic (in ₹)		10.62	12.18
Diluted (in ₹)		10.62	12.18
See accompanying notes forming part of the financial statements	1-54		

As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman &amp; Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary

# Consolidated Statement of Changes In Equity

for the year ended 31st March, 2018

## A) Equity Share Capital

Particulars	₹ in Millions	
	As at 31st March, 2018	As at 31st March, 2017
Balance at the commencement of the year	218.21	218.21
Add : Issue of Shares under Qualified Institutional Placement (refer note 19.3)	26.17	Nil
<b>Balance at the end of the year</b>	<b>244.38</b>	<b>218.21</b>

## B) Other Equity

	₹ in Millions						
	Reserves & Surplus						
	Capital Reserve on Consolidation	Capital Reserves	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings
Balance as at 1st April, 2016 (A)	0.00	76.12	289.67	222.04	0.00	138.86	1,393.96
Additions during the year:							
Profit for the year							1,329.08
Other Comprehensive Income for the year, net of tax							(1.87)
<b>Total Comprehensive Income for the Year 2016-17 (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,327.21</b>
Addition due to investment in subsidiary	0.18						
Reductions during the year:							
Dividends							(32.73)
Tax on Dividends							(6.66)
<b>Total (C)</b>							<b>(39.39)</b>
<b>Balance as at 31st March, 2017 (D) (A+B+C)</b>	<b>0.18</b>	<b>76.12</b>	<b>289.67</b>	<b>222.04</b>	<b>0.00</b>	<b>138.86</b>	<b>2,681.78</b>
Additions during the year:							
Profit for the year							1,225.60
Other Comprehensive Income for the year, net of tax							(7.10)
<b>Total Comprehensive Income for the Year 2017-18 (E)</b>							<b>1,218.50</b>
Securities Premium on issue of shares (refer note 19.3)				2,159.87			
Addition due to Employee share based expense (refer note 51)					3.86		
Reductions during the year:							
Dividends							(54.55)
Tax on Dividends							(11.11)
<b>Total (F)</b>							<b>(65.66)</b>
<b>Balance as at 31st March, 2018 (D+E+F)</b>	<b>0.18</b>	<b>76.12</b>	<b>289.67</b>	<b>2,381.91</b>	<b>3.86</b>	<b>138.86</b>	<b>3,834.62</b>

As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

Bodal Chemicals Limited

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman & Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2018

₹ in Millions

Particulars	Year 2017-18	Year 2016-17
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and after Exceptional Items	1,864.78	2,038.23
Adjustment for		
Depreciation and Amortisation Expense	120.92	288.95
Unrealised Foreign Exchange Gain	(17.28)	(7.29)
Fair Value (Gain) / Loss on Investments measured through profit or loss	7.78	(49.58)
Allowance for doubtful trade receivables	8.33	(0.37)
Finance Cost	53.08	86.96
Expenses recognised in respect of share based payments	3.86	Nil
Exceptional Item	Nil	(48.54)
Loss on Sale of Assets (Net)	17.64	3.39
Interest and Dividend Income	(39.10)	(26.35)
Profit on sale of Investments (Net)	(26.16)	(5.49)
<b>Operating Profit before Working Capital Changes</b>	<b>1,993.85</b>	<b>2,279.91</b>
Adjustment for :		
(Increase) / Decrease in Trade Receivables	(1164.16)	(609.27)
(Increase) / Decrease in Inventories	175.13	(311.42)
(Increase) / Decrease in Other Receivables	(233.83)	38.26
Increase / (Decrease) in Trade Payables	(106.70)	329.39
<b>Cash generated from Operations</b>	<b>664.29</b>	<b>1,726.87</b>
Income Taxes Paid (Net of Refund)	593.46	690.45
<b>Net Cash generated by Operating Activities (A)</b>	<b>70.83</b>	<b>1,036.42</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment including Capital Work in Progress and capital advances	(2,284.57)	(588.21)
Sale proceeds of Property, Plant and Equipment	28.13	57.63
Loan given to Associated Concern	(219.97)	(158.12)
Loan repaid by Associated Concern	60.76	Nil
Net Increase in Loans to Employees	(2.54)	(5.05)
Interest/Dividend received	39.10	26.35
Inter corporate Loan received back	Nil	119.17
Inter corporate Loan Given	(167.97)	Nil
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(16.69)	(19.36)
Matured	4.92	19.60
Advance for Investment	Nil	(27.37)
(Purchase)/Sale of Current Investments	(3.84)	5.49
Purchase of Non-Current Investments	Nil	(5.00)
Investments in Associates	Nil	(104.06)
<b>Net Cash used in Investing Activities (B)</b>	<b>(2,562.67)</b>	<b>(678.93)</b>

# Consolidated Statement of Cash Flows

for the year ended 31st March, 2018

₹ in Millions

Particulars	Year 2017-18	Year 2016-17
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	110	118
Repayment of Long Term Borrowings	(87.32)	(117.66)
Increase in Short Term Borrowings	380.47	15.88
Proceeds from issue of Equity Shares of the Company	2,186.04	Nil
Finance Cost Paid	(52.59)	(86.96)
Dividend Paid on Equity Shares	(65.52)	(39.54)
<b>Net Cash generated by / (used in) Financing Activities (C)</b>	<b>2,362.18</b>	<b>(227.10)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>	<b>(129.66)</b>	<b>130.39</b>
Cash & Cash Equivalents at the beginning of the year	141.42	4.70
Add: Upon addition of subsidiary	Nil	6.33
Cash & Cash Equivalents at the end of the year	<b>11.76</b>	<b>141.42</b>

**Note :** The amendments to IND-AS 7 Cash Flow Statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. This amendment has become effective from 1st April, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

₹ in Millions

Borrowings(Non-Current) as on 31/03/2017 including Current Maturity of Long-term Borrowings	97.89
Cash Flows	(86.22)
Fair Value Changes	0.49
Borrowings(Non-Current) as on 31/03/2018 including Current Maturity of Long-term Borrowings	12.16

See accompanying notes forming part of the financial statements 1-54

As Per Our Report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**

Partner

Membership No. 35701

Ahmedabad

May 29, 2018

For and on behalf of the Board of Directors

**(Suresh J. Patel)**

Chairman & Managing Director

DIN : 00007400

**(Mayur B. Padhya)**

Chief Financial Officer

Ahmedabad

May 29, 2018

**(Ankit S. Patel)**

Executive Director

DIN : 02173231

**(Ashutosh B. Bhatt)**

Company Secretary



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## Company Background

The consolidated financial statements comprise financial statements of Bodal Chemicals Limited ('the Parent'), its subsidiary and associate (collectively, 'the Group') for the year ended 31st March, 2018.

The Parent is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Parent is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The group is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals. Further details about the business operations of the Group are provided in Note 44 – Segment Information

## 1 Significant Accounting Policies:

### 1.1 Statement of compliance:

The consolidated financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Group's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 2) for the details of first-time adoption exemptions availed by the Group.

### 1.2 Basis of Preparation of Financial Statements:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

The principal accounting policies are set out below.

### 1.3 Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

Following subsidiary and associate companies have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary / Associate Company	Country of Incorporation	Extent of Holding/ Voting Power (%) as on March 31, 2018
1	SPS Processors Private Limited	India	70.00%
2	Trion Chemicals Private Limited	India	41.51%

## 1.4 Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income

in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by a applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## 1.5 Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

### a) Sale of Goods

Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with Ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales of goods that result in award credits for customers, under the Group's Maxi-Points Scheme, are accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the goods supplied and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value – the amount for which the award credits could be sold separately. Such consideration is not recognized as revenue at the time of the initial sale transaction – but is deferred and recognized as revenue when the award credits are redeemed and the Group's obligations have been fulfilled.

### b) Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## 1.6 Leasing:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### The Group as lessee

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

## 1.7 Foreign currencies:

In preparing the consolidated financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

## 1.8 Employee Benefits:

### Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

### Short-term and other long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## 1.9 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 51.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## 1.10 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no

longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## 1.11 Property, plant and equipment:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	10 years
Office Equipments	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

## 1.12 Intangible Assets:

### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### De-recognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss when the asset is derecognized.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

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

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

### Deemed cost on transition to Ind AS

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

## 1.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

## 1.14 Inventory:

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

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



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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

Materials in transit are valued at cost-to-date.

## 1.15 Provisions and Contingencies :

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

## 1.16 Financial liabilities

Financial assets and financial liabilities are recognized when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

## 1.17 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market space.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortized cost, refer Para of Impairment of financial assets.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting Contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer Para of Impairment of financial assets. All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other income" line item.

## Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

## Impairment of financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

## Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

## 1.18 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

### Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

## 1.19 Derivative Financial Instrument and Hedge Accounting:

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

### Recognition and measurement of fair value hedge:

Derivative financial instrument is initially recognized at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognized in the Statement of Profit and Loss. Derivative financial instrument is recognized as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

## 1.20 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## 1.21 Operating Cycle:

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## 1.22 Cash and Cash Equivalents:

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

## 1.23 Borrowing Cost:

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



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

## 1.24 Segment Reporting:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

## 1.25 Government Grant and subsidies:

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

Government grants are recognized in statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the balance sheet and transferred to statement of profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in statement profit and loss in the period in which they become receivable.

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

## 1.26 Use of Estimates:

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

## 1.27 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.8)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.11)
- Estimation of taxes (Note 1.10)
- Estimation of impairment (Note 1.13)
- Estimation of provision and contingent liabilities (Note 1.15)

## 1.28 Recent accounting pronouncements

In March 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115 - Revenue from Contract with Customers, Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration and amendment to certain existing Ind AS. These amendments shall be applicable to the Group from April 01, 2018. The Group will be adopting the amendments from their effective date.

### (a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

Application of above standard is not expected to have any material impact on the Group's Financial Statements.

### (b) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

The impact of the Appendix on the financial statements, as assessed by the Group, is expected to be not material

## **Amendment to Existing issued Ind AS**

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 40 - Investment Property
- ii. Ind AS 12 - Income Taxes
- iii. Ind AS 28 - Investments in Associates and Joint Ventures and
- iv. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Group's Financial Statements.

## **1.29 First-time adoption – mandatory exceptions, optional exemptions:**

### **Overall principle**

The Group has prepared the opening consolidated balance sheet as per Ind AS as of April 1, 2016 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Group as detailed below.

### **Derecognition of financial assets and financial liabilities**

The Group has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after April 1, 2016 (the transition date).

### **Classification of debt instruments**

The Group has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

### **Impairment of financial assets**

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### **Deemed cost for property, plant and equipment, and intangible assets**

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognized as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### **Cumulative translation differences on foreign operations**

The Group has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## 2. First Time Adoption of IND-AS

The group has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. These consolidated financial statements for the year ended 31st March, 2018 are the first financial statements the group has prepared under Ind AS.

For all periods upto and including the year ended 31st March, 2017, the group prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP').

The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements be applied retrospectively and consistently for all financial years presented. Accordingly, the group has prepared financial statements which comply with Ind AS for year ended 31st March, 2018, together with the comparative information as at and for the year ended 31st March, 2017 and the opening Ind AS Balance Sheet as at 1st April, 2016, the date of transition to Ind AS.

In preparing these Ind AS consolidated financial statements, the group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in other equity (retained earnings or another appropriate category of equity). This note explains the adjustments made in restating its Previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017.

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

### 1. Classification and measurement of financial assets

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

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

### 2. Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, or of interests in associates

and joint ventures and transactions which are considered businesses for Ind AS, that occurred before 1st April, 2016. The carrying amounts of assets and liabilities in accordance with Previous GAAP are considered as their deemed cost at the date of acquisition. After the date of the acquisition, measurement is in accordance with Ind AS.

### 3. Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Asset.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

### 4. Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

### 5. Investment in Subsidiaries, Associates & Joint Ventures

The carrying amounts of the Group's investments in its associate company as per the financial statements of the Group prepared under Previous GAAP, are considered as deemed cost for measuring such investment in the opening Ind AS Balance Sheet

### Transition to Ind AS – Reconciliations

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

The presentation requirements under IGAAP differs from Ind AS and hence the IGAAP information has been reclassified for ease of reconciliation with Ind AS. The reclassified IGAAP information is derived based on the audited financial statements of the Group for the year ended March 31, 2016 and March 31, 2017.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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

- I. Reconciliation of Equity as at 1st April, 2016 and as at 31st March, 2017
- II. Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

- III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

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

## I. Reconciliation of Equity as at 31st March, 2017

Particulars	Note No.	₹ in Millions	
		As at 31st March, 2017	As at 1st April, 2016
<b>Equity as per Previous GAAP</b>		3,592.60	2,346.42
<b>Add / Less Adjustments</b>			
Impact of measuring Investment at fair value through profit and loss (FVTPL)	1	48.69	(0.89)
Allowance for doubtful debts as per expected credit loss model	2	(2.55)	(2.85)
Impact of measurement of borrowings at amortised cost		0.48	Nil
Impact of fair valuation of forward contracts	3	(20.42)	(7.34)
Other Adjustments		0.16	Nil
Deferred tax impact on Ind AS Adjustments	5	7.90	3.52
<b>Equity as per IND AS</b>		<b>3,626.86</b>	<b>2,338.86</b>

\* As required under Paragraph (10C) of Ind AS 101, the Group has reclassified items that it recognised in accordance with previous GAAP as one type of asset, liability or component of equity, but are a different type of asset, liability or component of equity in accordance with Ind ASs.

## II Reconciliation of Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No.	₹ in Millions	
		As at 31st March, 2017	
Profit after Tax as per Indian GAAP			1,285.84
<b>Adjustments:</b>			
Impact of measuring Investment at fair value through profit and loss (FVTPL)	1		49.58
Allowance for doubtful debts as per expected credit loss model	2		0.37
Impact of fair valuation of forward contracts	3		(13.08)
Reclassification of Net actuarial loss on defined benefit plan to other comprehensive income	4		2.87
Other Adjustments			(0.04)
Deferred tax impact on Ind AS Adjustments	5		3.55
<b>Total Adjustments</b>			<b>43.25</b>
Profit after Tax as per Ind AS			1,329.09
Items that will not be reclassified to Profit or Loss	6		(2.86)
Income Tax relating to items that will not be reclassified to Profit or Loss			0.99
<b>Total comprehensive income under Ind AS</b>			<b>1,327.22</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## III. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

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

### Notes to the Reconciliations

#### 1: Investments

In the financial statements prepared under Previous GAAP, Non-current Investments of the Group were measured at cost less provision for diminution (other than temporary). Under Ind AS, the Group has recognised such investments as follows

- Quoted Equity Shares – At fair value through profit and loss (FVTPL)
- Quoted Mutual Fund – At fair value through profit and loss (FVTPL)
- Unquoted Equity Shares – At cost
- Equity shares of associate companies – At cost
- Preference shares of associate companies – At cost

Ind AS requires the above investments to be recognised at fair value (except investments in equity shares of subsidiary and associate companies).

On the date of transition to Ind AS, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in a decrease in the carrying amount of these investments by ₹0.89 millions which has been recognised directly in retained earnings (Equity).

As at 31st March, 2017, the difference between the fair value of Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous GAAP, has resulted in an increase in the carrying amount of these investments by ₹48.69 million. On such fair valuation, net gain amounting to ₹49.58 million has been recognised in other income in the Statement of Profit and Loss.

The above transition has resulted in decrease in equity by ₹0.89 million as at date of transition to Ind AS and increase by ₹48.69 million as at 31st March, 2017.

#### 2: Trade Receivables

On the date of transition to Ind AS, the provision for expected credit loss on trade receivables has resulted in a decrease in the carrying amount of these receivables by ₹2.85 million which has been recognised directly in retained earnings (Equity). Deferred Tax Liability of ₹0.99 million has been recognized on such provision.

As at 31st March, 2017, the provision for expected credit loss on trade receivables has resulted in a decrease in the carrying amount of these receivables by ₹2.55 million. On such provision, net gain amounting to 0.37 million has been recognised in other income in the Statement of Profit and Loss. Deferred Tax Liability of ₹0.13 million has been recognized on such gain.

The above transition has resulted in decrease in equity by ₹2.85 million as at date of transition to Ind AS and increase by ₹2.55 million as at 31st March, 2017.

#### 3: Other Financial Assets / Liabilities

Under Ind AS, foreign exchange forward contracts are mark-to-market as at each Balance Sheet date and unrealised net gain or loss is recognised. Derivative assets and derivative liabilities are presented on gross basis. Under previous GAAP, in case of forward contracts covered under AS 11, difference between forward rate and spot rate was recognised in profit or loss over the term of contract. This difference has resulted in decrease in equity under Ind AS ₹20.42 million as at March 31, 2017 and deferred tax of ₹7.07 million on such provision has been recognised (decrease of ₹7.34 million as at April 1, 2016 and Deferred Tax Liability of ₹2.54 million has been recognized on such provision) and decrease of profit by ₹13.08 million for the year ended March 31, 2017 and deferred tax of ₹4.53 million has been recognized on such gain.

#### 4: Remeasurements of Net Defined Benefit Plans

In the financial statements prepared under Previous GAAP, remeasurement benefit of defined plans (gratuity), arising primarily due to change in actuarial assumptions was recognised as employee benefits expense in the Statement of Profit and Loss. Under Ind AS, such remeasurement benefits relating to defined benefit plans is recognised in OCI as per the requirements of Ind AS 19- Employee benefits. Consequently, the related tax effect of the same has also been recognised in OCI.

For the year ended 31st March, 2017, remeasurement of gratuity liability resulted in a net cost of ₹28.67 lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognised separately in OCI. This has resulted in decrease in employee benefits expense by ₹28.67 lakhs and loss in OCI by ₹28.67 lakhs for the year ended 31st March, 2017. Consequently, tax effect of the same amounting to ₹9.92 lakhs is also recognized separately in OCI.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017. However, Profit before tax and profit for the year ended 31st March, 2017 increased by ₹107.18 lakhs and ₹70.09 lakhs respectively.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## 5: Deferred Tax

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

The above changes have resulted in creation of deferred tax liabilities (net) amounting to ₹3.52 million as at date of

transition to Ind AS and ₹7.90 million as at 31st March, 2017. For the year ended 31st March, 2017, it has resulted in an increase in deferred tax expense by ₹3.55 million in the Statement of Profit and Loss and recognition of deferred tax benefit by ₹0.99 million in OCI

## 6: Other Comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in Statement of Profit and Loss but are shown in the Statement of Profit and Loss as 'Other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under IGAAP.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

		Land	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipments	Vehicles	Total
<b>3 Property, Plant &amp; Equipment</b>									
<b>Gross Block</b>									
<b>Balance as at 1st April, 2016 (Deemed Cost)</b>		<b>110.63</b>	<b>431.37</b>	<b>19.21</b>	<b>1,308.04</b>	<b>10.23</b>	<b>6.77</b>	<b>24.04</b>	<b>1,910.29</b>
Additions		40.24	94.90	Nil	414.63	1.88	5.46	38.10	595.21
Disposals		0.43	0.51	Nil	6.42	0.00	0.00	8.01	15.37
<b>Balance as at 31st March, 2017</b>		<b>150.44</b>	<b>525.76</b>	<b>19.21</b>	<b>1,716.25</b>	<b>12.11</b>	<b>12.23</b>	<b>54.13</b>	<b>2,490.13</b>
Additions		84.771	331.94	0.78	1,114.90	0.68	5.97	13.78	2,315.76
Disposals		12.48	3.08	Nil	35.74	Nil	0.01	0.58	51.89
<b>Balance as at 31st March, 2018</b>		<b>985.67</b>	<b>854.62</b>	<b>19.99</b>	<b>2,795.41</b>	<b>12.79</b>	<b>18.19</b>	<b>67.33</b>	<b>4,754.00</b>
<b>Accumulated Depreciation</b>									
<b>Balance as at 1st April, 2016</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Additions		Nil	45.88	0.94	218.64	3.35	4.83	12.50	286.14
Disposals		Nil	0.04	Nil	2.17	0.00	Nil	0.69	2.90
<b>Balance as at 31st March, 2017</b>		<b>Nil</b>	<b>45.84</b>	<b>0.94</b>	<b>216.47</b>	<b>3.35</b>	<b>4.83</b>	<b>11.81</b>	<b>283.24</b>
Additions		Nil	18.55	0.32	89.82	1.41	2.64	5.18	117.92
Disposals		Nil	0.29	Nil	5.67	Nil	0.00	0.17	6.13
<b>Balance as at 31st March, 2018</b>		<b>Nil</b>	<b>64.10</b>	<b>1.26</b>	<b>300.62</b>	<b>4.76</b>	<b>7.47</b>	<b>16.82</b>	<b>395.03</b>
<b>Net Block</b>									
<b>Balance as at 1st April, 2016</b>		<b>110.63</b>	<b>431.37</b>	<b>19.21</b>	<b>1,308.04</b>	<b>10.23</b>	<b>6.77</b>	<b>24.04</b>	<b>1,910.29</b>
<b>Balance as at 31st March, 2017</b>		<b>150.44</b>	<b>479.92</b>	<b>18.27</b>	<b>1,499.78</b>	<b>8.76</b>	<b>7.40</b>	<b>42.32</b>	<b>2,206.89</b>
<b>Balance as at 31st March, 2018</b>		<b>985.67</b>	<b>790.52</b>	<b>18.73</b>	<b>2,494.79</b>	<b>8.03</b>	<b>10.72</b>	<b>50.51</b>	<b>4,358.37</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

	Computer Software	Membership Fees	Website	Total
<b>4. Intangible Assets</b>				
<b>Gross Block</b>				
Balance as at 1st April, 2016 (Deemed Cost)	2.23	7.40	0.00	9.63
Additions	1.29	Nil	Nil	1.29
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2017	3.52	7.40	0.00	10.92
Additions	0.20	1.22	Nil	1.42
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	3.72	8.62	0.00	12.34
<b>Accumulated Amortisation</b>				
Balance as at 1st April, 2016	Nil	Nil	Nil	Nil
Additions	1.14	1.67	0.00	2.81
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2017	1.14	1.67	0.00	2.81
Additions	1.26	1.74	0.00	3.00
Disposals	Nil	Nil	Nil	Nil
Balance as at 31st March, 2018	2.40	3.41	0.00	5.81
<b>Net Block</b>				
Balance as at 1st April, 2016	2.23	7.40	0.00	9.63
Balance as at 31st March, 2017	2.38	5.73	0.00	8.11
Balance as at 31st March, 2018	1.32	5.21	0.00	6.53

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>5. Investments (Non-Current)</b>			
<b>Quoted</b>			
<b>Investments in Equity Instruments</b>			
100 (31st March, 2017 : 100 and 1st April, 2016 : 100) Equity Shares of Beta Nepthol Ltd. of ₹10/- Each Fully Paid Up	0.00	0.00	0.00
2,00,000 (31st March, 2017 : 2,00,000 and 1st April, 2016 : 1,00,000) Equity Shares of Bhageria Industries Ltd. of ₹5/- Each (31st March, 2017 : ₹5/- each and 1st April, 2016 : ₹10/- each) Fully Paid Up	55.46	63.60	14.04
	<b>55.46</b>	<b>63.60</b>	<b>14.04</b>
Less : Allowance for Impairment Loss	0.00	0.00	0.00
<b>Total of Investments in Equity Instruments</b>	<b>55.46</b>	<b>63.60</b>	<b>14.04</b>
<b>Investments in Mutual Funds</b>			
5,00,000 (31st March, 2017 : 5,00,000 and 1st April, 2016 : Nil) Units of Union Capital Protection Oriented Fund Series 7 - Regular Plan - Growth	5.30	5.02	Nil
<b>Total of Investments in Mutual Funds</b>	<b>5.30</b>	<b>5.02</b>	<b>Nil</b>
<b>Total of Quoted Investments</b>	<b>60.76</b>	<b>68.62</b>	<b>14.04</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Unquoted</b>			
<b>Investments in Equity Instruments</b>			
<b>Investment in Associate Concern</b>			
29,05,701 (31st March, 2017 : 29,05,701 and 1st April, 2016 : Nil) Equity Shares of Trion Chemicals Pvt. Ltd. of ₹10/- each Fully Paid Up (including goodwill of ₹14.36 million)	2.15	28.85	Nil
<b>Total of Investments in Associate Concern</b>	<b>2.15</b>	<b>28.85</b>	<b>Nil</b>
<b>Investments in other entities</b>			
250 (31st March, 2017 : 250 and 1st April, 2016 : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹100/- each Fully Paid Up	0.03	0.03	0.03
1,12,350 (31st March, 2017 : 1,12,350 and 1st April, 2016 : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd of ₹10/-each Fully Paid Up	1.12	1.12	1.12
100 (31st March, 2017 : 100 and 1st April, 2016 : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹10/- Each Fully Paid Up	0.00	0.00	0.00
10 (31st March, 2017 : 10 and 1st April, 2016 : 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹100/- Each Fully Paid Up	0.00	0.00	0.00
10,200 (31st March, 2017 : 10,200 and 1st April, 2016 : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹10/- Each Fully Paid Up	0.10	0.10	0.10
3,542 (31st March, 2017 : 3,542 and 1st April, 2016 : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of ₹25/- Each Fully Paid Up	0.09	0.09	0.09
<b>Total of Investments in Other Entities</b>	<b>1.34</b>	<b>1.34</b>	<b>1.34</b>
<b>Total of Investments in Equity Instruments</b>	<b>3.49</b>	<b>30.19</b>	<b>1.34</b>
<b>Investments in Preference Shares</b>			
<b>Investment in Associate Concern</b>			
75,00,000 (31st March, 2017 : 75,00,000 and 1st April, 2016 : Nil) 9% Non-Cumulative Non-Convertible Preference Shares of Trion Chemicals Pvt. Ltd. of ₹10/- Each Fully Paid Up	75.00	75.00	Nil
<b>Total of Investments in Preference Shares</b>	<b>75.00</b>	<b>75.00</b>	<b>Nil</b>
<b>Total of Unquoted Investments</b>	<b>78.49</b>	<b>105.19</b>	<b>1.34</b>
<b>Total of Non-Current Investments</b>	<b>139.25</b>	<b>173.81</b>	<b>15.38</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>6. Loans (Non-Current)</b>			
(Unsecured and Considered Good)			
Loans to Employees	9.03	7.36	4.35
Loans to related party (refer note 45)	317.33	158.12	Nil
<b>Total</b>	<b>326.36</b>	<b>165.48</b>	<b>4.35</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>7. Other Financial Assets (Non-Current)</b>			
Security Deposits	31.77	30.76	6.89
Advance for Investment	27.37	27.37	Nil
Margin Money Deposits with bank with maturity after twelve months from the reporting date	0.93	10.38	0.45
<b>Total</b>	<b>60.07</b>	<b>68.51</b>	<b>7.34</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>8. Deferred Tax Assets</b>			
<b>Deferred Tax Assets</b>			
Property, Plant and Equipment	13.05	0.48	Nil
Allowance for Doubtful Debts	0.03	0.04	Nil
Unabsorbed Depreciation & c/f loss	20.16	Nil	Nil
Expenditure not deductible for tax purpose	Nil	0.11	Nil
Expense claimed for tax purpose on payment basis	0.13	0.04	Nil
Expenditure covered by section 43B of Income Tax Act, 1961	0.08	Nil	Nil
<b>Deferred Tax Liabilities</b>			
Impact on account of effective interest rate on long term borrowings	Nil	(0.16)	Nil
	<b>33.45</b>	<b>0.51</b>	<b>Nil</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>9. Non-Current Tax Assets</b>			
Non-Current Tax Assets	105.69	103.30	103.30
<b>Total</b>	<b>105.69</b>	<b>103.30</b>	<b>103.30</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>10. Other Non-Current Assets</b>			
Capital Advances	101.88	136.68	30.85
Balance With Statutory Authorities	56.45	60.23	18.30
<b>Total</b>	<b>158.33</b>	<b>196.91</b>	<b>49.15</b>

**10.1** Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept. etc.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>11. Inventories</b>			
<b>(Valued at the lower of cost or net realisable value)</b>			
a) Raw Materials	259.01	481.12	274.29
Raw Materials in Transit	44.99	86.15	17.24
	<b>304.00</b>	<b>567.27</b>	<b>291.53</b>
b) Finished Goods	212.32	180.39	101.99
Finished Goods in Transit	15.56	15.61	27.12
	<b>227.88</b>	<b>196.00</b>	<b>129.11</b>
c) Stock In Process	528.67	486.51	427.57
	<b>528.67</b>	<b>486.51</b>	<b>427.57</b>
d) Stock In Trade (in Transit)	Nil	4.47	Nil
	<b>Nil</b>	<b>4.47</b>	<b>Nil</b>
e) Packing Materials	6.98	5.94	6.75
Packing Materials in Transit	0.08	0.28	0.11
	<b>7.06</b>	<b>6.22</b>	<b>6.86</b>
f) Stock of Fuel	7.80	4.76	5.38
	<b>7.80</b>	<b>4.76</b>	<b>5.38</b>
g) Stores and Spares	55.86	42.95	37.57
Stores and spares in Transit	1.78	Nil	Nil
	<b>57.64</b>	<b>42.95</b>	<b>37.57</b>
<b>Total</b>	<b>1,133.05</b>	<b>1,308.18</b>	<b>898.02</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>12. Investments (Current)</b>			
<b>Quoted</b>			
<b>Investments in Mutual Funds</b>			
5,218,057 (31st March, 2017 : Nil and 1st April, 2016 : Nil) Units of SBI Magnum Insta Cash Fund - Direct Plan -Growth	20.05	Nil	Nil
4,454,535 (31st March, 2017 : Nil and 1st April, 2016 : Nil) Units of SBI Ultra Short Term Debt Fund - Direct Plan -Growth	10.03	Nil	Nil
<b>Total</b>	<b>30.08</b>	<b>Nil</b>	<b>Nil</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>13. Trade Receivables</b>			
<b>Trade receivables</b>			
Unsecured & Considered Good	3,467.60	2,302.94	1,654.81
Unsecured & Considered Doubtful	6.34	2.55	2.92
Less: Allowance for bad and doubtful debts (refer note 41)	(6.34)	(2.55)	(2.92)
<b>Total</b>	<b>3,467.60</b>	<b>2,302.94</b>	<b>1,654.81</b>
Customers Bill Discounted	631.18	420.04	381.80
Other Trade Receivables	2,836.42	1,882.90	1,273.01
<b>Total</b>	<b>3,467.60</b>	<b>2,302.94</b>	<b>1,654.81</b>

**13.1** Trade Receivables include ₹27.36 million (P.Y. ₹22.73 million) to related parties. (refer note 45)

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>14. Cash and Bank Balances</b>			
<b>Cash &amp; Cash Equivalents</b>			
Cash on hand	3.39	2.00	0.89
Balance with Banks in current accounts	8.37	138.20	3.81
Cheques on Hand	Nil	1.22	Nil
<b>Total</b>	<b>11.76</b>	<b>141.42</b>	<b>4.70</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>15. Other Bank Balances</b>			
Margin Money Deposits with bank*	44.63	23.42	31.47
Unclaimed Dividend Accounts	2.38	2.24	2.38
<b>Total</b>	<b>47.01</b>	<b>25.66</b>	<b>33.85</b>

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

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>16. Loans (Current)</b>			
(Unsecured & considered good)			
Loans to Employees	19.74	18.88	16.84
Inter-Corporate Loans	167.97	Nil	119.17
<b>Total</b>	<b>187.71</b>	<b>18.88</b>	<b>136.01</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>17. Other Financial Assets (Current)</b>			
Derivative Assets	5.69	Nil	Nil
Other Receivables	4.03	1.04	0.40
<b>Total</b>	<b>9.72</b>	<b>1.04</b>	<b>0.40</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>18. Other Current Assets</b>			
Export Incentives Receivables	38.28	25.19	42.29
Advance to Suppliers of Goods	89.07	66.71	64.74
Advance to Suppliers of Expenses	10.46	2.04	10.79
Balance with Statutory Authorities	341.99	145.76	201.36
Pre-paid Expenses	6.17	7.76	14.19
Others	1.44	6.41	5.55
Licence on Hand (at Cost)	Nil	0.06	Nil
<b>Total</b>	<b>487.41</b>	<b>253.93</b>	<b>338.92</b>

**18.1** Advance to Suppliers of Goods include ₹53.04 millions (PY : ₹41.64 millions) to related parties (refer note 45).

**18.2** Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept. etc.

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>19. Equity Share Capital</b>			
<b>Authorised Share Capital</b>			
13,50,00,000 (31st March, 2017 : 13,50,00,000 and 1st April, 2016 : 13,50,00,000)			
Equity Shares of ₹2/- each	270.00	270.00	270.00
2,50,00,000 (31st March, 2017 : 2,50,00,000 and 1st April, 2016 : 2,50,00,000)			
Preference Share of ₹10/- each	250.00	250.00	250.00
	<b>520.00</b>	<b>520.00</b>	<b>520.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>			
12,21,88,765 (31st March, 2017 : 10,91,07,370 and 1st April, 2016 : 10,91,07,370) Equity shares of ₹2/- each	244.38	218.21	218.21
<b>Total</b>	<b>244.38</b>	<b>218.21</b>	<b>218.21</b>

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

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>19.2 Reconciliation of the number of Shares</b>	No. of Shares	No. of Shares	No. of Shares
<b>Equity Shares</b>			
Opening balance	109,107,370	109,107,370	109,107,370
Issue of Shares under Qualified Institutional Placement (refer note 19.3)	13,081,395	Nil	Nil
<b>Closing balance</b>	<b>122,188,765</b>	<b>109,107,370</b>	<b>109,107,370</b>

**19.3** The Board of Directors of the Company at its meeting held on 17th October, 2017 approved the allotment of 13,081,395 Equity Shares of face value of ₹2/- each to Qualified Institutional Buyers (QIBs) at the issue price of ₹172/- per Equity Share (including a premium of ₹170/-) aggregating to 224.99 Million in accordance with the Provisions of Chapter VIII of SEBI (ICDR) Regulations, 2009.

## 19.4 Rights, preferences and restrictions attached to shares

### Equity shares

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

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

₹ in Millions

Name of Shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	% held	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares :</b>						
Shri Suresh J. Patel	3,48,35,151	28.51	3,46,95,151	31.80	3,33,45,151	30.57
Shri Bhavin S. Patel	94,59,549	7.74	94,59,549	8.67	94,59,549	8.67
Shri Ankit S. Patel	65,36,550	5.35	65,36,550	5.99	65,36,550	5.99

**19.6** The Board of Directors at its meeting held on 29th May, 2018 has recommended a dividend of Re. 0.80 (Paise eighty only) per equity share for the financial year ended March 31, 2018. The proposal is subject to the approval of shareholders at the Annual General Meeting and if approved would result in a cash outflow of ₹117.65 million including corporate dividend tax of ₹19.90 million.

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>20. Other Equity</b>			
<b>Capital Reserves on Consolidation</b>	0.18	0.18	Nil
<b>Capital Reserves</b>	76.12	76.12	76.12
<b>Capital Redemption Reserve Fund</b>	289.67	289.67	289.67
<b>Securities Premium Account</b>			
At the commencement of the year	222.04	222.04	
Add : Premium on shares issued during the year (refer note 19.3)	2,223.83	Nil	
	<b>2,445.87</b>	<b>222.04</b>	

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Less : Expenses related to issue of shares	63.96	Nil	
At the end of the year	<b>2,381.91</b>	<b>222.04</b>	<b>222.04</b>
<b>Employee Stock Options Outstanding Account (refer note 53)</b>	3.86	Nil	Nil
<b>General Reserve</b>	138.86	138.86	138.86
<b>Surplus / (Deficit) in the Statement of Profit and Loss</b>			
At the commencement of the year	2,681.78	1,393.96	
Add : Surplus during the year	1,225.60	1,329.08	
Remeasurements of Net Defined Benefit Plans (net of tax)	(710)	(187)	
	<b>3,900.28</b>	<b>2,721.17</b>	
Less : Appropriations :			
Final Dividend on Equity Shares	54.55	Nil	
Interim Dividend on Equity Shares	Nil	32.73	
Tax on Dividends	11.11	6.66	
	<b>65.66</b>	<b>39.39</b>	
At the end of the year	<b>3,834.62</b>	<b>2,681.78</b>	<b>1,393.96</b>
<b>Total</b>	<b>6,725.22</b>	<b>3,408.65</b>	<b>2,120.65</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>21. Borrowings (Non-Current)</b>			
<b>Secured</b>			
Term loan from Banks	2.50	59.60	Nil
Term loan from Others	Nil	11.40	Nil
<b>Unsecured</b>			
Trade Deposits	7.70	7.77	6.79
<b>Total</b>	<b>10.20</b>	<b>78.77</b>	<b>6.79</b>

<b>21.1</b> Current Maturities of Long Term Borrowings (refer Note 26)	1.96	19.12	Nil
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**21.2** Term Borrowings from Banks and Others are secured by way of first charge ranking in each case with the other on all of the present and future fixed assets and a floating charge on remainder assets of the company, for this purpose equitable mortgage be deposited of title deeds in respect of immovable fixed assets of the company and hypothecation of present and future stock of raw materials, finished goods and book-debts. The borrowings are also guaranteed personally by the directors of the company.

**21.3** Term Loan from Deutsche Bank : outstanding amount ₹ NIL (PY. 24.45 million). Loan is fully paid in April, 2017. Rate of Interest 10.90% (PY. 10.90%)

**21.4** Term Loan from HDB Financial Services Ltd. : outstanding amount ₹ NIL (PY. 1.48 million). Loan is fully paid in May, 2017. Rate of Interest 10.00% (PY. 10.00%)

**21.5** Term Loan from Hero Fincorp Ltd. : outstanding amount ₹ NIL (PY. 9.64 million). Loan is fully paid in April, 2017. Rate of Interest 14.00% (PY. 14.00%)

**21.6** Term Loan from Hero Fincorp Ltd.-II : outstanding amount ₹ NIL (PY. 4.36 million). Loan is fully paid in April, 2017. Rate of Interest 13.00% (PY. 13.00%)

**21.7** Term Loan from Kotak Mahindra Bank Ltd. : outstanding amount ₹ NIL (PY. 5.10 million). Loan is fully paid in April, 2017. Rate of Interest 12.15% (PY. 12.15%)

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

**21.8** Term Loan from Kotak Mahindra Bank Ltd. - II : outstanding amount ₹ NIL (P.Y. 19.08 million). Loan is fully paid in April, 2017. Rate of Interest 12.15% (P.Y. 12.15%)

**21.9** Term Loan from Kotak Mahindra Bank Ltd. - III : outstanding amount ₹ NIL (P.Y. 26.38 million). Loan is fully paid in April, 2017. Rate of Interest 12.00% (P.Y. 12.00%)

**21.10** Vehicle Loan from HDFC Bank Ltd. : outstanding amount ₹4.46 million (P.Y. Nil) is secured by vehicle and repayable in 36 monthly installments starting from June, 2017. Last installment is due in May, 2020. Rate of interest 8.30 % (P.Y. Nil).

**21.11** Trade deposits are payable as per the terms attached to them. Interest rate on trade deposit is 11% (P.Y. 11%)

Particulars	₹ in Millions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>22. Provisions (Non-Current)</b>			
Provision for Employee Benefits (refer note 47)	0.83	0.11	Nil
<b>Total</b>	<b>0.83</b>	<b>0.11</b>	<b>Nil</b>

Particulars	₹ in Millions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>23. Deferred Tax Liabilities (Net)</b>			
<b>Deferred Tax Liabilities</b>			
Property, Plant and Equipment	299.34	191.85	174.88
Fair Value of Forward Contracts	1.99	Nil	Nil
Expense claimed for tax purpose on payment basis	Nil	0.21	0.21
Difference in carrying value and tax base of investments measured at FVTPL	0.12	Nil	Nil
<b>Deferred Tax Assets</b>			
Unabsorbed Depreciation & c/f loss	Nil	Nil	(17.51)
Expense claimed for tax purpose on payment basis	(4.31)	(1.97)	(3.92)
Allowance for Doubtful Debts	(2.17)	(0.84)	(0.99)
Expenditure covered by section 35D of Income Tax Act, 1961	(17.88)	Nil	Nil
Fair Value of Forward Contracts	Nil	(7.07)	(2.54)
<b>Total</b>	<b>277.09</b>	<b>182.18</b>	<b>150.13</b>

Particulars	₹ in Millions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>24. Borrowings (Current)</b>			
<b>Secured</b>			
Working Capital Loans from Banks	715.28	471.93	1,014.33
<b>Unsecured</b>			
Working Capital Loans from Banks	Nil	100.00	Nil
Loans From Directors	451.79	343.70	Nil
Trade Deposits	Nil	Nil	Nil
Loans From Corporates	Nil	75.85	26.12
	<b>1,167.07</b>	<b>991.48</b>	<b>1,040.45</b>
Borrowing Bill Discounted (Secured)	631.18	420.04	381.80
<b>Total</b>	<b>1,798.25</b>	<b>1,411.52</b>	<b>1,422.25</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

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

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

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>25. Trade Payables</b>			
Trade Payables	1,519.09	1,590.30	1,091.73
<b>Total</b>	<b>1,519.09</b>	<b>1,590.30</b>	<b>1,091.73</b>

**25.1** Trade Payables include ₹0.62 million (P.Y. ₹1.21 million) to related parties (refer note 45)

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>26. Other Financial Liabilities (Current)</b>			
Current Maturities of Long Term Debt	1.96	19.12	Nil
Unclaimed Dividends	2.38	2.24	2.38
Creditors for Capital Goods	115.37	22.22	22.37
Derivative Liabilities	Nil	10.38	3.39
Other Payables	0.05	0.53	10.23
<b>Total</b>	<b>119.76</b>	<b>54.49</b>	<b>38.37</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>27. Other Current Liabilities</b>			
Advance Received from Customers	4.13	5.24	15.00
Statutory Liabilities	17.04	44.44	27.67
<b>Total</b>	<b>21.17</b>	<b>49.68</b>	<b>42.67</b>

**27.1** Advance from Customers include ₹0.30 million (31st March, 2017 : ₹ Nil) to related parties (refer note 45)

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>28. Provisions (Current)</b>			
Provision for Employee Benefits (refer note 47)	5.00	Nil	Nil
<b>Total</b>	<b>5.00</b>	<b>Nil</b>	<b>Nil</b>



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Particulars	₹ in Millions		
	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>29. Current Tax Liabilities (Net)</b>			
Provision for Taxes (Net of advance tax and TDS)	17.80	55.71	78.07
	<b>17.80</b>	<b>55.71</b>	<b>78.07</b>

Particulars	₹ in Millions	
	2017-18	2016-17
<b>30. Revenue From Operations</b>		
<b>Sale of products (including excise duty)</b>	11,541.89	13,263.67
<b>Other Operating Income</b>		
Export Incentives	97.48	117.29
HCL Lifting Charges Income	11.58	Nil
Scrap Sales	10.42	11.00
Brokerage Income	0.01	0.07
<b>Total</b>	<b>119.49</b>	<b>128.36</b>
<b>Total Revenue From Operations</b>	<b>11,661.38</b>	<b>13,392.03</b>

**30.1** Revenue from operations for period up to 30th June, 2017 included Excise duty, which is discontinued from 1st July, 2017 on implementation of Goods and Service tax (GST) in India. In accordance with Ind AS 18 - Revenue, GST, is not included in revenue from operations. In view of the aforesaid restructuring of Indirect taxes, revenue from operations for the year ended on 31st March, 2018 is not comparable with previous year.

Particulars	₹ in Millions	
	2017-18	2016-17
<b>31. Other Income</b>		
Interest Income		
On Deposits	2.73	3.02
On Others	30.95	22.83
Profit on sale of Investments (Net)	26.16	5.49
Fair Value Gain on Investments measured through profit or loss	Nil	49.58
Reversal of allowance for Doubtful Debts	Nil	0.37
Profit on sale of Assets (Net)	1.70	Nil
Dividend Income - from Non-Current Investments	5.42	0.50
Exchange Rate Difference (Net)	25.30	17.59
Other Income	2.65	5.74
<b>Total</b>	<b>94.91</b>	<b>105.12</b>

Particulars	₹ in Millions	
	2017-18	2016-17
<b>32. Cost of Materials Consumed</b>		
Opening Stock	567.27	368.57
Add: Purchases during the year	6,862.77	8,169.76
	<b>7,430.04</b>	<b>8,538.33</b>
Less: Closing Stock	304.00	567.27
<b>Total</b>	<b>7,126.04</b>	<b>7,971.06</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

Particulars	₹ in Millions	
	2017-18	2016-17
<b>33. Purchase of Stock in Trade</b>		
Purchase of Stock in Trade	21.25	102.99
<b>Total</b>	<b>21.25</b>	<b>102.99</b>

Particulars	₹ in Millions	
	2017-18	2016-17
<b>34. Changes in Inventories of Finished Goods, Stock in Process &amp; Stock in Trade</b>		
Inventories at the end of the year		
Finished Goods	227.88	196.00
Stock In Process	528.67	486.51
Stock - in Trade	Nil	4.47
<b>Total (A)</b>	<b>756.55</b>	<b>686.98</b>
Inventories at the beginning of the year		
Finished Goods	196.00	150.82
Stock In Process	486.51	427.57
Stock - in Trade	4.47	Nil
<b>Total (B)</b>	<b>686.98</b>	<b>578.39</b>
Changes in Inventories	(69.57)	(108.59)
Add / (Less) : Variation in Excise Duty on Closing and Opening Stock of Finished Goods	20.89	(7.78)
<b>Changes In Inventories Of Finished Goods, Stock In Process &amp; Stock in Trade</b>	<b>(90.46)</b>	<b>(100.81)</b>

Particulars	₹ in Millions	
	2017-18	2016-17
<b>35. Employee Benefit Expenses</b>		
Salaries, Wages & Bonus	418.35	375.99
Contribution to Provident & Other Funds (refer note 47)	24.30	20.26
Employee Share Based Payments (refer note 51)	3.86	Nil
Staff Welfare Expenses	25.65	22.80
<b>Total</b>	<b>472.16</b>	<b>419.05</b>

Particulars	₹ in Millions	
	2017-18	2016-17
<b>36. Finance Costs</b>		
Bank Interest	31.28	58.67
Other Interest Expenses	4.30	10.97
Amortisation of Borrowing Cost	0.48	0.06
Other Borrowing Cost	17.02	17.26
<b>Total</b>	<b>53.08</b>	<b>86.96</b>

Particulars	₹ in Millions	
	2017-18	2016-17
<b>37. Depreciation and Amortisation Expense</b>		
Depreciation on Tangible Assets	117.92	286.14
Amortisation on Intangible Assets	3.00	2.81
<b>Total</b>	<b>120.92</b>	<b>288.95</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

**37.1** During the year, the Group has changed its method of providing depreciation on fixed assets from Written Down Value Method (WDV) to Straight Line Method (SLM) with effect from 1st April, 2017.

Due to the change in the method of depreciation, the amount of depreciation has been lower by ₹177.28 million for the year ended on 31st March, 2018 and hence the said figures are not comparable with the figures of the corresponding year.

If the Company would have continued to provide depreciation on earlier method (WDV) on its assets, the profit after tax would have been ₹1129.53 million instead of ₹1219.23 million for the year ended 31st March, 2018.

Particulars	₹ in Millions	
	2017-18	2016-17
<b>38. Other Expenses</b>		
Stores Consumption	41.32	43.57
Power & Fuel Consumption	659.28	551.94
Repairs to		
Machinery	175.53	184.25
Building	24.09	15.77
Others	2.31	1.16
Pollution Control Expenses	164.27	136.51
Rent & Taxes	5.83	3.47
Labour Charges	231.87	181.76
Insurance Expenses	12.36	9.30
Corporate Social Responsibility Expenses	31.07	21.50
Directors' Sitting fees	0.45	0.50
Travelling & Vehicle Expense	28.70	24.48
Payment to Auditors (refer note 38.1)	1.70	1.73
Legal & Professional Fees	26.07	25.29
Loss on Disposal of Assets	19.35	3.39
Fair Value Loss on Investments measured through profit or loss	7.78	Nil
Packing Material Consumption	110.94	97.02
Freight & Handling Charges	209.90	208.52
Advertisement & Business Promotion Expenses	25.13	21.08
Sales Commission	73.37	65.50
Allowance for Doubtful Debts	8.33	Nil
Rebate and Discount	Nil	8.81
Other Expenses	89.64	85.34
<b>Total</b>	<b>1,949.29</b>	<b>1,690.89</b>

**38.1** Payment to Auditors include (excluding GST/service tax) as below:

	₹ in Millions	
	2017-18	2016-17
I) As Statutory Auditors	1.55	1.22
II) Taxation matters	0.15	0.51

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Particulars	2017-18	2016-17
<b>39. Exceptional Items</b>		
Profit from Sale of Unit-V (refer note 50)	Nil	48.54
<b>Total</b>	<b>Nil</b>	<b>48.54</b>

## Additional Disclosure requirement:

### 40. Financial Instruments

#### Financial Instruments Classification by Category

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial Assets</b>			
<b>Financial Assets measured at fair value through profit and loss</b>			
Investments	90.84	68.62	14.04
Derivative Assets	5.69	Nil	Nil
<b>Financial Assets measured at amortised cost</b>			
Investments	78.49	105.19	1.34
Loans	514.07	184.36	140.36
Trade Receivables	3,467.60	2,302.94	1,654.81
Cash and Cash Equivalents	11.76	141.42	4.69
Other Bank Balances	47.01	25.66	33.85
Other Financial Assets	64.10	69.55	7.74
<b>Total Financial Assets</b>	<b>4,279.56</b>	<b>2,897.74</b>	<b>1,856.83</b>

₹ in Millions

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
<b>Financial Liabilities</b>			
<b>Financial Liabilities measured at fair value</b>			
Derivative Liabilities	Nil	10.38	3.39
<b>Financial Liabilities measured at amortised cost</b>			
Borrowings	1,808.45	1,490.29	1,429.04
Trade Payables	1,519.09	1,590.30	1,091.73
Other Financial Liabilities	119.76	44.11	34.98
<b>Total Financial Liabilities</b>	<b>3,447.30</b>	<b>3,135.08</b>	<b>2,559.14</b>

#### Fair Value Hierarchy

₹ in Millions

Financial Assets measured at fair value 31.03.2018	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured at fair value through profit or loss				
Investments in quoted equity shares	55.46	Nil	Nil	55.46
Investments in quoted mutual fund	35.38	Nil	Nil	35.38
Derivative Assets	Nil	5.69	Nil	5.69

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Financial Assets and liabilities measured at fair value 31.03.2017	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured at fair value through profit or loss				
Designated as Hedges				
Investments in quoted equity shares	63.60	Nil	Nil	63.60
Investments in quoted mutual fund	5.02	Nil	Nil	5.02
<b>Financial Liabilities</b>				
Measured at fair value through profit or loss				
Derivative Liabilities	Nil	10.38	Nil	10.38

₹ in Millions

Financial Assets and liabilities measured at fair value 01.04.2016	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Measured at fair value through profit or loss				
Investments in quoted equity shares	14.04	Nil	Nil	14.04
<b>Financial Liabilities</b>				
Measured at fair value through profit or loss				
Derivative Liabilities	Nil	3.39	Nil	3.39

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

- The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

## 41. Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

### Risk

#### Credit Risk

#### Liquidity Risk

#### Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## (A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Group is making provision on Trade Receivables based on Expected Credit Loss Model (ECL).

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

### Reconciliation of loss allowance provision

Reconciliation of Loss Allowance	₹ in Millions	
	2017-18	2016-17
Opening Balance	2.55	2.92
Changes due to purchase/realisation of asset	8.32	(0.37)
Write off Bad Debts	(4.53)	Nil
Closing Balance (refer note 13)	6.34	2.55

## (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these,

monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

### Maturities of financial instruments as on 31.03.2018

	₹ in Millions	
	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	30.08	139.25
Trade Receivables	3,467.60	Nil
Other Bank Balances	47.01	Nil
Loans	187.71	326.36
Other Financial Assets	9.72	60.07
<b>Financial Liabilities</b>		
Borrowings	1,798.25	10.20
Trade Payables	1,519.09	Nil
Other Financial Liability	119.76	Nil

### Maturities of financial instruments as on 31.03.2017

	₹ in Millions	
	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	Nil	173.81
Trade Receivables	2,302.94	Nil
Other Bank Balances	25.66	Nil
Loans	18.88	165.48
Other Financial Assets	1.04	68.51
<b>Financial Liabilities</b>		
Borrowings	1,411.52	78.77
Trade Payables	1,590.30	Nil
Other Financial Liability	54.49	Nil

## (C) Market Risk Management

### i) Foreign Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$ and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## (A) Foreign currency risk exposure

₹ in Millions

Particulars	31-Mar-18			31-Mar-17		
	USD	EUR	Other	USD	EUR	Other
<b>Financial Assets</b>						
Trade Receivables	15.82	Nil	Nil	1.56	0.01	Nil
<b>Financial Liabilities</b>						
Trade Payables	1.42	0.01	Nil	3.76	0.01	0.05
Borrowings	18.08	Nil	Nil	6.01	Nil	Nil
<b>Net Exposure</b>	<b>(3.68)</b>	<b>(0.01)</b>	<b>Nil</b>	<b>(8.21)</b>	<b>-</b>	<b>(0.05)</b>

## (B) Sensitivity (+/-5%)

₹ in Millions

Currency	2017-18			2016-17		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(783)	(783)	5.00%	(1741)	(1741)
USD	-5.00%	783	783	-5.00%	1741	1741
EUR	5.00%	(0.03)	(0.03)	5.00%	(0.00)	(0.00)
EUR	-5.00%	0.03	0.03	-5.00%	0.00	0.00

## ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31 March 2018 and 31 March 2017, the Group's borrowings at variable rate were mainly denominated in INR & USD.

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

₹ in Millions

Particulars	31.03.2018	31.03.2017
Variable Rate borrowings	1,346.46	991.97
Fixed Rate Borrowings	10.20	78.77

At the end of reporting period the Group had the following variable rate borrowings.

₹ in Millions

Particulars	31-Mar-18			31-Mar-17		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Cash Credit Facility	10.11%	170.39	12.70%	11.64%	44.00	4.40%
Packing Credit Facility	2.34%	439.42	32.60%	2.85%	388.63	39.20%
Buyers Credit Facility	2.02%	104.09	7.70%	1.59%	39.30	4.00%
Bills Discounting Facility	2.34%	631.18	46.90%	2.85%	420.04	42.30%
WCDL-HDFC	Nil	Nil	0.00%	9.23%	100.00	10.10%
Overdraft facility -Yes Bank	8.15%	1.38	0.10%	Nil	Nil	0.00%
<b>Net Exposure</b>		<b>1,346.46</b>	<b>100.00%</b>		<b>991.97</b>	<b>100.00%</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## Sensitivity (+/- 1%)

₹ in Millions

	Movement in Rate	As at	
		31.03.2018	31.03.2017
Interest rates	1.00%	8.80	6.49
Interest rates	-1.00%	(8.80)	(6.49)

## iii) Security Price Risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

## Sensitivity (+/-5%)

₹ in Millions

Particulars	Investment in Quoted Securities			
	31.03.2018		31.03.2017	
Increase/(decrease)	5%	-5%	5%	-5%
Impact on PAT	1.81	(1.81)	2.08	(2.08)

## 42. Capital Management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, The Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests)

₹ in Millions

Particulars	31-Mar-18	31-Mar-17
Net Debt	1,798.65	1,367.99
Total Equity	6,969.60	3,626.86
Debt Equity Ratio	0.26	0.42

## 43. Income Taxes

₹ in Millions

Particulars	31.03.2018	31.03.2017
Current Tax	553.16	676.12
Deferred Tax	65.71	32.80
Total Income Tax Expenses (excluding deferred tax benefit on OCI)	618.87	708.92

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

Particulars	₹ in Millions	
	31.03.2018	31.03.2017
Profit Before Tax	1,864.78	2,038.23
Statutory Tax Rate (%)	34.61%	34.61%
Tax at statutory rate	645.36	705.40
Effect of income that is exempt from tax	(1.87)	(17.02)
Effect of expenses that are not deductible in determining taxable profit	14.98	8.21
Effect of share issue expenses debited to securities premium	(22.13)	Nil
Effect of tax on special rate income	Nil	(2.34)
Effect of tax deduction under section 35AC, 35(i) (ii) & 80G	(11.47)	(11.77)
Effect of deferred tax balances due to change in income tax rate from 34.608 % to 34.944% (effective 01.04.19)	2.66	Nil
Effect of interest on tax	Nil	11.15
Others	(4.28)	3.19
	<b>623.25</b>	<b>696.82</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(4.38)	12.10
Income tax exposé recognised in profit or loss	618.87	708.92
Effective Tax Rate	33.19%	34.78%

## 44. Segment information

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per Ind-AS 108. The Group is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

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

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

### 1. Information about Geographical Areas

₹ in Millions

	2017-18			2016-17		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	8,261.50	3,399.88	11,661.38	9,823.62	3,568.41	13,392.03
Carrying Cost of Segment Assets	9,724.82	1,025.17	10,749.99	6,562.18	505.06	7,067.24

### 2. Information about Major Customers

No customers individually accounted for 10% or more revenue during financial year ending on March 31, 2018 and March 31, 2017

₹ in Millions

Particulars	31.03.2018	31.03.2017
Revenue from Top Customer	9%	9%
Revenue from Top 5 consumers	32%	35%

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## 45. Related Party Transactions

### (a) List of Related Parties

#### I. Key Management Personnel (KMP)

1.	Shri Suresh J. Patel	Chairman & Managing Director
2.	Shri Bhavin S. Patel	Executive Director
3.	Shri Ankit S. Patel	Executive Director
4.	Shri Mayur B. Padhya	Chief Financial Officer
5.	Shri Ashutosh B. Bhatt	Company Secretary
6.	Shri Vijayant Mittal	Director
7.	Shri Avinash Jain	Director (Up to 28th December 2017)
8.	Shri Sonica Jain	Director (Up to 30th December 2017)
9.	Shri Kapil Jain	Director (w.e.f 10th August 2017)
10.	Shri Rakesh R. Patel	Director (w.e.f 10th July 2017)
11.	Shri Surendra N. Shah	Independent Director (Upto 7th October, 2017)
12.	Shri Bipin R. Patel	Independent Director
13.	Shri Nalin Kumar	Independent Director
14.	Smt. Neha Huddar	Independent Director
15.	Shri Sunil K. Mehta	Independent Director (w.e.f 13th December, 2017)
16.	Smt. Kajal R. Soni	Independent Director (Upto 11th February, 2017)

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

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

#### III. Associate Concern (AC)

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

### a) Transactions with related parties

			₹ in Millions
Related party disclosure	Relationship	2017-2018	2016-2017
<b>Remuneration</b>			
Shri Suresh J. Patel	KMP	10.80	10.80
Shri Bhavin S. Patel	KMP	7.20	7.20
Shri Ankit S. Patel	KMP	7.20	7.20
Shri Mayur B. Padhya	KMP	4.14	3.14
Shri Ashutosh B. Bhatt	KMP	0.71	0.57
Shri Vijayant Mittal	KMP	0.84	0.72
Shri Avinash Jain	KMP	0.54	0.72
Shri Sonica Jain	KMP	Nil	0.45
Shri Kapil Jain	KMP	0.16	Nil
<b>Directors' Sitting Fees</b>			
Shri Surendra N. Shah	KMP	0.07	0.15
Shri Bipin R. Patel	KMP	0.15	0.12
Shri Nalin Kumar	KMP	0.13	Nil



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Related party disclosure	Relationship	2017-2018	2016-2017
Smt. Neha Huddar	KMP	0.08	0.03
Shri Sunil K. Mehta	KMP	0.02	0.10
Smt. Kajal R. Soni	KMP	Nil	0.10
<b>Loan Given</b>			
Trion Chemicals Pvt. Ltd.	AC	219.97	192.40
<b>Loan Received Back</b>			
Trion Chemicals Pvt. Ltd.	AC	60.76	149.46
<b>Loan Received</b>			
Shri Suresh J. Patel	KMP	86.00	475.28
Shri Bhavin S. Patel	KMP	4.50	116.83
Shri Ankit S. Patel	KMP	10.40	5.00
Shri Rakesh R. Patel	KMP	327.20	Nil
<b>Loan Repaid</b>			
Shri Suresh J. Patel	KMP	203.90	237.11
Shri Bhavin S. Patel	KMP	107.40	13.90
Shri Ankit S. Patel	KMP	8.70	2.40
<b>Purchases of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.20	1.17
Trion Chemicals Pvt. Ltd.	AC	0.16	Nil
<b>Rent Expense</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	0.6
<b>A.G.M. Expenses</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.03
<b>Business Development Expenses</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.01
<b>Canteen Expenses</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.72
<b>Dividend Paid</b>			
Shri Suresh J. Patel	KMP	17.35	10.00
Shri Bhavin S. Patel	KMP	4.73	2.84
Shri Ankit S. Patel	KMP	3.27	1.96
Shri Mayur B. Padhya	KMP	0.09	0.06
<b>Interest Income</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.31	Nil
Trion Chemicals Pvt. Ltd.	AC	21.93	19.59
<b>Sales of Asset</b>			
Trion Chemicals Pvt. Ltd.	AC	0.04	0.27
<b>Sales of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	52.89	34.12
Trion Chemicals Pvt. Ltd.	AC	4.71	Nil
<b>Related Party Balances as at the year end.</b>			
<b>Amount Payable</b>			
<b>As Unsecured Loan</b>			
Shri Suresh J. Patel	KMP	120.27	238.17
Shri Bhavin S. Patel	KMP	0.03	102.93
Shri Ankit S. Patel	KMP	4.30	2.60
Shri Rakesh R. Patel	KMP	327.20	Nil

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

₹ in Millions

Related party disclosure	Relationship	2017-2018	2016-2017
<b>As Trade Payables</b>			
Rudraksh Caterers Pvt. Ltd.	Enterprise	Nil	0.03
Trion Chemicals Pvt. Ltd.	AC	0.19	Nil
Shri Suresh J. Patel	KMP	0.04	0.31
Shri Bhavin S. Patel	KMP	0.16	0.42
Shri Ankit S. Patel	KMP	0.18	0.27
Shri Mayur B. Padhya	KMP	0.00	0.14
Shri Ashutosh B. Bhatt	KMP	0.05	0.04
<b>As Advance from Customer</b>			
Trion Chemicals Pvt. Ltd.	AC	0.30	Nil
<b>As Investment</b>			
<b>As Equity shares</b>			
Trion Chemicals Pvt. Ltd.	AC	29.06	29.06
<b>As Preference shares</b>			
Trion Chemicals Pvt. Ltd.	AC	75.00	75.00
<b>Amounts Receivable</b>			
<b>As Trade Receivables</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	27.36	22.73
<b>As Advance Given to Supplier</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	53.04	41.64
<b>As Loan to Associate concern</b>			
Trion Chemicals Pvt. Ltd.	AC	317.33	158.12

## Notes:-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

## 46. Earnings per Share

Particulars	2017-18	2016-17
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ in Millions)	1,219.23	1,329.09
Weighted average number of Equity Shares	114,841,680	109,107,370
Basic and Diluted EPS (₹)	10.62	12.18
Nominal Value per Share (₹)	2	2

## 47. Employee Benefits

### Defined Contribution Plan

₹ in Millions

Particulars	2017-18	2016-17
Employer's contribution to Provident Fund	16.62	15.33

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## Defined Benefits Plan

**Gratuity:** The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in The Group's financial statements based on actuarial valuations being carried out as at 31st March 2018.

## Balance sheet disclosures

### (a) The amounts disclosed in the consolidated balance sheet and the movements in the defined benefit obligation over the year:

Particulars	31.03.2018	31.03.2017
<b>Liability at the beginning of the year</b>	30.70	22.46
Interest Costs	2.23	1.80
Current Service Costs	5.57	5.14
Past Service Cost	2.91	Nil
Benefits paid	(2.33)	(1.57)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	2.96	Nil
- Financials	8.02	(2.99)
- Experience	(0.69)	5.86
<b>Liability at the end of the year</b>	49.37	30.70

### (b) Movements in the fair value of plan assets

Particulars	31.03.2018	31.03.2017
<b>Fair value of plan assets at the beginning of the year</b>	36.51	27.81
Interest Income	2.86	2.50
Expenses deducted from the Fund	Nil	(0.55)
Expected return on plan assets	(0.59)	0.01
Contributions	7.09	8.31
Benefits paid	(2.33)	(1.57)
<b>Fair value of plan assets at the end of the year</b>	43.54	36.51

### (c) Net liability disclosed above relates to

Particulars	31.03.2018	31.03.2017
Fair value of plan assets at the end of the year	43.54	36.51
Liability as at the end of the year	49.37	30.70
<b>Net (Liability)/Asset</b>	(5.83)	5.81
Non-Current Portion	(0.83)	0.41
Current Portion	(5.00)	5.40

### (d) Balance Sheet Reconciliation

Particulars	31.03.2018	31.03.2017
<b>Opening Net liability</b>	(5.81)	(5.35)
-Expenses recognised in the statement of consolidated P&L	7.85	4.99
-Expenses recognised in the consolidated OCI	10.88	2.86
-Employer's Contribution	(7.09)	(8.31)
<b>Amount recognised in the Balance Sheet</b>	5.83	(5.81)

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## Profit & Loss Disclosures

### (a) Net interest Cost for Current year

Particulars	31.03.2018	31.03.2017
Interest Cost	2.23	1.80
Interest Income	(2.86)	(2.50)
<b>Net interest Cost/(Income)</b>	<b>(0.63)</b>	<b>(0.70)</b>

### (b) Expenses recognised in the consolidated profit & loss

Particulars	31.03.2018	31.03.2017
<b>Net Interest Cost</b>	<b>(0.63)</b>	<b>(0.70)</b>
Expenses deducted from the Fund	Nil	0.55
Current Service Cost	5.57	5.14
Past service cost and loss/(gain) on curtailments and settlement	2.91	Nil
<b>Expenses recognised in the consolidated profit &amp; loss</b>	<b>7.85</b>	<b>4.99</b>

### (c) Expenses recognised in the consolidated Other Comprehensive Income

Particulars	31.03.2018	31.03.2017
<b>Remeasurement</b>		
Expected return on plan assets	0.59	(0.01)
Actuarial (Gain) or Loss	10.29	2.87
<b>Net Income / Expenses recognised in OCI</b>	<b>10.88</b>	<b>2.86</b>

## Sensitivity Analysis

Particulars	31.03.2018	31.03.2017
<b>Projected Benefit obligation on current assumptions</b>		
Data effect of change in Rate of		
-Discounting by +0.5%	46.87	28.63
-Salary Increase by +0.5%	51.63	32.96
-Employee Turnover by +20%	49.45	31.03
Data effect of change in Rate of		
-Discounting by -0.5%	52.11	33.01
-Salary Increase by -0.5%	47.19	28.62
-Employee Turnover by +20%	49.22	30.34

## Significant Actuarial Assumptions

Particulars	31.03.2018	31.03.2017
Discount Rate	7.70%	7.40%
Salary Escalation	8.00%	5.75%
Attrition Rate	2-10%	1-3%

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## 48. Group Information

Sr No	Name of Company	Principal Place of Business	Effective Proportion of Ownership Interest (%) (31.03.2018)	Effective Proportion of Voting Power Held(%) (31.03.2018)
1	SPS Processors Pvt. Ltd. – Subsidiary w.e.f. 21st March, 2017	India	70.00%	70.00%
2	Trion Chemicals Pvt. Ltd. – Associate w.e.f. 16th March 2017	India	41.51%	41.51%

Sr No	Name of Company	Principal Place of Business	Effective Proportion of Ownership Interest (%) (31.03.2017)	Effective Proportion of Voting Power Held(%) (31.03.2017)
1	SPS Processors Pvt. Ltd. – Subsidiary w.e.f. 21st March, 2017	India	70.00%	70.00%
2	Trion Chemicals Pvt. Ltd. – Associate w.e.f. 16th March 2017	India	41.51%	41.51%

## 49. Contingent Liabilities and Commitments

Particulars	₹ in Millions	
	As at 31st March, 2018	As at 31st March, 2017
<b>(a) Contingent Liabilities</b>		
1) Disputed matters in appeals/contested in respect of:		
i. Income Tax	61.33	30.12
ii. Excise	31.38	31.95
iii. Service Tax	0.39	0.39
Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Group has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.		
2) Letter of Credit issued by bankers and outstanding as on 31st March, 2018.	97.13	91.50
<b>(b) Commitments</b>		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	136.72	297.91

## 50. Exceptional items:

During the previous year 2016-17, the Group had sold out Unit-5 located at Ankleswar- GIDC, Bharuch, Gujarat. The Group has gained ₹48.54 million out of sale of whole unit and the same is disclosed under "Exceptional items" in the statement of Profit and loss.

## 51. Share Based Payments

- a) The Group initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September, 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Group). Under the Scheme, the Nomination and Remuneration Committee of directors of the Group, administers the Scheme and grants stock options to eligible directors or employees of the Group. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value at Grant Date (₹)
ESOP 2017	146,200	13/01/2018	12/01/2019	50	123.52



# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

## b) Compensation Expenses arising on account of the Share Based Payments

₹ in Millions

	Year ended 31st March, 2018	Year ended 31st March, 2017
Employee Share Based Payments (refer note 34)	3.86	Nil

## c) Fair Value on the grant date

The fair value on the grant date is determined using "Black Scholes Model", which takes into account exercise price, term of the option, share price at grant date and expected price volatility of the underlying shares, expected dividend yield and risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31st March, 2018 included as mentioned below.

- a) Weighted average exercise price ₹50/-
- b) Grant date: 13/01/2018
- c) Vesting Period: 13/01/2018 to 12/01/2019
- d) Share Price at grant date: ₹168.70
- e) Expected price volatility of Company's share: 31%
- f) Expected dividend yield: 0.19%
- g) Risk free interest rate: 7.45 %

The expected price volatility is based on the historic volatility (based on remaining life of the options).

## 52. Additional information, as required under Schedule III to The Companies Act, 2013 of enterprises Consolidated as Subsidiary / Associates.

Name of the Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)	As % of consolidated profit or loss	Amount (₹ in Millions)
<b>Parent</b>								
Bodal Chemicals Ltd.	100.72%	7,019.56	104.61%	1,275.44	98.36%	(7.01)	104.65%	1,268.43
<b>Subsidiary</b>								
SPS Processors Pvt. Ltd.	0.54%	37.35	-1.22%	(14.87)	1.71%	(0.08)	-1.24%	(14.95)
<b>Associates</b>								
Trion Chemicals Pvt. Ltd.	Nil	Nil	-2.19%	(26.68)	-0.07%	(0.01)	-2.20%	(26.69)
Inter-company eliminations & Consolidation adjustments	-1.26%	(87.31)	-1.20%	(14.66)		(0.04)	-1.21%	(14.70)
<b>Total</b>	<b>100.00%</b>	<b>6,969.60</b>	<b>100.00%</b>	<b>1,219.23</b>	<b>100.00%</b>	<b>(7.14)</b>	<b>100.00%</b>	<b>1,212.09</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March, 2018

**53.** The Ind AS financial Statements of the Group for the year ended 31st March, 2017, were audited by M/s. Mayank Shah & Associates, Chartered Accountants, the predecessor statutory auditors.

**54.** Previous year's figures have been rearranged and reclassified wherever necessary to correspond with the current year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No. 117366W/W-100018

**(Gaurav J. Shah)**  
Partner  
Membership No. 35701

Ahmedabad  
May 29, 2018

For and on behalf of the Board of Directors

**(Suresh J. Patel)**  
Chairman & Managing Director  
DIN : 00007400

**(Mayur B. Padhya)**  
Chief Financial Officer

Ahmedabad  
May 29, 2018

**(Ankit S. Patel)**  
Executive Director  
DIN : 02173231

**(Ashutosh B. Bhatt)**  
Company Secretary





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