

65th Annual Report
2015-16





- Spiritually fulfilling
- Socially just
- Environmentally sustainable



Vision

- To be amongst the top four pigment players in the world

Mission

- World Class Global Colour Solution Provider with an
- Innovative & vibrant culture

Values

(S) SEVA

(C) COURAGE

(C) COMMITMENT & PASSION

(R) RESPECT

(T) TRUST

Higher Purpose



- Spiritually fulfilling
- Socially just
- Environmentally sustainable

Sudarshan is a Company that believes that just like the employee, the organization also is a living organism. Hence the Company has a Higher Purpose, which is **'Growing Together'**, where every endeavour we undertake should be **Spiritually Fulfilling, Socially Just and Environmentally Sustainable**.

'Socially Just' is lived through our CSR activities called **SUDHA**, which stands for 'Sudarshan's Holistic Aspirations'. It is a movement by Sudarshan to involve its people and community to create a better living standard & environment for ourselves and the people around us. It is an aspiration to create holistic awareness that matches with the vision of Sudarshan. It has been started to impact the lives of people not only in our community but the outside world. It is also linked to the higher purpose of the organisation of Growing Together.

There are several initiatives taken to achieve this Higher Purpose of the organization. For the **'Spiritually Fulfilling'** part, we have an initiative of **'Spiritually Fulfilling Life@Sudarshan'** which was started keeping in mind the importance of having a happy & focused workforce for achieving overall excellence. Also there is a basic human nature to find its spiritual side and enhance it for a better quality of life. Both personal and professional requirements gave birth to this initiative forming a foundation to the journey of being centered.

For this initiative, we have tied up with the corporate arm of The Art of Living' organisation, called 'APEX-Achieving Personal Excellence' and designed a customised program for Sudarshan in line with our Vision, Mission & Values.

Our Environment, Health & Safety function takes care of the **'Environmentally Sustainable'** part. Being a Chemical Company we are very careful that we do not pollute the environment around us. We have a large ETP plant to ensure the effluents are treated properly and we do not release any toxic chemicals outside in the environment. We are working on getting in greener technologies and move towards zero discharge plant.

Sudha's activities are divided in five Major Focus areas of Work:

- Women Empowerment
- Education
- Community Development
- Environment
- Health



times ascent
Catalyst your career

Presents

**Dream Companies
to work for**

sudarshan.com

A glimpse into Sudarshan's Human Resources function - F.Y. - 2015-16

Overview

All companies have the resources available equally, what makes the difference and makes one stand out is the kind of Human Capital it has!

We at Sudarshan value our employees a lot and believe in the overall development and growth of people. To ensure this we have several initiatives, friendly processes and fun filled events throughout the year. Due to our efforts we have made it to the **Top 50 - Dream Company to work for**. The four main aspects that made Sudarshan a Dream Company are as follows:

- 1. Our Best in Class Practices*
- 2. High level of Employee Engagement*
- 3. Company that cares*
- 4. Several Learning & Growth opportunities*

Employee Engagement is a very important aspect when we want to make a Dream Company to work for. Hence Human Resources has a crucial role in identifying the pulse of the organisation and driving various initiatives accordingly. We take care that these initiatives are best

in Class and as per industry standards. We have host of world class practices like our PMS process, Induction & On-boarding, Living Sudarshan Culture, Suda Ratna, which is a celebration of promotions of employees in the Company.

We believe in continuous growth and improvement, hence Learning & Development has always been a very important part of Sudarshan's journey. We have several initiatives on Learning as per the requirement of the organization like Behaviour trainings, Technical trainings, Leadership trainings, Supervisory trainings, Value & Culture trainings. Apart from this, we also nominate our employees for various external trainings and programs. Learning & growth is incomplete without Reward & Recognition (R&R), hence we have a very strong R&R program, which includes Leader of the Year, Long Service Award, Good Job Done cards etc.

Sudarshan believes that its employees are its most valuable asset and their well-being is the Company's well-being. There are several initiatives like Fit Sudarshan, Fun@Work and People Connect etc. that give our employees a feeling of being cared.





All employee get together

Some highlights of the F. Y. - 2015-16

SUDA CONNECT – As part of our culture, an 'All Employee Annual communication Meet' was celebrated for the second year to communicate the Company's performance and objectives to employees at all levels by the top management. The event also provided an opportunity to reward exemplary performances at individual level based on meritocracy. Employees with long service in the Company were also felicitated during this occasion with 'Long Service Awards' for various milestones reached starting from 10 years to 35 years. The culture of transparency was demonstrated through a question answer session where employee questions were responded by leadership team of the Company. Employees demonstrated their talents through a cultural programme where the organisation's new Mission and Values were launched. The meet established a perfect blend of communication and celebrations.

We had our Chief Guest Mr. Bhushan Gagrani, CEO, MIDC Maharashtra, talk to us on 'Collaboration of Industry and Government towards Industrial Growth'. Among other eminent speakers we also had Mr. Pradeep Dhoot, Director of Videocon Group sharing his views on 'Emerging India leads Sudarshan Growth and Impact of Spirituality in business'. It was a grand event and was successfully executed by the internal Sudarshan Team.



SUDA RATNA



SUDA RATNA – We have a special event to honour our employees who get promoted every year. This event is organised to felicitate them along with their Spouses and make the event special for them. This also shows the appreciation of the hard work and dedication put in by the employees and promotes meritocracy.



Fit Sudarshan

Sudarshan believes in the well being of its employees and hence we have a Fit Sudarshan initiative under which we have several activities as follows:

- Annual Health Check – up
- Canteen Management with Healthy menus
- Knowledge session by Dr. Manisha Bandishti
- Health Awareness Newsletter, on various health matters
- Healthy Recipes, for employees to share at home as well
- Run Sudarshan, to take our fitness initiative forward and inculcate the habit of running in employees for fitness, we have started another

program called Run Sudarshan. Through this, we are motivating our employees to run on a regular basis, which is the best and freely available exercise which everyone can do. To have more and more employees participate in running, we have also organised **Roha Minithon**, which is a huge event of 10 KM run at Roha. In this event not only employees but their family members are also invited to participate. Amit Seth, the international marathon runner and writer of Dare to Run is our mentor. Even though this is for fitness the purpose of the run is for '**Clean Roha, Healthy Roha**' which is a CSR initiative of waste management in and around Roha villages. For this event the Chief Guest was Mr. Sunil Tatkare, NCP, Maharashtra State Unit President.



There are some more activities which comes under Fit Sudarshan as they help our employees to keep fit and also get covered under Fun@Work, since they are a lot of fun too!!

- **Yoga classes**, for employees who like to take it slow. The digital age has made us immobile and as a result we end up with rounded shoulders, protruded heads, upper back humps and slumped gait. Lot of employees are opting for yoga as a complete body exercis. Keeping this in mind, we have started with weekly yoga classes at all locations.
- **Sports club**, for the sporty ones who like a good game. We have various games at our Factory locations and also inter location competitions. Our Sudarshan Team also participates in the local company association matches.
- **Dance classes**, for the groovy ones with high energy. Dance is considered as a stress buster. It also helps in keeping body fit & in shape as well. A professional choreographer teaches various dance styles, the session is divided into two parts – Warm up exercise and Choreography.
- **Sudarshan Kriya**, for the more Spiritually inclined.





Fun@Work

There are various initiatives launched under employee engagement, but FUN is the most exciting part of it. We celebrate Birthdays of employees on monthly basis at every location. Fun activities like Traditional day, Sports day, Photography contest, Twin's Day, Passing the Ball, Movie screening etc. are also organised each month.



Awards

We have won as many as 10 Awards for our people centric practices. To name a few -

1. Award for Managing Health At Work(Fit Sudarshan) - World CSR Congress 2016
2. Best Organisational Development Program (VMV) - World CSR Congress 2016
3. Best HR Strategy in line with Business (PMS) - World CSR Congress 2016
4. Dream Companies To Work For- Top 50 companies - World CSR Congress 2016

SUDARSHAN

Annual Report

2015-16

Sudarshan Chemical Industries Limited



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FINANCIALS AT A GLANCE

Rs. in Lacs

Financial Highlights	2015-16	2014-15	2013-14	2012-13	2011-12
Income From Operations (Excluding Excise)	120,726	108,829	102,665	78,525	74,423
Profit Before Tax	9,849	5,962	5,483	2,505	5,018
Profit After Tax	7,163	4,241	3,442	2,106	3,615
Equity Share Capital	1,385	1,385	692	692	692
Net Worth	32,689	28,026	25,352	23,125	22,032
Net Fixed Assets (including CWIP)	34,377	31,667	32,202	33,068	23,389

Key Financial Ratios	2015-16	2014-15	2013-14	2012-13	2011-12
Current Ratio	1.42	1.22	1.27	1.28	1.41
Debt Equity Ratio	1.06	1.25	1.31	1.47	1.04
PBDIT (% to Net Sale)	13.97	12.22	12.50	10.42	12.00
PAT (% to Net Sale)	5.93	3.92	3.37	2.70	4.90
Return (PBIT) on Capital Employed %	18.52	13.79	13.48	8.36	13.86
Dividend (Per Share) (Rs.) *	3.00	1.75	1.50	1.25	1.25
Earnings (Per Share) (Rs.) *	10.35	6.13	4.97	3.04	5.22

Note:

* During the year 2014-15 the Company sub-divided the face value of equity share from Rs. 10 to Rs. 2. Hence previous years figures have been restated for the sake of comparison.

Appeal for newspaper contribution

Sudarshan drives its Corporate Sustainability initiatives under the name of SUDHA (Sudarshan's Holistic Aspiration). SUDHA started the Paper Bag project way back in 2011. We started this project with 12 skilled volunteers and they trained 20 ladies in one village near the Roha plant. With this humble beginning in 2011, today the paper bag project has come a long way. Now this project has more than 150 village women who are earning their livelihood by making newspaper bags. They earn a sustainable income of approx Rs. 1,500- Rs.3,000 p.m. SUDHA's role in enabling women to earn this income is by providing news papers free of cost and by helping them in finding markets to sell these bags.

Currently we are selling 80,000 bags per month and we are looking at providing livelihood to 300 women in the year 2015-2016. As we are receiving more orders, the challenge we are facing at this juncture is shortage of newspapers. Hence, we would humbly request you all to kindly donate newspapers as this would enable us in serving the cause we are driving as an organisation.

Your contribution would serve as a dual purpose:

“Touch lives
and save the
environment”

BOARD OF DIRECTORS

Mr. Pradeep R. Rathi	Chairman and Managing Director (w.e.f. 16 th August, 2015)
Mr. Rajesh B. Rathi	Dy. Managing Director
Mr. Shrikrishna N. Inamdar	Non-Executive, Independent Director
Mr. Pralhad P. Chhabria	Non-Executive, Independent Director (expired on 5 th May, 2016)
Mr. Dara N. Damania	Non-Executive, Independent Director
Mr. Subramanian Padmanabhan	Non-Executive, Independent Director
Mr. Sanjay K. Asher	Non-Executive, Independent Director
Mrs. Rati F. Forbes	Non-Executive, Independent Director
Mr. Naresh T. Raisinghani	Non-Executive, Non-Independent Director
Mrs. Shubhalakshmi A. Panse	Non-Executive, Independent Director
Mr. Narayandas J. Rathi	Non-Executive Director
Mr. Kishor L. Rathi	Non-Executive Director

**DY. GENERAL MANAGER
FINANCE (ACTING CFO)**

Mr. V. V. Thakur

COMPANY SECRETARY

Mr. P. S. Raghavan

BANKERS

Bank of Maharashtra
State Bank of India
Bank of Baroda
ICICI Bank Limited
HDFC Bank Limited
HSBC Limited
Export - Import Bank of India
State Bank of India, Dubai

STATUTORY AUDITORS

B. K. Khare & Company
Chartered Accountants,
Mumbai.

SECRETARIAL AUDITOR

Rajesh Karunakaran & Co.,
Company Secretaries, Pune.

**REGISTERED OFFICE /
GLOBAL HEAD OFFICE**

162 Wellesley Road,
Pune 411 001, Maharashtra (India)
Phone : +91 020 26226200
Fax : +91 020 26058222
CIN : L24119PN1951PLC008409

FACTORIES

Roha : 46 MIDC Estate, Dhatav, Roha 402 116,
Dist. Raigad, Maharashtra (India)
Mahad : Plot No. A-19/1+2, MIDC Estate,
Mahad 402 301, Dist. Raigad,
Maharashtra (India)
Chikhali : Gat No. 1559, Shelar Vasti,
Chikhali, Pune 411 062
Maharashtra (India)

Board Committees**Audit Committee**

Mr. S.N. Inamdar	Chairman
Mr. D.N. Damania	
Mr. S.K. Asher	
Mr. P.R. Rath	

Nomination and Remuneration Committee

Mr. D.N. Damania	Chairman
Mr. S.N. Inamdar	
Mr. S.K. Asher	
Mr. N.J. Rath	

Stakeholders' Relationship Committee

Mr. S.K. Asher	Chairman
Mr. P.R. Rath	
Mr. N.J. Rath	

Corporate Social Responsibility Committee

Mrs. R.F. Forbes	Chairperson
Mr. P.R. Rath	
Mr. R.B. Rath	

Risk Management Committee

Mr. D.N. Damania	Chairman
Mr. S. Padmanabhan	Director
Mr. N. T. Raisinghani	Director (w.e.f. 30.01.2016)
Mrs. S. A. Panse	Director (w.e.f. 30.01.2016)
Mr. P. R. Rath	Chairman and Managing Director
Mr. R. B. Rath	Dy. Managing Director
Mr. A. Vij	Chief Operating Officer – Pigment Division
Mr. V. V. Thakur	Dy. General Manager – Finance (Acting CFO)

Board of Directors - Subsidiaries**Prescient Color Limited**

Mr. P.R. Rath	Chairman
Mr. R.K. Rath	Managing Director
Mr. K.L. Rath	Director
Mr. N.J. Rath	Director
Mr. R.B. Rath	Director
Mr. S. Padmanabhan	Independent Director

RIECO Industries Limited

Mr. D.N. Damania	Chairman (Independent Director)
Mr. A.B. Rath	Managing Director
Mr. K.L. Rath	Director
Mr. P.R. Rath	Director
Mr. R.B. Rath	Director
Mr. N.J. Rath	Director
Mr. V. R. Bhatia	Independent Director

Sudarshan Europe B.V., The Netherlands

Mr. R.B. Rath	Chairman and Representing Sudarshan, India
Ms. Helen Hatcher	Managing Director
Mr. Hans Jurgen Runde	Director
Mr. Vikas Chaturvedi	Director (Representing E7 Trust B.V.)
Mr. R.P. Rath	Director

Sudarshan North America Inc., USA

Mr. R.B. Rath	Chairman and Representing Sudarshan Europe B.V.
Mr. A.N. Rath	Managing Director
Mr. William Baker	Director

Sudarshan CSR Foundation

Mr. P.R. Rath	Chairman
Mr. R.B. Rath	Director

DIRECTORS' REPORT TO THE MEMBERS - 2015-16

Your Directors are pleased to present the 65th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 2016.

1. FINANCIAL HIGHLIGHTS:

The Company's financial performance for the year ended 31st March, 2016 is summarized below:

Particulars	2015-16 (Rupees in Million)	2014-15 (Rupees in Million)
Total Revenue	12,201.38	11,131.77
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	1,686.28	1,340.41
Less : Interest	263.50	346.67
Less : Depreciation	437.91	397.53
Less : Provision for Taxation	268.58	172.14
Profit After Tax	716.29	424.07
Add : Surplus brought forward	942.92	724.67
Net Profit available for appropriation	1,659.21	1,148.74
Appropriations		
1. General Reserve	100.00	60.00
2. Interim Dividend 125% (Rs. 2.50 per equity share)	173.07	-
3. Final Dividend (Proposed) 25% (Rs. 0.50 per equity share)	34.61	121.15
(Previous Year dividend paid @ Rs.1.75 per share on a face value of Rs. 2/- per share i.e. 87.50%)		
4. Tax on Dividend	42.29	24.67
TOTAL	349.97	205.82
Surplus to be carried forward	1,309.24	942.92

2. THE YEAR IN RETROSPECT:

During the year under review, subdued business sentiments, combined with difficult market conditions and slowdown in global demand, posed challenges. The Directors are pleased to inform that in spite of unfavourable conditions, the Company has registered better performance in terms of growth in sales and much better performance in terms of growth in profits as compared to the previous year.

(A) FINANCIALS:

Total Revenue from operations for the year ended 31st March, 2016 aggregated to Rs. 12,201 million as against Rs. 11,132 million achieved during the previous year. Profit after tax for the year ended 31st March, 2016 was Rs. 716 million as against Rs. 424 million earned during the previous year.

Pigment sales increased from Rs. 9,578 million in the previous year to Rs. 10,656 million in the year under review. Profits for the Pigment Division for the year under review amounted to Rs. 1,637 million as compared to Rs. 1,167 million of the previous year.

Agro Sales for the year ended 31st March, 2016 amounted to Rs. 1,163 million as against Rs. 1,155 million achieved during the previous year. Profits for the Agro Division for the year under review amounted to Rs. 63 million, as against Rs. 77 million for the previous year.

Sales from other operations for the year ended 31st March, 2016, include sales generated from the Industrial Mixing business of the Company. As compared to the previous year, current year's operating margins have improved.

The Company's Indian Subsidiaries have performed well. RIECO Industries Ltd. has registered an improvement in the performance as compared to the preceding financial year. Prescient Color Ltd. continues to register good growth. The Company's overseas subsidiaries in the Netherlands and

North America continue to record improved performance.

On a Consolidated basis, the Company's Total Revenues for the year ended 31st March, 2016 stood at Rs. 14,234 Million, up by 15% as compared to Rs. 12,418 Million in Financial Year 2014-15. Net Profit Before Tax after consolidation grew by 38% to Rs. 990 Million in Financial Year 2015-16 as compared to Rs. 716 Million in Financial Year 2014-15.

(B) EXPORTS:

The Company's overseas subsidiaries have entered a consolidation phase and will play a crucial role in positioning the Company as a dominant player in the Global Pigment Industry. Revenue from Pigment exports for the year ended 31st March, 2016 amounted to Rs. 5,176 million as against Rs. 4,612 million for the previous year thereby recording a growth of 12%.

3. DIVIDEND:

During the year, the Company had declared and paid an Interim Dividend of Rs. 2.50 (125%) per Equity share (of Rs. 2 each). Your directors are pleased to recommend a Final Dividend of Rs. 0.50 paise (25%) per Equity share (of Rs. 2 each) for the Financial Year 2015-16. The Interim Dividend along with recommended Final Dividend aggregates to a total Dividend of Rs. 3.00 (150%) per Equity share (of Rs. 2 each) for the Financial Year 2015-16 as compared to the total Dividend of Rs. 1.75 (87.50 %) per Equity share (of Rs. 2 each) for the Financial Year 2014-15. The total amount of Dividend pay-out for the year would be Rs. 249.97 Million (Previous Year: Rs. 145.81 Million).

4. FIXED DEPOSITS:

The Company has accepted fixed deposits during the year under review. For details, please refer to **Annexure I**. Unclaimed deposits to the extent of Rs. 0.67 Million were outstanding as on 31st March, 2016.

5. INCORPORATION OF WHOLLY OWNED SUBSIDIARY (WOS) IN CHINA:

The Company is in the process of incorporating a Wholly Owned Subsidiary (WOS) in China primarily for sourcing raw materials locally at competitive prices. Further, the WOS will also be in a position to keep stocks of finished products and raise the invoices. The WOS will also enable the Company to service key customers in the Asia Pacific region.

6. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with Section 134 of the Companies Act, 2013 the Directors based on the representation received from the Management, confirm that:

- i. in the preparation of accounts for the Financial Year ended 31st March, 2016, the applicable accounting standards have been followed, with no material departures;
- ii. 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 Financial Year and of the Statement of Profit and Loss of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the Annual Accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

7. CORPORATE GOVERNANCE:

Members are aware that the Company has always strived to maintain applicable standards of good corporate governance and the commitment to good corporate governance is embodied in its vision, mission and corporate values. As a means to realise its goal of sustainable value creation, the Company has adopted performance excellence as part of its culture and its corporate values to foster a shared and common set of behaviour amongst all the employees.

Members will be pleased to note that the Company has complied with the mandatory requirements of Corporate Governance set out under the SEBI (Listing Obligations and Disclosure Requirements),

Regulations, 2015 which has superseded the requirements of Corporate Governance laid down in erstwhile Clause 49 of the Listing Agreement.

A detailed report on Corporate Governance, duly certified by the Statutory Auditors of the Company, B. K. Khare & Co., Chartered Accountants, Mumbai is appearing separately in the Annual Report.

8. **MANAGEMENT DISCUSSION AND ANALYSIS:**

A Management Discussion and Analysis covering a wide range of issues relating to industry trends, Company Performance, Business and Operations is given separately in the Annual Report.

9. **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All related party transactions that were entered into during the Financial Year 2015-16 were on an arm's length basis and were in the ordinary course of the business. Apart from the Promoters interest in the continuing appointment of the four Rathi Brothers Companies as selling agents of the Company, which were prior approved by the members in terms of Regulation 23 of the SEBI Listing Regulations, 2015, there are no other materially significant related party transactions entered into by the Company with Promoters or Independent Directors, Key Managerial Personnel, Senior Management and / or their relatives which may have potential conflict with the interests of the Company at large.

All related party transactions are presented to the Audit Committee for their prior approval. Subsequent modifications of related party transactions are also placed before the Audit Committee for its approval. Omnibus approval is obtained for the transactions which can be foreseen and repetitive in nature. A statement of all related party transactions is placed before the Audit Committee on quarterly basis, specifying the nature, value and terms and conditions.

The related party transactions policy is uploaded on the Company's website – www.sudarshan.com.

The particulars of contracts or arrangements made with related parties pursuant to Section 188 is covered in Notes to the Financial Statements and material contracts / arrangements made with related parties is given in Form AOC-2 which is attached as **Annexure VI** to this report.

10. **CORPORATE SOCIAL RESPONSIBILITY:**

The Corporate Social Responsibility (CSR) activities of the Company are in accordance with Schedule VII to the Companies Act, 2013. All CSR activities of the Company are carried out under the aegis of "SUDHA" (Sudarshan's Holistic Aspiration). As a responsible corporate citizen, the Company continues its efforts to meet, among others, the Environmental, Health & Safety expectations of the society at large.

SUDHA is envisaged as a movement to involve the Company and the community in which it operates to create better living standards and safeguard the environment. As a part of CSR, SUDHA has been engaged in various social projects, embracing the people that live in the vicinity of its manufacturing and other facilities.

The Company's grand vision is "Growing together" with all its stakeholders in a manner that is spiritually fulfilling, socially just and environmentally sustainable. SUDHA contributes to this vision by ensuring that all its initiatives are driven with this perspective in mind. SUDHA's vision is 'Aspiring wholesome sustainable growth for women and children of communities around the Company's plants' and Mission is 'Reach out to communities by engaging in projects related to Livelihood, Health, Education & Community Development'.

Various projects that SUDHA is working on are Livelihood enhancement Project; Employment Enhancing Vocational Skill Project; Health Improvement Project; Promotion of Education; Community Development Project; Environment Sustainability Project etc. Through all these initiatives, SUDHA has touched the lives of thousands of people living around the Company's facilities.

The Board is pleased to inform that during the year the Company has spent an aggregate amount of Rs.132 Lacs which includes mandatory spend for the year under review and an unspent amount of Rs. 35 Lacs carried forward from the previous Financial Year 2014-15.

The Annual Report on CSR activities are annexed as **Annexure IV** to this report.

11. **RISK MANAGEMENT:**

The Company's approach to Risk Management is designed to clarify risk levels and encourage entrepreneurial behaviour throughout the organisation. The Company's risk management policy broadly covers measures to safeguard the Company's property, interests, and interest of all stakeholders; laying down a framework for identification, measurement, evaluation, mitigation & reporting of various risks; evolving culture, processes and structures that are directed towards the effective management of potential

opportunities and adverse effects, which the business and operations of the Company are exposed to; balance between the cost of managing risk and the anticipated benefits; creating awareness among the employees to assess risks on a continuous basis and develop risk mitigation plans in the interest of the Company and not the least to provide a system for setting up priorities when there are competing demands on limited resources

Adequate measures have been adopted by the Company to combat various risks including business risks (competition, consumer preferences, technology changes), financial risks (cost, credit, liquidity, foreign exchange) hazard risks (environment, safety and health), operational risks (system, process, people) and regulatory and compliance risks. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer techniques.

12. REMUNERATION POLICY:

The Remuneration policy of the Company covering the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters has been provided separately as **Annexure III**.

13. SUCCESSION POLICY:

The Company has a Succession Policy approved by the Board of Directors with the main objective to ensure the orderly identification and selection of new Directors, Working Directors or Senior Management in the event of any vacancy, whether such vacancy exists by reason of an anticipated retirement, re-organization, unanticipated departure, the expansion of the size of the Company, or otherwise. For full details, members are requested to refer to the Company's website - www.sudarshan.com

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. P. P. Chhabria, Independent Director on the Board of Directors of the Company expired on 5th May, 2016 at Pune. The Board expresses its heartfelt condolences to the members of the bereaved family.

Mr. P. P. Chhabria, joined the Board of Directors of the Company on 15th March, 1997. He was also the Chairman of the Stakeholders Relationship Committee and Nomination and Remuneration Committee. He had a long association with the Company. The Board places on record its appreciation of the invaluable guidance and advice given by him during his tenure as Director of the Company.

Mr. P. P. Chhabria, was the Founder of the Finolex Group of Companies. He was a great visionary and has left a tremendous legacy behind him. He also contributed immensely in the field of education and philanthropy.

In terms of Section 152 of the Companies Act, 2013 and Article 116 of the Articles of Association of the Company, Mr. N. J. Rathi, Director will retire at the 65th Annual General Meeting and being eligible offers himself for reappointment. The Board of Directors recommend the reappointment of Mr. N. J. Rathi, as a Director of the Company liable to retire by rotation.

Mr. R. B. Rathi, Deputy Managing Director of the Company is proposed to be appointed as a Director not liable to retire by rotation. The Board of Directors recommend the reappointment of Mr. R. B. Rathi, Deputy Managing Director as a Director of the Company not liable to retire by rotation.

Key Managerial Personnel

In accordance with the provisions of Section 203 of the Companies Act, 2013, the following are Key Managerial Personnel of the Company:

- a. Mr. P. R. Rathi, Chairman and Managing Director
- b. Mr. R. B. Rathi, Dy. Managing Director
- c. Mr. V. V. Thakur, Dy. General Manager (Acting CFO)
- d. Mr. P. S. Raghavan, Company Secretary

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations, 2015.

Annual Evaluation of Board of Directors, its Committees and Individual Directors

During the year, the Board has made an evaluation of its own performance and that of its Committees and individual Directors, including the Chairman of the Board. At a separate meeting of the Independent Directors held on 28th March, 2016, the performance evaluation of the Chairman, Non-independent Directors and the Board of Directors was carried out by the Independent Directors who also reviewed the adequacy and flow of information between the Company Management and the Board. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall commitment and sense of duty.

The Board has also adopted a Board Diversity Policy. The policies of Board diversity and performance evaluation of Directors of the Company can be accessed from the Company's website www.sudarshan.com

15. GREEN INITIATIVE:

Members are aware that the Company had started a sustainability initiative with the aim of going green and minimizing impact on the environment. Like the previous year, Electronic copies of the Annual Report 2015-16 and Notice of the 65th AGM are being sent to all Members whose email addresses are registered with the Company / Depository Participant(s). For Members who have not registered their email addresses, physical copies of the Annual Report 2015-16 and the Notice of the 65th AGM are sent in the permitted mode. Members requiring physical copies can send a request to the Company Secretary.

The Company is providing remote e-voting facility to all Members to enable them to cast their votes electronically on all resolutions set forth in the Notice of the AGM. This is pursuant to Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2015 read with Regulation 44 of the SEBI Listing Regulations, 2015. The instructions for remote e-voting are provided in the Notice of the AGM.

16. INDUSTRIAL RELATIONS:

Industrial relations continue to remain cordial at all the plants, GHO Pune and at R & D Laboratory situated at Ambadvet (Sutarwadi), Dist. Pune. The Board of Directors record its appreciation of the commitment and support of employees at all levels.

17. HUMAN RESOURCES :

Human resources continue to be an invaluable and intangible asset and key success factor for the Company to grow and sustain its market position in a highly competitive and challenging environment. The Company firmly believes that people are the pivotal force behind the growth and excellence in business operations. The overall performance and the market position the Company enjoys are the result of the combined strength of its people. The Company during the year, paid special attention to developmental activities comprising of sharpening of skills and abilities, developing academic and professional knowledge and cultivating appropriate behavioural skill sets, such as improving interpersonal relations, team building abilities, effective communication and presentation skills. Focus on developing leadership skills and building talent for the future and the process of improving organizational and human capability through competency mapping of managerial positions in all areas of the Company's operations, continued as a major initiative

During the year under review several human capital enhancing measures were undertaken:

1. An Organisation Development intervention was taken up called 'Living Sudarshan Culture' which was a Vision, Mission, Values cascade within the organisation. Workshops were conducted for the same for Employees in English and for Workers in Marathi. Value stories are being shared on how people are living the organisation values at work. Also the Leadership level 1 and 2 went through a 360 degree feedback on values, planned on half yearly basis, on how well they are adopting these values at work. Based on the feedback received Company also rewarded the employees scoring the highest on each of the values at the Annual Communication Meet held at Roha on 8th April 2016.
2. To meet organisational challenges, Company is looking at building capabilities at the Leadership Levels 1 & 2 and have taken up an initiative of Leadership Intervention for them for a period of 18 months. For Level 1 leaders the process has started and the reports have been generated based on data collected from various sources. Also Individual Development Plans have been made and Coaching sessions have started. For L2 level leadership intervention initiatives will be taken forward this year onwards.

3. Communication of Company performance and objectives to employees at all levels by the top management has become a culture at the Company with SUDA CONNECT being celebrated for the third year in succession. The event also provided an opportunity to reward exemplary performances at individual levels based on meritocracy. Employees with long services in the Company were also felicitated during this occasion. Employees demonstrated their talents through a cultural programme. The meet established a perfect blend of communication and also celebrations.
4. Company also took out 'Fit Sudarshan' initiative to the next level by adding 'Run Sudarshan' program to it. For this Company tied up with professional coach from Run India Run for training in running marathon. Company organised 'Roha Minithon 2015' on 1st November, 2015, which was a 10km run at Roha, for all employees and their spouses and children. It was a one of its kind event in Roha, which saw participation from employees all over the globe. This initiative was very well appreciated by everyone and the event was a grand success.
5. Under Training & Development, the Company has initiated two innovative programs during the year. One was the Business English Communication through the British Council, which was for the Technical Service team members interfacing with customers regularly. The other one was Basic Business Management Skills (BBMS) by The Strategy Academy with an objective of improving decision making skills among members in operations, from a business perspective.
6. All the Human Resource processes and initiatives launched in the last four years are being reinforced and strengthened by taking them to the next level. As an endorsement of these efforts, the Company received four accolades at "World HRD Congress 2016" as detailed below:
 1. TOP 50 "Dream Companies to work" and was the only one selected from the Chemical Industry;
 2. "Managing Health at Work" for our Fit Sudarshan initiative;
 3. "Best Organisation Development Programme (OD)" for Living Sudarshan Culture initiative;
 4. "Best Strategy in line with Business" for our Performance Management System;

These global awards have reinforced Company's belief of realizing it's vision to be amongst the top four pigment producers in the World.

18. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

The Company has an ongoing familiarisation programme for Independent Directors with regard to their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. The Company also has an ongoing programme where Directors in the course of meetings of the Board of Directors are given information about the operations and functional areas of the Company, business model and also developments in legal and regulatory areas which impact the working of the Company so as to enable them to discharge their roles, rights and responsibilities in the Company effectively. Details of the same are available on the website of the Company - www.sudarshan.com.

19. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has zero tolerance towards any action on the part of any one which may fall under the ambit of "Sexual Harassment" at work place and is fully committed to uphold and maintain the dignity of every woman working with the Company. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints within the framework of law. Details of the same are available on the website of the Company - www.sudarshan.com.

No cases of sexual harassment have been reported during the year under review.

20. AUDITORS:

B.K. Khare & Co., Statutory Auditors of the Company are due to retire at the ensuing 65th Annual General Meeting and are eligible for reappointment. Members are requested to consider reappointing them and to authorise the Board of Directors to fix their remuneration. The Company has received confirmation regarding their consent and eligibility under Section 141 of the Companies Act, 2013 for reappointment as Statutory Auditors of the Company.

21. COST AUDITOR:

As per Section 148 of the Companies Act, 2013, the Company is required to have its cost records audited by a Cost Accountant in practice. The Board of Directors of the Company has, on recommendation of the Audit

Committee, approved the appointment of Parkhi Limaye & Co., Cost Accountants, Pune, as the Cost Auditor of the Company to conduct cost audit of 'Specified Products' and cost records maintained by the Company for the year ending on 31st March, 2017. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking ratification of the Members for the remuneration payable to Parkhi Limaye & Co., Cost Accountants, Pune is included at Item No. 6 of the notice convening the Annual General Meeting.

22. SECRETARIAL AUDITOR:

The Board of Directors had appointed Mr. Rajesh Karunakaran, Practicing Company Secretary, to conduct Secretarial Audit for the year under review.

The Secretarial Audit Report issued by Mr. Rajesh Karunakaran, Practicing Company Secretary for the year ended 31st March, 2016, as required under Section 204 of the Companies Act, 2013 and Rules there under appears as **Annexure VIII** to the Directors' Report. The Secretarial Audit Report for the year under review does not contain any qualification, reservation or adverse remark.

23. ENVIRONMENT, HEALTH, SAFETY (EHS) AND POLLUTION:

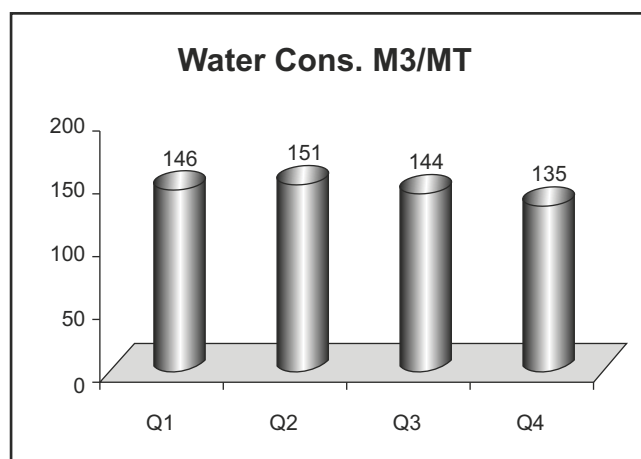
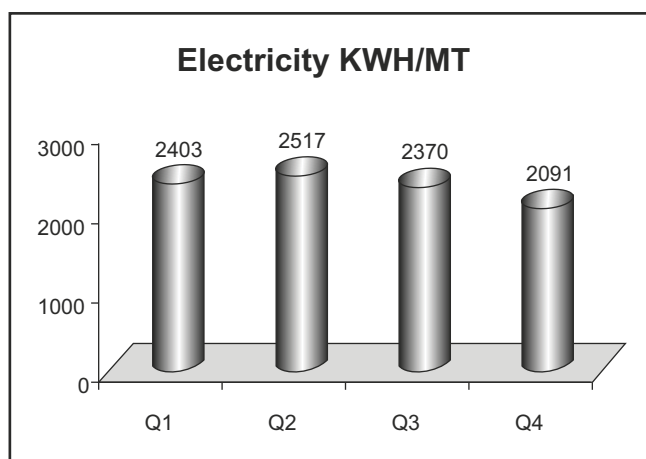
Environment, Health and Safety continues to be a major focus area for our Company in all its operations across the organization. As in earlier years, the Company maintains "Zero lost time accident at the workplace" as its long term strategic goal. The Company strives and is able to maintain zero major incident, emergencies, occupational health illness cases during the year across the organization. This has been achieved through highest commitment from the top management, supported by all levels of workforce across the Organization. Behaviour Based Safety, Safety training, Process Safety Management, Hazard Identification and Rectification, Near miss reporting and Contractor Safety were the key focus areas. During the year in all the sites model "EHS" systems and practices were implemented including HAZOP, Risk Assessment, Layer of Protection Analysis (LOPA), Process Safety Management, Visual management, pre-start-up reviews and rigorous training to all employees and contract workers on regular basis.

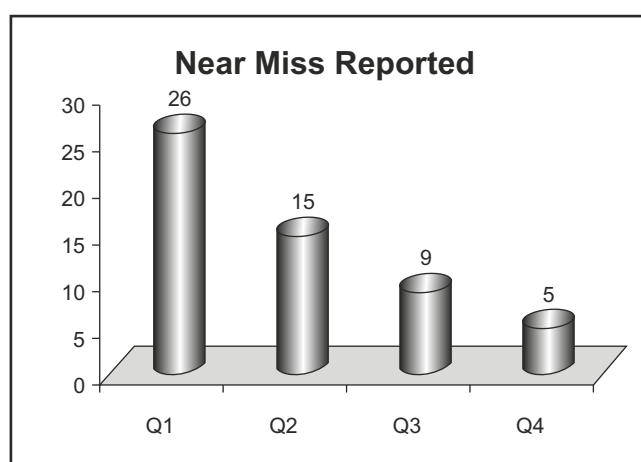
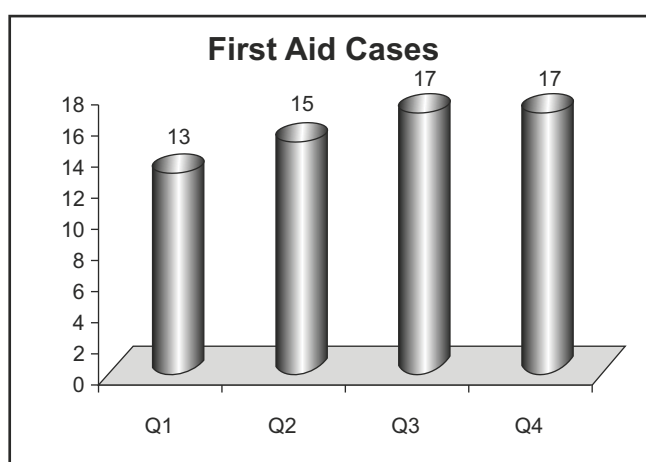
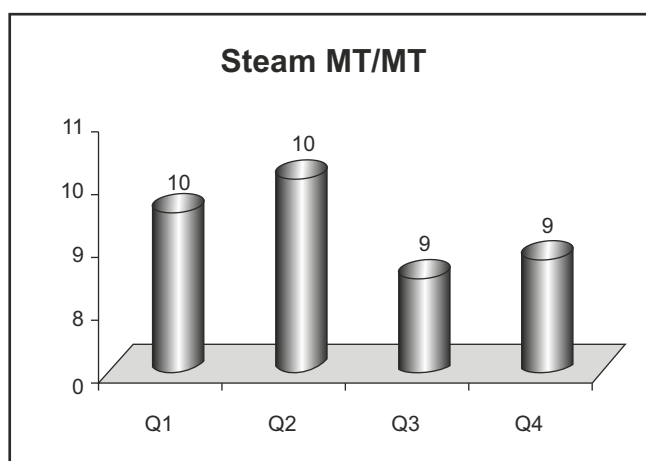
During the year, the Company continued to focus on Environment management by further strengthening the pollution control facilities at Roha and Mahad. The Company always believes in exploring new technologies in effluent treatment, environment management to further strengthen the Pollution abatement Plan. The focus is always to go beyond the statutory requirement and conserve the natural resources and environment. Utility management and energy conservation initiatives have been given renewed focus in all manufacturing units.

All units of the Company are certified for OHSAS-18001 and ISO-14001 and awarded rating of five star from British Safety Council. Standards are regularly reviewed at various levels and systems are aligned with the Company's Process Management.

Product stewardship, transportation and warehouse safety continued to be strengthened by providing resources, standardization to match benchmark practices, training to drivers and warehouse workers for safe transportation, storage and loading / unloading and emergency plan for road accidents. As part of the same, Company is associated with "NICER GLOBE" an ICC initiative in coordination with major chemical industries.

The Company's efforts and performance in the area of "EHS" have been recognized across the manufacturing units, through receipt of several awards.





24. RESEARCH AND DEVELOPMENT :

The Company recognizes the need to have well equipped R & D Facilities to meet customer requirements and developing cutting edge products. Members are aware that the Company has spruced up its R & D facilities at Ambadvet (Sutarwadi), Taluka Mulshi, Dist. Pune and Roha, Dist. Raigad. The Company has spent approx. Rs. 99 million during the year under report on research and development. The Ministry of Science and Technology, New Delhi, on behalf of Government of India vide letter dated 1st April, 2016 has recognized our in house R & D facilities for a further period of 3 years i.e. upto 31st March, 2019.

25. DISCLOSURES:

Annual Accounts of Subsidiary Companies:

The Annual Accounts of the Subsidiary Companies for the year ended 31st March, 2016 will be made available to any shareholder of the Company on request and will also be available for inspection at the registered office of the Company during working hours till the date of the Annual General Meeting. The Annual Accounts of the aforesaid subsidiary companies and the related information will also be made available to the investors seeking such information at any point of time. The salient features of Financial Statements of Subsidiary Companies is given in **Annexure VII** of this report.

The Company as of now does not have a material subsidiary. In conformity with the provisions of SEBI Listing Regulations, 2015, the Board has formulated a policy for determining "material subsidiaries". The Policy can be accessed from the Company's website - www.sudarshan.com.

Consolidated Financial Statements:

In accordance with the requirements of Accounting Standard (AS) 21, the Consolidated Financial Statements of the Company and its subsidiaries is provided separately and forms part of the Annual Report.

Vigil Mechanism / Whistle Blower Policy:

Pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013, read with rule 7 of the

Companies (Meetings of the Board and its powers) Rules, 2014 as amended, a vigil mechanism for directors and employees to report genuine concerns has been established. The policy on vigil mechanism and whistle blower policy can be accessed from the Company's website - www.sudarshan.com. The Company affirms that no Director or Employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

Policies under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

New Policies mandated under SEBI Listing Regulations 2015 have been adopted by the Board and can be accessed from the Company's website – www.sudarshan.com. Some of the existing policies have also been revised on account of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Annual Return:

The extract of the Annual Return of the Company in Form No. MGT - 9 as on 31st March, 2016 as prescribed under Companies (Management & Administration) Rules, 2014 is given in **Annexure V** to this report.

Meetings of the Board:

During the Financial Year 2015-16, eight Board Meetings were held, the details of which are detailed under the Corporate Governance Report.

Particulars of loans, guarantees or investments under Section 186:

The particulars of loans advanced, guarantees given or investments made under Section 186 form part of the Notes to Financial Statements provided in the Annual Report. All such Loans, guarantees or investments made during the Financial Year 2015-16 with requisite approvals wherever applicable were entered into in the ordinary course of business and comply with the arm's length principle.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo:

Information regarding conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3) (m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014 is attached to this Report.

Particulars of Employees and Related Disclosures:

The requisite information pursuant to Section 197(12) and Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with regard to the details of employees drawing remuneration of Rs. 0.5 million per month or Rs. 6.0 million per annum is attached as **Annexure II** to this report.

Significant and Material Orders passed by the Regulators or Courts:

There are no significant material orders passed by the regulators or courts which would impact the going concern status of the Company and its future operations.

26. RECOGNITION:

The Board of Directors is pleased to announce that the Company has received the following awards during the year under review :

- A. Dyestuffs Manufacturers' Association of India (DMAI) award for the Financial Year 2014 - 2015 for –
- Excellent performance in pollution control for large Scale Unit
 - Excellent performance in Safety & Hazards control (Second Award for large scale unit)
 - Excellent performance in exports of Pigments (Award for large scale Unit)

These awards signify Company's commitment towards Environment, Health, Safety and significant contribution in Exports.

- B. WORLD HRD Congress for –
- Dream Company to Work for** - This is a very prestigious award. About 400 companies had participated and the Company is listed as one among the top 50 companies in India More so Sudarshan is the only Chemical company on the top 50 list.
 - Global Excellence award** - Managing Health at Work-For Fit Sudarshan initiative.
 - Best Organisational Development Programme** - Living Sudarshan Culture - For Training and Development Congress for our strategic initiative this year on the Vision Mission Values Cascade which was towards creating unique Sudarshan Culture

4. **Best HR strategy in line with Business** - Appreciative Conversation - Performance Management System – For delivering towards business objective where Company showcased the Performance Management System where the base philosophy is of Appreciative Conversations.

27. OUTLOOK FOR THE FUTURE:

The Financial Year 2016-17 is expected to be another challenging year. Indications are that the global economy will grow as compared to the Previous Year. With the changed business scenario and promising signs of revival in demand and growth, the Indian Economy is expected to do better. The Company's overseas subsidiaries in The Netherlands and North America are fully geared up and will play a major role in achieving quantum growth in Sales and Profitability. The setting up of the China subsidiary will also enable the Company to achieve economies of direct sourcing of raw material as well as invoicing of finished products to customers in the Asia Pacific region.

The Company aims to closely associate with its Customers and increase operational and technical excellence, while pruning costs. Research and Development will also play a bigger role in improving the competitiveness through innovations.

Agro Chemicals Division is also expected to do well. However, much depends on the monsoon which has played truant in the past. As per IMD reports published by the Central Govt. the monsoon is expected to be good during F. Y. 2016-17.

Barring any unforeseen circumstances, the current year's prospects look favourable.

29. APPRECIATION:

Your Directors place on record their gratitude to Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited, HSBC Limited, Export Import Bank of India and State Bank of India, Dubai for their co-operation and assistance. Your Directors also place on record their appreciation of the services rendered by BMGI and Pragati Leadership. The Board is also grateful to the Members, Customers, Suppliers, Business Associates and Employees of the Company for their continued co-operation and support.

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURES TO DIRECTORS' REPORT - 2015-16

ANNEXURE I

REPORT OF THE BOARD OF DIRECTORS UNDER COMPANIES (ACCOUNTS) RULES, 2014.

1. (a) Report on the performance and financial position of subsidiaries of the Company viz.

Particulars	Sudarshan Europe B.V. Year ended 31 st March, 2016 (Rupees in Million)	Sudarshan North America, Inc. Year ended 31 st March, 2016 (Rupees in Million)	Prescient Color Limited Year ended 31 st March, 2016 (Rupees in Million)	RIECO Industries Limited Year ended 31 st March, 2016 (Rupees in Million)	Sudarshan CSR Foundation Year ended 31 st March, 2016 (Rupees in Million)
Total Revenue	1,937.20	555.89	755.92	928.24	1.45
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	63.44	(19.81)	89.10	60.47	0.04
Less :Interest	8.23	1.74	22.93	48.96	-
Less : Provision for Taxation	3.68	-	18.31	-	-
Less : Depreciation	0.04	0.28	20.20	4.87	-
Profit After Tax	51.49	(21.83)	27.66	6.64	0.04

(b) Conservation of energy-

i. Steps taken or impact on conservation of energy.

- Boiler efficiency at Roha and Mahad improved by efficient operation and upgrading automation. Efficiency has improved by 4% at both the locations. Total investment is Rs. 40 Lacs. Total saving is Rs. 120 Lacs per year
- Efficient operation and upgrading automation in 1MW Turbine has resulted additional saving of Rs. 60 Lacs per year. The total investment is Rs. 10 Lacs.

ii. Steps taken by the company for utilizing alternate sources of energy

We are procuring electrical power from open access through thermal power plant. Total agreement with provider is of 4.5 MWH. Total saving is Rs. 250 Lacs per year.

iii. The capital investment on energy conservation equipments

Installation of LED lights, high efficient motors, transformers, pumps and air compressors at Roha and Mahad plant. Total investment is Rs. 50 Lacs. Saving is Rs. 30 Lacs per year.

iv. Specific areas in which R & D has been carried out are :

- New grades of Pigments – Development and Introduction
- High Performance Pigments and Effect Pigments – Development of Pigments for Automotive paint application
- Existing Pigments – Improvement in quality, productivity and cost reduction to meet the customer's changing requirements
- New grades of Effects Pigments for cosmetic application
- Cost Reduction by process improvement and cycle time reduction.

v. Benefits derived as a result of the above R&D:

- Improvement in product quality and productivity
- Increase in capacities of existing products to meet the growing demand
- Cost competitive products to meet the Chinese competition
- New products generated additional business
- Reduction in waste generated and energy input

(c) Technology absorption –

- i. efforts made towards technology absorption – Ongoing (developed within the organisation)
- ii. benefits derived like product improvement, cost reduction, product development or import substitution – Yes
- iii. in case of imported technology (imported during the last 3 years reckoned from the beginning of the Financial Year) – No technology imported during last 3 years .
- iv. details of technology imported – No technology imported during last 3 years.
- v. year of import – NotApplicable
- vi. whether technology has been fully absorbed – NotApplicable
- vii. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof – NotApplicable
- viii. the expenditure incurred on Research and Development – Rs. 99 Million.

(d) Foreign exchange earnings and Outgo-

- Total Foreign Exchange Earned : Rs. 5,178 million (Previous Year Rs. 4,616 million)
- Total Foreign Exchange Used : Rs. 2,087 million (Previous Year Rs. 3,052 million)

2. Change in the nature of business, if any.

The Company has also started manufacture of Industrial Mixers on account of the purchase of the Industrial Mixers business owned by Rath Vessels and Systems Pvt. Ltd.

3. Details of directors or key managerial personnel who were appointed or have resigned during the year

Nil

4. The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year

Nil

5. Details relating to deposits, covered under Chapter V of the Act :

- i. accepted during the year- Rs. 13.50 Crores
- ii. remained unpaid or unclaimed as at the end of the year – 6.70 Lacs
- iii. whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved – There are no defaults during the year
 - at the beginning of the year – Nil
 - maximum during the year – Nil
 - at the end of the year – Nil

6. Details of deposits which are not in compliance with the requirements of Chapter V of the Act.

None

7. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

The Company has clearly laid down policies, guidelines and procedures that form part of internal control systems, which provide for checks and balances. The Company has maintained a proper and adequate system of internal controls. The system is designed to provide a reasonable degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with applicable laws and regulations. The organization is well structured and the policy guidelines are well documented with pre-defined authority where monetary decision is involved. Structured management information and reporting systems together with an exhaustive budgetary control process for all major operational activities form part of the overall control mechanism to ensure that requisite information related to all operations are reported and are available for control and review. The Company has established a well laid out policy to maintain the highest standards of environment, safety and health while maintaining operational integrity. This policy is strictly adhered to at all manufacturing sites. The Company's internal control systems are commensurate with the nature and size of its business operations. The Audit Committee

of the Board of Directors regularly reviews the adequacy of internal control system.

The Company, with a view to encourage independent approach, has outsourced the function of Internal Auditors to qualified professionals, who conduct operational and system audits in accordance with an audit plan adopted by the Audit Committee. Internal Auditors as part of their assignment, evaluate and assess the adequacy and effectiveness of internal control measures and the compliance with policies, plans and statutory requirements. The internal audit reports are reviewed at Audit Committee meetings and appropriate action on the recommendations is initiated by the Management.

Information pursuant to Section 197(12) of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- i. **the ratio of remuneration of each director to the median remuneration of the employees of the Company for the Financial Year:**

Median salary for FY 2015-16 : Rs. 589,146

Employee No.	Name	Grade	Total annual salary	Ratio
4262	P. R. Rathi	DT	23,837,361	40 : 1
4263	R. B. Rathi	DT	21,218,330	36 : 1

- ii. **the percentage increase in remuneration of each director, CFO, CEO, CS or Manager, if any, in the Financial Year;**

During the Financial Year 2015-16 Mr. P. R. Rathi, Chairman and Managing Director and Mr. R. B. Rathi, Dy. Managing Director, Working Directors were accorded an increase of 7% in the gross remuneration.

Mr. V. V. Thakur, Dy. General Manager Finance (Acting CFO) and Mr. P. S. Raghavan, Company Secretary were accorded reasonable increase in their gross remuneration in accordance with the Remuneration Policy of the Company.

- iii. **the percentage increase in the median remuneration of employees in the Financial Year;**

FY 14-15 – median salary – Rs. 532,212

FY 15-16 – median salary – Rs. 589,146

% rise in median remuneration – 10.70

- iv. **the number of permanent employees on the rolls of company;**

There were 834 permanent employees on the rolls of the Company.

- v. **the explanation on the relationship between average increase in remuneration and Company performance;**

Increase in remuneration is linked to the company performance through performance appraisal system. The organizational performance which gives rise to the organizational rating plays a key role in 'normalization' of ratings across the organization. This 'normalized' rating is used to determine the increase in remuneration to the employees.

- vi. **comparison of the remuneration of the KMP (Key Management Personnel) against the performance of the Company;**

As detailed above, during the Financial Year 2015-16, considering the performance of the Company Mr. P. R. Rathi, Chairman and Managing Director and Mr. R. B. Rathi, Dy. Managing Director, Working Directors were accorded an increase of 7% in the gross remuneration. Mr. V. V. Thakur, Dy. General Manager Finance (Acting CFO) and Mr. P. S. Raghavan, Company Secretary were accorded increase in their gross remuneration in accordance with the Remuneration Policy of the Company.

- vii. **variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;**

The Company has not come out with any follow on Public issue. However the Net worth of the Company as on 31st March, 2015 and the Net Worth of the Company of the Company as on 31st March, 2016 stood at Rs. 2,802,591,768 and Rs. 3,268,908,749 respectively.

- viii. **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;**

During the Financial year 2015-16 Mr. P. R. Rathi, Chairman and Managing Director and Mr. R. B. Rathi, Dy. Managing Director, were accorded an increase of 7% in the gross remuneration. Likewise, other employees were given increments in accordance with the remuneration policy. The average percentile increase made in the salaries of employees other than the managerial personnel during the Financial Year 2015-16 aggregates to 12 %.

- ix. **the key parameters for any variable component of remuneration availed by the directors;**

Performance Management System derives an organizational rating on a scale of (1 -5) where 1 is below standard and 5 is outstanding. This organizational rating in turn determines the variable pay for the directors.

- x. **the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and**

Not Applicable

- xi. **affirmation that the remuneration is as per the remuneration policy of the company.**

Yes

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE II**STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF RULE 5(2)(i) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2016.**

Sr. No.	Name and Age (Years)	Designation	Total Remuneration (Rs.)	Qualification and Experience (Years)	Date of commencement of Service	Last employment held before joining the Company
1	Mr.P.R.Rathi (63)	Chairman and Managing Director w.e.f. 16/08/2015	23,837,361	M.S.(M.I.T.) M.B.A. (Columbia) (38)	01/04/1976	-
2	Mr.R.B.Rathi (48)	Dy. Managing Director	21,218,330	B.E.Mech. Engg. MIT, Pune, B.S.Chem.Engg. Ohio University, USA. M.B.A. – Pittsburgh University – USA (22)	01/10/1992	-
3	Mr.A.Vij (46)	Chief Operating Officer – Pigment Division	9,028,215	B.E.Chem. (24)	08/12/2005	Jubilant Organosys Limited , Gajraula (UP)

Notes:

1. The gross remuneration as above, includes Salary, PLVA, Commission, Company's contribution to Provident Fund and Superannuation Scheme, Leave Travel Allowance, Medical, House Rent Allowance etc. and value of perquisites in respect of car facility, which is calculated in accordance with the provisions of the Income Tax Act, 1961, and the rules made there under.
2. The conditions of employment are contractual.
3. Other terms and conditions are as per the rules of the Company.
4. In terms of Rule 5(2)(iii) of the of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended it is clarified that during the Financial Year under review, no employee of the Company was in receipt of remuneration in that year, which in the aggregate or as the case may be at a rate which in the aggregate is in excess of that drawn by the Working Directors and holds himself / herself along with their spouse and dependent children not less than 2% of the equity shares of the Company.
5. Mr. P. R. Rathi, Chairman and Managing Director and Mr. R. B. Rathi, Dy. Managing Director form part of the Promoter Group and hold in their individual names 38,23,450 and 32,84,140 Equity Shares each of the Company.
6. Mr. A. Vij, Chief Operating Officer - Pigment Division is not related to any Director of the Company. Mr. A. Vij does not hold any shares of the Company.

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE III

REMUNERATION POLICY

1. Purpose of this Policy:

Sudarshan Chemical Industries Limited ("SUDARSHAN" or the "Company") has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of SEBI, Listing Regulations, 2015 read with part D of Schedule II thereto.

The purpose of this Policy is to establish and govern the procedure applicable:

- (i) To evaluate the performance of the members of the Board.
- (ii) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- (iii) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. Definitions:

Independent Director means a director referred to in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 as amended from time to time.

Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, 2015.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of Management one level below the Executive Directors, including all Functional Heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed there under or in Regulation 19(4) - Part D of Schedule II of the SEBI Listing Regulations, 2015 or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. Composition of the Committee:

The composition of the Committee is / shall be in compliance with the Act, Rules made there under and SEBI, Listing Regulations, 2015, as amended from time to time.

4. Role of the Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- Devise a Policy on Board diversity.

5. Appointment and removal of Director, KMP and Senior Management:

5.1 Appointment criteria and qualification:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment. For the appointment of KMP (other than Managing / Wholetime Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Wholetime Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position. However, if need be, the Managing Director may consult the Committee / Board for further directions / guidance.

5.2 Term:

The Term of the Directors including Managing / Wholetime Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and SEBI Listing Regulations, 2015, as amended from time to time. Whereas the term of the KMP (other than the Managing / Wholetime Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

5.3 Evaluation:

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Framework for performance evaluation of Independent Directors and the Board is as per **Annexure A** to this Policy.

5.4 Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

6. Remuneration of Managing / Whole-time Director, KMP and Senior Management:

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the Members of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Wholetime Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

7. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, is in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / Members. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and SEBI Listing Regulations, 2015, as amended from time to time.

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

Annexure A to Remuneration Policy

Framework for performance evaluation of Independent Directors and the Board

As per the provisions of Listing Regulations, 2015, the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Listing Regulations, 2015, the Board is required to monitor and review Board Evaluation Framework. This Framework shall contain the details of Board's self-evaluation framework (including all Committees of the Board and individual directors).

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee shall establish the following processes for evaluation of performance of Independent Director and the Board:

1. Once a year, the Board will conduct a self-evaluation. It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;
2. The Committee shall formulate evaluation criteria for the Board and the Independent Directors which shall be broadly based on:
 - 2.1 Knowledge to perform the role;
 - 2.2 Time and level of participation;
 - 2.3 Performance of duties and level of oversight; and
 - 2.4 Professional conduct and independence.
3. The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE IV

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2015-16

1.	Average net profit of the Company for the last three Financial Years	Rs. 470,547,592
2.	Prescribed CSR expenditure (two percent of the amount mentioned in item 1 above)	Rs. 9,410,952
3.	Balance Amount carried forward from previous Financial Year	Rs. 3,501,998
4.	Details of CSR amount spent during the Financial Year:	Rs. 13,178,377
	Manner in which amount spent during the Financial Year	Details given below

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or others (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or Program wise (Rs.)	Amount spent on the project or program Sub-heads: (1) Direct expenditure on projects or programs- (Rs.) (2) Overheads (Rs.)	Cumulative expenditure upto the reporting period i.e. FY 2015-16 (Rs.)	Amount Spend: directly or through implementing agency
1	Paper bag Project	Livelihood Enhancement Project	Raigad-Roha	2,500,000	(1) 1,099,420 (2) 1,050	1,100,470	Direct
2	Stitching Project, Paper craft, Exhibition	Employment Enhancing vocational skill	Raigad-Roha & Sutarwadi	375,000	(1) 418,860 (2) 2,700	421,560	Implementing Agencies : Shri Jagannath Rathi Charity Trust
3	Health Outreach	Health [Promotion & Preventive Healthcare]	Raigad-Roha & Sutarwadi	700,000	(1) 715,287 (2) 5,291	720,578	Direct
4	Scholastic Development of Children & Youth JM Rathi School- Computer Lab, Seva Sahyog Foundation, Teach For India, Magic Bus	Promotion of education	Raigad-Roha, Pune	5,259,166	(1) 5,823,682 (2) Nil	5,823,682	Implementing Agencies : Seva Sahyog Foundation; Teach For India; Magic Bus; Shri Jagannath Rathi Charity Trust

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or others (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or Program wise (Rs.)	Amount spent on the project or program Sub-heads: (1) Direct expenditure on projects or programs- (Rs.) (2) Overheads (Rs.)	Cumulative expenditure upto the reporting period i.e. FY 2015-16 (Rs.)	Amount Spend: directly or through implementing agency
5	Promoting community bonding & Empower Women	Community Development	Raigad-Roha & Sutarwadi	200,000	(1) 106,425 (2) 13,000	119,425	Direct
6	Swachh Bharat Abhiyaan	Community Development			(1) 59,938 (2) 1,187	61,125	Direct
7	Solid Waste Mgt. & Organic Farming	Ensuring Environment Sustainability	Raigad-Roha, Mahad & Sutarwadi	3,250,000	(1) 4,606,523 (2) Nil	4,606,522	Implementing Agencies : Shri Jagannath Rathi Charity Trust; Know How Foundation
8	Plastic free ROHA	Ensuring Environment Sustainability	Raigad-Roha, Mahad	200,000	(1) 8,152 (2) 4,532	12,684	Direct
9	CSR Team Capacity Building	Ensuring Environment Sustainability		500,000	(1) Nil (2) 312,330	312,330	
	Total			12,984,166		13,178,377	

We hereby affirm that the implementation and monitoring of CSR Policy, as approved by the Board, is in compliance with the CSR Objectives and Policy of the Company.

Mrs. Rati F. Forbes
Chairperson
CSR Committee

Mr. P. R. Rathi
Chairman and
Managing Director

Pune : 27th May, 2016

ANNEXURE V

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L24119PN1951PLC008409
ii	Registration Date	19 th February, 1951
iii	Name of the Company	SUDARSHAN CHEMICAL INDUSTRIES LIMITED
iv	Category / Sub-Category of the Company	Public Limited Company
v	Address of the Registered office and contact details	162 Wellesley Road, Pune - 411 001 Phone No. : 020 – 26226200
vi	Whether listed company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited 202 Akshay Complex, Off. Dhole Patil Road, Pune - 411 001 Phone Nos. : 020 – 26160084, 26161629

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Pigment - Organic and Inorganic	3031	90%
2	Agro Chemicals	2421	10%

III. PARTICULARS OF HOLDING AND SUBSIDIARY COMPANIES

Sl. No.	Name And Address of The Company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Prescient Color Limited	U24229PN2006PLC128651	Subsidiary	100%	2(87)(ii)
2	RIECO Industries Limited	U24118MH1975PLC018631	Subsidiary	100%	2(87)(ii)
3	Sudarshan Europe B.V., The Netherlands	N.A.	Subsidiary	100%	2(87)(ii)
4	Sudarshan North America, Inc., USA	N.A.	Step-down Subsidiary	100%	2(87)(ii)
5	Sudarshan CSR Foundation	U74900PN2015NPL154211	Subsidiary	100%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	Shareholding at the beginning of the year - 01-04-2015				Shareholding at the end of the year - 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	3,43,64,160	0	3,43,64,160	49.64	3,43,64,160	0	3,43,64,160	49.64	0
(b) Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0
(c) Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0
(d) Any Other (Specify)									
Bodies Corporate	22,52,100	0	22,52,100	3.25	22,52,100	0	22,52,100	3.25	0
Sub Total (A)(1)	3,66,16,260	0	3,66,16,260	52.89	3,66,16,260	0	3,66,16,260	52.89	0
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Government	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d) Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	3,66,16,260	0	3,66,16,260	52.89	3,66,16,260	0	3,66,16,260	52.89	0
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	0	7,250	7,250	0.01	0	0	0	0.00	-0.01
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c) Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Foreign Portfolio Investor	34,63,230	5,500	34,68,730	5.01	19,70,756	4,000	19,74,756	2.85	-2.16
(f) Financial Institutions / Banks	48,268	5,950	54,218	0.08	24,855	3,210	28,065	0.04	-0.04
(g) Insurance Companies	3,36,630	4,500	3,41,130	0.49	3,36,630	4,500	3,41,130	0.49	0.00
(h) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (B)(1)	38,48,128	23,200	38,71,328	5.59	23,32,241	11,710	23,43,951	3.39	-2.21
[2] Central Government/ State Government(s)/ President of India	0	0	0	0	0	0	0	0	0
Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh.	92,20,055	33,84,210	1,26,04,265	18.20	98,53,934	24,24,420	1,22,78,354	17.74	-0.47
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	65,40,057	15,11,490	80,51,547	11.63	69,23,603	15,11,490	84,35,093	12.18	0.55
(b) NBFCs registered with RBI	0	0	0	0	0	0	0	0.00	0.00
(c) Employee Trusts	0	0	0	0	0	0	0	0.00	0.00
(d) Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0.00	0.00
(e) Any Other (Specify)									
Trusts	870	0	870	0.00	870	0	870	0.00	0.00
Hindu Undivided Family	0	0	0	0.00	10,94,258	0	10,94,258	1.58	1.58
Foreign Companies	55,80,820	0	55,80,820	8.06	55,80,820	0	55,80,820	8.06	0.00
Non Resident Indians (Non Repat)	44,223	9,570	53,793	0.08	67,437	3,000	70,437	0.10	0.02

Category of Shareholders	Shareholding at the beginning of the year - 01-04-2015				Shareholding at the end of the year - 31-03-2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Non Resident Indians (Repatriation)	94,934	1,840	96,774	0.14	1,66,387	1,840	1,68,227	0.24	0.10
Clearing Member	1,72,734	0	1,72,734	0.25	2,33,914	0	2,33,914	0.34	0.09
Bodies Corporate	12,00,329	96,020	12,96,349	1.88	23,39,516	65,550	24,05,066	3.47	1.60
Persons Acting in concert	8,82,510	0	8,82,510	1.28	0	0	0	0	-1.28
Sub Total (B)(3)	2,37,36,532	50,03,130	2,87,39,662	41.52	2,62,60,739	40,06,300	3,02,67,039	43.72	2.20
Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2,75,84,660	50,26,330	3,26,10,990	47.11	2,85,92,980	40,18,010	3,26,10,990	47.11	1.27
Total (A)+(B)	6,42,00,920	50,26,330	6,92,27,250	100	6,52,09,240	40,18,010	6,92,27,250	100	0
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	0	0	0	0	0	0	0	0	0
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit regulations, 2014))	0	0	0	0	0	0	0	0	0
Total (A)+(B)+(C)	6,42,00,920	50,26,330	6,92,27,250	0	6,52,09,240	40,18,010	6,92,27,250	0	0

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 01-04-2015			Share holding at the end of the year - 31-03-2016			
		No. of Shares Held	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares Held	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Rahul Pradeep Rathi	47,54,540	6.87	0.00	47,54,540	6.87	0.00	0.00
2	Anuj Narayandas Rathi	38,27,620	5.53	0.00	38,27,620	5.53	0.00	0.00
3	Pradeep Ramwilas Rathi	38,23,450	5.52	0.00	38,23,450	5.52	0.00	0.00
4	Rajesh Balkrishna Rathi	32,84,140	4.74	0.00	32,84,140	4.74	0.00	0.00
5	Aruna Kishor Rathi	29,24,350	4.22	0.00	29,24,350	4.22	0.00	0.00
6	Narayandas Jagannath Rathi	24,17,650	3.49	0.00	24,17,650	3.49	0.00	0.00
7	Rohit Kishor Rathi	21,75,950	3.14	0.00	21,75,950	3.14	0.00	0.00
8	Ajoy Balkrishna Rathi	20,51,060	2.96	0.00	20,51,060	2.96	0.00	0.00
9	Subhadra Pradeep Rathi	13,13,680	1.90	0.00	13,13,680	1.90	0.00	0.00
10	Rajesh Balkrishna Rathi (As Trustee-Sow Rachna Rathi Family Trust)	12,08,250	1.75	0.00	12,08,250	1.75	0.00	0.00
11	NJR Finance Pvt. Ltd.	10,90,630	1.58	0.00	10,90,630	1.58	0.00	0.00
12	Kishor Laxminarayan Rathi	10,74,300	1.55	0.00	10,74,300	1.55	0.00	0.00
13	Ajoy Balkrishna Rathi (HUF)	10,30,000	1.49	0.00	10,30,000	1.49	0.00	0.00
14	Rajesh Balkrishna Rathi (As Trustee-Shri Balkrishna Rathi Family Trust)	8,45,200	1.22	0.00	8,45,200	1.22	0.00	0.00
15	Ajoy Balkrishna Rathi (As Trustee-Manan Rathi Trust)	8,27,900	1.20	0.00	8,27,900	1.20	0.00	0.00
16	Archana Anuj Rathi	7,27,490	1.05	0.00	7,27,490	1.05	0.00	0.00
17	Nisha Ajoy Rathi	7,19,370	1.04	0.00	7,19,370	1.04	0.00	0.00
18	Laxminarayan Finance Pvt. Ltd.	6,98,920	1.01	0.00	6,98,920	1.01	0.00	0.00
19	Anuj Narayandas Rathi (HUF)	5,67,770	0.82	0.00	5,67,770	0.82	0.00	0.00
20	Balkrishna Rathi Finance Pvt. Ltd.	4,62,550	0.67	0.00	4,62,550	0.67	0.00	0.00
21	Kusum Ramwilas Rathi	3,62,790	0.52	0.00	3,62,790	0.52	0.00	0.00
22	Balkrishna Jagannath Rathi (HUF)	1,89,750	0.27	0.00	1,89,750	0.27	0.00	0.00
23	Rajesh Balkrishna Rathi (HUF)	1,33,000	0.19	0.00	1,33,000	0.19	0.00	0.00
24	Kusum Balkrishna Rathi	1,00,900	0.15	0.00	1,00,900	0.15	0.00	0.00
25	Rachna Rajesh Rathi	5,000	0.01	0.00	5,000	0.01	0.00	0.00
	Total	3,66,16,260	52.89	0.00	3,66,16,260	52.89	0.00	0.00

(iii) Change in Promoters' Shareholding:

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 01-04-2015		Transactions during the year		Cumulative Shareholding at the end of the year - 31-03-2016	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	Rahul Pradeep Rathi	47,54,540	6.87	NIL	NIL	47,54,540	6.87
	At the end of the year					47,54,540	6.87
2	Anuj Narayandas Rathi	38,27,620	5.53	NIL	NIL	38,27,620	5.53
	At the end of the year					38,27,620	5.53
3	Pradeep Ramwilas Rathi	38,23,450	5.52	NIL	NIL	38,23,450	5.52
	At the end of the year					38,23,450	5.52
4	Rajesh Balkrishna Rathi	32,84,140	4.74	NIL	NIL	32,84,140	4.74
	At the end of the year					32,84,140	4.74
5	Aruna Kishor Rathi	29,24,350	4.22	NIL	NIL	29,24,350	4.22
	At the end of the year					29,24,350	4.22
6	Narayandas Jagannath Rathi	24,17,650	3.49	NIL	NIL	24,17,650	3.49
	At the end of the year					24,17,650	3.49
7	Rohit Kishor Rathi	21,75,950	3.14	NIL	NIL	21,75,950	3.14
	At the end of the year					21,75,950	3.14
8	Ajoy Balkrishna Rathi	20,51,060	2.96	NIL	NIL	20,51,060	2.96
	At the end of the year					20,51,060	2.96
9	Subhadra Pradeep Rathi	13,13,680	1.90	NIL	NIL	13,13,680	1.90
	At the end of the year					13,13,680	1.90
10	Rajesh Balkrishna Rathi (As Trustee-Sow Rachna Rathi Family Trust)	12,08,250	1.75	NIL	NIL	12,08,250	1.75
	At the end of the year					12,08,250	1.75
11	NJR Finance Pvt. Ltd.	10,90,630	1.58	NIL	NIL	10,90,630	1.58
	At the end of the year					10,90,630	1.58
12	Kishor Laxminarayan Rathi	10,74,300	1.55	NIL	NIL	10,74,300	1.55
	At the end of the year					10,74,300	1.55
13	Ajoy Balkrishna Rathi (HUF)	10,30,000	1.49	NIL	NIL	10,30,000	1.49
	At the end of the year					10,30,000	1.49
14	Rajesh Balkrishna Rathi (As Trustee-Shri Balkrishna Rathi Family Trust)	8,45,200	1.22	NIL	NIL	8,45,200	1.22
	At the end of the year					8,45,200	1.22
15	Ajoy Balkrishna Rathi (As Trustee-Manan Rathi Trust)	8,27,900	1.20	NIL	NIL	8,27,900	1.20
	At the end of the year					8,27,900	1.20
16	Archana Anuj Rathi	7,27,490	1.05	NIL	NIL	7,27,490	1.05
	At the end of the year					7,27,490	1.05
17	Nisha Ajoy Rathi	7,19,370	1.04	NIL	NIL	7,19,370	1.04
	At the end of the year					7,19,370	1.04
18	Laxminarayan Finance Pvt. Ltd.	6,98,920	1.01	NIL	NIL	6,98,920	1.01
	At the end of the year					6,98,920	1.01
19	Anuj Narayandas Rathi (HUF)	5,67,770	0.82	NIL	NIL	5,67,770	0.82
	At the end of the year					5,67,770	0.82
20	Balkrishna Rathi Finance Pvt. Ltd.	4,62,550	0.67	NIL	NIL	4,62,550	0.67
	At the end of the year					4,62,550	0.67
21	Kusum Ramwilas Rathi	3,62,790	0.52	NIL	NIL	3,62,790	0.52
	At the end of the year					3,62,790	0.52
22	Balkrishna Jagannath Rathi (HUF)	1,89,750	0.27	NIL	NIL	1,89,750	0.27
	At the end of the year					1,89,750	0.27
23	Rajesh Balkrishna Rathi (HUF)	1,33,000	0.19	NIL	NIL	1,33,000	0.19
	At the end of the year					1,33,000	0.19
24	Kusum Balkrishna Rathi	1,00,900	0.15	NIL	NIL	1,00,900	0.15
	At the end of the year					1,00,900	0.15
25	Rachna Rajesh Rathi	5,000	0.01	NIL	NIL	5,000	0.01
	At the end of the year					5,000	0.01
	Total	3,66,16,260	52.89			3,66,16,260	52.89

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01-04-2015		Transactions during the year		Cumulative Shareholding at the end of the year - 31-03-2016	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the company
1	DIC Corporation, Japan	55,79,890	8.0603	-	-	55,79,890	8.0603
	At the end of the year			-	-	55,79,890	8.0603
2	Vijay Kishanlal Kedia	12,74,340	1.8408			12,74,340	1.8408
	Transfer			12 Jun 2015	9,572	12,83,912	1.8546
	Transfer			19 Jun 2015	13,34,000	26,17,912	3.7816
	Transfer			21 Aug 2015	24,567	26,42,479	3.8171
	Transfer			25 Sep 2015	26,42,479	52,84,958	7.6342
	Transfer			30 Sep 2015	(26,42,479)	26,42,479	3.8171
	Transfer			23 Oct 2015	12,838	26,55,317	3.8357
	At the end of the year					26,55,317	3.8357
3	Government Pension Fund Global, Norges Bank (Central Bank of Norway)	34,12,630	4.9296			34,12,630	4.9296
	Transfer			10 Apr 2015	(13,40,000)	20,72,630	2.9940
	Transfer			15 Jan 2016	(17,024)	20,55,606	2.9694
	Transfer			04 Mar 2016	(12,500)	20,43,106	2.9513
	Transfer			11 Mar 2016	(56,000)	19,87,106	2.8704
	Transfer			18 Mar 2016	(24,476)	19,62,630	2.8351
	At the end of the year					19,62,630	2.8351
4	Vijaykumar Ramchandra Rathi	7,19,490	1.0393			7,19,490	1.0393
	Transfer			03 Apr 2015	(1,710)	7,17,780	1.0368
	Transfer			14 Aug 2015	(1,741)	7,16,039	1.0343
	Transfer			04 Sep 2015	(1,055)	7,14,984	1.0328
	Transfer			25 Sep 2015	7,14,984	14,29,968	2.0656
	Transfer			30 Sep 2015	(7,14,984)	7,14,984	1.0328
	Transfer			23 Oct 2015	(7,133)	7,07,851	1.0225
	Transfer			11 Mar 2016	15,249	7,23,100	1.0445
	Transfer			18 Mar 2016	10,79,967	18,03,067	2.6046
	Transfer			31 Mar 2016	4,710	18,07,777	2.6114
	At the end of the year					18,07,777	2.6128
5	Anuradha Vasant Rathi	7,00,770	1.0123	-	-	7,00,770	1.0123
	At the end of the year			-	-	7,00,770	1.0123
6	Vijay Kishanlal Kedia - HUF	3,74,000	0.5402	-	-	3,74,000	0.5402
	At the end of the year			-	-	3,74,000	0.5402
7	Vasant Ramchandra Rathi	12,98,220	1.8753			12,98,220	1.8753
	Transfer			14 Aug 2015	(2,501)	12,95,719	1.8717
	Transfer			25 Sep 2015	12,95,719	25,91,438	3.7434
	Transfer			30 Sep 2015	(12,95,719)	12,95,719	1.8717
	Transfer			11 Mar 2016	5,728	13,01,447	1.8800
	Transfer			18 Mar 2016	(9,41,397)	3,60,050	0.5201
	At the end of the year					3,60,050	0.5201

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01-04-2015		Transactions during the year		Cumulative Shareholding at the end of the year - 31-03-2016	
		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
8	Life Insurance Corporation Of India	3,36,630	0.4863	-	-	3,36,630	0.4863
	At the end of the year			-	-	3,36,630	0.4863
9	Vivek Vijaykumar Rathi	3,25,300	0.4699			3,25,300	0.4699
	Transfer			17 Apr 2015	(800)	3,24,500	0.4687
	Transfer			30 Jun 2015	11,450	3,35,950	0.4853
	Transfer			14 Aug 2015	(28,000)	3,07,950	0.4448
	Transfer			25 Sep 2015	3,07,950	6,15,900	0.8897
	Transfer			30 Sep 2015	(3,07,950)	3,07,950	0.4448
	Transfer			31 Dec 2015	26,000	3,33,950	0.4824
	Transfer			05 Feb 2016	(6,000)	3,27,950	0.4737
	At the end of the year					3,27,950	0.4737
10	Quest Investment Advisors Private Limited	5,36,020	0.7743			5,36,020	0.7743
	Transfer			10 Apr 2015	(1,545)	5,34,475	0.7721
	Transfer			10 Jul 2015	(13,600)	5,20,875	0.7524
	Transfer			27 Nov 2015	(1,00,000)	4,20,875	0.6080
	Transfer			11 Dec 2015	(1,20,875)	3,00,000	0.4334
	At the end of the year					3,00,000	0.4334
11	Navinchandra S Shah	4,00,000	0.5778			4,00,000	0.5778
	Transfer			25 Sep 2015	4,00,000	8,00,000	1.1556
	Transfer			30 Sep 2015	(4,00,000)	4,00,000	0.5778
	Transfer			22 Jan 2016	(57,134)	3,42,866	0.4953
	Transfer			29 Jan 2016	(34,325)	3,08,541	0.4457
	Transfer			12 Feb 2016	(27,685)	2,80,856	0.4057
	Transfer			19 Feb 2016	(24,426)	2,56,430	0.3704
	Transfer			26 Feb 2016	(20,373)	2,36,057	0.3410
	Transfer			31 Mar 2016	(12,986)	2,23,071	0.3222
	At the end of the year					2,23,071	0.3222
12	Mridula Vijaykumar Rathi	3,56,954	0.5156			3,56,954	0.5156
	Transfer			24 Apr 2015	(7,000)	3,49,954	0.5055
	Transfer			01 May 2015	(14,000)	3,35,954	0.4853
	Transfer			19 Jun 2015	(2,500)	3,33,454	0.4817
	Transfer			25 Sep 2015	3,33,454	6,66,908	0.9634
	Transfer			30 Sep 2015	(3,20,454)	3,46,454	0.5005
	Transfer			16 Oct 2015	(3,15,000)	31,454	0.0454
	Transfer			04 Dec 2015	(1,454)	30,000	0.0433
	Transfer			04 Mar 2016	1,00,000	1,30,000	0.1878
	Transfer			11 Mar 2016	(200)	1,29,800	0.1875
	Transfer			18 Mar 2016	480	1,30,280	0.1882
	Transfer			25 Mar 2016	(280)	1,30,000	0.1878
	At the end of the year					1,30,000	0.1878

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 2.00) at the end of the year is 6,92,27,250 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) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors & KMPs	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr.Pradeep R Rathi	38,23,450	5.52	38,23,450	5.52
	At the end of the year	38,23,450	5.52		
2	Mr.Rajesh B. Rathi	32,84,140	4.74	32,84,140	4.74
	At the end of the year	32,84,140	4.74		
3	Mr. Kishor L Rathi	10,74,300	1.55	10,74,300	1.55
	At the end of the year	10,74,300	1.55		
4	Mr.Narayandas J Rathi	24,17,650	3.49	24,17,650	3.49
	At the end of the year	24,17,650	3.49		
5	Mr. D.N. Damania	930	0.00	930	0.00
	At the end of the year	930	0.00		
6	Mr. S.Padmanabhan	-	-	-	-
	At the end of the year	-	-	-	-
7	Mr. S.N.Inamdar	-	-	-	-
	At the end of the year	-	-	-	-
8	Mr.S.K.Asher	-	-	-	-
	At the end of the year	-	-	-	-
9	Mr. N.T. Raisinghani	-	-	-	-
	At the end of the year	-	-	-	-
10	Mrs.R.F.Forbes	-	-	-	-
	At the end of the year	-	-	-	-
11	Late Mr.P.P. Chhabria	-	-	-	-
	At the end of the year	-	-	-	-
12	Mrs.Shubhalakshmi A. Panse	-	-	-	-
	At the end of the year	-	-	-	-
13	Mr.V. V. Thakur	-	-	-	-
	At the end of the year	-	-	-	-
14	Mr.P.S. Raghavan	20	0.00	20	0.00
	At the end of the year	20	0.00		

V. INDEBTEDNESS

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

	Secured Loans excluding deposits (Rs.)	Unsecured loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the financial year:				
i) Principal Amount	2,674,175,112	280,993,690	532,415,000	3,487,583,802
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,674,175,112	280,993,690	532,415,000	3,487,583,802
Changes in indebtedness during the financial year:				
Addition	-	-	147,755,000	147,755,000
Reduction	160,264,567	3,493,690	-	163,758,257
Net Change	(160,264,567)	(3,493,690)	147,755,000	(16,003,257)
Indebtedness at the end of the financial year:				
i) Principal Amount	2,513,910,545	277,500,000	680,170,000	3,471,580,545
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,513,910,545	277,500,000	680,170,000	3,471,580,545

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sl. No.	Particulars of Remuneration	Name of MD/MTD		Total Amount (Rs.)
		Mr.P.R.Rathi	Mr.R.B.Rathi	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,507,461	14,400,271	31,907,732
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	329,900	818,059	1,147,959
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	6,000,000	6,000,000	12,000,000
	-As % of profit	-	-	-
	-others, specify	-	-	-
5	Others, Please specify	-	-	-
	Total (A)	23,837,361	21,218,330	45,055,691
	Ceiling as per the Act (10% of profits calculated under Section 198 of the Companies Act, 2013)			103,263,319

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
	Mr. S. N. Inamdar	Late Mr. P. P. Chhabria	Mr. D. N. Damania	Mr. S. Padmanabhan	
1. Independent Directors					
• Fee for attending board committee meetings	310,000	100,000	240,000	160,000	810,000
- Commission	500,000	300,000	300,000	300,000	1,400,000
- Others, Please specify	850,000	-	-	-	850,000
	Mr. S. K. Asher	Mrs. R. F. Forbes	Mrs. S. A. Panse	Mr. N. T. Raisinghani	
Independent Directors					
• Fee for attending board committee meetings	260,000	140,000	120,000	180,000	700,000
- Commission	300,000	300,000	300,000	300,000	1,200,000
- Others, Please specify	-	-	-	-	-
Total (1)					4,960,000
	Mr. K. L. Rath		Mr. N. J. Rath		
2. Other Non-Executive Directors					
• Fee for attending board committee meetings	160,000		200,000		360,000
- Commission	300,000		300,000		600,000
- Others, Please specify	-		-		-
Total (2)					960,000
Total (B)=(1+2)					5,920,000
Total Managerial Remuneration					5,920,000
Ceiling as per the Act (10% of profits calculated under Section 198 of the Companies Act, 2013)					103,263,319

C. Remuneration to Key Managerial Personnel Other Than Managing Director, Manager, Whole-time Director:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs.)
		V. V. Thakur Dy. Gen. Mgr. - Finance	P. S. Raghavan Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,795,671	2,024,113	4,819,784
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-As % of profit	-	-	-
	-others, specify	-	-	-
	Total	2,795,671	2,024,113	4,819,784

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2016.

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE VI

PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

[Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014-AOC-2]

This Form pertains to the 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 arm's length transactions under third proviso thereto.

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

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2016, which were not at arm's length basis.

Details of material contracts or arrangements or transactions at arm's length basis

Details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2016.

Name of Related Party and Nature of Contract	Nature of Relationship	Duration of Contract	Salient Terms	Amount (Rs. in Lacs)
Sale of material				
Sudarshan Europe BV	Subsidiary	Ongoing	Sale of raw material	16,005.67
Unsecured Loans				
Sudarshan Europe BV	Subsidiary	Not Applicable	Unsecured loan provided	1,492.19
Sudarshan Europe BV	Subsidiary	Not Applicable	Unsecured loan repaid	1,618.72
Commission				
Rathi Brothers Poona Ltd.	Selling Agent	Not Applicable	Commission	500.42
Rathi Brothers Delhi Ltd.	Selling Agent	Not Applicable	Commission	233.05
Rathi Brothers Calcutta Ltd.	Selling Agent	Not Applicable	Commission	68.22
Rathi Brothers Madras Ltd.	Selling Agent	Not Applicable	Commission	42.56

Date of approval by the Board, if any : Not Applicable

Amount paid as advances, if any : Nil

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES VIDE FORM NO. AOC-1

Pursuant to Section 129(3) of the Companies Act, 2013 and Rule 5 of Companies (Accounts) Rules, 2014

Sl. No.	Name of the subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities (excluding share capital and reserves & surplus)	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Amount in Rs. % of Shareholding
1	Prescient Color Limited	Rupees	79,000,000	82,934,352	512,394,048	350,459,696	Nil	752,132,774	45,968,845	18,305,125	27,663,720	100%
2	RIECO Industries Limited	Rupees	125,000,000	138,577,573	957,881,029	694,303,458	Nil	923,032,522	6,637,916	-	6,637,916	100%
3	Sudarshan Europe B.V.	Euro	190,897,415	2,450,555	1,005,676,575	812,328,605	182,945,606	1,935,539,470	55,169,486	3,682,936	51,486,550	100%
4	Sudarshan North America, Inc.	US Dollars	182,945,606	(119,988,20)	358,464,429	295,507,031	Nil	546,788,148	(21,833,949)	-	(21,833,949)	100%

Notes :

1. The reporting period for Subsidiaries mentioned at Sl. Nos. 1 to 4 above is from 1st April, 2015 to 31st March, 2016.
2. None of the aforesaid subsidiaries have declared dividend during the Financial Year 2015-16.

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

Pune : 27th May, 2016

ANNEXURE VIII

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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,
Sudarshan Chemical Industries Limited
162 Wellesley Road, Pune - 411 001
Maharashtra, India

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sudarshan Chemical Industries 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 2016 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 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable for the Audit Period -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) Other laws applicable specifically to the Company namely:
 - (i) Manufacture Storage and Import of Hazardous Chemical Rules 1989 as amended;
 - (ii) Environment Protection Act, 1986;
 - (iii) Public Liability Insurance Act, 1991 as amended;
 - (iv) Chemical Accidents (Emergency Preparedness and Response) Amendment Rules, 1986;
 - (v) Gas Cylinder Rules, 1981
 - (vi) Chemical Weapons Convention Act, 1993
 - (vii) Explosives Act, 1889
 - (viii) Insecticides Act, 1968

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines 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. No changes in the composition of the Board of Directors took place during the period under review.

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

Majority decision is carried through while the dissenting members' views if any are captured and recorded as part of the minutes. During the year under Audit no specific instances of dissent have been recorded in the Minutes .

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

I report further that there are no specific events / major decisions or activities undertaken in pursuance of the above Laws, Rules and Regulations, Guidelines, etc., during the Financial Year 2015-16, having a major bearing on the Company affairs.

For RAJESH KARUNAKARAN & CO.,
COMPANY SECRETARIES

RAJESH KARUNAKARAN
COMPANY SECRETARY
FCS No. 7441/CP No. 6581
Pune : 20th May, 2016

Note : This report is to be read with letter of even date by the Secretarial Auditors, which is appended below and forms an integral part of this report.

To,
The Members,
Sudarshan Chemical Industries Limited,
Pune 411 001

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. We believe that audit evidence and information obtained from the Company's Management is adequate and appropriate for us to provide a basis for our opinion.
3. Wherever required, we have obtained the Management's representation about the compliance of Laws, Rules and Regulations and happening of events, etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For RAJESH KARUNAKARAN & CO.,
COMPANY SECRETARIES

RAJESH KARUNAKARAN
COMPANY SECRETARY
FCS No. 7441/CP No. 6581
Pune : 20th May, 2016

MANAGEMENT DISCUSSION AND ANALYSIS - 2015-16

Overview

Global growth again fell short of expectations in 2015-16, slowing to 2.4 percent from 2.6 percent in 2014-15. The disappointing performance was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade and capital flows. It is estimated that global growth is projected to edge up, but at a slower pace than envisioned and is expected to reach 2.9 percent in 2016 - 17 and 3.1 percent in 2017-18. However, there are substantial downside risks, including a sharper-than-expected slowdown in major emerging and developing economies or financial market turmoil arising from a sudden increase in borrowing costs that could combine with deteriorating fundamentals and lingering vulnerabilities in some countries.

Indian Economy remained more or less insulated from the after effects of global turmoil in an otherwise favourable external environment, particularly the sharp decline in the international prices of oil, metals and food. Growth has accelerated, inflation has declined, the current account deficit has narrowed, and external reserves have increased.

Nevertheless, the positive economic outlook for 2016-17 is subject to both external and domestic risks. A rapid increase in oil prices is a key risk, and global growth remains constrained, particularly in several of India's trading partners. A tightening of US monetary policy can have a disruptive impact on India's exchange rate and financial markets. While the Reserve Bank of India has built reserves to reduce India's external vulnerability, the risk remains, warranting vigilance.

Business of the Company

The Company is a globally renowned player in the Pigment Industry and manufactures a wide range of Organic and Inorganic Pigments, Effect Pigments, Agro chemicals and other products with facilities at Roha and Mahad, Dist. Raigad, Maharashtra. The Company has also set up an ultra modern R&D Facility at Ambadvet (Sutarwadi), Taluka Mulshi, Dist. Pune, India.

Financial and Operational Performance

India's macro-economic scenario remained under stress during the Financial Year 2015-16 leading to subdued demand and investments. Delayed decision-making due to the uncertain economic conditions further stalled major infrastructure and power projects. The general business sentiment has, since, improved marginally and there is considerable hope that steps will be taken to create an environment conducive to business and industry. Initial steps taken by the Government have been positive, however it will take some time before projects put on hold in the past are cleared and start contributing to the economic growth. Overall, the macro-economic situation is still challenging and policy measures taken by the new Government are yet to positively impact business.

The Company's revenues have been adversely impacted on account of unfavourable market conditions. In spite of these adverse market conditions, the Company has done reasonably well in terms of sales. Of the total revenue of Rs. 12,072 Million achieved during the year, 43% is contributed by exports of Pigments. The Financial highlights for the year ended 31st March 2016 are as follows :

(Rs. in Millions)

Particulars	F.Y. 2015-16	F.Y. 2014-15
Total Revenues	12,201	11,132
Revenues from Exports	5,176	4,612
PBDIT	13.97%	12.22%
PAT	716	424
ROCE	18.52%	13.79%
Earnings per share	10.35	6.13
Book Value per share	47.22	40.48

The Company's overseas subsidiaries viz. Sudarshan Europe B.V., Sudarshan North America Inc. and Indian Subsidiaries viz. Prescient Color Limited and RIECO Industries Limited have posted improved results in the year under review as can be seen from the Company's consolidated financial results.

Safety of operations and protection of people and environment is one of the important objectives of the Company. Compliance with laws, international standards, internal regulations and code of conduct is a basic requirement. The Company commits itself to ethical and sustainable operations and development in all business activities according to responsible care and its own code of conduct. The Company strives for a business culture of continuous improvement as well as for sustainable competitiveness to realise the best performance in ethical standards. The Company constantly strives to meet and exceed expectations in terms of the quality and safety of its products and places significant importance on reducing environment impact.

The certification of ISO 9001 and ISO 14001 and OHSAS – ISO 18001 from BVQI is a testimony to the Company's commitment towards quality, safety and sustainable environment friendly approach. The Roha and Mahad factories of the Company have received British Five Star Rating which is a testimony to strenuous efforts taken by the Company to achieve operational excellence in Environment Health and Safety. The Company has also well established R & D laboratories recognized by the Department of Scientific & Industrial Research (DSIR). Also our Labs are ISO 17025:2001 certified by the National Accreditation Board for Testing and Calibration Laboratories (NABL), Government of India and have received recognition for a further period of 3 years i.e. upto 31st March, 2019.

Segmental overview

In accordance with Accounting Standard (AS) - 17, the Company has two reportable business segments, Pigments and Agro chemicals.

Pigment business of the Company mainly comprises the manufacturing of Azos, Blue and Green, High Performance Pigments, Effects, Pigment Preparations and Inorganics.

Agro chemical business of the Company consists primarily of Products which are generic in nature.

Segment I – Pigments

1. Industry Structure and Developments

The Pigment Industry is critical for the economic development of any country, providing products and enabling technical solutions in virtually all sectors of the economy. The industry has changed over time to meet the dynamic needs of the emerging economy. Strong economic growth and rise in per-capita income has caused steady increase in demand for Pigments. The industry has moved from a low-growth and regulated environment to an increasingly mature core industry.

The Pigment Industry worldwide is one of the dominant industries with collective revenues of over USD 5.5 billion. The growth of the Pigment Industry has more or less moved in tandem with the growth of global economy. Growth in per capita income leading to growth in per capita spending fuels demand for Pigments ranging from paints to plastics to polymer, ink to cosmetics and more is encompassing every sphere of life.

The Company is the leader in the domestic Pigment manufacturing Industry with a 35% market share. The Company manufactures a wide range of Organic, Inorganic and Effect Pigments catering to domestic and export markets and mainly paint, inks, plastics, cosmetics, fashion accessories and automobiles as the user industries. The Company's Pigments are exported to most of the discerning markets in Europe, America and Asia. The manufacturing activity is carried out at Roha and Mahad factories with R&D facilities at Ambadvet (Sutarwadi), Taluka Mulshi, Dist. Pune.

There is an excess capacity for the manufacture of commodity pigments worldwide. This results in intense price competition in the commodity segments market. The China factor also continues to affect the Pigment Industry.

2. Opportunities and Threats

Although small in size, the Indian Pigment industry is a dominant player in the Indian Economy. Per capita consumption in each of its industry segment is very low compared to other countries. India, a leader in

knowledge power has vast experience in handling customer demands, owing to which opportunities exist for rapid export growth by development of innovative products meeting high standards of quality. This can be possible by creating the brand value “**Made in India**”.

Industries in the unorganised sector account for a large share in production of Pigments. Any lapse in the quality of products manufactured and non-compliance of pollution and environment related norms set up by the government might have an adverse impact both in local and upcountry markets.

The growing domestic housing needs hold promise for varied Pigment applications. Automotive paints and personal care segment on the back of increasing disposable income of a growing middle class provides opportunity for growth. Inks and plastics market also holds lot of promise as the paper and printing industry is poised to record growth.

China at a feverish pace has put up massive Pigment based chemical projects and complexes that not only meet their own demand but also global demand that will be emerging for the next several years. Because of this, China not only controls the market but also the pricing policy. Indian Pigment industry has threats of dumping at rock bottom prices by developed economies like China due to meltdown in their countries and their ability to sustain due to large capacities. Already, import prices of a wide range of basic chemicals have crashed substantially in the last few months. With strong in house technology support and efficient development facility already available on site, your Company is capable of exploiting the opportunities and contributing positively in increasing its market base.

The Pigment Industry has to address the issues of REACH Compliance as also issues relating to clean and green environment apart from the competitive pressure from China and other developed markets.

Escalation of crude oil prices responsible for spiraling and cascading price of inputs and the volatility of the Rupee vis-a-vis the US Dollar is a matter of concern and needs to be tackled if the Indian Pigment Industry has to remain competitive. Another matter of concern is the gestation period involved in evaluation and acceptability of the Company's Products by overseas customers and the costs associated with it, since on several occasions proposals do not get converted into firm orders.

3. **Performance**

The Pigment Division increased its sales in the year 2015-16 to Rs. 10,656 million from Rs. 9,578 million in 2014-15. Sales from exports for the year under review amounted to Rs. 5,163 million as against Rs. 4,602 million achieved during the previous year.

4. **Outlook**

Due to global recessionary conditions the Pigment Industry world over is passing through difficult times. The sharp fall in crude oil prices during 2015-16 triggered a massive correction in petrochemicals and intermediate prices. As the prices went for a free fall, users decided to draw on stocks. Meanwhile global demand came down. A deadly combination of these two factors coupled with adverse global environment meant a fall in production and demand for Pigments .

In view of very large capacities, countries like China may resort to dumping of products in Indian markets to the detriment of the Indian Pigment Industry. The positive factor for Indian Pigment Industry is the demand for its products that is largely driven by domestic market and considering very low per capita consumption ratio. Despite the difficult time, the Pigment Industry holds a lot of promise for India. The industry is a potential powerhouse benefitting from comparative low labour costs, excellent army of technical manpower, capabilities to research and development facilities, huge but undeveloped domestic market and potential to increase its share in global markets. Diversified product range, proactive preparedness in adjusting to demand and supply levels and aggressive marketing strategies has provided a cushion to the Company to withstand the pressure of downturn in the global Pigment Industry. The Company is gearing itself for sustaining its market position by adjusting to the market environment through improved service levels and continuous emphasis on cost management. The Company's globalization plans and its strong base in the Indian Market provides a great opportunity for growth. Also the Company's strategy of focusing among others on High Performance Pigments and specialized Azo Pigments provide a great future.

The Company's strategy of setting up sales offices to cater to European and North American Customers is expected to give a push to Pigment exports as the Company is better equipped to understand and comply with their preferences. The Company is also in the process of setting up a sales office in Shanghai, China to locally source raw materials and to cater to the requirements of Asia Pacific customers.

As a consequence of all these actions, the Company expects better results during the current year.

5. Risks and Concerns

Volatility of the Rupee vis-a-vis the US Dollar, rise in crude oil prices in India and its cascading effect on other inputs is a matter of grave concern as it negates the key advantage of competitive pricing. There is also a great deal of uncertainty regarding pricing and availability of key intermediates from China.

Compliance of REACH regulations is a time consuming and expensive proposition making penetration of the Company Pigments in the European market a challenging task.

The Company is operating in a segment dominated by multinational companies with cutting edge technologies in Pigment manufacturing. This provides an opportunity as well as an operating risk. The Company has a risk management policy in place to assess and minimize business risk, to ensure protection of the environment and enable discharging its legal requirements concerning emission, waste water and waste disposal. As a part of global policy, the relevant parameters are analyzed to minimize risk associated with protection of environment, safety of operations and health of people at work vis-a-vis regulatory requirements and Sudarshan risk management guidelines. The Company is in compliance with legal requirements concerning emission, waste water and waste disposal and accords top priority to work place safety at all its manufacturing sites.

Segment II – Agro chemicals

1. Industry Structure and Developments

As India continues to grow its economy in a greater way, its agriculture must also keep pace in improving its infrastructure, efficiency and productivity in a sustainable manner and contribute to the food security of population of over a billion. Weather fluctuations continue to affect the agriculture sector significantly. During 2015-16, the overall climatic conditions were not favourable to the entire agricultural sector. The season did not progress well as per expectations in 2015-16 due to weak monsoon. Overall, the cultivable land available was much less than the previous year 2014-15. Late rain at the end of season led to crop damage in various states. Unseasonal rains in January and February 2016 also led to crop damage.

The Agro chemicals Industry has also seen a change in the product mix owing to change in the crop pattern as also due to change in the pattern of pest formation. The average per hectare consumption of agrochemicals in India is comparatively lower than consumption in USA, Japan and other developed countries. This augurs well for the Agro chemical Industry. Rapid growth in acreage of Bt Cotton hybrids resulting in improvement in yield of cotton crop is opening new opportunities for more consumption of pesticides for the control of sucking pests and plant growth nutrients.

India being a tropical country, the consumption pattern of pesticides is tilted towards insecticides accounting for around 58-60% of the crop protection chemical market. It is followed by herbicides and fungicides at 20% and 18% respectively.

The Crop Protection Industry witnessed growing uncertainties owing to variations in the monsoon spread in some parts of the country, change in climatic conditions, fluctuation in end product prices due to variable raw material costs as also unavailability of key raw materials from China. The Industry also witnessed further slide in the demand for conventional products.

2. Opportunities and Threats

Rising costs and uncertainty in availability of some key raw materials continue to be a challenge. The exchange rate fluctuations also impact the raw material prices. Genetically modified seeds which have more self-immunity from natural adversaries pose a threat to the Agro chemical business.

Large area exists in India for agriculture cultivation. We are the 7th largest country geographically and large area is under crop cultivation. Indian Agro Chemical Industry has potential for growth considering the cost advantage as compared to that prevailing in developed countries as also considering the fact that usage of Insecticides in India on acreage basis as compared to developed countries is comparatively low. The need of the Industry is to invest in new products considering the change in crop pattern and pest formation. However, the costs associated with the development and introduction of new molecules are a deterrent to domestic agro chemical companies with low technology base and limited area of operations. The number of pesticides imported from China is also increasing.

3. Performance

During the year under review, the Agro Division achieved a turnover of Rs. 1,163 million as against Rs. 1,155 million made in the previous year. Notwithstanding the adverse business environment, the Agro Division has managed to earn reasonable profits for the year under review. The Company expects to improve performance by concentrating more on the sale of Technical and Bulk pesticides.

The Agro Chemical Industry is more than ever subjected to the vagaries of the monsoon and can impact the sale of Agro chemicals. The Company is mainly into the generic segment which faces cut throat competition from other unorganized and organized players in the Agro Chemical Industry. This may lead to stagnation in revenues and bottom line.

4. Outlook

The Company expects to improve its performance by laying more emphasis on Technical and Bulk as well as Brand Business. Notwithstanding subsisting constraints of key raw materials and difficult market conditions, the current year should end on a positive note.

5. Risks and Concerns

Increasing number of Indian Companies are registering Chinese material in India. Any change in the Chinese supply position will adversely affect Indian Agro Chemical Industry. The below expectation of a normal monsoon coupled with various uncertainties is also a matter of concern as it impacts the overall crop pattern and resultant pest formation.

Internal Controls Systems

The Company has an adequate system of internal controls and risk management. These systems enable integrity of financial reporting and adherence to guidelines defined for the Company. Internal controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. For more details refer to the Director's Report.

Human Resource Development

The Company considers its committed and talented workforce as one of its most critical assets and key to driving sustainable performance and developing competitive advantage. In line with its business imperatives, the emphasis has been given to recruit the best talent, nurture, motivate and empower. For more details refer to the Director's Report. As on 31st March 2016 a total of 834 persons were directly employed by the Company.

CAUTIONARY STATEMENT

Statement made in this report describing the Company's objectives, projections, estimates, explanations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

REPORT ON CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Governance:

The Company's philosophy on Corporate Governance envisages attainment of transparency and accountability in all spheres including its dealings with employees, shareholders, customers, vendors, lenders and others. Thus, Corporate Governance is a reflection of Company's culture, policies, Company's relationship with stakeholders and Company's commitment to values. The Company believes that it has established systems and actions which are 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 and actions of the Company are designed to further the objectives of good governance of the Company, thereby enhancing its performance and increasing stakeholders' value.

The Corporate Governance philosophy of the Company has been further strengthened with the adoption of the Code of Conduct of the Company and among others, the Code for Prevention of Insider Trading and host of other policies. The Company, through its Board and committees, endeavours to maintain high standards of Corporate Governance for the benefit of its stakeholders.

The Company's Board comprises of individuals with considerable experience and expertise across a range of disciplines including business management, business strategy, direct taxation, finance and accounting. The Board members are fully aware of their roles and responsibilities in the discharge of the key functions. The Board members strive to meet the expectations of operational transparency without in any compromising on the need to maintain confidentiality of information.

The Company's vision is to be amongst the top four pigment players in the Global Pigment Industry. The Company's business strategy is to be reliable partner and to provide value to its customers. This is achieved through a solutions partnering approach, delivering products of world class standards and not the least aiming at excellence in customer service each time, every time.

Sudarshan Values

All employees are committed to living the Company's values:

- Seva
- Courage
- Commitment and Passion
- Respect
- Trust

Integrity of Financial Reporting

The Company ensures that adequate controls are in place to provide accurate and timely disclosure on all material matters including financial situation, performance and governance of the Company. The Audit process is supervised by the Audit Committee of the Board and is undertaken by an Independent firm of Chartered Accountants, accountable directly to the Audit Committee.

Rights of Shareholders

The Company believes in protecting the rights of the shareholders and ensures adequate and timely disclosure of all information to the shareholders in compliance with applicable laws. Shareholders are furnished with sufficient and timely information concerning critical matters discussed and decided at the Board level as also information regarding matters to be transacted at General Meetings, opportunity to participate and vote at General Meetings, rules of voting process and among others mechanism to address grievances.

Rights of Stakeholders

The Company recognises the rights of its stakeholders and respect their rights which are established by law or through mutual agreements. Stakeholders are provided access to relevant, sufficient and reliable

information on a regular basis enabling them to participate in the governance process. The Company has laid down a Whistle Blower Policy / Vigil Mechanism enabling stakeholders, including employees to freely communicate their concerns about illegal or unethical practices.

Framework of Insider Trading

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. With a view to prevent insider trading and abusive self dealings in the shares of the Company, the Company has put in place a Code of Conduct to Regulate, Monitor and Report Trading of Company shares by Insiders. The Code is based on the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company Directors, Key Management Personnel and designated employees and other Insiders are informed about closure of Trading Window prior to dissemination of price sensitive information which are likely to affect the share prices as also the manner in which shares can be acquired when the Trading Window is open. The code of conduct is available on the Company's website – www.sudarshan.com.

Investor Services

The Stakeholders Relationship Committee has laid down norms for completion of different activities concerning the shares of the Company. Compliance to the norms are regularly monitored by the Compliance Officer and reported to the Board at fixed intervals.

Compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are set out below:

II. Board of Directors:

The Board of Directors of the Company have an optimum combination of Executive, Non-Executive, Independent Directors and Non-Independent Director who have all an in depth knowledge of business, in addition to the expertise in their areas of specialization.

II.1. Composition:

The Board of Directors comprises of following members as detailed below:-

Sr. No.	Category of Directors	Name of the Director
1.	Promoters	1. Mr. P. R. Rathi – Chairman and Managing Director w.e.f. 16/08/2015 2. Mr. R. B. Rathi – Dy. Managing Director 3. Mr. N. J. Rathi – Non - Executive Director 4. Mr. K. L. Rathi – Non - Executive Director
2.	Non – Promoters (Independent)	1. Mr. S. N. Inamdar 2. Mr. P. P. Chhabria (expired on 05/05/2016) 3. Mr. D. N. Damania 4. Mr. S. Padmanabhan 5. Mr. S. K. Asher 6. Mrs. R. F. Forbes 7. Mrs. S. A. Panse
3.	Non – Promoter (Non-Independent)	1. Mr. N. T. Raisinghani

Notes:

- None of the Non-Promoter Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, its Promoters, its management during the Financial Year 2015-16 which in the judgment of the Board may affect independence of judgment of the Directors.
- The Directors mentioned at Serial No. 2 above fall within the expression of “Independent Directors” as mentioned in Regulation 16(b) of the Listing Regulations, 2015.
- The Director mentioned at Serial No. 3 above, is a Director in Breakthrough Management Group India Private Limited (BMGI), Mumbai which has material dealings with the Company. Hence, the Director named at Serial No. 3 is classified as a Non-Independent Director.

The present composition of the Board is in compliance with Regulation 17 of the SEBI Listing Regulations, 2015.

Profile of Promoter Directors:

1. **Mr. P. R. Rathi**, Chairman and Managing Director, is MS in Chemical Engineering from MIT, USA and M.B.A. from Columbia University, USA and has been associated with the Company for more than three decades.
2. **Mr. R. B. Rathi**, Dy. Managing Director, is B. E. Mech. Engg from MIT, Pune, B. S. Chem. Engg. from Ohio University USA and M.B.A. from Pittsburgh University, USA. Mr. R. B. Rathi has been associated with the Company for the past two decades.
3. **Mr. N. J. Rathi**, Non-Executive Director, is M. Com from University of Pune and M.B.A. from USA and has been associated with the Company for more than four decades.
4. **Mr. K. L. Rathi**, Non-Executive Director, is B.Sc, B.Sc.(Tech) and M.A.(Chem) from Columbia University, USA and has been associated with the Company for more than four decades.

Profile of present Non-Executive, Independent Directors:

1. **Mr. S. N. Inamdar**, is a leading advocate and an expert in Income Tax matters. Mr. S.N.Inamdar is Chairman of Audit Committee of the Board of Directors and is also on the Board of several other Companies.
2. **Mr. D. N. Damania**, is B. E Mechanical Engineering from Pune University and a renowned technocrat. Mr. D. N. Damania is also on the Board of several other Companies.
3. **Mr. S. Padmanabhan**, is M.Sc. (Physics) from Delhi University and Bachelor of General Law from Mumbai University. Mr. S. Padmanabhan has a diploma in Development Economics from University of Cambridge, U.K. and a Diploma in Management Accounting from Bajaj Institute of Management, Mumbai. A former IAS Officer, Mr. S.Padmanabhan has wide experience in setting up of industrial projects, finance and administration. Mr. S. Padmanabhan is also on Board of several other Companies.
4. **Mr. S. K. Asher**, is a Fellow member of the Institute of Chartered accountants of India and Commerce & Law graduate from the Bombay University. Mr. Sanjay Asher is senior partner of M/s Crawford Bayley & Co, Mumbai and is also on the Board of several other Companies.
5. **Mrs. R. F. Forbes**, is a Graduate in Psychology and Sociology from Bombay University and has further done special courses on Women in Leadership, Human Resources and Organisational Behaviour and Social Entrepreneurship and Philanthropy from IIM Ahmedabad and Stanford University. She is also on the Board of other companies including Forbes Marshall Private Ltd. since 1999.
6. **Mrs. S. A. Panse**, has done M.Sc., D.B.M. (Diploma in Business Management), MMS (Masters in Management Sciences with specialization in Financial Management) from Pune University and M.B.A. (Masters in Business Administration with specialization in Bank Management) from Drexel University, USA. She has also acquired a professional qualification C.A.I.I.B. (Certified Associate of Indian Institute of Bankers). She is also on the Board of other companies.

Profile of Non - Executive, Non - Independent Director:

Mr. Naresh T. Raisinghani, is the CEO and Executive Director of Breakthrough Management Group International, Mumbai. He has done his Management from Harvard Business School and his Bachelors in Mechanical Engineering from University of Mumbai and is also on the Board of other Companies.

Independent Directors :

The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI, Listing 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.

As mandated by the Listing Regulations, the Independent Directors on the Board of the Company :

- a. Are persons of integrity and possess relevant expertise and experience;
- b.
 - i. Are not a Promoter of the company or its holding, subsidiary or associate company;
 - ii. Are not related to Promoters or Directors in the company, its holding, subsidiary or associate company;

- c. Apart from receiving Director's Remuneration, have no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their Promoters, or Directors, during the two immediately preceding Financial Years or during the current Financial Year;
- d. None of their relatives have or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their Promoters, or Directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding Financial Years or during the current Financial Year;
- e. Neither themselves nor any of their relatives —
 - i. hold or have held the position of a Key Managerial Personnel or are or have been employee of the company or its holding, subsidiary or associate company in any of the three Financial Years immediately preceding the Financial Year in which they are proposed to be appointed;
 - ii. are or have been an employee or proprietor or a partner, in any of the three Financial Years immediately preceding the Financial Year in which they are proposed to be appointed, of — (A) a firm of Auditors or Company Secretaries in practice or Cost Auditors of the company or its holding, subsidiary or associate company; or (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
 - iii. hold together with their relatives two percent or more of the total voting power of the Company; or
 - iv. is a Chief Executive or Director, by whatever name called, of any Non-Profit Organisation that receives twenty-five percent or more of its receipts from the company, any of its Promoters, Directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company;
 - v. is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. is not less than 21 years of age.

Formal Letter of appointment to Independent Directors :

In accordance with the erstwhile Clause 49 of the Listing Agreement, the Company has issued formal letters 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.sudarshan.com

Board Meetings and Agenda:

In accordance with the legal position and the Articles of Association of the Company, the Board of Directors is the ultimate decision making authority for the Company in all matters except those decisions reserved by law or the Articles of Association for shareholders. The Board has complete and unrestricted access to any information required by them to perform its supervisory duties and make decisions on the matters reserved for the Board of Directors. The Board generally meets once in a quarter to review among other things quarterly performance of the Company and financial results. 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 in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Whenever it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting and / or the presentations are made in respect thereof. The information as specified in Regulation 17(7) of the SEBI, Listing Regulations, 2015 as listed below is regularly made available to the Board, whenever applicable, for discussion and consideration. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings

The following information is normally provided to the Board, as part of the agenda papers of the Board meetings.

- Detailed Business Review.
- Annual operating plans and budgets and any update thereof.
- Capital budgets and any updates thereof.
- Annual and Quarterly financial results for the Company and its operating divisions and business segments.

- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.
- Materially important show cause, demand, prosecution notices and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property and any other acquisition.
- Significant labour problems and their proposed solutions. Any significant development on Human Resources / Industrial Relations front, like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposures and steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- Non-compliance of any regulatory, statutory or listing requirements and shareholders' service, such as non-payment of dividend, delay in share transfer, etc.
- Details of investment of surplus funds available with the Company, if any .
- Minutes of the Board Meetings of subsidiary companies.
- Statement showing significant transactions and arrangements entered into by subsidiary companies.
- Details of any merger or demerger actions.
- Details of dealings in Company's share by members of the Board/ Senior Management.
- Details of commercial or any other dealings by firms/ companies in which members of the Board/ Senior Management or their relatives hold shares.
- Details of Inter Corporate Loans, Investments and Guarantees made/ given by the Company.
- Detailed status on the Business Risks being faced by the Company and their mitigation plan.
- Changes in Shareholding Pattern of the Company.
- Details of Contingent Liabilities.
- Statement on Compliance with Code of Conduct.

Post Meeting follow up system:

The Company has an effective post Board Meeting follow up procedure. Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board. The Board has established procedures to periodically review compliance report of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance.

II.2 Meetings and Attendance:

During the Financial Year, 2015-16, eight meetings of the Board of Directors were held on 27th May, 2015, 1st August, 2015, 14th August, 2015, 31st October, 2015, 18th December, 2015, 30th January, 2016, 10th March, 2016 and 28th March, 2016.

Details regarding attendance of the Directors at the Board Meetings held during the Financial Year 2015-16 and at the last Annual General Meeting held on 14th August, 2015 are given below:-

Sr. No.	Name of the Director	Designation	Status	No. of Board Meetings attended	Attendance at the last AGM
1.	Mr. P. R. Rathi	Chairman and Managing Director	Executive	8	Yes
2.	Mr. R. B. Rathi	Dy. Managing Director	Executive	7	Yes
3.	Mr. N. J. Rathi	Director	Non-Executive	8	Yes
4.	Mr. K. L. Rathi	Director	Non-Executive	8	Yes
5.	Mr. S. N. Inamdar	Director	Non-Executive	8	Yes
6.	Late P. P. Chhabria	Director	Non-Executive	4	Yes
7.	Mr. D. N. Damania	Director	Non-Executive	6	Yes
8.	Mr. S. Padmanabhan	Director	Non-Executive	7	Yes
9.	Mr. S. K. Asher	Director	Non-Executive	7	Yes
10.	Mrs. R. F. Forbes	Director	Non-Executive	6	Yes
11.	Mr. N. T. Raisinghani	Director	Non-Executive, Non-Independent	8	Yes
12.	Mrs. S. A. Panse	Director	Non-Executive	5	Yes

II.3 Details of Directorship(s) and Committee membership(s) in Companies:

(No. of companies)

Name of the Director	Directorship *	Committee Membership **
Mr. P. R. Rathi **	13	12
Mr. R. B. Rathi **	13	3
Mr. N. J. Rathi **	10	4
Mr. K. L. Rathi **	11	1
Mr. S. N. Inamdar	8	6
Mr. D. N. Damania **	9	18
Mr. S. Padmanabhan	8	7
Mr. S. K. Asher **	20	18
Mrs. R. F. Forbes	6	8
Mr. N. T. Raisinghani	3	1
Mrs. S. A. Panse **	8	18

* (Includes Directorships held in Private Companies, Section 8 Companies, Body Corporate incorporated outside India and Alternate Directorships)

** (Includes Chairmanship / Membership of Nomination and Remuneration Committees as also unlisted Public Limited Companies / Private Limited Companies etc. which is non-mandatory under Regulation 26 of the SEBI Listing Regulations, 2015.

None of the directors is a member in more than 10 mandatory committees or acting as Chairman of more than five committees across all companies in which he / she is a director. The necessary disclosures regarding Committee positions have been made by the Directors.

III. Delegation of Authority and Responsibilities:

The Company has established a system of Delegation of Authority to define the limits of authority delegated to specified positions of responsibility within the Company and to lay down the obligations that are to be performed by individuals. The approval of commitments and responsibilities outlined in this system are approved by the Managing Director/Dy. Managing Director and noted by the Board of Directors.

The Working Directors of the Company have delegated responsibilities coupled with necessary authorities to Officials of the Company so as to designate them as "Responsible Persons" and to vest in them, the authority and responsibility to ensure that all statutory compliances as applicable are complied. The Board periodically reviews the Compliance Report in relation to all laws applicable to the Company.

IV. Information placed before the Board of Directors:

The information as required under Regulation 17(7) of the SEBI , Listing Regulations, 2015 to the extent relevant is made available to the Board in every meeting.

V. Audit Committee:

The Company has constituted a qualified Audit Committee complying with Regulation 18 of the Listing Regulations, 2015 . All members of the Committee are financially literate, with Mr. S. N. Inamdar, Chairman of the Committee, having the relevant accounting and financial expertise.

Composition

The Audit Committee consists of the following Directors:

Name of the Members	Category	No. of Meetings attended during the year 2015-16
Mr. S.N.Inamdar, Chairman	Independent, Non-Executive Director	4
Mr. D.N.Damania, Member	Independent, Non-Executive Director	4
Mr. S.K.Asher, Member	Independent, Non-Executive Director	4
Mr. P.R.Rathi, Member	Promoter, Chairman and Managing Director, Non-Independent, Executive Director	4

Meetings and attendance during the year

During the Financial Year 2015-16, four meetings of the Audit Committee were held on 27th May, 2015, 14th August, 2015, 31st October, 2015 and 30th January, 2016.

Mr. P. S. Raghavan, Company Secretary is Secretary to the Audit Committee

Mr. S. N. Inamdar, Chairman of the Audit Committee was present at the previous Annual General Meeting held on 14th August, 2015.

Terms of Reference of Audit Committee

The Audit Committee of the Company is entrusted with the following powers and responsibilities to supervise the Company's internal control and financial reporting process.

Powers of Audit Committee

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, transparency, integrity and quality of financial reporting. The Audit Committee is empowered, pursuant to its terms of reference, inter alia, to:

1. Investigate any activity within its terms of reference of the Companies Act, 2013 or referred to it by the Board and for its purpose, shall have full access to information contained in the records of the Company and external professional, legal or other advice, if necessary;
2. Seek information from any employee;
3. Obtain outside legal or other professional advice; and
4. Secure attendance of outsiders with relevant expertise wherever it considers necessary.

Role of Audit Committee

The role of the Audit Committee is in line with the Regulation 18 (3) of the Listing Regulations, 2015 and the Committee performs among others the following functions :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statements are correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees;
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 before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by Management;
 - d. Significant adjustments made in the Financial Statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to Financial Statements;
 - f. Qualifications in the draft audit report, if any;
5. Approval or any subsequent modification of transactions of the Company with related parties;
6. Reviewing, with the Management, the quarterly Financial Statements before submission to the Board for approval;
7. Reviewing and monitoring with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
9. Review and discuss with the management the status and implications of major legal cases;
10. 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;
11. Discussion with Internal Auditors on any significant findings and follow up thereon.
12. 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.
13. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
14. 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, if any.
15. To review the functioning of the Whistle Blower mechanism from time to time, address genuine concerns; and :
 - a. To ensure the action taken on the alleged complaints received under this mechanism;
 - b. To review the adequacy of the final outcome of such complaint and ensure that the reward or punishment is commensurate with the final outcome;
 - c. To get an independent expert opinion, if need be, on the alleged complaint.
16. Direct access to the Chairman of the Committee, in appropriate or exceptional cases, to the vigil mechanism established by the Company.

17. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
18. Scrutiny of inter-corporate loans and investments.
19. Valuation of undertakings or assets of the Company, wherever it is necessary.
20. Valuation of internal financial controls and risk management systems.
21. Mandatorily reviewing the following information :
 - a. Management discussion and analysis of financial condition and results of operations;
 - b. Statement of significant related party transactions;
 - c. Management letters / letters of internal control weakness issued by the Statutory Auditors;
 - d. Internal audit report relating to internal control weakness;
 - e. Appointment, removal and terms of remuneration of the Internal Auditor (s).
22. Review of Financial Statements, Investments made in Wholly Owned Subsidiary Companies i.e. Prescient Color Limited, RIECO Industries Limited, Sudarshan Europe B.V. and step down Subsidiary i.e. Sudarshan North America, Inc.
23. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
The full text of the Charter of the Audit Committee is available at the Company's website www.sudarshan.com

VI. Nomination and Remuneration Committee:

Composition

The Nomination and Remuneration Committee (NRC) of the Board consists of the following Directors:

Name of the Members	Category	No. of Meetings attended during the year 2015-2016
Mr. D. N. Damania, Chairman	Independent, Non-Executive Director	1
Mr. S. N. Inamdar, Member	Independent, Non-Executive Director	1
Mr. S. K. Asher, Member	Independent, Non-Executive Director	1
Mr. N. J. Rathi, Member	Non-Independent, Non-Executive Director	1

During the Financial Year 2015-16, one meeting of the Nomination and Remuneration Committee was held on 27th May, 2016.

Terms of Reference

1. To identify persons:
 - i. who are qualified to become directors; and
 - ii. who may be appointed in Senior Management in accordance with the criteria laid down by NRC for determining qualifications and positive attributes;

The expression 'Senior Management' has been defined vide Explanation to sub-section (8) of Section 178 of the 2013 Act and Regulation 26(5) of the SEBI Listing Regulations 2015.

Senior Management of the Company shall consist of:

 - i. those identified by the Company as forming part of the core management team;
 - ii. Senior Management (other than Board of Directors / Board) who are one level below the Executive Directors;
 - iii. functional heads (even though they may be more than one level below the Executive Directors).
2. To recommend to the Board, the appointment and removal of Directors and Senior Management personnel;

3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
4. To determine or review on behalf of the Board, the compensation package, service agreements and other employment conditions for managing or whole time director (s);
5. To determine on behalf of the Board, the quantum of annual increments or incentives on the basis of performance of the Key Managerial Personnel;
6. To formulate, amend and administer stock option plans and grant stock options to Managing or Whole Time Director (s) and employees of the Company;
7. To formulate or lay down the criteria for evaluating the Independent Directors and the Board, that is to say, the criteria for performance evaluation of the Independent Directors;
8. To devise a policy on succession planning Board diversity;
9. To consider other matters, as from time to time, be referred to it by the Board.

Remuneration Policy

The Company has put in place a Remuneration Policy. While deciding the remuneration package of the Working Directors and Senior Management, the Company takes into consideration the following items: (a) employment scenario; (b) remuneration package of the industry; and (c) remuneration package of the managerial talent of other industries.

The annual variable pay of Working Directors and Senior Management is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives. For more details, please refer to the Remuneration Policy of the Board, KMP appearing in the Directors' Report.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and Performance Linked Variable Allowance (PLVA) / Commission (variable component) to Managing Director / Dy. Managing Director. Salary is paid within the range approved by the Shareholders. Annual increments effective on 1st April each year, as recommended by the Nomination and Remuneration Committee, are approved by the Board. Commission is calculated with reference to net profits of the Company in a particular Financial Year and is determined by the Board of Directors at the end of the Financial Year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013. Specific amount payable to such directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees. Further Commission @ 1% subject to a maximum amount of Rs. 32 Lacs is proposed to be paid (computed in accordance with Section 198 of the Companies Act, 2013) for the Financial Year 2015-16.

The distribution of Commission amongst the NEDs is placed before the Board. The Commission is recommended by the Nomination and Remuneration Committee based on the contribution at the Board and Committee Meetings as well as time spent on operational matters other than at the meetings.

The Company pays sitting fees to the NEDs for attending the meetings of the Board. The Schedule of sitting fees presently being paid is appended below:

Sr. No.	Particulars	Sitting fees per meeting Amount (Rs.)
1.	Board of Directors	20,000
2.	Audit Committee	20,000
3.	Stakeholders Relationship Committee	20,000
4.	Nomination and Remuneration Committee	20,000
5.	Risk Management Committee	20,000
6.	CSR Committee	20,000
7.	Finance Committee	20,000
8.	Issue of Share Certificates / Duplicate Share Certificates	5,000

Performance evaluation mechanism :

As mandated under Schedule IV to the Companies Act, 2013 concerning Code for Independent Directors, the performance evaluation mechanism of the Independent Directors and the Board as a whole was duly completed for the Financial Year 2015-16. For more details please refer the Director's Report for the year under review.

Independent Directors meeting :

A separate meeting of the Independent Directors of the Company was held on 28th March, 2016 without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed (i) the performance of Non-Independent directors and the Board as a whole; (ii) the performance of the Chairman of the Board taking into account the views of the Executive Directors and Non-Executive Directors; and (iii) assessed 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 have expressed satisfaction.

Familiarization program for Independent Directors :

The Board has adopted an ongoing Familiarization Program ("the Program") for Independent Directors pursuant to Listing Regulations, 2015. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company and to help them in the efficient discharge of their roles, rights and responsibilities in the Company. Details of such programs have been disclosed on the company's website - www.sudarshan.com

Board Diversity Policy

The Company recognizes and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including to:

- drive business results;
- make corporate governance more effective;
- enhance quality and responsible decision making capability;
- ensure sustainable development; and
- enhance the reputation of the Company.

Full text of the Board diversity policy is available on the Company's website - www.sudarshan.com

No. of shares held by Non - Executive Directors (As on 31st March 2016):

Sr. No	Name of the Non-Executive Director	No. of shares of Rs. 2 each held
1.	Mr. K. L. Rathi	10,74,300
2.	Mr. N. J. Rathi	24,17,650
3	Mr. D. N. Damania	930

Remuneration to Executive Directors for the year ended 31st March, 2016:**(Amount in Rs.)**

Particulars	Mr. P.R. Rathi Chairman and Managing Director	Mr. R.B.Rathi Dy. Managing Director
Salary and Other allowances	15,628,261	13,028,695
Contribution to Provident Fund & other Funds	1,879,200	1,371,576
Other Perquisites	329,900	818,059
Commission	6,000,000	6,000,000
Total	23,837,361	21,218,330

Remuneration to Non-Executive Directors (As on 31st March, 2016):**(Amount in Rs.)**

Name of the Director	Sitting Fees	Others (Professional Fees)	Total
Mr. S. N. Inamdar	310,000	850,000	1,160,000
Late Mr. P. P. Chhabria	100,000	-	100,000
Mr. D. N. Damania	240,000	-	240,000
Mr. S. Padmanabhan	160,000	-	160,000
Mr. S. K. Asher	260,000	-	260,000
Mrs. R. F. Forbes	140,000	-	140,000
Mrs. S. A. Panse	120,000	-	120,000
Mr. N. T. Raisinghani	180,000	-	180,000
Mr. N. J. Rathi	200,000	-	200,000
Mr. K. L. Rathi	160,000	-	160,000
Total	1,870,000	850,000	2,720,000

- In addition to sitting fees, Mr. S. N. Inamdar is also paid fees for rendering professional services. However these are not material in nature.

The full text of the Charter of the Nomination and Remuneration Committee is available at the Company's website - www.sudarshan.com

VII. Stakeholders' Relationship Committee:**Composition**

The Stakeholders' Relationship Committee comprises of the following Directors:

Name of the Members	Category	No. of Meeting attended during the year 2015-2016
Mr. S. K. Asher, Chairman	Independent, Non-Executive Director	1
Mr. P. R. Rathi, Member	Chairman and Managing Director	1
Mr. N. J. Rathi, Member	Non-Executive Director	1

Terms of Reference

- To consider and resolve the grievances of security holders of the Company including complaints related to :
 - Transfer of shares;
 - Non-receipt of Balance Sheet;
 - Non-receipt of declared dividends; and
 - Any other investors' grievance raised by any security holder;
- To approve transfer or transmission of equity shares, debentures or any other securities;
- To issue duplicate share certificates;
- To approve and issue fresh share certificates by way of split, consolidation or renewal of the existing share certificates or in any other manner;
- To allot fully or partly paid-up shares, convertible debentures or other financial instruments convertible into equity shares at a later stage;
- To ensure that the rights of stakeholders that are established by law or through mutual agreements are respected;
- To offer stakeholders the opportunity to obtain effective redress for violation of their rights and to monitor the resolution of their grievances;
- To encourage mechanisms for employee participation;

9. To ensure that stakeholders have access to relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in Corporate Governance process;
10. To devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices;
11. To oversee the performance of the Registrars and Share Transfer Agents of the Company;
12. To look into such other matters as may from time to time be required by any statutory or regulatory authority to be attended by the Committee;
13. To consider other matters, as from time to time, be referred to it by the Board.

The full text of the Charter of the Stakeholders Relationship Committee is available at the Company's website - www.sudarshan.com

Meetings

During the Financial Year 2015-16, one meeting of the Stakeholders' Relationship Committee were held on 30th January, 2016. Based on the report received from the Company's Registrars, no complaint was received from SEBI, Stock Exchange(s).

Name, Designation and address of Compliance Officer:

Mr. P. S. Raghavan
Company Secretary
Sudarshan Chemical Industries Limited,
162 Wellesley Road, Pune - 411 001
Maharashtra, India

VIII. Risk Management Committee :

Overview

Risk is an integral and inseparable component of the business operations of a company. Risks which a company may face include market risks, financial reporting risks, finance risk, fluctuations in foreign exchange, technological risks, human resource management and legal or compliance risks. The Company believes that identifying significant risks which the Company may face and devising risk assessment and mitigation procedures to tackle such risks would play an important role in protecting shareholder value, improving governance processes and meeting unforeseen exigencies in the cycle of conduct of business operations of the Company.

Composition

The present Members of the Risk Management Committee are as under :

i.	Mr. D. N. Damania	Chairman
ii.	Mr. S. Padmanabhan	Director
iii.	Mr. N. T. Raisinghani	Director w.e.f. 30th January, 2016
iv.	Mrs. S. A. Panse	Director, w.e.f. 30th January, 2016
v.	Mr. P. R. Rathi	Chairman & Managing Director
vi.	Mr. R. B. Rathi	Dy. Managing Director
vii.	Mr. A. Vij	Chief Operating Officer – Pigment Division
viii.	Mr. V. V. Thakur	Dy. General Manager – Finance (Acting CFO)

Terms of Reference

1. The Risk Management Committee shall assist the Board with the identification and management of risks to which the Company is exposed. However they shall not be responsible to address risks which come under the purview of the Audit Committee, Nomination and Remuneration Committee or any other committee constituted by the Board to address any specific risk.
2. The Risk Management Committee shall ensure effective implementation of the Policy of the Company. This shall among others include :
 - i. putting in place risk management frameworks and processes;
 - ii. identifying risks and promoting a pro-active approach to treating such risks;
 - iii. conducting regular risk assessments;

- iv. allocating adequate resources to mitigate and manage risks and minimize their adverse impact on outcomes;
- v. striving towards strengthening the risk management system through continuous learning and improvement;
- vi. delineating business continuity processes and disaster management plans for unforeseen exigencies and providing clear and strong basis for informed decision making at all levels of the organization;
- vii. deploying strategies and methods to reduce the severity of risks;
- viii. complying with all relevant laws and regulations across its areas of operation; and
- ix. communicating the Policy to the required stakeholders through suitable means and periodically reviewing its relevance in a dynamic business environment.

A meeting of the Risk Management Committee was held on 28th March, 2016. Mr. D. N. Damania, Director presided over the meeting.

The full text of the Charter of the Risk Management Committee is available at the Company's website www.sudarshan.com

IX. Corporate Social Responsibility (CSR) Committee:

Corporate Social Responsibility Committee has been constituted in accordance with the provisions of Section 135 of the Companies Act, 2013

Terms of Reference

The CSR Committee shall:

- i. Formulate CSR Policy and recommend the same to the Board of the Company for approval;
- ii. Recommend CSR Activities as specified in Schedule VII to the Act including any amendments or modification from time to time as applicable;
- iii. Approve to undertake CSR Activities in collaboration with group companies or other companies or non-governmental organizations and to separately report the same in accordance with the CSR Rules;
- iv. Recommend the amount of expenditure to be incurred on the CSR Activities;
- v. Spend the allocated CSR amount on the CSR Activities once it is approved by the Board of the Company in accordance with the Act and the CSR Rules;
- vi. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
- vii. Monitor and ensure that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of a Company;
- viii. Formulate a transparent mechanism for ensuring implementation of the projects, programs or activities proposed to be undertaken by the Company or the end use of the amount spent towards CSR Activities;
- ix. Ensure that all the income accrued to the Company by way of CSR Activities is credited back to the CSR corpus;
- x. Approve the responsibility statement relating to implementation and monitoring of CSR Policy in compliance with CSR Objectives and CSR Policy of the Company and submit reports to the Board in respect of CSR Activities undertaken by the Company;
- xi. Review and ensure compliance with the requirements of the provisions of the Act, CSR Rules and periodical disclosure requirements;
- xii. Authorise executives of the Company to attend the meetings of the CSR Committee.

The Committee reports regularly to the Board such matters as are relevant to the Company.

Composition

CSR Committee currently consists of following Members:

- 1. Mrs. Rati F. Forbes, Chairman
- 2. Mr. P. R. Rathi, Member
- 3. Mr. R. B. Rathi, Member

During the Financial Year 2015-16, one meeting of the CSR Committee was held on 28th March, 2016. All the members were present at the meeting.

X. Other Policies mandated under SEBI Listing Regulations, 2015

a. Archival Policy

Pursuant to Regulation 30(8) of SEBI Listing Regulations, 2015, every listed company shall disclose on its website all such events or information which have been disclosed to the stock exchange(s) under Regulation 30. Such disclosures shall be posted on the website of the company for a minimum period of five years and thereafter as per the archival policy of the company. Accordingly, the Board of Directors have approved the 'Archival Policy'. The Policy can be accessed from the Company's website - www.sudarshan.com

b. Policy for Preservation of Documents

Pursuant to Regulation 9 of SEBI Listing Regulations, 2015, The Board of Directors have adopted Policy on Preservation of Documents. This Policy envisages the procedure governing preservation of documents as required to be maintained under the various statutes viz. Companies Act, 1956, Companies Act, 2013 and Rules issued there under from time to time, applicable Secretarial Standards, Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and any other applicable regulations under SEBI Act, 1992. The Policy can be accessed from the company's website - www.sudarshan.com

c. Policy for Determination of Material Events or Information

Pursuant to Regulation 30 of the SEBI Listing Regulation 2015, the Board of Directors have adopted the Policy for Determination of Material Events or Information. The objective of the Policy is to ensure timely and adequate disclosure of material events or information. The Policy can be accessed from the company's website-www.sudarshan.com.

XI. Other committees constituted by the Company:

- 1. Finance Committee:** The scope of the Committee is to approve raising of short term finance within the overall limits set up by the Board.

Mr. P. R. Rathi, Mr. K. L. Rathi, Mr. N. J. Rathi and Mr. S. N. Inamdar, Directors constitute members of the Committee.

Meetings of the Committee are held on a need basis.

- 2. Share transfer committee:** The scope is to approve / reject the transfers based on the report of the Company's Registrar and Transfer Agents, M/s Link Intime India Private Limited.

Mr. K. L. Rathi, Mr. P. R. Rathi and Mr. N. J. Rathi, Directors constitute members of the Committee.

Meetings are held at convenient intervals to ensure transfer and dispatch of share certificates within the stipulated time limit prescribed by the stock exchanges.

- 3. Issue of Share Certificates / Duplicate shares Certificates Committee:** The scope of the committee is to approve issue of Duplicate share certificates arising out of split / consolidation and loss of share certificates.

Mr. K. L. Rathi, Mr. N. J. Rathi and Mr. S. N. Inamdar, Directors constitute members of the committee.

Meetings are held at convenient intervals to ensure issue and dispatch of share certificates within the stipulated deadline prescribed by the stock exchanges.

XII. Related Party Transactions :

For details regarding Related Party Transactions, please refer to the Notes to the Financial Statements. Please also refer to **Annexure VI** with regard to Form No. AOC-2 for Related Party Transactions which are material in nature. The full text of the Related Party Transactions policy is available at the Company's website - www.sudarshan.com

XIII. General Body Meeting:

Details of last three Annual General Meetings are given below:

Financial Year	Date	Venue	No. of Directors present
2014-2015	14/08/2015	Mahratta Chamber of Commerce, Industries And Agriculture, ICC Towers, Senapati Bapat Road, Pune.	12
2013-2014	09/08/2014	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	8
2012-2013	20/09/2013	Mahratta Chamber of Commerce, Industries And Agriculture, Tilak Road, Pune	8

XIV.(A) Details of Special Resolutions passed at the previous three Annual General Meetings:

Date of AGM	Details of Special Resolution/s passed	Remarks
14-08-2015	Approval for payment of commission to Non Executive Directors of the Company for FY 2014-15 and for future Financial Years.	Passed by three fourth's majority.
09-08-2014	1. For obtaining the consents of the shareholders for borrowings and creation of charges on the properties of the Company situated at Roha, Mahad and Ambadvet upto an amount not exceeding Rs.500 Crores 2. For obtaining the consents of the shareholders for entering into transactions with Rathi Brothers Poona Limited, Rathi Brothers Delhi Limited, Rathi Brothers Calcutta Limited and Rathi Brothers Madras Limited in which the Promoter Group Directors and Members of the Promoter Group are interested.	Passed by three fourth's majority. Passed by three fourth's majority
20-09-2013	Nil	Nil

XIV.(B) Details of Special Resolutions passed by the Members by Postal Ballot process :

Date of obtaining Majority	Details of Special Resolution passed	Remarks
25-02-2016	For obtaining the consents of the shareholders for alteration of Objects Clause of the Memorandum of Association of the Company by insertion of New Sub Clause No.36 A.	Passed by three fourth's majority

XV. Disclosures:

During the year under review, there were material significant transactions entered into by the Company with its Promoters. These transactions were entered in the ordinary course of business and the consideration involved complies with arms length principle. These material transactions have been prior approved by the shareholders as required under Regulation 23 of the SEBI, Listing Regulations, 2015.

There were no material significant transactions entered into by the Company with Independent Directors or relatives etc. that may have a potential conflict with the interest of the Company.

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years. The Company has complied with all the mandatory requirements of erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges which was in force upto 30th November, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which was made effective from 1st December, 2015.

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company. However, in the interest of good governance, an Independent Director has been appointed on the Boards of Prescient Color Limited and RIECO Industries Limited. The Audit Committee also reviews presentation made on significant

issues in audit, internal control, risk management, etc. relating to subsidiaries. The Policy for determining “Material” subsidiaries can be accessed from the company website - **www.sudarshan.com**.

The minutes of the meetings of the Board of Wholly Owned Subsidiary Companies i.e. Prescient Color Limited, RIECO Industries Limited, Sudarshan CSR Foundation, Sudarshan Europe B.V. and Sudarshan North America Inc., wholly owned subsidiary of Sudarshan Europe B.V. and first level step down subsidiary of Sudarshan Chemical Industries Ltd. Pune, India were tabled before the Board at respective Board meetings and noted.

Except for the constitution of Nomination and Remuneration Committee, other non-mandatory requirements under Listing Regulations, 2015 have not been adopted.

XVI. Secretarial Audit:

M/s Rajesh Karunakaran & Co, Company Secretaries, Pune has been entrusted with the task of discharging the following :

- a. to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit report submitted to the Board confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- b. to carry out audit of secretarial records of the Company for the Financial Year 2015-16 pursuant to Section 204 of the Companies Act, 2013 and to issue certificate to that effect. Certificate issued by PCS vide Form No. MR-3 is annexed to the Report of the Board of Directors as **Annexure VIII**.

XVII. Means of Communication:

The Quarterly, Half-Yearly, Nine Monthly (Unaudited) and Yearly Consolidated Audited financial results of the Company are announced / published within the prescribed time period stipulated under the Listing Agreement. These financial results are ordinarily published in The Economic Times - Pune and Mumbai Editions - English Newspaper, The Maharashtra Times - Pune Edition – Marathi Newspaper. The Notice of the Board Meetings pertaining to approval of Unaudited / Audited Financial Results were also published in The Indian Express – English Newspaper and The Loksatta - Marathi Newspaper, both Pune editions.

The Company also displays all unaudited / audited financial results, any major announcements, decisions, Press releases or significant developments on its website **www.sudarshan.com**

In terms of SEBI Circular the Company has designated an e-mail address - **grievance.redressal@sudarshan.com** for enabling investors to post their grievances and to enable timely action on investor grievances, if any. Members are requested to forward their grievances, if any, at the designated e-mail address.

Shareholders / Investors are requested to access the Shareholder Referencer - “Investor Guide” which has been sent to all the Members during March, 2016. This will enable the Members to get an insight of how the system works and procedures involved.

XVIII. Shareholders Information:

Shareholders information is separately provided in the Annual Report.

CFO Certification:

The Chairman and Managing Director and the Acting CFO give an annual certification on financial reporting and internal controls to the Board in terms of Listing Regulations, 2015. The Chairman and Managing Director and the Acting CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 17(8) of the Listing Regulations, 2015. The annual certificate given by the Chairman and Managing Director and the Acting CFO is published as **Annexure I** to this Report.

Compliance Certificate of the Auditors

Certificate from B. K. Khare & Co., Statutory Auditors confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, 2015 is attached as **Annexure II** to this Report.

XIX. Code of Conduct:

The Board has laid down a Code of Conduct for all members of the Board and Senior Management consisting of members of the Corporate Executive Committee and other Employees / Executives of the Company. The Code of Conduct is posted on the Company's website - **www.sudarshan.com**

All the members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the period from 1st April, 2015 to 31st March, 2016. The declaration dated 20th May, 2016 received from Mr. P. R. Rathi, Chairman and Managing Director in this regard is given below:

"I hereby declare that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct for the period from 1st April, 2015 to 31st March, 2016."

For and on behalf of the Board of Directors
For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Pune : 27th May, 2016

P.R.RATHI
CHAIRMAN AND MANAGING DIRECTOR

ANNEXURE I

CERTIFICATE OF CHAIRMAN AND MANAGING DIRECTOR AND DY. GENERAL MANAGER (FINANCE)-ACTING CFO

To,

The Board of Directors
Sudarshan Chemical Industries Limited
162 Wellesley Road
Pune 411 001

In respect of Audited Results of the Company for the Year ended 31st March, 2016, we hereby certify that:

- (A) We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. 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.
- (B) There are, 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.
- (C) We have established and are maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee that there are no deficiencies in the design or operation of such internal controls of which we are aware.
- (D) We have indicated to the auditors and the Audit committee that:
 - i. There are no significant changes in internal control over financial reporting during the year;
 - ii. There are no significant changes in accounting policies during the year; and
 - iii. There are no 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.

P. R. Rathi
Chairman and Managing Director

V. V. Thakur
Dy. General Manager (Finance)
Acting CFO

Pune : 27th May, 2016

ANNEXURE II

AUDITORS' CERTIFICATE

To the Members of Sudarshan Chemical Industries Limited

We have examined the compliance of conditions of Corporate Governance by Sudarshan Chemical Industries Limited (the Company) for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per Regulation 17 to 27, Clause (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C, D, & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1st December, 2015 to 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.

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

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. : 105102W

Naresh Kumar Kataria
Partner
Membership No. 037825

Pune : 27th May, 2016

SHAREHOLDERS INFORMATION

1. Annual General Meeting :

Day and Date	Friday, 12th August, 2016
Time	11.30 A.M.
Venue	Sumant Moolgaokar Auditorium, A-Wing, Ground Floor, Maharashtra Chamber of Commerce, Industries And Agriculture, ICC Complex, Senapati Bapat Marg, Pune 411 016.

2. Financial Calendar (Tentative) : April 2016 to March 2017

Sr. No.	Particulars of Meetings	Date
1	Audited Financial Results for the year ended 31 st March, 2016.	27 th May, 2016
2	Unaudited Quarterly Results for the Quarter ended 30 th June, 2016.	12 th August, 2016
3	65 th Annual General Meeting	12 th August, 2016
4	Unaudited Quarterly Results for the Quarter ended 30 th September, 2016.	11 th November, 2016
5	Unaudited Quarterly Results for the Quarter ended 31 st December, 2016.	10 th February, 2017
6	Audited Annual Results for the year ended on 31 st March, 2017.	26 th May, 2017

3. Date of Book Closure :

1st August, 2016 to 12th August, 2016 (both days inclusive).

4. Dividend payment date:

The dividend payment date for interim dividend declared by the Board on 10th March, 2016 was 29th March, 2016.

The Board of Directors at its meeting held on 27th May, 2016 have recommended final dividend of Rs. 0.50 per equity share (@ 25%) on a face value of Rs. 2 for the year Financial Year ended 31st March, 2016 subject to the approval of the shareholders in the Annual General Meeting. The final dividend, if approved by the shareholders at the Annual General Meeting, will be paid on or before 10th September, 2016 to those members whose names appear on the Register of Members of the Company / beneficial owners as on 12th August, 2016.

5. Dividend Trend for past five years:

Sr. No.	Dividend Year	Dividend %	Dividend per share
1	2015 – 16 (Interim Dividend) 2015 – 16 (Final Dividend)	150.00	Rs.2.50 per share of Rs 2 each Rs.0.50 per share of Rs 2 each
2	2014 – 15 (Final Dividend)	87.50	Rs.1.75 per share of Rs 2 each
3	2013 – 14 (Final Dividend)	150.00	Rs.15 per share of Rs 10 each
4	2012 – 13 (Final Dividend)	125.00	Rs.12.50 per share of Rs 10 each
5	2011 – 12 (Final Dividend)	125.00	Rs.12.50 per share of Rs 10 each

6. Listing on Stock Exchanges & Stock Code:

Name	Code
BSE Limited	506655
The National Stock Exchange of India Limited	SUDARSCHEM

The International Security Identification Number (ISIN) for Company's equity shares registered with NSDL and CDSL is INE659A01023.

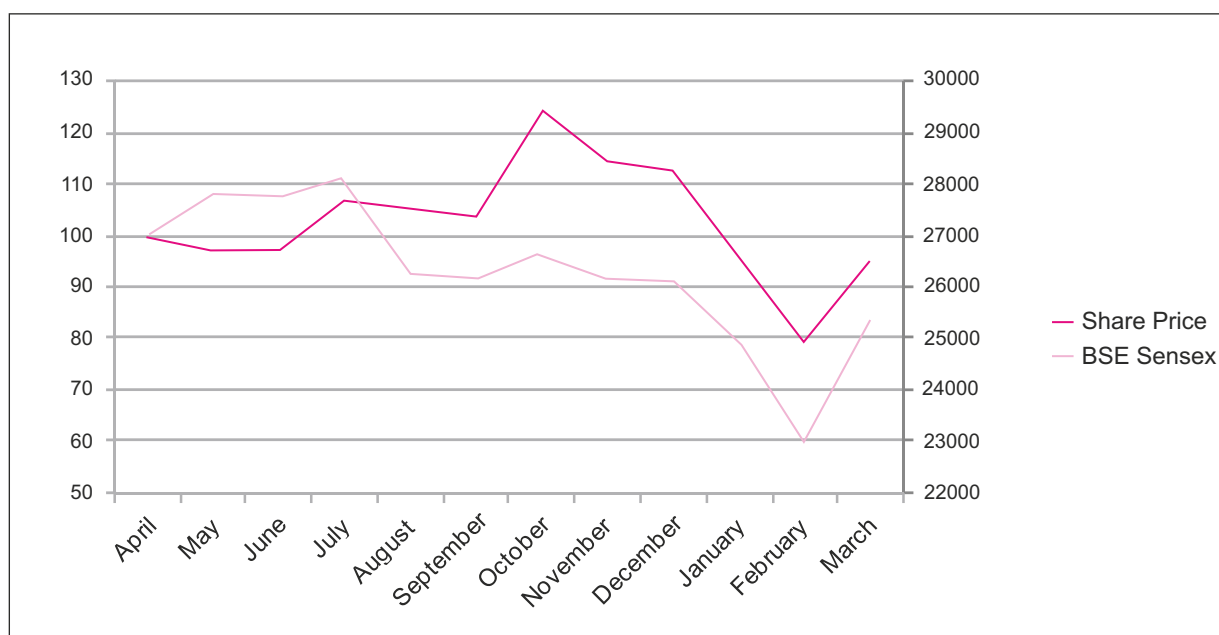
The Company has paid the Annual Listing fees in respect of BSE Limited and The National Stock Exchange of India Limited for the Financial Year 2016-2017. The Company has also paid the Annual Custodian Fees in respect of NSDL and CDSL for the Financial Year 2016-2017.

7. Stock Prices:

	BSE Limited		National Stock Exchange of India Limited	
Month	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2015	114.50	80.70	112.90	80.00
May, 2015	109.80	96.35	109.25	96.00
June, 2015	104.60	88.70	104.50	88.00
July, 2015	114.00	96.55	114.20	96.90
August, 2015	122.00	91.10	119.60	90.60
September, 2015	109.60	93.10	109.70	93.00
October, 2015	135.30	101.20	135.40	101.70
November, 2015	124.90	104.00	127.40	107.00
December, 2015	119.00	103.40	119.20	103.80
January, 2016	114.70	89.00	115.00	89.00
February, 2016	98.65	78.00	98.85	78.00
March, 2016	97.80	80.35	97.95	79.95

(Source: BSE and NSE - Websites)

Comparison of Sudarshan share price with BSE Sensex - April, 2015 to March, 2016:



8. Registrar and Transfer Agents:

Link Intime India Private Limited, Pune is acting as Company's Registrar and Transfer Agents to take care of all share related work including giving electronic credit of dematerialized shares of the Company. All share related matters are handled under the supervision of Mr. P. S. Raghavan Company Secretary who is also the Compliance Officer under the Listing Regulations, 2015.

9. Share Transfer System:

The Board has constituted a Share Transfer Committee for expeditious transfer of shares. The shares lodged with the Company and complete in all respects are usually transferred within a period of three weeks from the date of lodgment.

10. Distribution of shareholding:(As on 31st March, 2016)

No. of equity shares held	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 – 3000	15,460	94.74	75,14,473	10.86
3001 – 5000	365	2.24	15,11,859	2.18
5001 & Above	493	3.02	6,02,00,918	86.96
Total	16,318	100.00	6,92,27,250	100.00

11. Shareholding pattern:(As on 31st March, 2016)

Category	No. of shares held	% to total paid up share capital
Rathi Promoter Group	3,66,16,260	52.89
Foreign Companies / NRI's / Foreign Individuals	72,94,240	10.54
FII's / Financial Institutions / Banks / Insurance Companies / Mutual Funds / UTI	3,69,195	0.53
Corporate Bodies	21,05,066	3.04
Non-Promoter Directors / Resident Individuals	2,28,42,489	33.00
Total	6,92,27,250	100.00

12. Unpaid / Unclaimed Dividend:

In terms of the provisions of Section 124 of the Companies Act, 2013 the Company is obliged to transfer dividends which remain unpaid or unclaimed for period of seven years from the date of transfer to Unpaid Dividend Account to the credit of the Investor Education and Protection Fund established by the Central Government. Accordingly, the Company has transferred unclaimed dividend upto the Financial year 2007-08 to the fund and no claim shall lie against the Company or the fund in respect of dividends remaining unclaimed or unpaid and transferred to the Fund. Members are hereby informed that the seven years period for payment of the dividend pertaining to Financial Years as given below will expire on respective dates and thereafter the amount standing to the credit in the said account will be transferred to the 'Investor Education and Protection Fund' of the Central Government. Members are therefore requested to encash the dividend at the earliest.

Dates of transfer of Unclaimed Dividend to the fund:

Sr. No.	Financial Year ended	Date of Declaration	Date of completion of seven years for transfer to IEPF
1.	2008-09	31/07/2009	05/09/2016
2.	2009-10	14/08/2010	19/09/2017
3.	2010-11	12/08/2011	17/09/2018
4.	2011-12	10/08/2012	15/09/2019
5.	2012-13	20/09/2013	26/10/2020
6.	2013-14	09/08/2014	14/09/2021
7.	2014-15	14/08/2015	19/09/2022
8.	2015-16 (Interim Dividend)	10/03/2016 *	15/04/2023

* Declared by the Board of Directors

Details of Unclaimed shares:

Particulars	No of shareholders	No of shares outstanding
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	865	6,81,850
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year	1	6,81,850
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year	1	6,81,390
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year	864	6,81,390

13. Dematerialization of shares and liquidity:

The Company's shares are presently traded on the BSE and NSE in dematerialized form.

100% Promoters share holding is held in dematerialized form.

As on 31st March, 2016, 94.24 % of the total shareholding in the Company is held in dematerialized form which includes the promoters shareholding of 52.89%.

14. Outstanding GDRs / ADRs / Warrants and other Convertible instruments, conversion dates and likely impact on equity:

Not applicable as not issued.

15. Plant locations:

Location	Address
Roha	46 MIDC Estate, Dhataav, Roha 402 116, Dist Raigad
Mahad	Plot No. A-19/1+2, MIDC Estate, Mahad 402 301, Dist. Raigad
Ambadvet (Sutarwadi)	R&D Laboratory, Ambadvet (Sutarwadi), Dist. Pune
Chikhali	Gat No. 1559, Shelar Vasti, Chikhali, Pune 411 062

16. Address for Correspondence:

(1) The Company Secretary
Sudarshan Chemical Industries Limited,
162 Wellesley Road,
Pune: 411 001
Tel No. : 020 –26226200
Email: grievance.redressal@sudarshan.com

(2) Link Intime India Private Limited
“Akshay Complex”
Block No. 202, 2nd Floor,
Off Dhole Patil Road,
Near Ganesh Temple,
Pune : 411 001
Tel.No.:020 –26160084,020-26161629
Telefax : 020 –26163503
E-mail :pune@linkintime.co.in

Disclosure under Regulation 10(1)(a)(ii) of the Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 2011:

Persons named as Promoters in the shareholding pattern filed by the Company pursuant to Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. with the Stock Exchanges where the equity shares of the Company is listed.

Mr. P. R. Rathi Group

- 1) Mrs. Kusum Ramwilas Rathi
- 2) Mr. Pradeep Ramwilas Rathi
- 3) Mrs. Subhadra Pradeep Rathi
- 4) Mr. Rahul Pradeep Rathi

Mr. A. B. Rathi and Mr. R. B. Rathi Group

- 5) Balkrishna Rathi Finance Private Limited
- 6) Mr. Balkrishna Jagannath Rathi (HUF)
- 7) Mrs. Kusum Balkrishna Rathi
- 8) Mr. Ajay Balkrishna Rathi
- 9) Mr. Ajay Balkrishna Rathi (HUF)
- 10) Mr. Ajay Balkrishna Rathi,
Trustee of Manan Rathi Trust
- 11) Mrs. Nisha Ajay Rathi
- 12) Mr. Rajesh Balkrishna Rathi
- 13) Mr. Rajesh Balkrishna Rathi (HUF)
- 14) Mr. Rajesh Balkrishna Rathi,
Trustee of Shri. Balkrishna Rathi Family Trust
- 15) Mr. Rajesh Balkrishna Rathi,
Trustee of Sow Rachna Rathi Family Trust
- 16) Mrs. Rachna Rajesh Rathi

Mr. N. J. Rathi Group

- 17) Mr. Narayandas Jagannath Rathi
- 18) Mr. Anuj Narayandas Rathi
- 19) Mr. Anuj Narayandas Rathi (HUF)
- 20) Mrs. Archana Anuj Rathi
- 21) NJR Finance Private Limited

Mr. K. L. Rathi Group

- 22) Mr. Kishor Laxminarayan Rathi
- 23) Mrs. Aruna Kishor Rathi
- 24) Mr. Rohit Kishor Rathi
- 25) Laxminarayan Finance Private Limited.

INDEPENDENT AUDITORS' REPORT

To the Members of Sudarshan Chemical Industries Limited

Report on the Standalone the Financial Statements

1. We have audited the accompanying Standalone Financial Statements of Sudarshan Chemical Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.
4. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company, as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
 - d. in our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements Ref. Note No. 3(i) of Note No. 29 to the Financial Statements
 - ii. The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. : 105102W

Naresh Kumar Kataria
Partner
Membership No.037825

Pune : 27th May, 2016

ANNEXURE A TO THE AUDITORS' REPORT

Annexure to the Auditors' Report referred to in paragraph 9 of Report on Other Legal and Regulatory Requirements in our report of even date:

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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. As informed to us no material discrepancies as compared to book records were noticed on assets verified during the year.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us, the inventory was physically verified during the year by the Management. In our opinion, the frequency of the verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of accounts.
- iii. The Company has granted unsecured loan to two wholly owned subsidiaries covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Loans given to one of the aforesaid subsidiaries was repaid during the year.
 - a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the two wholly owned subsidiaries company listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
 - b) In respect of the aforesaid loans, the parties are repaying the principal amount, as stipulated, and are also regular in payment of interest as applicable.
 - c) In respect of the aforesaid loans, there is no overdue amount
- iv. In our opinion and according to the information and explanations given to us, provisions of Section 185 and 186 of the Act in respect of loans given, investment made and guarantees given to parties covered under the respective sections have been complied with by the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii.
 - a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and other material statutory dues, as applicable, with the appropriate authorities.
There are no arrears of outstanding undisputed statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they become payable.
 - b) According to the information and explanations given to us and records of the Company examined by us, particulars of dues of Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of disputes are as under:

Name of the Statute	Nature of Dues	Amount (Rs.)	Financial Years to which it pertains	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	325,517	2004-05, 2005-06, 2009-10, 2010-11 & 2015-16	Assistant Commissioner of Central Excise
The Central Excise Act, 1944	Excise Duty	29,275,485	2004-05 2010-11 & 2014-15	Custom, Excise & Service Tax Appellate Tribunal

Name of the Statute	Nature of Dues	Amount (Rs.)	Financial Years to which it pertains	Forum where the dispute is pending
The Central Excise Act, 1944	Excise Duty	715,548	2013-14 & 2014-15	Commissioner Appeal Central Excise
Maharashtra VAT Act, 2002	VAT	14,500,437	2006-07 to 2011-12	Joint Commissioner of Sales Tax (Appeal 01)
Tamil Nadu VAT Act, 2006	VAT	623,691	2003-04	Assistant Commissioner, Commercial Tax Department Coimbatore
Andhra Pradesh VAT Act, 2005	VAT	826,015	2007-08	Assistant Commissioner, Commercial Tax Department (LTU)
Karnataka VAT Act, 2003	VAT	76,959	2008-09	The Commercial Tax Inspector, Commercial Tax Check Post
Total		16,027,102		

- viii. Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the Balance Sheet date.
- ix. Based on the records examined by us and according to the information and explanations given to us, during the year, term loans were applied for the purpose for which the loans were obtained. According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have not come across any instances of frauds by the Company or any material fraud on the Company by its officers or employees nor have any instances of material fraud been reported to us by the management during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the Clause 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. : 105102W

Naresh Kumar Kataria
Partner
Membership No.037825

Pune : 27th May, 2016

ANNEXURE B TO THE AUDITORS' REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Sudarshan Chemical Industries Limited on the Standalone Financial Statements for the year ended 31st March 2016.

1. We have audited the internal financial controls over financial reporting of Sudarshan Chemical Industries Limited ("the Company") as of 31st March, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that
 - a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - b. 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

- c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. : 105102W

Naresh Kumar Kataria
Partner

Membership No.037825

Pune : 27th May, 2016

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	138,454,500	138,454,500
(b) Reserves and Surplus	2	3,130,454,249	2,664,137,268
		3,268,908,749	2,802,591,768
(2) Non-current Liabilities			
(a) Long-term borrowings	3	2,083,082,000	1,555,977,806
(b) Deferred tax liabilities (Net)	4	344,285,924	361,492,971
(c) Other long-term liabilities	5	38,771,536	34,960,680
(d) Long-term provisions	6	109,806,228	108,784,353
		2,575,945,688	2,061,215,810
(3) Current Liabilities			
(a) Short-term borrowings	7	1,047,155,688	1,489,719,393
(b) Trade payables	8		
- Micro Enterprises and Small Enterprises		11,154,454	4,364,137
- Other than Micro Enterprises and Small Enterprises		1,702,290,742	1,547,802,568
(c) Other current liabilities	9	917,987,934	932,140,588
(d) Short-term provisions	10	61,334,712	176,200,953
		3,739,923,530	4,150,227,639
Total		9,584,777,967	9,014,035,217
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11	3,147,874,545	2,935,291,373
(ii) Intangible assets	12	135,467,760	156,454,835
(iii) Capital work-in-progress		154,348,213	74,941,306
(b) Non-current investments	13	482,862,112	492,862,112
(c) Long-term loans and advances	14	341,049,622	223,506,124
(d) Other non-current assets	15	2,500,000	-
		4,264,102,252	3,883,055,750
(2) Current Assets			
(a) Inventories	16	1,693,440,769	1,726,253,563
(b) Trade receivables	17	2,894,432,023	2,658,752,536
(c) Cash and cash equivalents	18	214,904,188	186,154,627
(d) Short-term loans and advances	19	457,896,696	458,204,824
(e) Other current assets	20	60,002,039	101,613,917
		5,320,675,715	5,130,979,467
Total		9,584,777,967	9,014,035,217
See accompanying Notes to The Financial Statements	29		

The accompanying notes form an integral part of The Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn. No.: 105102W

S.N.INAMDAR
Independent Director &
Audit Committee
Chairman

P.R.RATHI
Chairman &
Managing Director

V.V.THAKUR
Deputy General
Manager - Finance
(Acting CFO)

NARESH KUMAR KATARIA
Partner
Membership No.: 037825

R.B.RATHI
Deputy
Managing Director

P.S.RAGHAVAN
Company Secretary

Pune : 27th May, 2016

Pune : 27th May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	21	12,973,233,766	11,693,338,907
Less : Excise duty		900,669,442	810,400,819
		12,072,564,324	10,882,938,088
II. Other Income	22	128,814,882	248,831,592
III. Total Revenue (I +II)		12,201,379,206	11,131,769,680
IV. Expenses :			
Cost of materials consumed	23	6,596,407,755	6,391,076,445
Purchase of stock-in-trade	24	346,774,989	324,083,302
(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	25	64,060,448	(51,314,360)
Employee benefit expense	26	717,793,766	752,555,140
Finance costs	27	263,500,749	346,669,362
Depreciation and amortisation expense	11,12	437,907,805	397,525,860
Other expenses	28	2,790,065,330	2,374,963,432
Total Expenses		11,216,510,842	10,535,559,181
V. Profit / (Loss) before exceptional, extraordinary items and tax (III - IV)		984,868,364	596,210,499
VI. Exceptional Items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		984,868,364	596,210,499
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII - VIII)		984,868,364	596,210,499
X. Tax expense :			
Current Tax		211,289,724	124,622,129
MAT Credit Availed (Pertaining to previous year's entitlement)		74,500,000	28,600,000
		285,789,724	153,222,129
Deferred Tax Charge / (Credit)		(17,207,047)	18,915,529
Total Tax Expense		268,582,677	172,137,658
XI. Profit / (Loss) for the period from continuing operations		716,285,687	424,072,841
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		716,285,687	424,072,841
XVI. Earnings per equity share, Basic and Diluted (Rs. Per Equity Share of Rs. 2 each) (Ref. Note No. 23 of Note No. 29)		10.35	6.13
See accompanying Notes to The Financial Statements	29		

The accompanying notes form an integral part of The Financial Statements.

As per our report of even date.

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn. No.: 105102W

NARESH KUMAR KATARIA
Partner
Membership No.: 037825

Pune : 27th May, 2016

For and on behalf of the Board of Directors

S.N.INAMDAR
Independent Director &
Audit Committee
Chairman

Pune : 27th May, 2016

P.R.RATHI
Chairman &
Managing Director

R.B.RATHI
Deputy
Managing Director

V.V.THAKUR
Deputy General
Manager - Finance
(Acting CFO)

P.S.RAGHAVAN
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
Cash flow from operating activities		
Profit / (Loss) before tax from operations	984,868,364	596,210,499
Adjustments :		
Depreciation / amortization	437,907,805	397,525,860
Loss / (Profit) on sale or write off of fixed assets	(490,868)	1,941,698
Provisions no longer required written back	(67,961,944)	(2,051,377)
Unrealized foreign exchange Loss / (Gain)	13,566,317	(7,337,983)
Provision for doubtful debts	35,576,838	-
Advances written off	6,487,290	-
Provision for doubtful advances	6,000,000	-
Bad Debts written-off	34,372,896	10,014,638
Interest expense	263,500,749	346,669,362
Interest income	(37,918,480)	(38,363,446)
Operating cash flows before working capital changes	1,675,908,967	1,304,609,251
Movements in working capital :		
Increase / (decrease) in trade payables	155,480,984	482,434,117
Increase / (decrease) in long-term provisions	1,021,875	9,087,495
Increase / (decrease) in short-term provisions	(10,712,948)	18,182,785
Increase / (decrease) in other current liabilities	151,917,962	93,645,265
Increase / (decrease) in other long-term liabilities	3,810,856	379,300
Decrease / (increase) in trade receivables	(309,808,460)	(50,929,859)
Decrease / (increase) in inventories	32,812,793	(111,264,833)
Decrease / (increase) in long-term loans and advances	(24,160,349)	(41,130,317)
Decrease / (increase) in short-term loans and advances	308,128	(85,240,385)
Decrease / (increase) in other current assets	44,423,294	19,274,191
Cash generated from / (used in) operations	1,721,003,102	1,639,047,010
Direct taxes paid	(190,870,625)	(142,275,000)
Net cash flow from / (used in) operating activities (A)	1,530,132,477	1,496,772,010
Cash flows from investing activities :		
Purchase of fixed assets, including intangible assets, CWIP and Capital advances	(752,288,622)	(514,184,250)
Proceeds from sale of fixed assets	2,485,184	3,097,687
Proceeds from non-current investments	10,000,000	10,000,000
Share Application Money	(70,000,000)	-
Purchase of non-current investments	-	(210,100,000)
Investments in bank deposits (Having original maturity of more than three months) (Net)	(17,062,441)	4,182,136
Interest received	35,107,064	38,363,446
Net cash flow from / (used in) investing activities (B)	(791,758,815)	(668,640,981)
Cash flows from financing activities :		
Proceeds from long-term borrowings	692,464,976	1,196,817,918
Repayment of long -term borrowings	(368,513,383)	(1,514,878,421)
Dividend Paid (Including Dividend Distribution Tax)	(354,121,999)	(121,488,635)
Proceeds from short-term borrowings (Net)	(442,434,440)	18,375,227
Interest paid	(251,581,696)	(340,425,531)
Net cash flow from / (used in) in financing activities (C)	(724,186,542)	(761,599,442)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	14,187,120	66,531,587
Cash and cash equivalents at the beginning of the year	168,681,456	102,149,869
Cash and cash equivalents at the end of the year	182,868,576	168,681,456
Components of cash and cash equivalents		
Cash on hand	1,704,770	1,766,511
With banks :		
on current account	170,123,645	75,101,281
on deposit account	31,629	88,316,736
unpaid dividend accounts*	11,008,532	3,496,928
Total cash and cash equivalents (Ref. Note No. 18(a))	182,868,576	168,681,456

Notes:

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement, prescribed under Section 133 of the Companies Act, 2013.
- 2) Previous year's figures have been regrouped wherever necessary to conform to the current year classification.

* The Company can utilise these balances only towards settlement of the respective unpaid dividend.

The accompanying notes form an integral part of The Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn. No.: 105102W

S.N.INAMDAR
Independent Director &
Audit Committee
Chairman

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P.S.RAGHAVAN
Company Secretary

Pune : 27th May, 2016

Pune : 27th May, 2016

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.		As at 31-03-2015 Rs.	
	SHAREHOLDERS' FUNDS :				
1	SHARE CAPITAL				
	Equity Share Capital :				
	AUTHORISED :				
	75,000,000 (Previous Year : 75,000,000) Equity Shares of Rs. 2 each.	150,000,000		150,000,000	
	ISSUED :				
	* 69,227,750 (Previous Year : 69,227,750) Equity Shares of Rs. 2 each.	138,455,500		138,455,500	
	SUBSCRIBED AND PAID-UP :				
	69,227,250 (Previous Year : 69,227,250) Equity Shares of Rs. 2 each fully paid up.	138,454,500		138,454,500	
	* Allotment of 500 Rights Equity Shares of Rs. 2 each is kept in abeyance, matter being sub-judice.				
	(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :				
	At the beginning of the year	No.	Rs.	No.	Rs.
	Equity Shares of Rs.10 each are sub-divided into Rs.2 each	69,227,250	138,454,500	6,922,725	69,227,250
	Add : Bonus shares allotted during the year in the ratio 1:1	-	-	34,613,625	69,227,250
	Less : Shares bought back during the year	-	-	34,613,625	69,227,250
	Outstanding at the end of the year	-	-	-	-
		69,227,250	138,454,500	69,227,250	138,454,500
	(b) Terms / Rights attached to equity shares :				
	The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
	During March, 2016 an Interim Dividend of Rs. 2.50 per share was paid. Also, a Final Dividend of Rs. 0.50 per share was proposed to be paid for the Financial Year ended 31 st March, 2016, subject to approval of shareholders. In view of this, the amount of dividend per share aggregates to Rs. 3.00 on a face value of Rs. 2 per share (Previous Year : Rs. 1.75).				
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
	(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates :				
	The Company does not have any holding or ultimate holding company.				
	(d) Details of shareholders holding more than 5% shares in the company :				
		No.	%	No.	%
	Mr. Pradeep R. Rath	3,823,450	5.52	3,823,450	5.52
	Mr. Rahul P. Rath	4,754,540	6.87	4,754,540	6.87
	Mr. Anuj N. Rath	3,827,620	5.53	3,827,620	5.53
	DIC Corporation, Japan	5,579,890	8.06	5,579,890	8.06

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.		As at 31-03-2015 Rs.	
2	RESERVES AND SURPLUS				
	(a) CAPITAL RESERVE				
	Balance at the beginning of the year	5,044,100		5,044,100	
	Additions during the year	-		-	
	Less : Deductions during the year	-		-	
	Balance at the end of the year	5,044,100	5,044,100	5,044,100	5,044,100
	(b) SECURITIES PREMIUM ACCOUNT				
	Balance at the beginning of the year	132,115,000		132,115,000	
	Additions during the year	-		-	
	Less : Deductions during the year	-		-	
	Balance at the end of the year	132,115,000	132,115,000	132,115,000	132,115,000
	(c) REVALUATION RESERVE				
	Balance at the beginning of the year	-		498,450,000	
	Additions during the year	-		-	
	Less : Deductions during the year	-		498,450,000	
	<i>Ref. Note No. 4 of Note No. 29</i>				
	Balance at the end of the year	-	-	-	-
	(d) GENERAL RESERVE				
	Balance at the beginning of the year	1,584,050,614		1,604,115,720	
	Add : Transferred from Surplus in the Statement of Profit and Loss	100,000,000		60,000,000	
	Less : Deductions during the year -				
	Transferred to Paid - up Share Capital on issue of Bonus Shares	-		69,227,250	
	Depreciation (Net of Deferred Tax Liability Rs. Nil (Previous Year : Rs. 5,580,651)) <i>Ref. Note No. 27A of Note No. 29</i>	-		10,837,856	
	Balance at the end of the year	1,684,050,614	1,684,050,614	1,584,050,614	1,584,050,614
	(e) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS				
	Surplus at the beginning of the year	942,927,554		724,669,331	
	Add : Profit After Tax for the year	716,285,687		424,072,841	
	Less: Appropriations				
	Interim Equity Dividend	173,068,911		-	
	Proposed Final Equity Dividend	34,613,625		121,147,688	
	Tax on Interim and Final Equity Dividend	42,286,170		24,666,930	
	Transferred to General Reserve	100,000,000		60,000,000	
		1,309,244,535	1,309,244,535	942,927,554	942,927,554
	Total ...	3,130,454,249		2,664,137,268	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
	NON-CURRENT LIABILITIES :		
3	LONG-TERM BORROWINGS		
	(a) SECURED LOANS FROM BANKS :		
	- Rupee Loans :		
	Export - Import Bank of India (EXIM Bank) <i>Ref. Note No. i) below</i>	112,400,000	150,000,000
	State Bank of India <i>Ref. Note No. ii) below</i>	120,000,000	180,000,000
	- Foreign Currency Loans :		
	Export - Import Bank of India (EXIM Bank) <i>Ref. Note No. iii) below</i>	-	20,367,306
	State Bank of India <i>Ref. Note Nos. iv) and v) below</i>	1,195,902,000	753,720,500
		1,428,302,000	1,104,087,806
	(b) UNSECURED LOANS FROM OTHERS :		
	Loans and Advances from Related Parties :		
	i) Intercompany Deposits <i>Ref. Note No. vi) below</i>	86,570,000	32,880,000
	ii) Fixed Deposits		
	1) From Public	3,620,000	3,620,000
	2) From Shareholders	70,130,000	70,130,000
	<i>Ref. Note No. vii) below and Note No. 9 of Note No. 29</i>		
		160,320,000	106,630,000
	Loans and Advances from Others :		
	i) Intercompany Deposits <i>Ref. Note No. vi) below</i>	27,950,000	13,510,000
	ii) Fixed Deposits		
	1) From Public	404,720,000	269,960,000
	2) From Shareholders	61,790,000	61,790,000
	<i>Ref. Note No. vii) below and Note No. 9 of Note No. 29</i>		
		494,460,000	345,260,000
		654,780,000	451,890,000
	Total ...	2,083,082,000	1,555,977,806

Sr. No.	Particulars	Rate and Repayment Schedule	Security
i)	Corporate Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. 112,400,000 (P.Y. Rs. 150,000,000)) was taken in Financial Year 2014-15	Interest @ 10.45% p.a. Repayable in 16 quarterly instalments of Rs. 94 Lacs each from July 2016.	Secured by a First Pari Passu Charge by way of hypothecation of the entire movable fixed assets both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune and further secured by way of mortgage by First Pari Passu Charge over the entire fixed assets including immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune.
ii)	Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 120,000,000 (P.Y. Rs. 180,000,000)) was taken in parts till 31 st March, 2014	Interest @ 10.65% p.a. Repayable in 8 quarterly instalments of Rs. 250 Lacs each from June 2014.	Secured a First Pari Passu Charge on the movable fixed assets and current assets of the Company. Also the said Corporate Loan is secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune.
iii)	Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. Nil (P.Y. Rs. 20,367,306)) was taken in parts till 31 st March, 2014	Interest @ LIBOR + 475 b.p.s. p.a. Repayable in 12 quarterly instalments of USD 0.83 Lacs each from March 2014.	Secured by a First Pari Passu Charge on the entire fixed assets of the Company. Also the said Foreign Currency Loan is secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune.
iv)	ECB Loan from SBI of EURO 13 Million (outstanding Rs. 639,580,500 (P.Y. Rs. 753,720,500)) was taken in Financial Year 2014-15	Interest @ 3.20% p.a. Repayable in 20 quarterly instalments of EURO 6.50 Lacs each from July 2015.	Secured by a First Pari Passu Charge on all the movable fixed assets both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune and further secured by way of Supplemental Deed of Mortgage by First Pari Passu Charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Sr. No.	Particulars	Rate and Repayment Schedule	Security
v)	ECB Loan from SBI of EURO 11.35 Million (outstanding Rs. 556,321,500 (P.Y. Rs. Nil)) was taken in Financial Year 2015-16	Interest @ EURIBOR + 200 b.p.s. p.a. Repayable in 20 quarterly instalments of EURO 6.50 Lacs each from July 2015.	To be secured by a First Pari Passu Charge on all the movable fixed assets both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune and further to be secured by way of Deed of Mortgage by First Pari Passu Charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune
vi)	Intercompany Deposits	Rate of Interest is 8.50% to 11.25% p.a. Accepted for period of 3 years.	None
vii)	Fixed Deposits	Rate of Interest is 10.25% p.a. Accepted for period of 3 years.	None
viii)	Borrowings maturing within 12 months are disclosed in Note No. 9 (a)		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
4	DEFERRED TAX LIABILITIES (NET)		
	Deferred Tax Liabilities :		
	Depreciation	386,739,658	386,961,912
		<u>386,739,658</u>	<u>386,961,912</u>
	Deferred Tax Assets :		
	Provision for Doubtful Advance / Debtors	17,495,434	-
	Expenditure accrued, allowable on actual payment	24,958,300	25,468,941
		<u>42,453,734</u>	<u>25,468,941</u>
	Deferred Tax Liabilities (Net)	<u>344,285,924</u>	<u>361,492,971</u>
	<i>Ref. Note No. 1 (xiii) of Note No. 29</i>		
5	OTHER LONG-TERM LIABILITIES		
	Security Deposits	28,346,008	28,173,008
	Retention Money	10,425,528	6,787,672
	Total ...	<u>38,771,536</u>	<u>34,960,680</u>
6	LONG-TERM PROVISIONS		
	PROVISION FOR EMPLOYEE BENEFITS :		
	Pension	67,221,208	63,795,519
	<i>Ref. Note No.1 (xii) and Note No. 6 (A) 2 (a) of Note No. 29</i>		
	For current maturity Ref. Note No.10 (a)		
	Compensated Absences	42,585,020	44,988,834
	<i>Ref. Note No.1 (xii) and Note No. 6 (A) 3 of Note No. 29</i>		
	For current maturity Ref. Note No.10 (a)		
	Total ...	<u>109,806,228</u>	<u>108,784,353</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
	CURRENT LIABILITIES :		
7	SHORT-TERM BORROWINGS		
	LOANS REPAYABLE ON DEMAND :		
	FROM BANKS -		
	(a) SECURED LOANS :		
	- Rupee Loans :		
	Working Capital Borrowings	695,066,840	960,569,000
	Ref. Note Nos. i) to x) below		
	- Foreign Currency Loans :		
	Working Capital Borrowings	74,588,848	248,156,703
	Ref. Note Nos. xi) to xiv) below		
	(b) UNSECURED LOANS :		
	- Rupee Loans :		
	Short-Term Loans	277,500,000	169,532,301
	Ref. Note Nos. xv) to xviii) below		
	- Foreign Currency Loans :		
	Short-Term Loans	-	111,461,389
	Ref. Note Nos. xix) below		
	Total ...	1,047,155,688	1,489,719,393

Sr. No.	Particulars	Rate and Repayment Schedule	Security
i)	Working Capital Borrowing (Cash Credit) Rs. 132,000,513 (P.Y. Rs. 67,177,069) from Bank of Maharashtra	Interest @ 9.95% p.a.	Working Capital Borrowings from Bank of Maharashtra led Consortium Banks consisting of Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited are secured by a First Charge on the Current Assets of the Company viz. stock-in-trade, book debts, receivables and raw materials. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amrablewadi, Dist. Pune by creation of a joint registered mortgage.
ii)	Working Capital Borrowing (Cash Credit) Rs. 200,137,795 (P.Y. Rs. 106,003,454) from State Bank of India	Interest @ 10.45% p.a.	
iii)	Working Capital Borrowing (Cash Credit) Rs. 48,945,975 (P.Y. Rs. 2,459,563) from Bank of Baroda	Interest @ 10.65% p.a.	
iv)	Working Capital Borrowing (Cash Credit) Rs. 30,220,176 (P.Y. Rs. 32,560,525) from HDFC Bank Limited	Interest @ 12.30% p.a.	
v)	Working Capital Borrowing (Cash Credit) Rs. 78,504,618 (P.Y. Rs. 52,368,389) from ICICI Bank Limited	Interest @ 10.60 % p.a.	
vi)	Short-Term Borrowing Rs. 100,000,000 (P.Y. Rs. 70,000,000) from HSBC Limited	Interest @ 9.28% p.a. Repayable within 90 days from the date of borrowing.	
vii)	Short-Term Borrowing Rs. 100,000,000 (P.Y. Rs. 400,000,000) from State Bank of India	Interest @ 9.55% p.a. Repayable within 90 days from the date of borrowing.	
viii)	Short-Term Borrowing Rs. Nil (P.Y. Rs. 200,000,000) from Bank of Baroda	Interest @ 10.00% p.a. Repayable within 90 days from the date of borrowing.	
ix)	Working Capital Borrowing (Bills Discounted) Rs. 5,257,763 (P.Y. Rs. Nil) from HDFC Bank Limited	Interest @ 9.70% p.a. Repayable within 90 days from the date of borrowing.	
x)	Working Capital Borrowing (EPC) Rs. Nil (P.Y. Rs. 30,000,000) from HDFC Bank Limited	Interest @ 10.00% p.a. Repayable within 180 days from the date of borrowing.	
xi)	Working Capital Borrowing (PCFC) Rs. 66,680,000 (P.Y. Rs. Nil) from HDFC Bank Limited	Interest @ LIBOR +55 b.p.s. p.a. Repayable within 90 days from the date of borrowing.	
xii)	Working Capital Borrowing (PCFC) Rs. Nil (P.Y. Rs. 126,020,000) from State Bank of India	Interest @ LIBOR + 105 b.p.s. p.a. Repayable within 90 days from the date of borrowing.	
xiii)	Working Capital Borrowing (PCFC) Rs. Nil (P.Y. Rs. 58,199,835) from HSBC Limited	Interest @ LIBOR + 110 b.p.s. p.a. Repayable within 90 days from the date of borrowing.	
xiv)	Working Capital Borrowing (Packing Credit (Post-shipment)) Rs. 7,908,848 (P.Y. Rs. 63,936,868) from Bank of Maharashtra	Interest @ LIBOR + 150b.p.s. p.a. Repayable within 90 days from the date of borrowing.	
xv)	Working Capital Borrowing (EPC) Rs. Nil (P.Y. Rs. 60,000,000) from Citibank N.A.	Interest @ 9.60% p.a. Repayable within 180 days from the date of borrowing.	None
xvi)	Short-Term Borrowing Rs. 77,500,000 (P.Y. Rs. 60,000,000) from HDFC Bank Limited	Interest @ 9.50% p.a. Repayable within 90 days from the date of borrowing.	None
xvii)	Short-Term Borrowing Rs. 200,000,000 (P.Y. Rs. Nil) from IDFC Bank Limited	Interest @ 9.50% p.a. Repayable within 90 days from the date of borrowing.	None
xviii)	Buyer's Credit Borrowing in INR Rs. Nil (P.Y. Rs. 49,532,301) from HSBC Limited	Interest @ 10.10%p.a. Repayable within 180 days from the date of borrowing.	None
xix)	Buyer's Credit Borrowing Rs. Nil (P.Y. Rs. 111,461,389) from HDFC Bank Limited	Interest @ LIBOR + 0.95 b.p.s. p.a. Repayable within 180 days from the date of borrowing.	None

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
8	TRADE PAYABLES		
	(a) Micro Enterprises and Small Enterprises		
	Acceptances	-	-
	Other than acceptances	11,154,454	4,364,137
	<i>Ref. Note No. 7 of Note No. 29</i>	11,154,454	4,364,137
	(b) Other than Micro Enterprises and Small Enterprises		
	Acceptances	326,600,951	310,548,472
	Other than acceptances	1,375,689,791	1,237,254,096
		1,702,290,742	1,547,802,568
	Total ...	1,713,445,196	1,552,166,705
9	OTHER CURRENT LIABILITIES		
	(a) Current maturities of long-term debt :		
	<i>For non-current maturities Ref. Note No. 3</i>		
	- Secured Loans from Banks :		
	Rupee Loans :		
	Export - Import Bank of India (EXIM Bank)	37,600,000	67,500,000
	State Bank of India	60,000,000	60,000,000
	Bank of Maharashtra	-	79,848,771
	Foreign Currency Loans :		
	Export - Import Bank of India (EXIM Bank)	21,558,857	21,003,332
	State Bank of India	196,794,000	133,009,500
	<i>For security & other terms Ref. Note Nos. i) to v) of Note No. 3</i>		
	- Unsecured Loans :		
	Loans and Advances from Related Parties :		
	Intercompany Deposits	6,110,000	70,975,000
	<i>Ref. Note No. vi) of Note No. 3</i>		
	Loans and Advances from Others :		
	Intercompany Deposits	18,610,000	9,550,000
	<i>Ref. Note No. vi) of Note No. 3</i>		
	(b) Interest accrued but not due on borrowings :	7,113,905	11,068,973
	(c) Unclaimed Liabilities :		
	Unclaimed Dividend	10,998,532	3,496,928
	Unclaimed Matured Fixed Deposits	670,000	-
	<i>Ref. Note No. 9 of Note No. 29</i>		
	(d) Other payables :		
	Statutory Dues	115,646,511	95,296,880
	Other Liabilities (<i>Ref. Note No. 28 of Note No. 29</i>)	401,502,406	377,845,602
	Unamortised Premium of Forward Contracts	410,903	-
	Forward Contracts Payable	21,358,075	-
	Trade Payables - For Capital Goods	19,614,745	2,545,602
	Total ...	917,987,934	932,140,588

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
10	SHORT-TERM PROVISIONS		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Compensated Absences <i>Ref. Note No.1 (xii) and Note No. 6 (A) 3 of Note No. 29</i> <i>For non-current maturity Ref. Note No.6</i>	6,997,804	7,392,812
	Pension <i>Ref. Note No.1 (xii) and Note No. 6 (A) 2 (a) of Note No. 29</i> <i>For non-current maturity Ref. Note No.6</i>	5,992,473	5,447,702
	Gratuity <i>Ref. Note No.1 (xii) and Note No. 6 (A) 1 (c) of Note No. 29</i>	6,683,110	17,545,821
	(b) OTHERS :		
	i) Proposed Equity Dividend	34,613,625	121,147,688
	ii) Dividend DistributionTax	7,047,700	24,666,930
	Total ...	61,334,712	176,200,953

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NON-CURRENT ASSETS :
FIXED ASSETS

Note No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance As on 01-04-2015 Rs.	Additions Rs.	Deductions / Changes Rs.	Balance As on 31-03-2016 Rs.	For the Year Rs.	Deductions / Changes Rs.	Balance As on 31-03-2016 Rs.	Balance As on 31-03-2015 Rs.
11	TANGIBLE ASSETS :								
	FREEHOLD LAND *	101,223,288 (29,673,288)	-	-	101,223,288 (101,223,288)	-	-	101,223,288 (101,223,288)	101,223,288 (29,673,288)
	LEASEHOLD LAND	16,127,747	(71,550,000)	-	16,127,747 (16,127,747)	173,921 (149,890)	-	2,498,214 (2,324,293)	13,803,454 (10,566,044)
	BUILDINGS **	673,851,858 (670,799,472)	72,347,021 (27,344,350)	(13,744,559) (24,291,964)	759,943,438 (673,851,858)	20,116,199 (22,014,779)	-	543,749,957 (477,774,576)	477,774,576 (496,736,969)
	PLANT & MACHINERY **	4,576,775,894 (4,451,501,332)	388,035,273 (214,016,310)	(70,096,172) (88,741,748)	5,034,907,339 (4,576,775,894)	341,039,861 (318,418,544)	1,831,957 (9,595,869)	2,211,459,429 (2,092,535,888)	2,092,535,888 (2,295,275,739)
	VEHICLES	57,542,115 (51,451,964)	22,574,293 (6,095,768)	11,883,189 (5,617)	68,233,219 (57,542,115)	9,753,278 (13,232,337)	11,126,886 (160,540)	39,271,336 (27,206,624)	27,206,624 (34,188,270)
	FURNITURE & FIXTURES	42,886,846 (40,660,426)	24,435,377 (492,330)	310,828 (1,734,090)	67,011,395 (42,886,846)	4,461,694 (6,382,458)	223,464 (634,922)	35,526,255 (15,639,936)	15,639,936 (20,430,896)
	OFFICE EQUIPMENTS	16,742,757 (15,108,788)	3,594,039 (1,128,181)	-	20,336,796 (16,742,757)	1,823,971 (4,626,189)	(2,340) (345,884)	7,052,069 (5,284,341)	5,284,341 (8,622,445)
	FIXED ASSETS - R&D								
	BUILDINGS **	98,926,814 (97,268,968)	-	(841,594)	99,768,408 (98,926,814)	1,388,448 (1,358,127)	-	79,733,092 (80,279,946)	80,279,946 (79,980,227)
	PLANT & MACHINERY **	210,201,939 (132,314,677)	7,966,901 (80,968,615)	(1,743,450) (3,081,353)	219,912,290 (210,201,939)	14,848,813 (11,067,257)	-	115,150,620 (120,289,082)	120,289,082 (53,469,077)
	FURNITURE & FIXTURES	6,050,964 (6,050,964)	-	-	6,050,964 (6,050,964)	175,272 (361,090)	-	1,078,966 (1,254,238)	1,254,238 (1,615,328)
	Sub-Total	5,800,330,222 (5,507,570,326)	518,952,904 (408,128,123)	(74,231,758) (115,368,227)	6,393,514,884 (5,800,330,222)	393,781,457 (377,610,671)	13,179,967 (10,416,135)	3,147,874,545 (2,935,291,373)	2,935,291,373 (3,030,558,283)
12	INTANGIBLE ASSETS :								
	GOODWILL	41,101,746	-	-	41,101,746 (41,101,746)	8,220,349 (4,110,175)	-	12,330,524 (4,110,175)	36,991,571 (36,991,571)
	COMPUTER SOFTWARES	53,718,068 (43,798,884)	5,500,837 (9,919,184)	(474,409)	59,693,314 (53,718,068)	22,486,918 (5,165,297)	(474,409)	21,178,744 (38,164,825)	38,164,825 (33,410,938)
	TECHNICAL KNOW-HOW	148,477,126 (142,595,147)	-	-	148,477,126 (148,477,126)	6,001,144 (23,839,652)	-	36,339,652 (42,340,796)	42,340,796 (62,919,614)
	REGISTRATIONS	43,315,964 (31,572,122)	17,638,436 (15,568,633)	-	60,954,400 (43,315,964)	7,417,937 (3,218,572)	-	49,178,142 (38,957,643)	38,957,643 (30,432,373)
	Sub-Total	286,612,904 (217,966,153)	23,139,273 (67,084,656)	(474,409) (1,562,095)	310,226,586 (286,612,904)	44,126,348 (36,333,696)	(474,409) (2,621,145)	135,467,760 (156,454,835)	156,454,835 (126,762,925)
	TOTAL	6,086,943,126 (5,725,536,479)	542,092,177 (475,212,779)	(74,706,167) (113,806,132)	6,703,741,470 (6,086,943,126)	437,907,805 (413,944,367)	12,705,558 (13,037,280)	3,283,342,305 (3,091,746,208)	3,091,746,208 (3,157,321,208)

*Ref. Note No. 4 of Note No. 29 ** Ref. Note No. 26 of Note No. 29, Ref. Note No. 5, 25, & 27 of Note No. 29

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
13	NON-CURRENT INVESTMENTS		
	Long-Term and Non-Trade Investments		
	(a) Investments in Equity Instruments (unquoted) :		
	Investments in Subsidiaries :		
	6,000,000 (Previous Year : 6,000,000) Equity shares of Rs. 10 each fully paid-up in Prescient Color Limited.	60,000,000	60,000,000
	28,100 (Previous Year : 28,100) Equity shares of Euro 100 each fully paid-up in Sudarshan Europe B.V.	190,897,415	190,897,415
	5,500,000 (Previous Year : 500,000) Equity shares of Rs. 10 each fully paid-up in RIECO Industries Limited. (In FY 2015-16, 5,000,000 Preference shares of Rs. 10 each were converted into an equal number of Equity shares of Rs. 10 each)	210,000,000	160,000,000
	10,000 (Previous Year : 10,000) Equity shares of Rs. 10 each fully paid-up in Sudarshan CSR Foundation Ref. Note No. 12 of Note No. 29	100,000	100,000
		460,997,415	410,997,415
	(b) Investments in Preference Shares (unquoted) :		
	Investments in Subsidiaries :		
	190,000 (Previous Year : 290,000) 10% Non-cumulative, redeemable and with a right of call and put option, Preference shares of Rs. 100 each fully paid-up in Prescient Color Limited.	19,000,000	29,000,000
	Nil (Previous Year : 5,000,000) 10% Non-cumulative, compulsorily convertible after six months starting from date of allotment, Preference shares of Rs.10 each fully paid up in RIECO Industries Ltd.	-	50,000,000
		19,000,000	79,000,000
	(c) Investments in Mutual Funds (quoted) :		
	Aggregate amount of quoted investments and market value thereof :		
	202,715.67 (Previous Year : 202,715.67) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund.	2,864,697	2,864,697
	[Market Value Rs. 3,969,781 (Previous Year : Rs. 3,814,075)]		
		2,864,697	2,864,697
	Aggregate amount of quoted investments	2,864,697	2,864,697
	Aggregate amount of unquoted investments	479,997,415	489,997,415
	Total ...	482,862,112	492,862,112

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
14	LONG-TERM LOANS AND ADVANCES		
	Unsecured (Considered Good unless stated otherwise) :		
	(a) Capital Advances	156,561,906	25,772,368
	Considered doubtful	9,000,000	3,000,000
	Less : Provision for doubtful advances	9,000,000	3,000,000
		<u>156,561,906</u>	<u>25,772,368</u>
	(b) Security Deposits :		
	Deposit with Government etc.	30,152,169	25,461,005
	Tender Deposit	1,268,830	1,147,430
	Deposit with Others	7,454,729	8,000,222
		<u>38,875,728</u>	<u>34,608,657</u>
	(c) Other Loans and Advances :		
	Loan to Employees	-	16,000
	Stamp Duty refund recoverable	27,605,500	27,605,500
		<u>27,605,500</u>	<u>27,621,500</u>
	(d) MAT Credit Entitlement	-	74,500,000
	(e) Income Tax Paid	1,456,339,686	1,258,047,073
	Less : Provision	1,408,333,198	1,197,043,474
	Income Tax Paid (Net)	<u>48,006,488</u>	<u>61,003,599</u>
	(f) Share Application Money towards Equity Shares in RIECO Industries Limited	70,000,000	-
	Total ...	<u>341,049,622</u>	<u>223,506,124</u>
15	OTHER NON-CURRENT ASSETS		
	Margin Money with Banks with maturity of more than 12 months (Against Bank Guarantee / LC)	2,500,000	-
	Total ...	<u>2,500,000</u>	<u>-</u>
	CURRENT ASSETS :		
16	INVENTORIES		
	(a) Raw Materials	353,783,429	386,667,028
	Goods in Transit	193,743,250	150,525,625
		<u>547,526,679</u>	<u>537,192,653</u>
	(b) Work-in-progress	233,610,161	383,085,600
	(c) Finished Goods	762,209,576	684,656,626
	Goods in Transit	4,046,904	818,400
		<u>766,256,480</u>	<u>685,475,026</u>
	(d) Stores and Spares	89,074,334	69,752,677
	(e) Stock-in-Trade	47,377,121	42,743,584
	(f) Packing Materials	9,595,994	8,004,023
	For breakup of Inventories Ref. Note No. 13 of Note No. 29		
	Total ...	<u>1,693,440,769</u>	<u>1,726,253,563</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
17	TRADE RECEIVABLES		
	Unsecured :		
	(a) Outstanding for a period exceeding six months from the due date	62,646,982	57,133,873
	(Considered good)		
	Considered doubtful	46,895,730	12,938,311
	Less : Provision for doubtful debt	46,895,730	12,938,311
		-	-
	(b) Others (Considered good)	2,831,785,041	2,601,618,663
	Total ...	2,894,432,023	2,658,752,536
18	CASH AND CASH EQUIVALENTS		
	(a) Cash and Cash Equivalents		
	i) Cash on hand	1,704,770	1,766,511
	ii) In Current Accounts	170,123,645	51,101,281
	iii) Remittance in Transit	-	24,000,000
	iv) Other Bank Balances		
	- Deposit Account (Original maturity less than 3 months)	31,629	88,316,736
	- Earmarked balances with Bank		
	Unclaimed Dividend Account	8,214,922	3,496,928
	Dividend Account (Unclaimed Shares)	2,793,610	-
		182,868,576	168,681,456
	(b) Other Bank Balances		
	(Original maturity 3 - 12 months)		
	Lien Account	32,035,612	17,473,171
	Total ...	214,904,188	186,154,627
19	SHORT-TERM LOANS AND ADVANCES		
	Unsecured and considered good :		
	Advances recoverable in cash or in kind or for value to be received	249,363,003	227,952,960
	Loans to Wholly-owned Subsidiary (Ref. Note No. 12 of Note No. 29)	149,219,158	161,872,628
	Prepaid Expenses	17,284,980	17,300,899
	Service Tax Receivable (Set-off)	6,258,548	2,491,811
	Deposit with Excise, Customs etc.	35,771,007	48,586,526
	Total ...	457,896,696	458,204,824
20	OTHER CURRENT ASSETS		
	Export Benefits Accrued	14,743,575	9,167,960
	Unamortised Premium of Forward Contracts	22,620,924	13,662,001
	Forward Contracts Receivable	194,546	37,034,910
	Others	22,442,994	41,749,046
	Ref. Note No. 29 of Note No. 29		
	Total ...	60,002,039	101,613,917

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
21	REVENUE FROM OPERATIONS		
	(a) Sale of products	12,872,819,713	11,628,830,132
	Less: Excise duty	900,669,442	810,400,819
	<i>Ref. Note. No. 14 of Note No. 29</i>	11,972,150,271	10,818,429,313
	(b) Services Rendered	277,360	446,016
	(c) Other operating revenues		
	Export Incentives	66,897,770	34,334,538
	Miscellaneous Operating Income (Net of Excise Duty)	33,238,923	29,728,221
		100,136,693	64,062,759
	Total ...	12,072,564,324	10,882,938,088
22	OTHER INCOME		
	(a) Interest Income		
	Bank Deposits	3,483,121	7,663,885
	Others	34,435,359	30,699,561
	(b) Other Non-Operating Income :		
	Miscellaneous Income	4,603,272	86,829,415
	Provisions no longer required, written back	67,961,944	2,051,377
	Foreign Exchange Difference (Net)	17,840,318	121,587,354
	Profit on Sale / Disposal of Fixed Assets (Net)	490,868	-
	Total ...	128,814,882	248,831,592

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
23	COST OF MATERIALS CONSUMED		
	Opening Stock	537,192,653	604,773,873
	Add : Purchases	6,606,741,781	6,323,495,225
		<u>7,143,934,434</u>	<u>6,928,269,098</u>
	Less : Closing Stock	547,526,679	537,192,653
	Ref. Note No. 15 of Note No. 29		
	Total ...	<u>6,596,407,755</u>	<u>6,391,076,445</u>
24	PURCHASE OF STOCK-IN-TRADE		
		346,774,989	324,083,302
	Total ...	<u>346,774,989</u>	<u>324,083,302</u>
25	(INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Stocks at Commencement :		
	Finished Products	685,475,026	655,370,778
	Work-in-progress (Semi-finished Products)	383,085,600	226,176,744
	Stock-in-Trade	42,743,584	39,529,629
		<u>1,111,304,210</u>	<u>921,077,151</u>
	On Acquisition of business (Ref. Note No. 5 of Note No. 29)	-	138,912,699
		<u>1,111,304,210</u>	<u>1,059,989,850</u>
	Less:		
	Stocks at Close :		
	Finished Products	766,256,480	685,475,026
	Work-in-progress (Semi-finished Products)	233,610,161	383,085,600
	Stock-in-Trade	47,377,121	42,743,584
		<u>1,047,243,762</u>	<u>1,111,304,210</u>
	Ref. Note No. 13 of Note No. 29		
	Total ...	<u>64,060,448</u>	<u>(51,314,360)</u>
26	EMPLOYEE BENEFIT EXPENSE		
	Salaries and Wages :		
	Other Than Research and Development	575,181,258	587,917,539
	For Research and Development	55,792,183	56,053,492
	(Ref. Note No. 10 of Note No. 29)		
	Contribution to Provident and Other Funds	31,020,308	33,086,134
	Staff Welfare Expenses	27,849,789	24,079,610
	Gratuity (Ref. Note No. 6 (A) 1 (d) of Note No. 29)	18,532,068	36,858,295
	Pension (Ref. Note No. 6 (A) 2 (b) of Note No. 29)	9,418,160	14,560,070
	Total ...	<u>717,793,766</u>	<u>752,555,140</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
27	FINANCE COSTS		
	Interest expenses	255,413,525	334,268,978
	Other borrowing costs (Includes Bank charges for Bank Guarantee, Loan Processing etc.)	4,542,244	3,820,856
	Foreign Exchange difference to the extent considered as borrowing cost	3,544,980	8,579,528
	Total ...	263,500,749	346,669,362
28	OTHER EXPENSES		
	Consumption of Stores and Spare parts <i>Ref. Note No. 17 of Note No. 29</i>	249,474,211	169,974,559
	Consumption of Packing Material	152,450,826	139,029,330
	Power and Fuel	667,765,661	604,413,944
	Water Charges	116,367,358	97,563,104
	Labour Charges	259,704,018	226,886,160
	Rent (<i>Ref. Note No. 30 of Note No. 29</i>)	12,817,931	12,708,258
	Repairs to Buildings	66,169,109	46,727,895
	Repairs to Plant and Machinery	139,774,786	107,436,247
	Repairs to Others	5,142,099	6,403,292
	Insurance	20,846,806	11,946,918
	Rates and Taxes	10,037,220	7,763,375
	Advertisement	13,325,181	14,692,576
	Auditors' Remuneration (<i>Ref. Note No. 8 of Note No. 29</i>)	2,739,796	2,481,721
	Bad Debts Written Off	34,372,896	10,014,638
	Provision for Doubtful Debts	35,576,838	-
	Advance Written Off	6,487,290	-
	Provision for Doubtful Advances	6,000,000	-
	Bank Charges	11,098,477	10,693,954
	Export Market Development Expenses :		
	Commission on Exports	35,475,971	37,839,308
	Travelling, Postage, Forwarding, etc.	101,502,221	92,307,992
	Commission to Selling Agents	265,482,251	216,158,023
	Directors' Sitting Fees	2,130,817	1,539,050
	Discounts (Other Than Trade Discounts)	71,140,090	117,571,385
	ERP / Computer related expenses	16,553,854	23,839,333
	Freight and Octroi	10,707,149	18,191,110
	Legal, Professional and Consultancy Charges	163,717,930	120,988,557
	Licence Fees	2,837,341	3,381,482
	Loss on Sale / Disposal of Fixed Assets (Net)	-	1,941,698
	Printing, Stationery and Communication Expenses	32,572,277	22,280,817
	Sales Tax Surcharge / Turnover Tax	6,838,147	5,961,442
	Selling and Distribution Expenses	63,076,365	65,617,397
	Research and Development Expenses (<i>Ref. Note No. 10 of Note No. 29</i>) :		
	Stores, Spares and Consumables etc.	14,212,946	16,894,672
	Other Expenses	21,002,799	20,014,350
	Travelling and Conveyance	31,873,234	34,252,261
	General Expenses (<i>Ref. Note No. 31 & 32 of Note No. 29</i>)	68,085,597	66,121,756
	Other Expenses	55,773,158	35,179,133
	Increase / (Decrease) in Excise Duty on Closing Stock of Finished Goods	16,932,680	6,147,695
	Total ...	2,790,065,330	2,374,963,432

NOTE NO. 29 : NOTES TO THE FINANCIAL STATEMENTS**1. Significant Accounting Policies :****(i) Basis of Preparation :**

The Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or where a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of Estimates :

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iii) Fixed Assets :**(a) Tangible Assets :**

Fixed Assets are stated at cost of acquisition along with attributable costs, including related borrowing costs, for bringing the assets to its working condition for its intended use, less accumulated depreciation.

(b) Intangible Assets :

Costs incurred on acquisition, development or enhancement of intangible resources are recognized as intangible assets if these are identifiable, controlled by the Company and it is probable that future economic benefit attributable to the assets would flow to the Company. Intangible assets are stated at cost less accumulated amortization and impairments, if any. Cost includes taxes, duties and other incidental expenses related to acquisition, development and enhancement.

(c) Borrowing costs that are directly attributable to the acquisition or production of a qualifying assets are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(d) The cost also comprises of exchange differences arising on translation / settlement of long-term foreign currency borrowings pertaining to the acquisition of fixed assets.

(iv) Depreciation :

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013, or as assessed by the Management based on the technical evaluation by an approved valuer.

Assets whose acquisition value is less than Rs. 5,000 are depreciated 100% during the year of acquisition.

Leasehold land is amortised over the lease period.

When significant parts of an item of property, plant and equipment have materially different useful lives, they are accounted for as separate items (major components) of property, plant and equipment based on technical evaluation done by an independent valuer.

Schedule II to the Companies Act, 2013 ("Schedule") prescribes the useful lives for various classes of tangible assets. For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule.

Useful life of the following asset classes differs from that prescribed by Schedule II :

Asset Class	Useful Life Adopted	Useful Life as per Schedule - II
Plant and Machinery - Other than below	9.20	7.50
Plant and Machinery - SS Vessels / SS Equipments	15.00	7.50
Plant and Machinery - Other than SS Components	7.75	7.50

Intangible assets are amortised on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Company for its use.

The Management's estimates of the useful lives for various categories of intangible assets are given below:

Asset Class	Years
Goodwill	5.00
Registrations	10.00
Others	9.20

The amortisation period and the amortisation method for intangible assets are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

(v) Impairment of Assets :

The carrying amounts of Cash Generating Units / Assets are reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

(vi) Investments :

Long-term Investments are carried at cost including related expenses, provision for diminution being made, if necessary, to recognize a decline, other than temporary, in the value thereof.

Current investments are valued at lower of cost and fair value.

(vii) Inventories:

Inventories are valued at lower of Cost and Net Realisable Value.

- Raw Materials, Packing Materials, Stores and Consumables are valued at Weighted Average Cost.
- The cost of Finished Goods and Work-in-progress (Semi-finished Goods) is ascertained by Weighted Average of Cost of Raw Material and standard rate of conversion and other related costs for bringing the inventory to the present location and condition.
- Provision is made for obsolete and non-moving items.
- Leasehold Rights are valued at conversion value.

(viii) Research and Development :

Research and Development expenditure of a capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to the Statement of Profit and Loss in the year of incurrence.

(ix) Foreign Currency Transactions :

- (a) Transactions in foreign currencies are recorded at the exchange rates prevailing as on the date of the transaction. Monetary items are translated at the year-end rate. The difference between the rate prevailing as on the date of the transaction and as on the date of settlement and also on translation of monetary items, at the end of the year, is recognised as income or expense, as the case may be.
- (b) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract. Losses on cancellation of forward exchange contracts are recognised as expense.
- (c) The Company has accounted for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard – 11 (AS – 11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011).

Accordingly, the effect of exchange differences on foreign currency loans of the Company taken to acquire fixed assets is added to / deducted from the cost of the respective assets.

- (d) Forward contracts entered into by the Company for taking of forecasted exposure are marked to market at the reporting date. Losses (net), if any, are charged to the Statement of Profit and Loss and gains (net) are not recognised.

(x) Derivative Financial Instruments :

The Company uses derivative financial instruments such as Forwards, Swaps and Plain Vanilla Options to hedge its risks associated with foreign exchange fluctuations. Such derivative financial instruments are used as risk management tools and not for speculative purposes, in terms of the Policy duly adopted by the Board.

Derivative financial instruments entered into for hedging foreign exchange risks of recognized foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard – 11 “The effects of changes in Foreign Exchange Rates”.

Interest rate swaps entered into by the Company for hedging are marked to market at the reporting date. Losses (net), if any, are charged to the Statement of Profit and Loss and gains (net) are not recognised.

(xi) Revenue Recognition :

Sale of goods is recognised on dispatches to customers, which coincides with the transfer of significant risks and rewards associated with ownership, inclusive of excise duty and net of trade discount.

Dividend income is accounted for when the right to receive is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Credits on account of Export Incentives are accrued upon completion of export when there is a reasonable certainty of fulfillment of obligations as stipulated under respective export promotion schemes.

(xii) Employee Benefits :**(a) Contribution to provident fund –**

Company's contribution paid / payable during the year to provident fund and labour welfare fund are recognised in the Statement of Profit and Loss.

(b) Gratuity –

The Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an independent actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(c) Superannuation –

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation to the scheme beyond its annual contributions.

(d) Leave encashment / compensated absences / sick leave –

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize it in future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The measurement of such obligation is based on actuarial valuation as at the balance sheet date carried out by a qualified actuary.

(e) Pension –

The Company provides for pension, a defined benefit retirement plan covering eligible employees. The plan provides for monthly pension payments to retired employees or family pension to their eligible family members till such period as stipulated in the Board approved policy. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the liability as on the reporting date.

Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(xiii) Taxation :**(a) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income Tax Act, 1961) over normal income-tax, is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.****(b) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation.**

Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

(xiv) Provisions and Contingent Liabilities :

- (a) A provision is recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

(xv) Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit / (loss) for the period after deducting preference dividends and any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods processed is adjusted for events, such as bonus shares and sub-division, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(xvi) Cash and Cash Equivalents :

Cash and cash equivalents for the purposes of the Cash Flow Statement comprise of cash at bank, cash in hand and current investments with an original maturity of three months or less.

(xvii) Segment Reporting :

The business segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows :

- (i) Pigments
- (ii) Agro Chemicals
- (iii) Others

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

- (a) Allocation of common costs –
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- (b) Unallocated items –
Unallocated items include general corporate income and expense items which are not allocated to any business segment. Assets and liabilities which relate to the Company as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities".
- (c) Segment accounting policies –
The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole.

2. Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances) – **Rs. 22,471,269** (Previous Year : Rs. 17,196,324).

3. **Contingent liabilities not provided for :**

Claims against the Company not acknowledged as debts

(i) Pending Litigations –

- (a) Excise Duty – **Rs. 27,577,293** (Previous Year : Rs. 20,019,895).
- (b) Income Tax – **Rs. 37,993,200** (Previous Year : Rs. 31,667,195).
- (c) VAT / CST – **Rs. 21,234,745** (Previous Year : Rs. 18,508,939).
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums / authorities.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Income Tax, Excise, Custom, Sales / VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Financial Statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(ii) Guarantees –

– Corporate Guarantee

- (a) Corporate Guarantee issued on behalf of the wholly owned subsidiary company Sudarshan Europe B.V. – **Euro 3,000,000** (Previous Year : Euro 3,000,000) [Equivalent to **Rs. 227,070,000** (Previous Year : Rs. 204,630,000)].
- (b) Corporate Guarantee issued on behalf of Sudarshan North America, Inc., wholly owned subsidiary company of Sudarshan Europe B.V. and step-down subsidiary of Sudarshan Chemical Industries Limited India – **USD 3,000,000** (Previous Year : USD 3,000,000) [Equivalent to **Rs. 200,040,000** (Previous Year : Rs. 189,030,000)].
- (c) Corporate Guarantee issued on behalf of the wholly owned subsidiary company RIECO Industries Limited – **Rs. 1,000,000,000** (Previous Year : Rs. Nil).

– Bank Guarantee

Bank Guarantees – **Rs. 156,814,994** (Previous Year : Rs. 155,423,076)

4. The Company had converted Leasehold Rights of Rs. 498,450,000 into Stock-in-trade in 2010-11 with the intention of commercially developing the underlying Leasehold Land situated at 162 Wellesley Road, Pune 411 001. However, due to several factors, some beyond the control of the Company, this intention could not fructify.

In the mean time the Company also acquired Reversionary Rights in the said land, resulting in full ownership. Presently, the validity of acquisition of Revisionary Rights is sub-judice. In view of the above, the Stock-in-trade of Rs. 498,450,000 as already recognized by creating the corresponding Revaluation Reserve of an identical amount, was reversed, in 2014-15.

Under the circumstances in 2014-15, the Board has decided to reconvert the said land into and to be held as, capital asset at cost of Rs. 71,550,000.

The above had no impact, on the financial results of the Company in the said year.

5. **Acquisition of business undertaking of “Rathi Vessels and Systems Private Limited” on slump sale basis :**

During the Financial Year 2014-15 the Company acquired the going concern business of Rathi Vessels and Systems Private Limited on slump sale basis with the effective date of 1st October, 2014. Correspondingly, all assets and liabilities of this business as on the said effective date stood transferred to the Company and were included in the Financial Statements under the respective heads of accounts.

6. The following disclosures are made in accordance with Accounting Standard – 15 (Revised) :

(A) Pertaining to Defined Benefit Plans :

1 Gratuity

Particulars	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
(a) Present value of the defined benefit obligation :		
Obligations at period beginning	153,750,732	126,365,357
Service cost	9,120,227	8,784,080
Acquisition adjustment	—	—
Interest cost	11,410,908	10,603,997
Past service cost	—	—
Curtailment cost / (credit)	—	—
Settlement cost / (credit)	—	—
Actuarial (gain) / loss	10,178,644	30,206,341
Benefits paid	(14,914,088)	(22,209,043)
Obligations at period end	169,546,423	153,750,732
(b) Fair value of plan assets :		
Plan assets at period beginning, at fair value	136,204,911	145,677,831
Expected return on plan assets	12,192,847	12,111,598
Acquisition adjustment	—	—
Actuarial gain / (loss)	(15,136)	624,525
Contributions	29,394,779	—
Benefits paid	(14,914,088)	(22,209,043)
Plan assets at period end, at fair value	162,863,313	136,204,911
Actual returns on plan assets	12,177,711	12,736,123
(c) Assets and liabilities recognized in the Balance Sheet :		
Fair value of the plan assets at the end of the year	162,863,313	136,204,911
Present value of the defined benefit obligations at the end of the period	169,546,423	153,750,732
Asset / (liability) recognized in the Balance Sheet	(6,683,110)	(17,545,821)
(d) Expense recognized in the Statement of Profit and Loss :		
Current service cost	9,120,227	8,784,080
Past service cost	—	—
Interest cost	11,410,908	10,603,997
Expected return on plan assets	(12,192,847)	(12,111,598)
Curtailment cost / (credit)	—	—
Settlement cost / (credit)	—	—
Actuarial (gain) / loss	10,193,780	29,581,816
Net gratuity cost	18,532,068	36,858,295
(e) Investment details of the plan assets* :		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%
Others	0.00%	0.00%
* Plan assets are invested in the debt instruments prescribed by IRDA.		
(f) Summary of Actuarial Assumptions :		
Discount Rate	7.90%	7.80%
Rate of return on plan assets	8.50%	9.00%
Rate of increase in Compensation levels	7.00%	7.00%
Expected Average remaining working lives of employees (Years)	13.09	13.47

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

(g) Experience adjustment* :	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.	As at 31 st March, 2014 Rs.	As at 31 st March, 2013 Rs.	As at 31 st March, 2012 Rs.
On plan liability (loss) / gain	(11,924,714)	(13,776,460)	(6,223,441)	(12,072,291)	(4,554,315)
On plan asset (loss) / gain	702,090	624,525	(359,709)	(727,174)	(24,680)
Present value of benefit obligation	169,546,423	153,750,732	126,365,357	141,936,812	128,751,390
Fair value of plan assets	162,863,313	136,204,911	145,677,831	150,856,574	136,940,239
Surplus / (deficit)	(6,683,110)	(17,545,821)	19,312,474	8,919,762	8,188,849

2 Pension (Unfunded)

Particulars	Current Year Rs.	Previous Year Rs.
(a) Reconciliation of PBO :		
Projected Benefit Obligation at beginning of the year	69,243,221	59,635,600
Current service cost	357,204	331,358
Interest cost	5,216,373	4,484,277
Contributions by plan participation	—	—
Actuarial (gain) / loss due to change in assumptions	3,844,583	9,744,435
Benefits paid	(5,447,700)	(4,952,449)
Past service cost	—	—
Amalgamations	—	—
Curtailements	—	—
Settlements	—	—
Projected Benefit Obligation at end of the year	73,213,681	69,243,221
Includes Current maturity Rs. 5,992,473 (Previous Year : Rs. 5,447,702)		
(b) Statement of Profit and Loss :		
Current service cost	357,204	331,358
Interest cost	5,216,373	4,484,277
Expected return on plan asset	—	—
Net actuarial (gain) / loss to be recognised in the year	3,844,583	9,744,435
Past service cost	—	—
Effect of Curtailments	—	—
(Income) / Expense recognised in the Statement of Profit and Loss	9,418,160	14,560,070

3 Compensated Absences (Unfunded)

Particulars	Current Year Rs.	Previous Year Rs.
Movements in Net Liability		
Present value of obligation	49,582,824	52,381,646
Includes Current maturity Rs. 6,997,804 (Previous Year : Rs. 7,392,812)		
Net asset / (liability) recognised in Balance Sheet	(49,582,824)	(52,381,646)

The privileged leave liability is not funded. Hitherto the Company was providing for Compensated Absences on actual basis. During the year the provision has been made on actuarial basis. This change has no material effect on the Financial Statements.

(B) Pertaining to Defined Contribution Plans :

Particulars	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
(a) Expected contribution to the fund in the next year :		
Gratuity	28,461,515	26,599,547
(b) Defined contribution plans :		
Provident fund paid to the authorities	27,449,049	30,766,982

7. Trade Payables (Creditors) :

Outstanding to Micro, Small and Medium Enterprise : **Rs. 11,154,454** (Previous Year : Rs. 4,364,137).

The identification of suppliers under "Micro, Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the suppliers to the Company. Total outstanding dues of Micro and Small Enterprises, which were outstanding for more than stipulated period, are given below :

	31-03-2016	31-03-2015
	Rs.	Rs.
(a) Principal amount due	Nil	Nil
(b) Interest paid under MSMED Act, 2006	Nil	Nil
(c) Interest due	2,187,414	621,583
(d) Interest accrued and due	Nil	Nil
(e) Interest due and payable till actual payment	2,187,414	621,583

8. Auditors' Remuneration :

	Current Year	Previous Year
	Rs.	Rs.
(a) Audit Fees	800,000	800,000
(b) Tax Audit Fees	300,000	300,000
(c) Other Services –		
Certification and Limited Review	1,430,700	1,165,000
Stock Verification	200,000	200,000
(d) Reimbursement of Expenses	9,096	16,721
Total ...	2,739,796	2,481,721

**9. Fixed Deposits :
(Accepted under Section 76 (1) of the Companies Act, 2013)**

	31-03-2016	31-03-2015
	Rs.	Rs.
(a) Fixed Deposits with Maturity less than 12 months	–	–
(b) Fixed Deposits with Maturity more than 12 months	540,260,000	405,500,000
(c) Unclaimed Matured Fixed Deposits	670,000	–
Total ...	540,930,000	405,500,000

10. Research and Development Expenditure :

This includes expenditure incurred by the Company on in-house research and development in respect of eligible facilities at Roha and Pune, approved by the Department of Scientific & Industrial Research, Ministry of Science and Technology.

Ref. Note No. 26 and Note No. 28

	31-03-2016	31-03-2015
	Rs.	Rs.
(a) Revenue Expenditure		
Roha Unit	28,341,060	22,752,166
Pune Unit	62,666,868	70,210,348
Total ...	91,007,928	92,962,514
(b) Capital Expenditure		
Roha Unit	845,000	75,717,175
Pune Unit	7,121,901	8,396,709
Total ...	7,966,901	84,113,884

11. Segment Reporting :

Particulars	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
(A) Primary Segment Information :		
1 Segment Revenue		
(a) Pigments	10,733,772,509	9,628,042,463
(b) Agro Chemicals	1,162,959,104	1,155,018,485
(c) Others	175,832,711	99,877,140
Total ...	12,072,564,324	10,882,938,088
Less : Inter-segment revenue	—	—
Net Sales / Income from Operations	12,072,564,324	10,882,938,088
2 Segment Results		
Profit / (Loss) before tax		
(a) Pigments	1,636,944,859	1,167,159,093
(b) Agro Chemicals	62,829,197	77,367,458
(c) Others	(84,714,566)	(39,590,779)
Total ...	1,615,059,490	1,204,935,772
Less : i. Finance Cost	263,500,749	346,669,362
ii. Other Unallocable Expenditure (Net of Unallocable Income)	366,690,377	262,055,911
Profit Before Tax	984,868,364	596,210,499
Less : Tax Expense	268,582,677	172,137,658
Profit After Tax	716,285,687	424,072,841
3 Other Information		
Segment assets		
(a) Pigments	6,752,444,376	6,405,764,395
(b) Agro Chemicals	394,707,681	370,484,791
(c) Others	318,389,115	365,673,974
(d) Unallocated	2,119,236,795	1,872,112,057
Total ...	9,584,777,967	9,014,035,217
Segment liabilities		
(a) Pigments	2,047,507,904	1,399,457,912
(b) Agro Chemicals	176,349,407	114,478,665
(c) Others	19,188,860	404,985,609
(d) Unallocated	228,609,573	423,301,438
Total ...	2,471,655,744	2,342,223,624
4 Capital Expenditure		
(a) Pigments	354,841,264	281,138,901
(b) Agro Chemicals	2,450,920	10,039,509
(c) Others	117,785	46,203,352
(d) Unallocated	249,060,203	149,900,676
Total ...	606,470,172	487,282,438
5 Depreciation and Amortisation		
(a) Pigments	337,167,770	305,312,522
(b) Agro Chemicals	2,977,226	5,330,913
(c) Others	12,974,289	7,493,338
(d) Unallocated	84,788,520	95,807,594
Ref. Note No. 27 of Note No. 29		
Total ...	437,907,805	413,944,367

Particulars	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
(B) Secondary Segment Disclosures :		
1 Revenue from External Customers		
(a) Indigenous	6,829,646,531	6,236,113,160
(b) Exports (including export incentives)	5,242,917,793	4,646,824,928
Total...	12,072,564,324	10,882,938,088
2 Carrying amount of Assets		
(a) In India	7,952,226,681	7,438,452,597
(b) Outside India	1,632,551,286	1,575,582,620
Total...	9,584,777,967	9,014,035,217
3 Capital Expenditure		
(a) In India	606,470,172	487,282,438
(b) Outside India	—	—
Total...	606,470,172	487,282,438

12. Related Party Transaction (As per AS-18 on Related Party Disclosures Specified under Section 133 of the Companies Act, 2013) :

List of Related Parties and description of relationship :

(a) Key Management Personnel :	Mr. P.R.Rathi Mr. R.B.Rathi Mr. A.V.Vij
(b) Relatives of Key Management Personnel :	Mrs. R.R.Rathi Mr. R.P.Rathi Mrs. K.B.Rathi Mrs. K.R.Rathi Mr. A.B.Rathi Mrs. S.P.Rathi Mrs. R.R.Agarwal — — — — — — — Wife of Mr. R.B.Rathi Son of Mr. P.R.Rathi Mother of Mr. R.B.Rathi Mother of Mr. P.R.Rathi Brother of Mr. R.B.Rathi Wife of Mr. P.R.Rathi Daughter of Mr. P.R.Rathi
(c) Subsidiary Companies :	Prescient Color Limited Sudarshan Europe B.V. Sudarshan North America, Inc. (Step-down subsidiary of Sudarshan Chemical Industries Limited, India) RIECO Industries Limited (w.e.f. 10 th February, 2015) Sudarshan CSR Foundation (Sudarshan CSR Foundation (CSR foundation); a wholly owned subsidiary of Sudarshan Chemical Industries Limited (company), is a "not for profit Company" under Section 8 of the Companies Act, 2013. Main objective of CSR foundation is to carry out CSR activities as per the CSR policies of the Company. As the Company is not deriving any economic benefits from the activities of CSR foundation, the same is not considered for consolidation.)
(d) Entities in which Key Management Personnel and / or their relatives exercise significant influence (SIKMP) :	Rathi Brothers Poona Limited Rathi Brothers Madras Limited Rathi Brothers Calcutta Limited Rathi Brothers Delhi Limited Manan Rathi Trust Balkrishna Rathi Finance Private Limited PRR Finance Private Limited Marathwada Chemical Industries Private Limited Rathi Vessels & Systems Private Limited (upto 30 th September, 2014) RIECO Industries Limited (upto 9 th February, 2015)

Transactions with Related Parties :

Nature of Transactions	2015 – 16				2014 – 15			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SIKMP*	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SIKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● Salary, Pension, Reimbursement of expenses etc. :								
Mr. P.R.Rathi	23,837,361	—	—	—	24,454,057	—	—	—
Mr. R.B.Rathi	21,218,330	—	—	—	24,442,836	—	—	—
Mr. A.V.Vij	9,028,215	—	—	—	8,720,452	—	—	—
Mr. R.P.Rathi	—	3,268,964	—	—	—	2,669,872	—	—
Mrs. K.B.Rathi	—	1,816,632	—	—	—	1,240,093	—	—
Mr. A.B.Rathi (Arrears net of taxes)	—	8,925,709	—	—	—	1,209,704	—	—
● Interest paid / payable :								
Mr. P.R.Rathi	951,720	—	—	—	109,511	—	—	—
Mr. R.B.Rathi	1,055,756	—	—	—	121,483	—	—	—
Mrs. K.R.Rathi	—	1,710,216	—	—	—	227,330	—	—
Mr. R.P.Rathi	—	1,100,860	—	—	—	427,059	—	—
Mr. A.B.Rathi	—	468,940	—	—	—	53,960	—	—
Mrs. S.P.Rathi	—	283,924	—	—	—	141,847	—	—
Mrs. R.R.Agarwal	—	371,052	—	—	—	138,738	—	—
Manan Rathi Trust	—	—	—	979,392	—	—	—	191,343
Rathi Brothers Poona Ltd.	—	—	—	566,440	—	—	—	896,517
Rathi Brothers Madras Ltd.	—	—	—	404,652	—	—	—	422,157
Rathi Brothers Calcutta Ltd.	—	—	—	154,693	—	—	—	121,933
Rathi Brothers Delhi Ltd.	—	—	—	1,259,839	—	—	—	1,468,272
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	4,258,034	—	—	—	4,892,156
PRR Finance Pvt. Ltd.	—	—	—	2,006,785	—	—	—	3,917,491
Rathi Vessels & Systems Pvt. Ltd.	—	—	—	2,199,902	—	—	—	—
Others	—	57,400	—	719,809	—	6,605	—	460,085
● Acceptance of Deposits :								
Mr. P.R.Rathi	—	—	—	—	9,285,000	—	—	—
Mr. R.B.Rathi	—	—	—	—	10,300,000	—	—	—
Mr. R.P.Rathi	—	—	—	—	—	10,740,000	—	—
Mrs. K.R.Rathi	—	—	—	—	—	16,685,000	—	—
Manan Rathi Trust	—	—	—	—	—	—	—	9,555,000
Rathi Brothers Poona Ltd.	—	—	—	23,800,000	—	—	—	17,250,000
Rathi Brothers Madras Ltd.	—	—	—	2,200,000	—	—	—	3,625,000
Rathi Brothers Delhi Ltd.	—	—	—	13,000,000	—	—	—	11,625,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	6,000,000	—	—	—	5,165,000
Rathi Vessels & Systems Pvt. Ltd.	—	—	—	25,075,000	—	—	—	—
Others	—	—	—	1,900,000	—	11,525,000	—	11,315,000
● Repayments of Deposits :								
Mrs. R.R.Agarwal	—	—	—	—	—	3,500,000	—	—
Mrs. S.P.Rathi	—	—	—	—	—	1,900,000	—	—
Mr. R.P.Rathi	—	—	—	—	—	2,900,000	—	—
Manan Rathi Trust	—	—	—	—	—	—	—	3,480,000
Rathi Brothers Poona Ltd.	—	—	—	25,350,000	—	—	—	17,650,000
Rathi Brothers Delhi Ltd.	—	—	—	15,300,000	—	—	—	10,200,000
Rathi Brothers Madras Ltd.	—	—	—	2,300,000	—	—	—	3,750,000
PRR Finance Pvt. Ltd.	—	—	—	15,500,000	—	—	—	11,500,000
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	21,300,000	—	—	—	200,000
Others	436,000	—	—	3,400,000	—	1,600,000	—	5,205,000
● Sale of Fixed Asset:								
Mr. R.B.Rathi	24,520	—	—	—	—	—	—	—
Mr. A.V.Vij	3,924	—	—	—	—	—	—	—
Mrs. K.B.Rathi	—	8,490	—	—	—	—	—	—
RIECO Industries Ltd.	—	—	493,274	—	—	—	—	—
● Sale of Chemicals :								
Sudarshan Europe B.V.	—	—	1,600,566,257	—	—	—	1,234,290,742	—
Prescient Color Ltd.	—	—	16,953,642	—	—	—	20,896,335	—
Sudarshan North America, Inc.	—	—	478,939,348	—	—	—	392,779,060	—
RIECO Industries Ltd.	—	—	499,769	—	—	—	796,352	—
Marathwada Chemical Inds. Pvt. Ltd.	—	—	—	1,054,265	—	—	—	1,373,104
● Purchase of Goods / Services :								
Sudarshan Europe B. V.	—	—	2,835,790	—	—	—	12,120,540	—
Prescient Color Ltd.	—	—	—	—	—	—	11,798	—
RIECO Industries Ltd.	—	—	23,018,720	—	—	—	3,690,387	6,623,922
Marathwada Chemical Inds. Pvt. Ltd.	—	—	—	6,972,133	—	—	—	10,874,694
Rathi Vessels & Systems Pvt. Ltd.	—	—	—	—	—	—	—	30,676,786
● Payment of Arrears of Interest:								
Balkrishna Rathi Finance Pvt. Ltd.	—	—	—	4,038,876	—	—	—	—
PRR Finance Pvt. Ltd.	—	—	—	2,019,416	—	—	—	—
● Payment of Arrears of Rent :								
Rathi Brothers Delhi Ltd.	—	—	—	471,451	—	—	—	—
Rathi Brothers Madras Ltd.	—	—	—	30,027	—	—	—	—

Nature of Transactions	2015 – 16				2014 – 15			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SIKMP*	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SIKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● Subscription to Share Capital / Share Application Money :								
RIECO Industries Ltd.	–	–	70,000,000	–	–	–	160,000,000	–
Sudarshan CSR Foundation	–	–	–	–	–	–	–	100,000
● Subscription to Pref. Share Capital :								
RIECO Industries Ltd.	–	–	–	–	–	–	50,000,000	–
● Proceeds from Redemption of Preference Share Capital :								
Prescient Color Ltd.	–	–	10,000,000	–	–	–	10,000,000	–
● Unsecured Loans given :								
Sudarshan Europe B.V.	–	–	149,219,159	–	–	–	121,558,986	–
Prescient Color Ltd.	–	–	60,000,000	–	–	–	10,000,000	–
● Unsecured Loans repayments received :								
Sudarshan Europe B.V.	–	–	161,872,628	–	–	–	23,404,600	–
Prescient Color Ltd.	–	–	60,000,000	–	–	–	10,000,000	–
● Interest received / accrued :								
Sudarshan Europe B.V.	–	–	1,688,010	–	–	–	4,368,773	–
Prescient Color Ltd.	–	–	253,151	–	–	–	84,384	–
● Commission on Sales (Incl. Taxes):								
Rathi Brothers Calcutta Ltd.	–	–	–	6,821,702	–	–	–	6,988,101
Rathi Brothers Delhi Ltd.	–	–	–	23,304,637	–	–	–	22,322,937
Rathi Brothers Madras Ltd.	–	–	–	4,256,581	–	–	–	4,971,441
Rathi Brothers Poona Ltd.	–	–	–	50,042,871	–	–	–	43,414,782
● Management Consultancy fees received (Incl. Taxes) :								
Prescient Color Ltd.	–	–	315,638	–	–	–	476,049	–
● Rent received (Incl. Taxes) :								
Prescient Color Ltd.	–	–	515,608	–	–	–	377,880	–
RIECO Industries Ltd.	–	–	1,554,819	–	–	–	1,333,623	–
Rathi Brothers Madras Ltd.	–	–	–	130,530	–	–	–	–
Rathi Brothers Poona Ltd.	–	–	–	365,965	–	–	–	359,125
● Rent Paid :								
RIECO Industries Ltd.	–	–	1,123,400	–	–	–	–	–
Rathi Brothers Calcutta Ltd.	–	–	–	144,270	–	–	–	141,573
Rathi Brothers Madras Ltd.	–	–	–	–	–	–	–	108,619
Rathi Brothers Delhi Ltd.	–	–	–	–	–	–	–	173,125
● Donation Paid :								
Sudarshan CSR Foundation	–	–	402,000	–	–	–	1,040,500	–
Shri Jagannath Rathi Charity Trust	–	–	–	8,691,256	–	–	–	3,957,000
● Advance given :								
Sudarshan CSR Foundation	–	–	–	–	–	–	5,000	–
● Reimbursement of Expenses (Net) :								
Sudarshan Europe B.V.	–	–	5,094,839	–	–	–	858,990	–
Prescient Color Ltd.	–	–	745,271	–	–	–	67,465	–
Sudarshan North America, Inc.	–	–	285,000	–	–	–	(345,800)	–
RIECO Industries Ltd.	–	–	(5,630,904)	–	–	–	1,892,913	611,153
Marathwada Chemical Inds. Pvt.Ltd.	–	–	–	–	–	–	–	1,810,578
● Corporate guarantee issued / renewed								
Sudarshan North America Inc.(in USD)	–	–	3,000,000	–	–	–	–	–
[Sudarshan North America Inc. (in INR)]	–	–	200,235,000	–	–	–	–	–]
Sudarshan Europe B.V. (in EUR)	–	–	3,000,000	–	–	–	–	–
[Sudarshan Europe B.V. (in INR)]	–	–	206,724,300	–	–	–	–	–]
RIECO Industries Ltd.	–	–	1,000,000,000	–	–	–	–	–
● Balance outstanding at year end :								
– Customer / (Vendor) Account								
Prescient Color Ltd.	–	–	2,277,345	–	–	–	3,030,414	–
Sudarshan Europe B.V.	–	–	418,715,624	–	–	–	291,937,035	–
Sudarshan North America, Inc.	–	–	145,284,768	–	–	–	135,110,780	–
RIECO Industries Ltd.	–	–	(7,662,793)	–	–	–	(1,068,930)	–
Marathwada Chemical Inds. Pvt.Ltd.	–	–	–	198,967	–	–	–	(2,786,216)
– Loan given								
Sudarshan Europe B.V.	–	–	149,219,159	–	–	–	161,872,628	–
– Corporate guarantee								
Sudarshan North America Inc. (in USD)	–	–	3,000,000	–	–	–	3,000,000	–
[Sudarshan North America Inc. (in INR)]	–	–	200,040,000	–	–	–	189,030,000	–]
Sudarshan Europe B.V. (in EUR)	–	–	3,000,000	–	–	–	3,000,000	–
[Sudarshan Europe B.V. (in INR)]	–	–	227,070,000	–	–	–	204,630,000	–]
RIECO Industries Ltd.	–	–	1,000,000,000	–	–	–	–	–
– Deposits								
Mr. P.R.Rathi	9,285,000	–	–	–	9,285,000	–	–	–
Mr. R.B.Rathi	10,300,000	–	–	–	10,300,000	–	–	–
Mr. R.P.Rathi	–	10,740,000	–	–	–	10,740,000	–	–
Mrs. K.R.Rathi	–	16,685,000	–	–	–	16,685,000	–	–
PRR Finance Pvt. Ltd.	–	–	–	16,830,000	–	–	–	32,330,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	–	37,665,000	–	–	–	52,965,000
Rathi Vessels & Systems Pvt .Ltd.	–	–	–	24,175,000	–	–	–	–

Nature of Transactions	2015 – 16				2014 – 15			
	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SIKMP*	Key Management Personnel	Relatives of Key Management Personnel	Subsidiary Companies	SIKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Others	–	11,525,000	–	29,225,000	–	11,525,000	–	33,775,000
– Salary and Commission								
Mr. P.R.Rathi	6,000,000	–	–	–	7,392,000	–	–	–
Mr. R.B.Rathi	6,000,000	–	–	–	6,948,720	–	–	–

* Entities in which Key Management Personnel and / or their relatives exercise significant influence

13. Inventories (At Cost or Net Realisable Value) :

		As at 31 st March, 2016	As at 31 st March, 2015
(a)	Finished Products :	Value Rs.	Value Rs.
(i)	Inorganic Pigments	144,859,565	176,771,113
(ii)	Organic Pigments	524,713,968	379,477,649
(iii)	Intermediates	2,634,947	2,833,613
(iv)	Pesticides (100%)	80,366,556	105,257,510
(v)	Vessels / Agitators	13,681,444	21,135,141
	Total...	766,256,480	685,475,026
(b)	Semi-finished Products (Work-in-progress) :		
(i)	Inorganic Pigments	26,437,588	53,567,075
(ii)	Organic Pigments	183,245,848	245,758,755
(iii)	Intermediates	4,993,452	4,685,837
(iv)	Pesticides (100%)	5,995,338	6,063,125
(v)	Agitators / Mixers	12,937,935	73,010,808
	Total...	233,610,161	383,085,600

14. Sales (Net of Excise Duty) :

	Current Year	Previous Year
	Rs.	Rs.
(i) Inorganic Pigments	2,668,895,756	2,259,003,461
(ii) Organic Pigments	7,981,009,539	7,319,085,685
(iii) Pesticides (100%)	729,465,755	730,039,777
(iv) Agro Trading Sales	433,493,348	424,978,709
(v) Pigment Trading Sales	6,368,377	–
(vi) Agitators / Mixers	152,917,496	85,321,681
Total...	11,972,150,271	10,818,429,313

15. Raw Materials Consumed :

	Current Year	Previous Year
	Rs.	Rs.
(i) Litharge And Lead Metal	378,049,162	388,680,449
(ii) Sodium Bichromate	159,456,860	154,884,317
(iii) Pesticides	437,447,757	468,657,276
(iv) C P C Blue	798,491,538	857,843,170
(v) C Acid	167,884,854	133,310,312
(vi) Naphthol	425,575,533	373,677,539
(vii) Beta Naphthol	49,149,033	65,277,670
(viii) 3,3' Dichlorobenzidine Dihydrochloride	249,447,792	256,759,398
(ix) Bon Acid	185,034,163	208,135,463
(x) Titanium Oxy Chloride	187,990,936	166,308,220
(xi) Caustic Soda	200,855,016	168,272,786
(xii) 5-Amino, 6-Methyl Benzimidazolone	88,157,919	82,561,217
(xiii) Dimethyl Succinyl Succinate	104,983,308	106,954,204
(xiv) Barbituric Acid	70,995,899	84,451,433
(xv) Uncalcined Mica	94,722,750	81,818,221
(xvi) Calcined Mica	23,453,776	23,116,180
(xvii) Other	2,974,711,459	2,770,368,590
Total...	6,596,407,755	6,391,076,445

16. Value of Imported and Indigenous Raw Materials consumed during the year :

	Rs.	% to Total Consumption
(a) Value of Imported Raw Materials including duty, handling, clearance charges etc.	1,734,134,556 (1,670,559,290)	26% (26%)
(b) Value of Indigenous Raw Materials	4,862,273,199 (4,720,517,155)	74% (74%)
Total...	6,596,407,755 (6,391,076,445)	100% (100%)

17. Value of Imported and Indigenous Stores, Spares and Components consumed during the year :

	Rs.	% to Total Consumption
(a) Value of Imported Stores, Spares and Components including duty, handling, clearance charges etc.	36,323,711 (25,309,031)	15% (15%)
(b) Value of Indigenous Stores, Spares and Components	213,150,500 (144,665,528)	85% (85%)
Total...	249,474,211 (169,974,559)	100% (100%)

18. Expenditure / Payments in Foreign Currencies on Account of :

	Current Year Rs.	Previous Year Rs.
(a) Commission	26,994,620	24,801,182
(b) Foreign Travel	15,158,368	10,890,713
(c) Interest	32,774,493	26,785,705
(d) Legal and Professional Charges	36,041,530	31,523,364
(e) Others	16,585,245	22,732,380
Total...	127,554,256	116,733,344

19. C.I.F. Value of Imports :

	Current Year Rs.	Previous Year Rs.
(a) Raw Materials (including through Canalising Agencies)	1,897,390,083	2,902,785,686
(b) Stores and Components	33,171,257	15,566,085
(c) Capital Goods	5,461,469	8,407,092
Total...	1,936,022,809	2,926,758,863

20. Remittances during the year in foreign currencies on account of dividend to non-resident shareholders were as follows :

	Current Year	Previous Year
Number of Shareholders	1	1
Number of Equity Shares	5,579,890	557,989
Face value (Rs.) each	2	10
Amount remitted during the year (Rs.)	9,764,808 (FY 14-15)	8,369,835 (FY 13-14)
Interim Dividend for the year (2015-16)	13,949,725	-

The above information pertains to a non-resident shareholder to whom direct remittance has been made by the Company.

21. Earnings in Foreign Exchange :

	Current Year Rs.	Previous Year Rs.
(a) Export of goods on F.O.B. Basis (inclusive of exports of Export House)	5,176,020,023	4,612,490,390
(b) Others	1,688,010	4,368,773
Total...	5,177,708,033	4,616,859,163

22. Hedged / Un-hedged Foreign Exposure :

The following currency transactions remain outstanding :

Nature	Currency	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
(A) Un-hedged Exposure			
Assets			
Export Receivables	EURO	5,647,499	(21,995,260)
Export Receivables	USD	278,625,200	611,614,308
Loan to Subsidiary - Sudarshan Europe B.V.	EURO	80,684,708	120,195,639
Loan to Subsidiary - Sudarshan Europe B.V.	USD	68,534,450	41,676,989
Liabilities			
Import Payables	EURO	901,362	1,627,736
Import Payables	USD	330,328,525	315,018,320
Import Payables	CHF	-	30,873
Import Payables	JPY	-	187,502
Foreign currency working capital borrowings			
Packing Credit (Pre-shipment)	USD	66,680,000	184,219,835
Packing Credit (Post-shipment)	USD	-	63,936,868
Packing Credit (Post-shipment)	EURO	7,908,848	-
Buyer's Credit	USD	-	111,461,389
Foreign currency term loans			
Exim Term loan	USD	21,558,857	41,370,638
ECB loan	EURO	1,392,696,000	886,730,000
(B) Hedged Exposure (Forward Exchange Contracts)			
Assets			
Export Receivables	EURO	375,756,528	390,268,037
Export Receivables	USD	628,003,392	309,900,000
Liabilities			
Import payables	USD	18,190,304	-

Note : The Company has also hedged the interest rate on foreign currency loan of EURO 13 million (Previous Year : EURO 13 million) by swapping floating interest rate of LIBOR plus 279 Basis Point to fixed interest rate of 3.20% p.a.

23. Earnings per Share (EPS) :

Particulars	31-03-2016	31-03-2015
Net Profit After Tax available for Equity Shareholders	716,285,687	424,072,841
Equity Shares outstanding at year end	69,227,250	69,227,250
Weighted Average number of equity shares used to compute basic earnings per share	69,227,250	69,227,250
Earnings per share basic and diluted (Rs.)	10.35	6.13

24. Managerial Remuneration :

	Mr. P.R.Rathi Chairman and Managing Director	(Amount in Rs.) Mr. R.B.Rathi Deputy Managing Director
Salary and Other Allowances	15,628,261 (16,507,057)	13,028,695 (17,094,264)
Contribution to Provident Fund and Other Funds	1,879,200 (1,879,200)	1,371,576 (1,280,772)
Other Perquisites	329,900 (67,800)	818,059 (67,800)
Commission	6,000,000 (6,000,000)	6,000,000 (6,000,000)
Total ...	23,837,361 (24,454,057)	21,218,330 (24,442,836)

25. Expenses Capitalized during the year are as below :

	Current Year Rs.	Previous Year Rs.
(A) Employee Cost	3,656,556	3,497,952
(B) Borrowing Cost	9,610,737	—
Total...	13,267,293	3,497,952

26. Foreign Exchange Difference Capitalised during the year :

The foreign exchange difference arising out of re-alignment of the value of the foreign currency loan, taken for the purpose of procurement of fixed assets has been adjusted in the carrying cost of the respective fixed assets and has been depreciated over their remaining depreciable life as follows :

	Current Year Gain / (Loss) Rs.	Previous Year Gain / (Loss) Rs.
(i) Plant and Machinery (Including CWIP)	(88,105,350)	129,089,260
(ii) Buildings	(13,744,559)	24,291,964
(iii) R&D Plant and Machinery	(1,743,450)	3,081,353
(iv) R&D Buildings	(841,594)	1,487,423
Total...	(104,434,953)	157,950,000

27. Revision in Depreciation on account of Componentisation of Fixed Assets :

- A. In the year 2014-15, the Company had revised the Depreciation Rates on Fixed Assets according to the useful life as specified in the Schedule II to the Companies Act, 2013 or on the basis of its assessment made by the Company as permitted by the said Schedule. Depreciation charged for the said year was accordingly higher by Rs. 12,616,125.

The Depreciation on the basis of Revised Schedule II on assets whose useful life had already exhausted before 1st April, 2014, of Rs. 10,837,856 (net of corresponding deferred tax impact Rs. 5,580,651) was adjusted to General Reserve and included in total depreciation of Rs. 413,944,367 disclosed in Note 11 and 12.

- B. During the year under review, in terms of the requirement of Schedule II of the Companies Act 2013, the Company has identified significant component of Property, Plant and Equipment which have materially different useful lives, based on the technical evaluation done by an Independent Valuer. Consequently depreciation charge for the year is higher by Rs. 17,328,640.

28. Details of Other Current Liabilities :

	As at 31 st March 2016 Rs.	As at 31 st March 2015 Rs.
Outstanding Expenses	250,442,231	214,852,811
Debtors' Credit Balances / Debtors' Advances	74,435,031	59,799,176
Export Commission Payable	28,333,319	50,690,617
Director Commission Payable	15,200,000	14,500,000
Salaries	240,362	13,801,547
Deposit from Employees	15,502,735	9,260,068
Others	17,348,728	14,941,383
Total...	401,502,406	377,845,602

29. Details of Other Current Assets :

	As at 31 st March 2016 Rs.	As at 31 st March 2015 Rs.
Accrued Income	2,815,363	21,967,137
Mediclaime, Excise Duty Recoverable	16,389,863	18,041,183
Gratuity Receivable	3,237,768	1,740,726
Total...	22,442,994	41,749,046

30. Lease Rent :

The Company has taken residential accommodation, office premises and warehouses on lease / rental basis. Lease period varies from one month to twelve months. These leases are cancellable in nature. Lease / rentals recognised in the Statement of Profit and Loss is Rs. 12,817,931 (Previous Year : Rs. 12,708,258)

31. Amount spent towards Corporate Social Responsibility :

During the year the Company has incurred CSR expenses of Rs. 13,178,377 (Previous Year : Rs. 5,266,843) which includes contribution / donation of Rs. 6,691,256 (Previous Year : Rs. 2,997,500) to trusts (related party) which are engaged in activities eligible under Section 135 of Companies Act, 2013 read with Schedule VII thereto and other expenses of Rs. 6,487,121 (Previous Year : Rs. 2,269,343) directly incurred by the Company.

In addition to the above, a contribution of Rs. 402,000 (Previous Year : Rs. 1,040,500) is made to its subsidiary Sudarshan CSR Foundation which is a Section 8 registered company under Companies Act, 2013, with the main objectives of (a) promotion of education and enhancing vocational skills, (b) eradication of hunger and promoting hygiene, (c) promotion of sports (d) protection of national heritage and promotion and development of traditional arts (e) promotion of gender equality and (f) other infrastructure that would help meet the objectives of environmental sustainability such as waste management, vermin-culture, organic farming etc.

32. General expenses include donation to Political Party Rs. Nil (Previous Year : Rs. 2,000,000 (Nationalist Congress Party))**33. Disclosure required under Sec. 186 (4) of Companies Act, 2013**

Loan given to subsidiaries for working capital finance - repayable on demand		Loan given	
Name of party	Rate of interest	FY 15-16	FY 14-15
Sudarshan Europe B.V.	5% p.a.	149,219,159	121,558,986
Prescient Color Ltd	11% p.a.	60,000,000	10,000,000

Loan given to subsidiaries for working capital finance - repayable on demand		Loan Outstanding as on	
Name of party	Rate of interest	31-03-2016	31-03-2015
Sudarshan Europe B.V.	5% p.a.	149,219,159	161,872,628
Prescient Color Ltd	11% p.a.	-	-

Investments in Share Capital		Investments made during	
Name of party		Current Year	Previous Year
RIECO Industries Ltd		-	160,000,000
RIECO Industries Ltd (Share Application Money)		70,000,000	-
Sudarshan CSR Foundation		-	100,000

Corporate Guarantees issued for working capital finance on behalf of	Guarantees issued / renewed during			
	Current Year		Previous Year	
	In Foreign currency*	In Rs. Lacs	In Foreign currency	In Rs. Lacs
Sudarshan North America Inc.	USD 3 Millions	200,235,000	-	-
Sudarshan Europe B.V.	EUR 3 Millions	206,724,300	-	-
RIECO Industries Ltd	-	1,000,000,000	-	-

Corporate Guarantees issued for working capital finance on behalf of	Guarantees Outstanding as on			
	31-03-2016		31-03-2015	
	In Foreign currency**	In Rs. Lacs	In Foreign currency	In Rs. Lacs
Sudarshan North America Inc.	USD 3 Millions	200,040,000	USD 3 Millions	189,030,000
Sudarshan Europe B.V.	EUR 3 Millions	227,070,000	EUR 3 Millions	204,630,000
RIECO Industries Ltd	-	1,000,000,000	-	-

* Value of Corporate Guarantees which were renewed during the year have been converted into equivalent rupees at the prevailing rate on the date of renewal.

** Value of Corporate Guarantees which are outstanding as at 31st March, 2016 have been converted into equivalent rupees at the closing rate.

34. The Company has reclassified previous year's figures to conform to this year's classification.

The figures in brackets are those in respect of previous year.

As per our report of even date.	For and on behalf of the Board of Directors		
For B.K.KHARE & Co. Chartered Accountants Firm Regn. No.: 105102W	S.N.INAMDAR Independent Director & Audit Committee Chairman	P.R.RATHI Chairman & Managing Director	V.V.THAKUR Deputy General Manager - Finance (Acting CFO)
NARESH KUMAR KATARIA Partner Membership No.: 037825 Pune : 27 th May, 2016		R.B.RATHI Deputy Managing Director	P.S.RAGHAVAN Company Secretary
	Pune : 27 th May, 2016		

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SUDARSHAN CHEMICAL INDUSTRIES LIMITED

Consolidated Financial Statements for the Financial Year 2015-16

INDEPENDENT AUDITOR'S REPORT

To the Members of Sudarshan Chemical Industries Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of Sudarshan Chemical Industries Limited ("the Holding Company") and its subsidiaries ("the Holding Company and its subsidiaries are referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
4. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.
7. 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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

9. We did not audit the Financial Statements of four subsidiary Companies, whose Financial Statements reflect total assets of Rs. 2,834,416,081 as at 31st March, 2016, total revenues of Rs. 4,177,251,128 and net cash outflows amounting to Rs. 12,416,892 for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements / Financial Information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, 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.

10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
 - b. in our opinion, proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors of the Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiaries incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 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 Holding Company and its Indian subsidiaries and the operating effectiveness of such controls, refer to our separate report in “**Annexure**”; and
 - g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group Ref. Note No. 5(i) of Note No. 29 to the Consolidated Financial Statements.
 - ii. The Group 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 Holding Company. Based on the auditor's report of the Indian Subsidiaries there were no amounts which were required to be transferred to the said fund.

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. : 105102W

Naresh Kumar Kataria
Partner
Membership No.037825

Pune : 27th May, 2016

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Sudarshan Chemical Industries Limited on the consolidated financial statements for the year ended 31st March 2016.

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

1. In conjunction with our audit of the Consolidated Financial Statements of the Sudarshan Chemical Industries Limited as of and for the ended 31st March, 2016, we have audited the internal financial controls over financial reporting of Sudarshan Chemical Industries Limited (hereinafter referred to as "the Holding Company"), and its two subsidiary companies incorporated in India ("Indian Subsidiary Companies") as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the of the Holding Company and its Indian subsidiaries, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 ("the Act").

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. A company's internal financial control over financial reporting includes those policies and procedures that

- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b. 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
- c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company and its Indian Subsidiary Companies, 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, 2016, based on the internal control over financial reporting criteria established by the Holding Company, Subsidiary Companies in India 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

9. Our aforesaid reports 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 the subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For B. K. Khare and Co.
Chartered Accountants
Firm Registration No. : 105102W

Naresh Kumar Kataria
Partner
Membership No.037825

Pune : 27th May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	138,454,500	138,454,500
(b) Reserves and Surplus	2	3,001,095,976	2,487,539,037
		3,139,550,476	2,625,993,537
(2) Non-current Liabilities			
(a) Long-term borrowings	3	2,184,146,248	1,613,254,922
(b) Deferred tax liabilities (Net)	4	364,815,584	363,717,506
(c) Other long-term liabilities	5	38,771,536	35,561,680
(d) Long-term provisions	6	114,404,875	116,146,064
		2,702,138,243	2,128,680,172
(3) Current Liabilities			
(a) Short-term borrowings	7	1,741,412,212	2,220,373,870
(b) Trade payables	8		
- Micro Enterprises and Small Enterprises		75,812,208	74,219,304
- Other than Micro Enterprises and Small Enterprises		2,076,779,351	1,803,251,752
(c) Other current liabilities	9	1,067,245,917	1,086,332,025
(d) Short-term provisions	10	75,718,204	179,572,752
		5,036,967,892	5,363,749,703
Total		10,878,656,611	10,118,423,412
II. ASSETS			
(1) Non-current Assets			
(a) Fixed assets			
(i) Tangible assets	11	3,368,946,742	3,081,270,412
(ii) Intangible assets	12A	140,436,528	161,423,603
(iii) Capital work-in-progress		154,348,222	79,680,863
(b) Goodwill on consolidation	12B	68,442,101	86,159,383
(c) Non-current investments	13	2,964,697	2,964,697
(d) Long-term loans and advances	14	379,840,535	251,745,127
(e) Other non-current assets	15	2,500,000	-
		4,117,478,825	3,663,244,085
(2) Current Assets			
(a) Inventories	16	2,531,367,767	2,501,667,308
(b) Trade receivables	17	3,529,360,488	3,171,464,437
(c) Cash and cash equivalents	18	249,905,777	233,573,110
(d) Short-term loans and advances	19	390,541,715	446,860,555
(e) Other current assets	20	60,002,039	101,613,917
		6,761,177,786	6,455,179,327
Total		10,878,656,611	10,118,423,412
See accompanying Notes to The Consolidated Financial Statements	29		

The accompanying notes form an integral part of The Consolidated Financial Statements.

As per our report of even date.

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn. No.: 105102W

NARESH KUMAR KATARIA
Partner
Membership No.: 037825

Pune : 27th May, 2016

For and on behalf of the Board of Directors

S.N.INAMDAR
Independent Director &
Audit Committee
Chairman

P.R.RATHI
Chairman &
Managing Director

R.B.RATHI
Deputy
Managing Director

V.V.THAKUR
Deputy General
Manager - Finance
(Acting CFO)

P.S.RAGHAVAN
Company Secretary

Pune : 27th May, 2016

STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	Current Year Rs.	Previous Year Rs.
I. Revenue from operations	21	15,163,230,326	13,135,536,926
Less : Excise duty		1,069,972,800	953,993,433
		14,093,257,526	12,181,543,493
II. Other Income	22	140,313,520	236,865,370
III. Total Revenue (I + II)		14,233,571,046	12,418,408,863
IV. Expenses :			
Cost of materials consumed	23	7,875,797,558	7,109,300,710
Purchase of stock-in-trade	24	346,774,989	311,950,964
(Increase) / Decrease in inventories of finished goods, work in progress and stock-in-trade	25	(49,394,726)	(114,898,488)
Employee benefit expense	26	1,033,512,488	940,086,802
Finance costs	27	343,393,929	388,239,417
Depreciation and amortisation expense	11, 12A-B	481,018,536	419,098,276
Other expenses	28	3,212,752,484	2,648,702,313
Total Expenses		13,243,855,258	11,702,479,994
V. Profit / (Loss) before exceptional, extraordinary items and tax (III - IV)		989,715,788	715,928,869
VI. Exceptional Items		-	-
VII. Profit / (Loss) before extraordinary items and tax (V - VI)		989,715,788	715,928,869
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax (VII - VIII)		989,715,788	715,928,869
X. Tax expense :			
Current Tax		225,983,360	124,622,129
MAT Credit Availed (Pertaining to previous year's entitlement)		63,489,300	28,600,000
		289,472,660	153,222,129
Deferred Tax Charge / (Credit)		1,098,078	18,915,529
Total Tax Expense		290,570,738	172,137,658
XI. Profit / (Loss) for the period from continuing operations		699,145,050	543,791,211
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax) (XII - XIII)		-	-
XV. Profit / (Loss) for the period (XI + XIV)		699,145,050	543,791,211
XVI. Earnings per equity share, Basic and Diluted		10.10	7.86
(Rs. Per Equity Share of Rs. 2 each)			
(Ref. Note No. 13 of Note No. 29)			
See accompanying Notes to The Consolidated Financial Statements	29		

The accompanying notes form an integral part of The Consolidated Financial Statements.

As per our report of even date.

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn. No.: 105102W

NARESH KUMAR KATARIA
Partner
Membership No.: 037825

Pune : 27th May, 2016

For and on behalf of the Board of Directors

S.N.INAMDAR
Independent Director &
Audit Committee
Chairman

P.R.RATHI
Chairman &
Managing Director

R.B.RATHI
Deputy
Managing Director

V.V.THAKUR
Deputy General
Manager - Finance
(Acting CFO)

P.S.RAGHAVAN
Company Secretary

Pune : 27th May, 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	March 31,2016 Rs.	March 31,2015 Rs.
Cash flow from operating activities		
Profit / (Loss) before tax from operations	989,715,788	715,928,869
Adjustments :		
Depreciation / amortization on Goodwill on Consolidation	17,717,282	2,427,025
Depreciation / amortization	463,301,254	416,671,251
Loss / (Profit) on sale or write off of fixed assets	(578,484)	2,661,752
Provisions no longer required written back	(67,961,944)	-
Unrealized foreign exchange Loss / (Gain)	77,700,891	20,070,386
Provision for doubtful debts	35,576,838	1,477,826
Advances written off	6,487,290	-
Provision for doubtful advances	6,000,000	-
Bad Debts written-off	70,932,015	10,828,958
Interest expense	343,393,929	388,239,417
Interest income	(41,122,344)	(34,256,965)
Operating cash flows before working capital changes	1,901,162,515	1,524,048,519
Movements in working capital :		
Increase / (decrease) in deferred tax liabilities	-	2,224,535
Increase / (decrease) in trade payables	269,322,996	751,870,782
Increase / (decrease) in long-term provisions	(1,741,188)	9,087,495
Increase / (decrease) in short-term provisions	298,745	31,365,173
Increase / (decrease) in other current liabilities	158,170,524	141,591,547
Increase / (decrease) in other long-term liabilities	3,209,856	980,300
Decrease / (increase) in trade receivables	(468,584,143)	(636,870,844)
Decrease / (increase) in inventories	(29,700,459)	(408,303,786)
Decrease / (increase) in long-term loans and advances	(94,668,254)	(48,862,965)
Decrease / (increase) in short-term loans and advances	56,318,839	(117,139,498)
Decrease / (increase) in other current assets	44,423,294	14,714,555
Cash generated from / (used in) operations	1,838,212,725	1,264,705,813
Direct taxes paid	(201,954,375)	(142,275,000)
Net cash flow from / (used in) operating activities (A)	1,636,258,350	1,122,430,813
Cash flows from investing activities :		
Purchase of fixed assets, including intangible assets, CWIP and Capital advances	(850,784,887)	(567,415,359)
Proceeds from sale of fixed assets	2,678,815	3,097,687
Goodwill	-	(88,586,408)
Investments in bank deposits (Having original maturity of more than three months) (Net)	(17,100,737)	4,146,795
Interest received	38,310,928	34,256,965
Net cash flow from / (used in) investing activities (B)	(826,895,881)	(614,500,320)
Cash flows from financing activities :		
Proceeds from long-term borrowings	735,068,112	1,241,897,536
Repayment of long -term borrowings	(378,269,383)	(1,524,851,588)
Dividend Paid (Including Dividend Distribution Tax)	(354,121,999)	(121,488,635)
Proceeds from short-term borrowings (Net)	(478,832,393)	360,687,348
Interest paid	(331,474,876)	(381,995,586)
Net cash flow from / (used in) in financing activities (C)	(807,630,539)	(425,750,925)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	1,731,930	82,179,568
Cash and cash equivalents at the beginning of the year	215,641,985	133,462,417
Cash and cash equivalents at the end of the year	217,373,915	215,641,985
Components of cash and cash equivalents		
Cash on hand	2,015,327	2,170,698
With banks :		
on current account	201,484,400	119,040,757
on deposit account	2,865,656	90,933,602
unpaid dividend accounts*	11,008,532	3,496,928
Total cash and cash equivalents (Ref. Note No. 18(a))	217,373,915	215,641,985

Notes :

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement, prescribed under Section 133 of the Companies Act, 2013.
- Previous year's figures have been regrouped wherever necessary to conform to the current year classification.
* The Company can utilise these balances only towards settlement of the respective unpaid dividend.

The accompanying notes form an integral part of The Consolidated Financial Statements.

As per our report of even date.

For and on behalf of the Board of Directors

For B.K.KHARE & Co.
Chartered Accountants
Firm Regn. No.: 105102W

S.N.INAMDAR
Independent Director &
Audit Committee
Chairman

P.R.RATHI
Chairman &
Managing Director

V.V.THAKUR
Deputy General
Manager - Finance
(Acting CFO)

NARESH KUMAR KATARIA
Partner
Membership No.: 037825

R.B.RATHI
Deputy
Managing Director

P.S.RAGHAVAN
Company Secretary

Pune : 27th May, 2016

Pune : 27th May, 2016

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.		As at 31-03-2015 Rs.	
	SHAREHOLDERS' FUNDS :				
1	SHARE CAPITAL				
	Equity Share Capital :				
	AUTHORISED :				
	75,000,000 (Previous Year : 75,000,000) Equity Shares of Rs. 2 each.	<u>150,000,000</u>		<u>150,000,000</u>	
	ISSUED :				
	* 69,227,750 (Previous Year : 69,227,750) Equity Shares of Rs. 2 each.	<u>138,455,500</u>		<u>138,455,500</u>	
	SUBSCRIBED AND PAID-UP :				
	69,227,250 (Previous Year : 69,227,250) Equity Shares of Rs. 2 each fully paid up.	<u>138,454,500</u>		<u>138,454,500</u>	
	* Allotment of 500 Rights Equity Shares of Rs. 2 each is kept in abeyance, matter being sub-judice.				
	(a) Reconciliation of the shares outstanding at the beginning and at the end of the year :				
	At the beginning of the year	No.	Rs.	No.	Rs.
	Equity Shares of Rs.10 each are sub-divided into Rs.2 each	69,227,250	138,454,500	6,922,725	69,227,250
	Add : Bonus shares allotted during the year in the ratio 1:1	-	-	34,613,625	69,227,250
	Less : Shares bought back during the year	-	-	34,613,625	69,227,250
	Outstanding at the end of the year	-	-	-	-
		69,227,250	138,454,500	69,227,250	138,454,500
	(b) Terms / Rights attached to equity shares :				
	The Company has only one class of equity shares having a par value of Rs. 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
	During March, 2016 an Interim Dividend of Rs. 2.50 per share was paid. Also, a Final Dividend of Rs. 0.50 per share was proposed to be paid for the Financial Year ended 31 st March, 2016, subject to approval of shareholders. In view of this, the amount of dividend per share aggregates to Rs. 3.00 on a face value of Rs. 2 per share (Previous Year : Rs. 1.75).				
	In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
	(c) Shares held by holding / ultimate holding company and / or their subsidiaries / associates :				
	The Company does not have any holding or ultimate holding company.				
	(d) Details of shareholders holding more than 5% shares in the company :				
		No.	%	No.	%
	Mr. Pradeep R. Rath	3,823,450	5.52	3,823,450	5.52
	Mr. Rahul P. Rath	4,754,540	6.87	4,754,540	6.87
	Mr. Anuj N. Rath	3,827,620	5.53	3,827,620	5.53
	DIC Corporation, Japan	5,579,890	8.06	5,579,890	8.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.		As at 31-03-2015 Rs.	
2	RESERVES AND SURPLUS				
	(a) CAPITAL RESERVE				
	Balance at the beginning of the year	5,044,100		5,044,100	
	Additions during the year	-		-	
	Less : Deductions during the year	-		-	
	Balance at the end of the year	<u>5,044,100</u>	<u>5,044,100</u>	<u>5,044,100</u>	5,044,100
	(b) SECURITIES PREMIUM ACCOUNT				
	Balance at the beginning of the year	132,115,000		132,115,000	
	Additions during the year	-		-	
	Less : Deductions during the year	-		-	
	Balance at the end of the year	<u>132,115,000</u>	<u>132,115,000</u>	<u>132,115,000</u>	132,115,000
	(c) REVALUATION RESERVE				
	Balance at the beginning of the year	-		498,450,000	
	Additions during the year	-		-	
	Less : Deductions during the year	-		498,450,000	
	<i>Ref. Note No. 6 of Note No. 29</i>				
	Balance at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	-
	(d) GENERAL RESERVE				
	Balance at the beginning of the year	1,584,050,614		1,604,115,720	
	Add: Transferred from Surplus in the Statement of Profit and Loss	100,000,000		60,000,000	
	Less: Deductions during the year -				
	Transferred to Paid - up Share Capital on issue of Bonus Shares	-		69,227,250	
	Depreciation (Net of Deferred Tax Liability Rs. Nil (Previous Year : Rs. 5,580,651)) <i>Ref. Note No. 17A of Note No. 29</i>	-		10,837,856	
	Balance at the end of the year	<u>1,684,050,614</u>	<u>1,684,050,614</u>	<u>1,584,050,614</u>	1,584,050,614
	(e) FOREIGN CURRENCY TRANSLATION RESERVE				
	Balance at the beginning of the year	(72,872,390)		(100,270,371)	
	Additions during the year	64,380,595		27,397,981	
	Less : Deductions during the year	-		-	
	Balance at the end of the year	<u>(8,491,795)</u>	<u>(8,491,795)</u>	<u>(72,872,390)</u>	(72,872,390)
	(f) SURPLUS IN THE STATEMENT OF PROFIT AND LOSS				
	Surplus at the beginning of the year	839,201,713		501,225,120	
	Add : Profit After Tax for the year	699,145,050		543,791,211	
	Less: Appropriations				
	Interim Equity Dividend	173,068,911		-	
	Proposed Final Equity Dividend	34,613,625		121,147,688	
	Tax on Interim and Final Equity Dividend	42,286,170		24,666,930	
	Transferred to General Reserve	100,000,000		60,000,000	
		<u>1,188,378,057</u>	<u>1,188,378,057</u>	<u>839,201,713</u>	839,201,713
	Total ...		<u>3,001,095,976</u>		<u>2,487,539,037</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
	NON-CURRENT LIABILITIES :		
3	LONG-TERM BORROWINGS		
	(a) SECURED LOANS FROM BANKS :		
	- Rupee Loans :		
	Export - Import Bank of India (EXIM Bank) <i>Ref. Note No. i) below</i>	112,400,000	150,000,000
	State Bank of India <i>Ref. Note No. ii) below</i>	120,000,000	180,000,000
	Bank of Maharashtra <i>Ref. Note Nos. iii) to v) below</i>	101,064,248	57,277,116
	- Foreign Currency Loans :		
	Export - Import Bank of India (EXIM Bank) <i>Ref. Note No. vi) below</i>	-	20,367,306
	State Bank of India <i>Ref. Note Nos. vii) and viii) below</i>	1,195,902,000	753,720,500
		1,529,366,248	1,161,364,922
	(b) UNSECURED LOANS FROM OTHERS :		
	Loans and Advances from Related Parties :		
	i) Intercompany Deposits <i>Ref. Note No. ix) below</i>	86,570,000	32,880,000
	ii) Fixed Deposits		
	1) From Public	3,620,000	3,620,000
	2) From Shareholders <i>Ref. Note No. x) below and Note No. 10 of Note No. 29</i>	70,130,000	70,130,000
		160,320,000	106,630,000
	Loans and Advances from Others :		
	i) Intercompany Deposits <i>Ref. Note No. ix) below</i>	27,950,000	13,510,000
	ii) Fixed Deposits		
	1) From Public	404,720,000	269,960,000
	2) From Shareholders <i>Ref. Note No. x) below and Note No. 10 of Note No. 29</i>	61,790,000	61,790,000
		494,460,000	345,260,000
		654,780,000	451,890,000
	Total ...	2,184,146,248	1,613,254,922

Sr. No.	Particulars	Rate and Repayment Schedule	Security
i)	Corporate Term Loan from EXIM Bank of Rs. 15 Crores (outstanding Rs. 112,400,000 (P.Y. Rs. 150,000,000)) was taken in Financial Year 2014-15	Interest @ 10.45% p.a. Repayable in 16 quarterly instalments of Rs. 94 Lacs each from July 2016.	Secured by a First Pari Passu Charge by way of hypothecation of the entire movable fixed assets both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune and further secured by way of mortgage by First Pari Passu Charge over the entire fixed assets including immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune
ii)	Corporate Term Loan from SBI of Rs. 30 Crores (outstanding Rs. 120,000,000 (P.Y. Rs. 180,000,000)) was taken in parts till 31 st March, 2014	Interest @ 10.65% p.a. Repayable in 8 quarterly instalments of Rs. 250 Lacs each from June 2014.	Secured a First Pari Passu Charge on the movable fixed assets and current assets of the Company. Also the said Corporate Loan is secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrablevadi, Dist. Pune.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Particulars	Rate and Repayment Schedule	Security
iii)	Term Loan from Bank of Maharashtra of Rs. 6.16 Crores (outstanding Rs. 22,300,895 (P.Y. Rs. 31,213,032)) is taken in Financial Year 2012-13	Interest @ 12.75% p.a. Repayable in 84 monthly instalments of Rs. 7.34 Lacs from October, 2012.	Secured by hypothecation of machinery, equipment and other movable fixed assets, both present and future, and further by a registered mortgage of immovable fixed assets of the Company situated at Gat No. 1162, Tal. Mulshi, Pirangut, Pune-412 108.
iv)	Term Loan from Bank of Maharashtra of Rs. 66 lacs (outstanding Rs. 2,534,169 (P.Y. Rs. 3,488,330)) is taken in Financial Year 2012-13 and 2013-14	Interest @ 12.75% p.a. Repayable in 84 monthly instalments of Rs. 0.79 Lacs from December, 2012.	
v)	Term Loan from Bank of Maharashtra of Rs. 10 Crores (outstanding Rs. 76,229,184 (P.Y. Rs. 22,575,754)) is taken in parts upto 31 st March, 2016	Interest @ 12.75% p.a. Repayable in 84 monthly instalments of Rs. 16.67 Lacs from February 2016.	Secured by hypothecation of all movable fixed assets, both present and future, excluding vehicles and further by a registered mortgage of immovable fixed assets, both present and future, of the Company situated at Gat No. 1162, Tal. Mulshi, Pirangut, Pune-412 108.
vi)	Term Loan from EXIM Bank of USD 1 Million (outstanding Rs. Nil (P.Y. Rs. 20,367,306)) was taken in parts till 31 st March, 2014	Interest @ LIBOR + 475 b.p.s. p.a. Repayable in 12 quarterly instalments of USD 0.83 Lacs each from March 2014.	Secured by a First Pari Passu Charge on the entire fixed assets of the Company. Also the said Foreign Currency Loan is secured by a mortgage charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrlevadi, Dist. Pune.
vii)	ECB Loan from SBI of EURO 13 Million (outstanding Rs. 639,580,500 (P.Y. Rs. 753,720,500)) was taken in Financial Year 2014-15	Interest @ 3.20% p.a. Repayable in 20 quarterly instalments of EURO 6.50 Lacs each from July 2015.	Secured by a First Pari Passu Charge on all the movable fixed assets both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrlevadi, Dist. Pune and further secured by way of Supplemental Deed of Mortgage by First Pari Passu Charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrlevadi, Dist. Pune
viii)	ECB Loan from SBI of EURO 11.35 Million (outstanding Rs. 556,321,500 (P.Y. Rs. Nil)) was taken in Financial Year 2015-16	Interest EURIBOR + 200 b.p.s. p.a. Repayable in 20 quarterly instalments of EURO 6.50 Lacs each from July 2015.	To be secured by a First Pari Passu Charge on all the movable fixed assets both present and future situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrlevadi, Dist. Pune and further to be secured by way of Deed of Mortgage by First Pari Passu Charge on the immovable properties of the Company situated at Roha, Mahad. Dist. Raigad and Ambadvet (Sutarwadi), Amrlevadi, Dist. Pune
ix)	Intercompany Deposits	Rate of Interest is 8.50% to 11.25% p.a. Accepted for period of 3 years.	None
x)	Fixed Deposits	Rate of Interest is 10.25% p.a. Accepted for period of 3 years.	None
xi)	Borrowings maturing within 12 months are disclosed in Note No. 9 (a)		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
4	DEFERRED TAX LIABILITIES (NET)		
	Deferred Tax Liabilities :		
	Depreciation	414,836,112	386,961,912
		<u>414,836,112</u>	<u>386,961,912</u>
	Deferred Tax Assets :		
	Provision for Doubtful Advance / Debtors	17,495,434	-
	Expenditure accrued, allowable on actual payment	32,525,094	23,244,406
		<u>50,020,528</u>	<u>23,244,406</u>
	Deferred Tax Liabilities (Net)	<u>364,815,584</u>	<u>363,717,506</u>
	<i>Ref. Note No. 1 (xiii) of Note No. 29</i>		
5	OTHER LONG-TERM LIABILITIES		
	Security Deposits	28,346,008	28,774,008
	Retention Money	10,425,528	6,787,672
	Total ...	<u>38,771,536</u>	<u>35,561,680</u>
6	LONG-TERM PROVISIONS		
	PROVISION FOR EMPLOYEE BENEFITS :		
	Pension	67,221,208	63,795,519
	<i>Ref. Note No.1 (xii) and Note No. 8 (A) 2 (a) of Note No. 29</i>		
	<i>For current maturity Ref. Note No.10 (a)</i>		
	Compensated Absences	47,183,667	52,350,545
	<i>Ref. Note No.1 (xii) and Note No. 8 (A) 3 of Note No. 29</i>		
	<i>For current maturity Ref. Note No.10 (a)</i>		
	Total ...	<u>114,404,875</u>	<u>116,146,064</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
	CURRENT LIABILITIES :		
7	SHORT-TERM BORROWINGS		
	LOANS REPAYABLE ON DEMAND :		
	FROM BANKS -		
	(a) SECURED LOANS :		
	- Rupee Loans :		
	Working Capital Borrowings	1,073,837,645	1,403,781,362
	<i>Ref. Note Nos. i) to x), xv) and xvi) below</i>		
	- Foreign Currency Loans :		
	Working Capital Borrowings	390,074,567	535,598,818
	<i>Ref. Note Nos. xi) to xiv) and xvii) to xix) below</i>		
	(b) UNSECURED LOANS :		
	- Rupee Loans :		
	Short-Term Loans	277,500,000	169,532,301
	<i>Ref. Note Nos. xx) to xxiii) below</i>		
	- Foreign Currency Loans :		
	Short-Term Loans	-	111,461,389
	<i>Ref. Note Nos. xxiv) below</i>		
	Total ...	1,741,412,212	2,220,373,870

Sr. No.	Particulars	Rate and Repayment Schedule	Security
i)	Working Capital Borrowing (Cash Credit) Rs. 132,000,513 (P.Y. Rs. 67,177,069) from Bank of Maharashtra	Interest @ 9.95% p.a.	Working Capital Borrowings from Bank of Maharashtra led Consortium Banks consisting of Bank of Maharashtra, State Bank of India, Bank of Baroda, ICICI Bank Limited, HDFC Bank Limited and The Hong Kong and Shanghai Banking Corporation Limited are secured by a First Charge on the Current Assets of the Company viz. stock-in-trade, book debts, receivables and raw materials. These are further secured by second charge on the immovable properties of the Company situated at Roha, Mahad, Dist. Raigad and Ambadvet, Amrlewadi, Dist. Pune by creation of a joint registered mortgage.
ii)	Working Capital Borrowing (Cash Credit) Rs. 200,137,795 (P.Y. Rs. 106,003,454) from State Bank of India	Interest @ 10.45% p.a.	
iii)	Working Capital Borrowing (Cash Credit) Rs. 48,945,975 (P.Y. Rs. 2,459,563) from Bank of Baroda	Interest @ 10.65% p.a.	
iv)	Working Capital Borrowing (Cash Credit) Rs. 30,220,176 (P.Y. Rs. 32,560,525) from HDFC Bank Limited	Interest @ 12.30% p.a.	
v)	Working Capital Borrowing (Cash Credit) Rs. 78,504,618 (P.Y. Rs. 52,368,389) from ICICI Bank Limited	Interest @ 10.60 % p.a.	
vi)	Short-Term Borrowing Rs. 100,000,000 (P.Y. Rs. 70,000,000) from HSBC Limited	Interest @ 9.28% p.a. Repayable within 90 days from the date of borrowing.	
vii)	Short-Term Borrowing Rs. 100,000,000 (P.Y. Rs. 400,000,000) from State Bank of India	Interest @ 9.55% p.a. Repayable within 90 days from the date of borrowing.	
viii)	Short-Term Borrowing Rs. Nil (P.Y. Rs. 200,000,000) from Bank of Baroda	Interest @ 10.00% p.a. Repayable within 90 days from the date of borrowing.	
ix)	Working Capital Borrowing (Bills Discounted) Rs.5,257,763 (P.Y. Rs. Nil) from HDFC Bank Limited	Interest @ 9.70% p.a. Repayable within 90 days from the date of borrowing.	
x)	Working Capital Borrowing (EPC) Rs. Nil (P.Y. Rs. 30,000,000) from HDFC Bank Limited	Interest @ 10.00% p.a. Repayable within 180 days from the date of borrowing.	
xi)	Working Capital Borrowing (PCFC) Rs. 66,680,000 (P.Y. Rs. Nil) from HDFC Bank Limited	Interest @ LIBOR +55 b.p.s. p.a. Repayable within 90 days from the date of borrowing.	
xii)	Working Capital Borrowing (PCFC) Rs. Nil (P.Y. Rs. 126,020,000) from State Bank of India	Interest @ LIBOR + 105 b.p.s. p.a. Repayable within 90 days from the date of borrowing.	
xiii)	Working Capital Borrowing (PCFC) Rs. Nil (P.Y. Rs. 58,199,835) from HSBC Limited	Interest @ LIBOR + 110 b.p.s. p.a. Repayable within 90 days from the date of borrowing.	
xiv)	Working Capital Borrowing (Packing Credit (Post-shipment)) Rs. 7,908,848 (P.Y. Rs. 63,936,868) from Bank of Maharashtra	Interest @ LIBOR + 150 b.p.s. p.a. Repayable within 90 days from the date of borrowing.	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Particulars	Rate and Repayment Schedule	Security
xv)	Working Capital Borrowing (Cash Credit) Rs. 99,814,912 (Previous Year : Rs. 99,817,888) from Bank of Maharashtra	Interest @ base rate + 2.5% p.a. (presently 12.50%).	Secured by hypothecation of inventory & receivables and Corporate Guarantee from Sudarshan Chemicals India Limited
xvi)	Working Capital Borrowing (Cash Credit) Rs. 278,955,893 (Previous Year : Rs. 343,394,474) from Bank of Maharashtra	Interest @ base rate + 0.5 % p.a (presently 10.20%).	Secured by hypothecation of inventory & receivables and Corporate Guarantee from Sudarshan Chemicals India Limited
xvii)	Working Capital Borrowing (Cash Credit) Rs. 191,708,505 (Previous Year : Rs. Nil) from HSBC Limited	Interest @ 3.30% p.a.	Secured by hypothecation of inventory & receivables and Corporate Guarantee from Sudarshan Chemicals India Limited
xviii)	Short-Term Borrowing Rs. Nil (P.Y. Rs. 204,630,000) from HSBC Limited	Interest @ 3.62% p.a. Repayable within 90 days from the date of borrowing.	Secured by hypothecation of inventory & receivables and Corporate Guarantee from Sudarshan Chemicals India Limited
xix)	Buyer's Credit Borrowing Rs. 123,777,214 (P.Y. Rs. 82,812,115) from EXIM Bank	Interest @ LIBOR+500 b.p.s p.a. Repayable within 180 days from the date of borrowing.	Secured by Corporate Guarantee from Sudarshan Chemicals India Limited
xx)	Working Capital Borrowing (EPC) Rs. Nil (P.Y. Rs. 60,000,000) from Citibank N.A.	Interest @ 9.60% p.a. Repayable within 180 days from the date of borrowing.	None
xxi)	Short-Term Borrowing Rs. 77,500,000 (P.Y. Rs. 60,000,000) from HDFC Bank Limited	Interest @ 9.50% p.a. Repayable within 90 days from the date of borrowing.	None
xxii)	Short-Term Borrowing Rs. 200,000,000 (P.Y. Rs. Nil) from IDFC Bank Limited	Interest @ 9.50% p.a. Repayable within 90 days from the date of borrowing.	None
xxiii)	Buyer's Credit Borrowing in INR Rs. Nil (P.Y. Rs. 49,532,301) from HSBC Limited	Interest @ 10.10%p.a. Repayable within 180 days from the date of borrowing.	None
xxiv)	Buyer's Credit Borrowing Rs. Nil (P.Y. Rs. 111,461,389) from HDFC Bank Limited	Interest @ LIBOR + 0.95 b.p.s. p.a. Repayable within 180 days from the date of borrowing.	None

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
8	TRADE PAYABLES		
	(a) Micro Enterprises and Small Enterprises		
	Acceptances	-	-
	Other than acceptances	75,812,208	74,219,304
		75,812,208	74,219,304
	(b) Other than Micro Enterprises and Small Enterprises		
	Acceptances	326,600,951	310,548,472
	Other than acceptances	1,750,178,400	1,492,703,280
		2,076,779,351	1,803,251,752
	Total ...	2,152,591,559	1,877,471,056
9	OTHER CURRENT LIABILITIES		
	(a) Current maturities of long-term debt :		
	<i>For non-current maturities Ref. Note No. 3</i>		
	- Secured Loans from Banks :		
	Rupee Loans :		
	Export - Import Bank of India (EXIM Bank)	37,600,000	67,500,000
	State Bank of India	60,000,000	60,000,000
	Bank of Maharashtra	29,756,004	94,604,771
	Foreign Currency Loans :		
	Export - Import Bank of India (EXIM Bank)	21,558,857	21,003,332
	State Bank of India	196,794,000	133,009,500
	<i>For security & other terms Ref. Note Nos. i) to viii) of Note No. 3</i>		
	- Unsecured Loans :		
	Loans and Advances from Related Parties :		
	Intercompany Deposits	6,110,000	105,975,000
	<i>Ref. Note No. ix) of Note No. 3</i>		
	Loans and Advances from Others :		
	Intercompany Deposits	18,610,000	9,550,000
	<i>Ref. Note No. ix) of Note No. 3</i>		
	(b) Interest accrued but not due on borrowings :	7,113,905	11,068,973
	(c) Unclaimed Liabilities :		
	Unclaimed Dividend	10,998,532	3,496,928
	Unclaimed Matured Fixed Deposits	670,000	-
	<i>Ref. Note No. 10 of Note No. 29</i>		
	(d) Other payables :		
	Statutory Dues	130,013,351	104,255,282
	Other Liabilities (<i>Ref. Note No. 19 of Note No. 29</i>)	506,637,545	473,322,637
	Unamortised Premium of Forward Contracts	410,903	-
	Forward Contracts Payable	21,358,075	-
	Trade Payables - For Capital Goods	19,614,745	2,545,602
	Total ...	1,067,245,917	1,086,332,025

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
10	SHORT-TERM PROVISIONS		
	(a) PROVISION FOR EMPLOYEE BENEFITS :		
	Compensated Absences <i>Ref. Note No.1 (xii) and Note No. 8 (A) 3 of Note No. 29</i> <i>For non-current maturity Ref. Note No.6</i>	14,112,959	7,392,812
	Pension <i>Ref. Note No.1 (xii) and Note No. 8 (A) 2 (a) of Note No. 29</i> <i>For non-current maturity Ref. Note No.6</i>	5,992,473	5,447,702
	Gratuity <i>Ref. Note No.1 (xii) and Note No. 8 (A) 1 (c) of Note No. 29</i>	13,951,447	20,917,620
	(b) OTHERS :		
	i) Proposed Equity Dividend	34,613,625	121,147,688
	ii) Dividend Distribution Tax	7,047,700	24,666,930
	Total ...	<u>75,718,204</u>	<u>179,572,752</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

NON-CURRENT ASSETS :
FIXED ASSETS

Note No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		Balance As on 01-04-2015 Rs.	Additions Rs.	Deductions / Changes Rs.	Balance As on 31-03-2016 Rs.	For the Year Rs.	Deductions / Changes Rs.	Balance As on 31-03-2016 Rs.	Balance As on 31-03-2015 Rs.	
11	TANGIBLE ASSETS :									
	FREEHOLD LAND *	120,704,138 (49,555,932)	- (71,550,000)	- (401,794)	120,704,138 (120,704,138)	-	-	-	120,704,138 (120,704,138)	
	LEASEHOLD LAND	16,127,747 (12,740,447)	- (3,387,300)	- (3,387,300)	16,127,747 (16,127,747)	173,921 (149,890)	-	2,498,214 (2,324,293)	13,803,454 (10,566,044)	
	BUILDINGS **	716,809,198 (696,720,558)	92,326,993 (28,289,591)	(13,744,559) (8,200,951)	822,880,750 (716,809,198)	21,379,956 (22,811,117)	-	227,420,762 (206,040,806)	510,768,392 (518,390,360)	
	PLANT & MACHINERY **	4,711,684,538 (4,552,664,788)	403,529,387 (231,359,617)	(70,151,989) (72,339,867)	5,185,365,914 (4,711,684,538)	357,011,334 (330,743,121)	1,807,933 (21,487,914)	2,921,593,456 (2,566,390,055)	2,145,294,483 (2,338,505,768)	
	VEHICLES	69,716,244 (54,654,356)	22,574,293 (7,852,309)	12,551,801 (7,209,579)	79,738,736 (69,716,244)	11,141,058 (13,815,320)	11,762,066 (2,856,982)	45,312,428 (34,668,928)	34,668,928 (36,279,342)	
	FURNITURE & FIXTURES	49,940,800 (43,613,566)	26,464,417 (1,651,920)	336,951 (4,675,314)	76,068,266 (49,940,800)	4,978,288 (6,774,956)	229,858 (3,074,064)	40,853,482 (19,474,446)	19,474,446 (22,996,232)	
	OFFICE EQUIPMENTS	23,548,853 (16,366,581)	3,911,846 (1,439,786)	107,038 (5,742,486)	27,353,661 (23,548,853)	2,195,940 (6,287,911)	45,433 (4,021,981)	19,211,265 (17,060,758)	6,488,095 (9,615,715)	
	FIXED ASSETS - R&D									
	BUILDINGS **	98,926,813 (97,268,967)	29,556,439 (3,145,269)	(841,594) (1,487,423)	129,324,846 (98,926,813)	1,537,175 (1,358,127)	-	20,184,044 (18,648,869)	80,279,944 (79,980,225)	
	PLANT & MACHINERY **	251,242,082 (166,952,698)	37,675,994 (87,370,737)	(1,743,450) (3,081,353)	290,661,526 (251,242,082)	20,488,129 (14,409,778)	-	123,535,058 (103,046,929)	148,195,153 (78,315,547)	
	FURNITURE & FIXTURES	6,412,746 (6,162,027)	3,393,431 (250,719)	- (5,742,486)	9,806,177 (6,412,746)	259,557 (374,517)	-	5,078,924 (4,819,367)	1,593,379 (1,717,177)	
	OFFICE EQUIPMENTS	-	87,344	-	87,344	9,548	-	9,548	-	
	Sub-Total	6,065,113,159 (5,696,699,920)	619,520,144 (436,297,248)	(73,485,802) (67,884,009)	6,758,119,105 (6,065,113,159)	419,174,906 (396,724,737)	13,845,290 (36,340,432)	3,389,172,363 (2,983,842,747)	3,081,270,412 (3,145,922,342)	
12 A	INTANGIBLE ASSETS :									
	GOODWILL	41,101,746 (41,101,746)	- (41,101,746)	- (41,101,746)	41,101,746 (41,101,746)	8,220,349 (4,110,175)	-	12,330,524 (4,110,175)	36,991,571 (36,991,571)	
	COMPUTER SOFTWARES	63,010,789 (45,170,810)	5,500,837 (9,919,184)	(474,409) (7,920,795)	68,986,035 (63,010,789)	22,486,918 (5,064,682)	(474,409) (16,849,695)	39,811,022 (46,161,094)	46,161,094 (33,385,797)	
	TECHNICAL KNOW-HOW	148,477,126 (142,595,147)	- (495,093)	- (5,386,886)	148,477,126 (148,477,126)	6,001,144 (23,971,592)	-	115,164,975 (109,163,831)	39,313,295 (62,919,614)	
	REGISTRATIONS	43,315,964 (31,572,122)	17,638,436 (15,568,633)	- (3,824,791)	60,954,400 (43,315,964)	7,417,937 (3,218,572)	-	11,776,258 (4,358,321)	38,957,643 (30,432,373)	
	Sub-Total	295,905,625 (219,338,079)	23,139,273 (67,084,656)	(474,409) (9,482,890)	319,519,307 (295,905,625)	44,126,348 (36,365,021)	(474,409) (5,516,706)	179,082,779 (140,436,528)	161,423,603 (126,737,784)	
	TOTAL	6,361,018,784 (5,916,037,999)	642,659,417 (503,381,904)	(73,960,211) (58,401,119)	7,077,638,412 (6,361,018,784)	463,301,254 (433,089,758)	13,370,881 (41,857,138)	3,568,255,142 (3,242,694,015)	3,242,694,015 (3,272,660,126)	

* Ref. Note No. 6 of Note No. 29**Ref. Note No. 16 of Note No. 29,Ref. Note No. 7, 15, 17 & 18 of Note No. 29

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
12B	GOODWILL ON CONSOLIDATION		
	Balance at the beginning of the year	86,159,383	-
	Additions during the year	-	88,586,408
	Less : Amortization during the year	17,717,282	2,427,025
	Balance at the end of the year	68,442,101	86,159,383
	<i>Ref. Note No. 2(D) of Note No. 29</i>		
	Total ...	68,442,101	86,159,383
13	NON-CURRENT INVESTMENTS		
	Long-Term and Non-Trade Investments		
	(a) Investments in Equity Instruments (unquoted) :		
	Investments in Subsidiaries :		
	10,000 (Previous Year : 10,000) Equity shares of Rs. 10 each fully paid-up in Sudarshan CSR Foundation	100,000	100,000
	<i>Ref. Note No. 2 (E) of Note No. 29</i>		
		100,000	100,000
	(b) Investments in Mutual Funds (quoted) :		
	Aggregate amount of quoted investments and market value thereof :		
	202,715.67 (Previous Year : 202,715.67) Units of Rs. 10 each in UTI Gilt Advantage-LTP-Dividend Payout Fund.	2,864,697	2,864,697
	<i>[Market Value Rs. 3,969,781 (Previous Year : Rs. 3,814,075)]</i>		
		2,864,697	2,864,697
	Aggregate amount of quoted investments	2,864,697	2,864,697
	Aggregate amount of unquoted investments	100,000	100,000
	Total ...	2,964,697	2,964,697

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
14	LONG-TERM LOANS AND ADVANCES		
	Unsecured (Considered Good unless stated otherwise) :		
	(a) Capital Advances	167,669,420	34,236,691
	Considered doubtful	9,000,000	3,000,000
	Less : Provision for doubtful advances	9,000,000	3,000,000
		<u>167,669,420</u>	<u>34,236,691</u>
	(b) Security Deposits :		
	Deposit with Government etc.	89,224,408	26,459,751
	Tender Deposit	1,268,830	1,147,430
	Deposit with Others	18,048,950	8,318,975
		<u>108,542,188</u>	<u>35,926,156</u>
	(c) Other Loans and Advances :		
	Loan to Employees	-	16,000
	Stamp Duty refund recoverable	27,605,500	27,605,500
		<u>27,605,500</u>	<u>27,621,500</u>
	(d) MAT Credit Entitlement	29,560,700	93,050,000
	(e) Income Tax Paid	1,477,495,398	1,279,370,265
	Less : Provision	1,431,032,671	1,218,459,485
	Income Tax Paid (Net)	<u>46,462,727</u>	<u>60,910,780</u>
	Total ...	<u>379,840,535</u>	<u>251,745,127</u>
15	OTHER NON-CURRENT ASSETS		
	Margin Money with Banks with maturity of more than 12 months (Against Bank Guarantee / LC)	2,500,000	-
	Total ...	<u>2,500,000</u>	<u>-</u>
	CURRENT ASSETS :		
16	INVENTORIES		
	(a) Raw Materials	336,616,104	422,153,083
	Goods in Transit	193,991,614	150,525,625
		<u>530,607,718</u>	<u>572,678,708</u>
	(b) Work-in-progress	434,275,889	551,279,292
	(c) Finished Goods	1,250,408,426	1,079,596,746
	Goods in Transit	151,912,454	160,959,542
		<u>1,402,320,880</u>	<u>1,240,556,288</u>
	(d) Stores and Spares	106,135,561	85,696,962
	(e) Stock-in-Trade	47,377,121	42,743,584
	(f) Packing Materials	10,650,598	8,712,474
	Total ...	<u>2,531,367,767</u>	<u>2,501,667,308</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	As at 31-03-2016 Rs.	As at 31-03-2015 Rs.
17	TRADE RECEIVABLES		
	Unsecured :		
	(a) Outstanding for a period exceeding six months from the due date (Considered good)	117,576,042	110,775,869
	Considered doubtful	53,911,227	14,210,699
	Less : Provision for doubtful debt	53,911,227	14,210,699
		-	-
	(b) Others (Considered good)	3,411,784,446	3,060,688,568
	Total ...	3,529,360,488	3,171,464,437
18	CASH AND CASH EQUIVALENTS		
	(a) Cash and Cash Equivalents		
	i) Cash on hand	2,015,327	2,170,698
	ii) In Current Accounts	201,484,400	97,657,623
	iii) Remittance in Transit	-	24,000,000
	iv) Other Bank Balances		
	- Deposit Account (Original maturity less than 3 months)	2,865,656	88,316,736
	- Earmarked balances with Bank		
	Unclaimed Dividend Account	8,214,922	3,496,928
	Dividend Account (Unclaimed Shares)	2,793,610	-
		217,373,915	215,641,985
	(b) Other Bank Balances (Original maturity 3 - 12 months)		
	Lien Account	32,531,862	17,931,125
		249,905,777	233,573,110
19	SHORT-TERM LOANS AND ADVANCES		
	Unsecured and considered good :		
	Advances recoverable in cash or in kind or for value to be received	317,601,232	369,699,079
	Prepaid Expenses	28,563,345	24,813,352
	Service Tax Receivable (Set-off)	6,258,548	2,491,811
	Deposit with Excise, Customs etc.	38,118,590	49,856,313
	Total ...	390,541,715	446,860,555
20	OTHER CURRENT ASSETS		
	Export Benefits Accrued	14,743,575	9,167,960
	Unamortised Premium of Forward Contracts	22,620,924	13,662,001
	Forward Contracts Receivable	194,546	37,034,910
	Others	22,442,994	41,749,046
	Ref. Note No. 20 of Note No. 29		
	Total ...	60,002,039	101,613,917

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
21	REVENUE FROM OPERATIONS		
	(a) Sale of products	15,012,545,870	13,070,550,863
	Less: Excise duty	<u>1,069,972,800</u>	<u>953,993,433</u>
		13,942,573,070	12,116,557,430
	(b) Services Rendered	30,912,716	923,304
	(c) Other operating revenues		
	Export Incentives	66,897,770	34,334,538
	Miscellaneous Operating Income (Net of Excise Duty)	<u>52,873,970</u>	<u>29,728,221</u>
		119,771,740	64,062,759
	Total ...	<u><u>14,093,257,526</u></u>	<u><u>12,181,543,493</u></u>
22	OTHER INCOME		
	(a) Interest Income		
	Bank Deposits	3,776,613	8,008,911
	Others	37,345,731	26,248,054
	(b) Other Non-Operating Income :		
	Miscellaneous Income	12,606,589	86,882,114
	Provisions no longer required, written back	67,961,944	2,051,377
	Provision for doubtful debts written back	597,021	617,725
	Foreign Exchange Difference (Net)	17,447,138	113,057,189
	Profit on Sale / Disposal of Fixed Assets (Net)	578,484	-
	Total ...	<u><u>140,313,520</u></u>	<u><u>236,865,370</u></u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
23	COST OF MATERIALS CONSUMED		
	Opening Stock	572,678,708	597,157,570
	Add : Purchases	7,833,726,568	7,084,821,848
		<u>8,406,405,276</u>	<u>7,681,979,418</u>
	Less : Closing Stock	530,607,718	572,678,708
	Total ...	<u>7,875,797,558</u>	<u>7,109,300,710</u>
24	PURCHASE OF STOCK-IN-TRADE		
		346,774,989	311,950,964
	Total ...	<u>346,774,989</u>	<u>311,950,964</u>
25	(INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
	Stocks at Commencement :		
	Finished Products	1,240,556,288	1,123,669,540
	Work-in-progress (Semi-finished Products)	551,279,292	226,732,195
	Stock-in-Trade	42,743,584	39,529,629
		<u>1,834,579,164</u>	<u>1,389,931,364</u>
	On Acquisition of business (Ref. Note No. 7 & 18 of Note No. 29)	-	329,749,312
		<u>1,834,579,164</u>	<u>1,719,680,676</u>
	Less:		
	Stocks at Close :		
	Finished Products	1,402,320,880	1,240,556,288
	Work-in-progress (Semi-finished Products)	434,275,889	551,279,292
	Stock-in-Trade	47,377,121	42,743,584
		<u>1,883,973,890</u>	<u>1,834,579,164</u>
	Total ...	<u>(49,394,726)</u>	<u>(114,898,488)</u>
26	EMPLOYEE BENEFIT EXPENSE		
	Salaries and Wages :		
	Other Than Research and Development	824,478,787	736,920,368
	For Research and Development	67,231,165	56,053,492
	Contribution to Provident and Other Funds	56,620,737	56,172,147
	Staff Welfare Expenses	46,902,254	30,040,300
	Gratuity (Ref. Note No. 8 (A) 1 (d) of Note No. 29)	28,861,385	46,340,425
	Pension (Ref. Note No. 8 (A) 2 (b) of Note No. 29)	9,418,160	14,560,070
	Total ...	<u>1,033,512,488</u>	<u>940,086,802</u>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note No.	Particulars	Current Year Rs.	Previous Year Rs.
27	FINANCE COSTS		
	Interest expenses	334,818,705	374,931,126
	Other borrowing costs	5,030,244	4,728,763
	(Includes Bank charges for Bank Guarantee, Loan Processing etc.)		
	Foreign Exchange difference to the extent considered as borrowing cost	3,544,980	8,579,528
	Total ...	343,393,929	388,239,417
28	OTHER EXPENSES		
	Consumption of Stores and Spare parts	241,420,950	173,305,983
	Consumption of Packing Material	155,402,927	141,280,339
	Power and Fuel	690,396,841	619,277,469
	Water Charges	117,120,853	97,860,552
	Labour Charges	293,170,527	232,056,644
	Rent (Ref. Note No. 21 of Note No. 29)	49,315,945	41,432,579
	Repairs to Buildings	68,707,434	47,632,053
	Repairs to Plant and Machinery	146,133,437	111,640,994
	Repairs to Others	7,953,293	7,827,739
	Insurance	26,622,225	15,319,139
	Rates and Taxes	12,123,079	8,977,969
	Advertisement	24,054,612	20,081,133
	Auditors' Remuneration (Ref. Note No. 9 of Note No. 29)	3,696,461	3,344,083
	Bad Debts Written Off	70,932,015	10,828,958
	Provision for Doubtful Debts	35,576,838	1,477,826
	Advance Written Off	6,487,290	-
	Provision for Doubtful Advances	6,000,000	-
	Bank Charges	21,848,115	17,690,811
	Export Market Development Expenses :		
	Commission on Exports	35,475,971	37,839,308
	Travelling, Postage, Forwarding, etc.	101,957,810	93,041,592
	Commission to Selling Agents	281,553,279	219,453,348
	Directors' Sitting Fees	2,130,817	1,539,050
	Discounts (Other Than Trade Discounts)	75,616,452	121,924,861
	ERP / Computer related expenses	16,553,854	23,839,333
	Freight and Octroi	39,014,856	43,342,039
	Legal, Professional and Consultancy Charges	223,825,272	146,235,968
	Licence Fees	2,837,341	3,381,482
	Loss on Sale / Disposal of Fixed Assets (Net)	-	2,661,752
	Printing, Stationery and Communication Expenses	41,327,590	27,601,121
	Sales Tax Surcharge / Turnover Tax	6,984,418	7,223,923
	Selling and Distribution Expenses	91,783,285	91,335,964
	Research and Development Expenses :		
	Stores, Spares and Consumables etc.	34,061,217	16,894,672
	Other Expenses	23,514,136	49,327,535
	Travelling and Conveyance	99,757,710	73,149,351
	Royalty	191,500	13,474,158
	General Expenses (Ref. Note No. 22 & 23 of Note No. 29)	74,643,737	71,847,873
	Other Expenses	64,802,359	47,136,145
	Increase / (Decrease) in Excise Duty on Closing Stock of Finished Goods	19,758,038	7,418,567
	Total ...	3,212,752,484	2,648,702,313

NOTE NO. 29 : NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**1. Significant Accounting Policies :****(i) Basis of Preparation :**

The Consolidated Financial Statements are prepared in accordance with the Generally Accepted Accounting Principles ("GAAP") in India under the historical cost convention on an accrual basis, and are in conformity with mandatory accounting standards, as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or where a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Use of Estimates :

The preparation of the Consolidated Financial Statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(iii) Fixed Assets :**(a) Tangible Assets :**

Fixed Assets are stated at cost of acquisition along with attributable costs, including related borrowing costs, for bringing the assets to its working condition for its intended use, less accumulated depreciation.

(b) Intangible Assets :

Costs incurred on acquisition, development or enhancement of intangible resources are recognized as intangible assets if these are identifiable, controlled by the Company and it is probable that future economic benefit attributable to the assets would flow to the Company. Intangible assets are stated at cost less accumulated amortization and impairments, if any. Cost includes taxes, duties and other incidental expenses related to acquisition, development and enhancement.

(c) Borrowing costs that are directly attributable to the acquisition or production of a qualifying assets are capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(d) The cost also comprises of exchange differences arising on translation / settlement of long-term foreign currency borrowings pertaining to the acquisition of fixed assets.

(iv) Depreciation :

Depreciation on tangible assets is provided on the straight-line method on pro-rata basis, over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013, or as assessed by the Management based on the technical evaluation by an approved valuer.

Assets whose acquisition value is less than Rs. 5,000 are depreciated 100% during the year of acquisition.

Leasehold land is amortised over the lease period.

When significant parts of an item of property, plant and equipment have materially different useful lives, they are accounted for as separate items (major components) of property, plant and equipment based on technical evaluation done by an independent valuer.

Schedule II to the Companies Act, 2013 ("Schedule") prescribes the useful lives for various classes of tangible assets. For certain class of assets, based on the technical evaluation and assessment, the Company believes that the useful lives adopted by it best represent the period over which an asset is expected to be available for use. Accordingly, for these assets, the useful lives estimated by the Company are different from those prescribed in the Schedule.

Useful life of the following asset classes differs from that prescribed by Schedule II :

Asset Class	Useful Life Adopted	Useful Life as per Schedule - II
Plant and Machinery - Other than below	9.20	7.50
Plant and Machinery - SS Vessels / SS Equipments	15.00	7.50
Plant and Machinery - Other than SS Components	7.75	7.50

Intangible assets are amortised on a systematic basis over the best estimate of their useful lives, commencing from the date the asset is available to the Company for its use.

The Management's estimates of the useful lives for various categories of intangible assets are given below:

Asset Class	Years
Goodwill	5.00
Registrations	10.00
Others	9.20

The amortisation period and the amortisation method for intangible assets are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

(v) Impairment of Assets :

The carrying amounts of Cash Generating Units / Assets are reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated as the higher of net selling price and value in use. Impairment loss is recognized wherever carrying amount exceeds recoverable amount.

(vi) Investments :

Long-term Investments are carried at cost including related expenses, provision for diminution being made, if necessary, to recognize a decline, other than temporary, in the value thereof.

Current investments are valued at lower of cost and fair value.

(vii) Inventories :

Inventories are valued at lower of Cost and Net Realisable Value.

- Raw Materials, Packing Materials, Stores and Consumables are valued at Weighted Average Cost.
- The cost of Finished Goods and Work-in-progress (Semi-finished Goods) is ascertained by Weighted Average of Cost of Raw Material and standard rate of conversion and other related costs for bringing the inventory to the present location and condition.
- Provision is made for obsolete and non-moving items.
- Leasehold Rights are valued at conversion value.

(viii) Research and Development :

Research and Development expenditure of a capital nature is added to Fixed Assets and depreciation is provided thereon. All other expenditure on Research and Development is charged to the Statement of Profit and Loss in the year of incurrence.

(ix) Foreign Currency Transactions :

- (a) Transactions in foreign currencies are recorded at the exchange rates prevailing as on the date of the transaction. Monetary items are translated at the year-end rate. The difference between the rate prevailing as on the date of the transaction and as on the date of settlement and also on translation of monetary items, at the end of the year, is recognised as income or expense, as the case may be.
- (b) In respect of forward exchange contracts, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the period of the contract. Losses on cancellation of forward exchange contracts are recognised as expense.
- (c) The Company has accounted for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard – 11 (AS – 11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011).

Accordingly, the effect of exchange differences on foreign currency loans of the Company taken to acquire fixed assets is added to / deducted from the cost of the respective assets.

- (d) Forward contracts entered into by the Company for taking of forecasted exposure are marked to market at the reporting date. Losses (net), if any, are charged to the Statement of Profit and Loss and gains (net) are not recognised.

(x) Derivative Financial Instruments :

The Company uses derivative financial instruments such as Forwards, Swaps and Plain Vanilla Options to hedge its risks associated with foreign exchange fluctuations. Such derivative financial instruments are used as risk management tools and not for speculative purposes, in terms of the Policy duly adopted by the Board.

Derivative financial instruments entered into for hedging foreign exchange risks of recognized foreign currency monetary items are accounted for as per the principles laid down in Accounting Standard – 11 “The effects of changes in Foreign Exchange Rates”.

Interest rate swaps entered into by the Company for hedging are marked to market at the reporting date. Losses (net), if any, are charged to the Statement of Profit and Loss and gains (net) are not recognised.

(xi) Revenue Recognition :

Sale of goods is recognised on dispatches to customers, which coincides with the transfer of significant risks and rewards associated with ownership, inclusive of excise duty and net of trade discount.

Dividend income is accounted for when the right to receive is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Credits on account of Export Incentives are accrued upon completion of export when there is a reasonable certainty of fulfillment of obligations as stipulated under respective export promotion schemes.

(xii) Employee Benefits :**(a) Contribution to provident fund –**

Company's contribution paid / payable during the year to provident fund and labour welfare fund are recognised in the Statement of Profit and Loss.

(b) Gratuity –

The Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated period mentioned under 'The Payment of Gratuity Act, 1972'. The Company accounts for liability of future gratuity benefits based on an independent actuarial valuation on projected unit credit method carried out for assessing liability as at the reporting date.

Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(c) Superannuation –

The Company makes contribution to the Superannuation scheme, a defined contribution scheme, administered by Life Insurance Corporation of India, which are charged to the Statement of Profit and Loss. The Company has no obligation to the scheme beyond its annual contributions.

(d) Leave encashment / compensated absences / sick leave –

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the unutilized compensated absences and utilize it in future periods or receive cash in lieu thereof as per Company policy. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The measurement of such obligation is based on actuarial valuation as at the balance sheet date carried out by a qualified actuary.

(e) Pension –

The Company provides for pension, a defined benefit retirement plan covering eligible employees. The plan provides for monthly pension payments to retired employees or family pension to their eligible family members till such period as stipulated in the Board approved policy. The Company accounts for liability of such future benefits based on an independent actuarial valuation on projected accrued credit method carried out for assessing the liability as on the reporting date.

Actuarial gains / losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(xiii) Taxation :**(a) Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of Section 115JB of the Income Tax Act, 1961) over normal income-tax, is recognised as an asset by crediting the Statement of Profit and Loss only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of ten succeeding assessment years.****(b) Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation.**

Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

(xiv) Provisions and Contingent Liabilities :

- (a) A provision is recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (b) A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

(xv) Earnings Per Share :

Basic earnings per share is calculated by dividing the net profit / (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit / (loss) for the period after deducting preference dividends and any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods processed is adjusted for events, such as bonus and shares sub-division, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(xvi) Cash and Cash Equivalents :

Cash and cash equivalents for the purposes of the Cash Flow Statement comprise of cash at bank, cash in hand and current investments with an original maturity of three months or less.

(xvii) Segment Reporting :

The business segment has been considered as the primary segment for disclosure. The categories included in each of the reported business segments are as follows :

- (i) Pigments
- (ii) Agro Chemicals
- (iii) Others

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

- (a) Allocation of common costs –
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.
- (b) Unallocated items –
Unallocated items include general corporate income and expense items which are not allocated to any business segment. Assets and liabilities which relate to the Company as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets / Liabilities".

(c) Segment accounting policies –

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated Financial Statements of the Company as a whole.

2. Principles of Consolidation :

- (A) The Consolidated Financial Statements are based on the audited Financial Statements of the Subsidiaries.
- (B) The Financial Statements of the Holding Company and Subsidiaries have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. All significant intra-group balances and transactions have been eliminated on consolidation.
- (C) The Consolidated Financial Statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Parent Company's Financial Statements.
- (D) Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the value of the assets and liabilities of a subsidiary or associate at the date of acquisition. Goodwill is amortized proportionately over a period of 5 years.

(E) Name of the subsidiaries	Ownership in % either directly or through subsidiaries		Country of Incorporation
	2015 - 16	2014 - 15	
Prescient Color Limited	100 %	100 %	India
Sudarshan Europe B.V.	100 %	100 %	The Netherlands
Sudarshan North America, Inc. (Step-down subsidiary of Sudarshan, India)	100 %	100 %	The United States of America
RIECO Industries Limited	100%	100 %	India
Sudarshan CSR Foundation*	100%	100 %	India

* Sudarshan CSR Foundation (CSR foundation); a wholly owned subsidiary of Sudarshan Chemical Industries Limited (company), is a "not for profit Company" under Section 8 of the Companies Act, 2013. Main objective of CSR foundation is to carry out CSR activities as per the CSR policies of the Company. As the Company is not deriving any economic benefits from the activities of CSR foundation, the same is not considered for consolidation.

(F) Name of the Entity	Net Assets (Total Assets – Total Liabilities) 2015-16		Share in Profit or Loss 2015-16	
	As a % of consolidated net assets	Amount (Rs. in Lacs)	As a % of consolidated profit or loss	Amount (Rs. in Lacs)
Parent Company				
Sudarshan Chemical Industries Ltd.	104.12%	32,689	102.45%	7,163
Subsidiaries				
Indian				
Prescient Color Ltd.	2.64%	829	3.96%	277
RIECO Industries Ltd.	4.41%	1,386	0.95%	66
Foreign				
Sudarshan Europe B.V.	0.08%	25	7.36%	515
Sudarshan North America Inc. (Step-down subsidiary of Sudarshan, India)	(3.82)%	(1,200)	(3.12)%	(218)
Total Eliminations	(7.43)%	(2,334)	(11.60)%	(811)
	100.00%	31,395	100.00%	6,992

3. Estimated value of contracts in capital account remaining to be executed and not provided for (net of capital advances) – **Rs. 28,459,741** (Previous Year : Rs. 48,856,021).
4. The Foreign Subsidiary Company accounts have been prepared in conformity with the Companies Act, 2013 and Generally Accepted Accounting Principles in India, as applicable, and considered accordingly for the purpose of consolidation of accounts.
5. **Contingent liabilities not provided for :**

Claims against the Company not acknowledged as debts

(i) Pending Litigations –

- (a) Excise Duty – **Rs. 27,577,293** (Previous Year : Rs. 20,019,895).
- (b) Income Tax – **Rs. 37,993,200** (Previous Year : Rs. 31,667,195).
- (c) VAT / CST – **Rs. 31,657,071** (Previous Year : Rs. 29,321,463).
- It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements / decisions pending with various forums / authorities.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.
- The Company's pending litigations comprise of claims against the Company by employees and pertaining to proceedings pending with Income Tax, Excise, Custom, Sales / VAT tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its Financial Statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(ii) Guarantees –

– Bank Guarantee

Bank Guarantees – **Rs. 414,843,508** (Previous Year : Rs. 471,597,357)

6. The Company had converted Leasehold Rights of Rs. 498,450,000 into Stock-in-trade in 2010-11 with the intention of commercially developing the underlying Leasehold Land situated at 162 Wellesley Road, Pune 411 001. However, due to several factors, some beyond the control of the Company, this intention could not fructify.
In the mean time the Company also acquired Reversionary Rights in the said land, resulting in full ownership. Presently, the validity of acquisition of Revisionary Rights is sub-judice. In view of the above, the Stock-in-trade of Rs. 498,450,000 as already recognized by creating the corresponding Revaluation Reserve of an identical amount, was reversed, in 2014-15.
Under the circumstances in 2014-15, the Board has decided to reconvert the said land into and to be held as, capital asset at cost of Rs. 71,550,000.
The above had no impact, on the financial results of the Company in the said year.
7. **Acquisition of business undertaking of “Rathi Vessels and Systems Private Limited” on slump sale basis:**
During the Financial Year 2014-15 the Company acquired the going concern business of Rathi Vessels and Systems Private Limited on slump sale basis with the effective date of 1st October, 2014. Correspondingly, all assets and liabilities of this business as on the said effective date stood transferred to the Company and were included in the Financial Statements under the respective heads of accounts.

8. The following disclosures are made in accordance with Accounting Standard – 15 (Revised) :

(A) Pertaining to Defined Benefit Plans :

1 Gratuity

Particulars	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
(a) Present value of the defined benefit obligation :		
Obligations at period beginning	175,357,589	129,139,006
Service cost	15,295,575	10,696,882
Acquisition adjustment	–	13,351,362
Interest cost	13,043,892	11,970,553
Past service cost	–	–
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	13,923,302	37,379,135
Benefits paid	(17,626,833)	(27,179,349)
Obligations at period end	199,993,525	175,357,589
(b) Fair value of plan assets :		
Plan assets at period beginning, at fair value	154,439,969	146,044,649
Expected return on plan assets	14,001,404	13,168,343
Acquisition adjustment	–	13,351,362
Actuarial gain / (loss)	(600,020)	537,802
Contributions	35,743,599	7,500,000
Benefits paid	(17,542,874)	(26,162,187)
Plan assets at period end, at fair value	186,042,078	154,439,969
Actual returns on plan assets	13,401,384	13,706,145
(c) Assets and liabilities recognized in the Balance Sheet :		
Fair value of the plan assets at the end of the year	186,042,078	154,439,969
Present value of the defined benefit obligations at the end of the period	199,993,525	175,357,589
Asset / (liability) recognized in the Balance Sheet	(13,951,447)	(20,917,620)
(d) Expense recognized in the Statement of Profit and Loss :		
Current service cost	15,295,575	10,696,882
Past service cost	–	–
Interest cost	13,043,892	11,970,553
Expected return on plan assets	(14,001,404)	(13,168,343)
Curtailment cost / (credit)	–	–
Settlement cost / (credit)	–	–
Actuarial (gain) / loss	14,523,322	36,841,333
Net gratuity cost	28,861,385	46,340,425
(e) Investment details of the plan assets* :		
Government of India Securities	0.00%	0.00%
High quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special deposit scheme	0.00%	0.00%
Funds managed by Insurer	100.00%	100.00%
Others	0.00%	0.00%
* Plan assets are invested in the debt instruments prescribed by IRDA.		
(f) Summary of Actuarial Assumptions :		
Discount Rate	7.90%	7.80%
Rate of return on plan assets	8.50%	9.00%
Rate of increase in Compensation levels	7.00%	7.00%
Expected Average remaining working lives of employees (Years)	13.09	13.47
The estimates of future salary increase, considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

(g) Experience adjustment * :	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.	As at 31 st March, 2014 Rs.	As at 31 st March, 2013 Rs.	As at 31 st March, 2012 Rs.
On plan liability (loss) / gain	(12,891,109)	(21,363,856)	(6,481,367)	(11,980,388)	(4,478,379)
On plan asset (loss) / gain	117,206	537,802	(367,440)	(723,993)	(24,680)
Present value of benefit obligation	199,993,572	175,357,589	129,139,006	144,498,452	130,617,863
Fair value of plan assets	186,042,078	154,439,969	146,044,649	151,200,197	137,258,408
Surplus / (deficit)	(13,951,447)	(20,917,620)	16,905,643	6,701,745	6,640,545

2 Pension (Unfunded)

Particulars	Current Year Rs.	Previous Year Rs.
(a) Reconciliation of PBO :		
Projected Benefit Obligation at beginning of the year	69,243,221	59,635,600
Current service cost	3,57,204	331,358
Interest cost	5,216,373	4,484,277
Contributions by plan participation	—	—
Actuarial (gain) / loss due to change in assumptions	3,844,583	9,744,435
Benefits paid	(5,447,700)	(4,952,449)
Past service cost	—	—
Amalgamations	—	—
Curtailements	—	—
Settlements	—	—
Projected Benefit Obligation at end of the year	73,213,681	69,243,221
Includes Current maturity Rs. 5,992,473 (Previous Year : Rs. 5,447,702)		
(b) Statement of Profit and Loss :		
Current service cost	357,204	331,358
Interest cost	5,216,373	4,484,277
Expected return on plan asset	—	—
Net actuarial (gain) / loss to be recognised in the year	3,844,583	9,744,435
Past service cost	—	—
Effect of Curtailements	—	—
(Income) / Expense recognised in the Statement of Profit and Loss	9,418,160	14,560,070

3 Compensated Absences (Unfunded)

Particulars	Current Year Rs.	Previous Year Rs.
Movements in Net Liability		
Present value of obligation	61,296,626	59,743,357
Includes Current maturity Rs. 14,112,959 (Previous Year : Rs. 7,392,812)		
Net asset / (liability) recognised in Balance Sheet	(61,296,626)	(59,743,357)

The privileged leave liability is not funded. Hitherto the Company was providing for Compensated Absences on actual basis. During the year the provision has been made on actuarial basis. This change has no material effect on the Financial Statements.

(B) Pertaining to Defined Contribution Plans :

Particulars	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
(a) Expected contribution to the fund in the next year :		
Gratuity	39,441,188	27,768,160
(b) Defined contribution plans :		
Provident fund paid to the authorities	35,694,532	33,676,682

9. Auditors' Remuneration :

	Current Year Rs.	Previous Year Rs.
(a) Audit Fees	1,752,429	1,662,362
(b) Tax Audit Fees	300,000	300,000
(c) Other Services –		
Certification and Limited Review	1,430,700	1,165,000
Stock Verification	200,000	200,000
(d) Reimbursement of Expenses	13,332	16,721
Total ...	3,696,461	3,344,083

**10. Fixed Deposits :
(Accepted under Section 76 (1) of the Companies Act, 2013)**

	31-03-2016 Rs.	31-03-2015 Rs.
(a) Fixed Deposits with Maturity less than 12 months	–	–
(b) Fixed Deposits with Maturity more than 12 months	540,260,000	405,500,000
(c) Unclaimed Matured Fixed Deposits	670,000	–
Total ...	540,930,000	405,500,000

11. Segment Reporting :

Particulars	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
(A) Primary Segment Information :		
1 Segment Revenue		
(a) Pigments	11,831,433,189	10,640,911,151
(b) Agro Chemicals	1,162,959,104	1,155,018,485
(c) Others	1,098,865,233	385,613,857
Total ...	14,093,257,526	12,181,543,493
Less : Inter-segment revenue	–	–
Net Sales / Income from Operations	14,093,257,526	12,181,543,493
2 Segment Results		
Profit / (Loss) before tax		
(a) Pigments	1,666,091,175	1,255,559,495
(b) Agro Chemicals	62,829,197	77,367,458
(c) Others	(29,120,278)	33,297,244
Total ...	1,699,800,094	1,366,224,197
Less : i. Finance Cost	343,393,929	388,239,417
ii. Other Unallocable Expenditure	366,690,377	262,055,911
(Net of Unallocable Income)		
Profit Before Tax	989,715,788	715,928,869
Less : Tax Expense	290,570,738	172,137,658
Profit After Tax	699,145,050	543,791,211

Particulars	Year Ended 31-03-2016 Rs.	Year Ended 31-03-2015 Rs.
3 Other Information		
Segment assets		
(a) Pigments	7,483,339,403	6,950,708,479
(b) Agro Chemicals	394,707,681	370,484,791
(c) Others	1,276,270,147	1,415,218,749
(d) Unallocated	1,724,339,380	1,382,011,393
Total ...	10,878,656,611	10,118,423,412
Segment liabilities		
(a) Pigments	1,859,219,651	1,473,646,964
(b) Agro Chemicals	176,349,407	114,478,665
(c) Others	676,711,769	1,045,609,298
(d) Unallocated	228,609,573	275,592,939
Total ...	2,940,890,400	2,909,327,866
4 Capital Expenditure		
(a) Pigments	450,020,383	309,772,107
(b) Agro Chemicals	2,450,920	10,039,509
(c) Others	766,358	46,203,352
(d) Unallocated	249,060,203	149,900,676
Total ...	702,297,864	515,915,644
5 Depreciation and Amortisation		
(a) Pigments	357,690,457	323,769,772
(b) Agro Chemicals	2,977,226	5,330,913
(c) Others	17,845,051	8,181,479
(d) Unallocated	102,505,802	98,234,619
Ref. Note No. 17 of Note No. 29		
Total ...	481,018,536	435,516,783
(B) Secondary Segment Disclosures :		
1 Revenue from External Customers		
(a) Indigenous	10,830,948,032	9,113,493,018
(b) Exports (including export incentives)	3,262,309,494	3,068,050,475
Total...	14,093,257,526	12,181,543,493
2 Carrying amount of Assets		
(a) In India	9,558,999,423	8,895,599,955
(b) Outside India	1,319,657,188	1,222,823,457
Total...	10,878,656,611	10,118,423,412

12. Related Party Transaction (As per AS-18 on Related Party Disclosures Specified under Section 133 of the Companies Act, 2013) :

List of Related Parties and description of relationship :

(a) Key Management Personnel :	Mr. P.R.Rathi	
	Mr. R.B.Rathi	
	Mr. A.V.Vij	
(b) Relatives of Key Management Personnel :	Mrs. R.R.Rathi	– Wife of Mr. R.B.Rathi
	Mr. R.P.Rathi	– Son of Mr. P.R.Rathi
	Mrs. K.B.Rathi	– Mother of Mr. R.B.Rathi
	Mrs. K.R.Rathi	– Mother of Mr. P.R.Rathi
	Mr. A.B.Rathi	– Brother of Mr. R.B.Rathi
	Mrs. S.P.Rathi	– Wife of Mr. P.R.Rathi
	Mrs. R.R.Agarwal	– Daughter of Mr. P.R.Rathi
(c) Entities in which Key Management Personnel and / or their relatives exercise significant influence (SIKMP) :	Rathi Brothers Poona Limited	
	Rathi Brothers Madras Limited	
	Rathi Brothers Calcutta Limited	
	Rathi Brothers Delhi Limited	
	Manan Rathi Trust	
	Balkrishna Rathi Finance Private Limited	
	PRR Finance Private Limited	
	Marathwada Chemical Industries Private Limited	
	Rathi Vessels & Systems Private Limited (upto 30 th September, 2014)	
	RIECO Industries Limited (upto 9 th February, 2015)	
	Sudarshan CSR Foundation (Ref. Note No. 2 (E) of Note No. 29)	

Transactions with Related Parties :

Nature of Transactions	2015 – 16			2014 – 15		
	Key Management Personnel	Relatives of Key Management Personnel	SIKMP*	Key Management Personnel	Relatives of Key Management Personnel	SIKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● Salary, Pension, Reimbursement of expenses etc. :						
Mr. P.R.Rathi	23,837,361	–	–	24,454,057	–	–
Mr. R.B.Rathi	21,218,330	–	–	24,442,836	–	–
Mr. A.V.Vij	9,028,215	–	–	8,720,452	–	–
Mr. R.P.Rathi	–	3,268,964	–	–	2,669,872	–
Mrs. K.B.Rathi	–	1,816,632	–	–	1,240,093	–
Mr. A.B.Rathi (Arrears net of taxes)	–	14,597,709	–	–	1,909,704	–
● Interest paid / payable :						
Mr. P.R.Rathi	951,720	–	–	109,511	–	–
Mr. R.B.Rathi	1,055,756	–	–	121,483	–	–
Mrs. K.R.Rathi	–	1,710,216	–	–	227,330	–
Mr. R.P.Rathi	–	1,100,860	–	–	427,059	–
Mr. A.B.Rathi	–	468,940	–	–	53,960	–
Mrs. S.P.Rathi	–	283,924	–	–	141,847	–
Mrs. R.R.Agarwal	–	371,052	–	–	138,738	–
Manan Rathi Trust	–	–	979,392	–	–	191,343
Rathi Brothers Poona Ltd.	–	–	566,440	–	–	896,517
Rathi Brothers Madras Ltd.	–	–	404,652	–	–	422,157
Rathi Brothers Calcutta Ltd.	–	–	154,693	–	–	121,933
Rathi Brothers Delhi Ltd.	–	–	1,259,839	–	–	1,468,272
Balkrishna Rathi Finance Pvt. Ltd.	–	–	6,169,704	–	–	5,382,156
PRR Finance Pvt. Ltd.	–	–	2,962,621	–	–	4,162,491
Rathi Vessels & Systems Pvt. Ltd.	–	–	2,199,902	–	–	–
Others	–	57,400	719,809	–	6,605	460,085

Nature of Transactions	2015 – 16			2014 – 15		
	Key Management Personnel	Relatives of Key Management Personnel	SIKMP*	Key Management Personnel	Relatives of Key Management Personnel	SIKMP*
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
● Acceptance of Deposits :						
Mr. P.R.Rathi	–	–	–	9,285,000	–	–
Mr. R.B.Rathi	–	–	–	10,300,000	–	–
Mr. R.P.Rathi	–	–	–	–	10,740,000	–
Mrs. K.R.Rathi	–	–	–	–	16,685,000	–
Manan Rathi Trust	–	–	–	–	–	9,555,000
Rathi Brothers Poona Ltd.	–	–	23,800,000	–	–	17,250,000
Rathi Brothers Madras Ltd.	–	–	2,200,000	–	–	3,625,000
Rathi Brothers Delhi Ltd.	–	–	13,000,000	–	–	11,625,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	6,000,000	–	–	5,165,000
Rathi Vessels & Systems Pvt. Ltd.	–	–	25,075,000	–	–	–
Others	–	–	1,900,000	–	11,525,000	11,315,000
● Repayments of Deposits :						
Mrs. R.R.Agarwal	–	–	–	–	3,500,000	–
Mrs. S.P.Rathi	–	–	–	–	1,900,000	–
Mr. R.P.Rathi	–	–	–	–	2,900,000	–
Manan Rathi Trust	–	–	–	–	–	3,480,000
Rathi Brothers Poona Ltd.	–	–	25,350,000	–	–	17,650,000
Rathi Brothers Delhi Ltd.	–	–	15,300,000	–	–	10,200,000
Rathi Brothers Madras Ltd.	–	–	2,300,000	–	–	3,750,000
PRR Finance Pvt. Ltd.	–	–	22,500,000	–	–	11,500,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	35,300,000	–	–	200,000
Others	436,000	–	3,400,000	–	1,600,000	5,205,000
● Sale of Fixed Asset:						
Mr. R.B.Rathi	24,520	–	–	–	–	–
Mr. A.V.Vij	3,924	–	–	–	–	–
Mrs. K.B.Rathi	–	8,490	–	–	–	–
● Sale of Chemicals :						
Marathwada Chemical Inds. Pvt. Ltd.	–	–	1,054,265	–	–	1,373,104
Thyssenkrupp Industries India Pvt. Ltd.	–	–	48,426,091	–	–	–
● Purchase of Goods / Services :						
RIECO Industries Ltd.	–	–	–	–	–	6,623,922
Marathwada Chemical Inds. Pvt. Ltd.	–	–	6,972,133	–	–	10,874,694
Rathi Vessels & Systems Pvt. Ltd.	–	–	–	–	–	30,676,786
● Payment of Arrears of Interest:						
Balkrishna Rathi Finance Pvt. Ltd.	–	–	4,038,876	–	–	–
PRR Finance Pvt. Ltd.	–	–	2,019,416	–	–	–
● Payment of Arrears of Rent :						
Rathi Brothers Delhi Ltd.	–	–	471,451	–	–	–
Rathi Brothers Madras Ltd.	–	–	30,027	–	–	–
● Subscription to Share Capital :						
Sudarshan CSR Foundation	–	–	–	–	–	100,000
● Commission on Sales (Incl. Taxes):						
Rathi Brothers Calcutta Ltd.	–	–	6,821,702	–	–	6,988,101
Rathi Brothers Delhi Ltd.	–	–	23,304,638	–	–	22,322,937
Rathi Brothers Madras Ltd.	–	–	4,256,580	–	–	4,971,441
Rathi Brothers Poona Ltd.	–	–	50,042,871	–	–	43,414,782
● Rent received (Incl. Taxes) :						
Rathi Brothers Madras Ltd.	–	–	130,530	–	–	–
Rathi Brothers Poona Ltd.	–	–	365,965	–	–	359,125
● Rent Paid :						
Rathi Brothers Calcutta Ltd.	–	–	144,270	–	–	162,584
Rathi Brothers Madras Ltd.	–	–	–	–	–	214,189
Rathi Brothers Delhi Ltd.	–	–	–	–	–	173,125
● Donation Paid :						
Sudarshan CSR Foundation	–	–	–	–	–	1,040,500
Shri Jagannath Rathi Charity Trust	–	–	8,691,256	–	–	3,957,000
● Advance given :						
Sudarshan CSR Foundation	–	–	–	–	–	5,000
● Reimbursement of Expenses (Net) :						
RIECO Industries Ltd.	–	–	–	–	–	611,153
Marathwada Chemical Inds. Pvt.Ltd.	–	–	–	–	–	1,810,578
● Balance outstanding at year end :						
- Customer / (Vendor) Account						
Marathwada Chemical Inds. Pvt.Ltd.	–	–	198,967	–	–	(2,786,216)
Thyssenkrupp Industries India Pvt. Ltd.	–	–	14,483,586	–	–	–
- Deposits						
Mr. P.R.Rathi	9,285,000	–	–	9,285,000	–	–
Mr. R.B.Rathi	10,300,000	–	–	10,300,000	–	–
Mr. R.P.Rathi	–	10,740,000	–	–	10,740,000	–
Mrs. K.R.Rathi	–	16,685,000	–	–	16,685,000	–
PRR Finance Pvt. Ltd.	–	–	16,830,000	–	–	39,330,000
Balkrishna Rathi Finance Pvt. Ltd.	–	–	37,665,000	–	–	66,965,000
Rathi Vessels & Systems Pvt. Ltd.	–	–	24,175,000	–	–	–
Others	–	11,525,000	29,225,000	–	11,525,000	33,775,000
- Salary and Commission						
Mr. P.R.Rathi	6,000,000	–	–	7,392,000	–	–
Mr. R.B.Rathi	6,000,000	–	–	6,948,720	–	–

* Entities in which Key Management Personnel and / or their relatives exercise significant influence

13. Earnings per Share (EPS) :

Particulars	31-03-2016	31-03-2015
Net Profit After Tax available for Equity Shareholders	699,145,050	543,791,211
Equity Shares outstanding at year end	69,227,250	69,227,250
Weighted Average number of equity shares used to compute basic earnings per share	69,227,250	69,227,250
Earnings per share basic and diluted (Rs.)	10.10	7.86

14. Managerial Remuneration :

	Mr. P.R.Rathi Chairman and Managing Director	(Amount in Rs.) Mr. R.B.Rathi Deputy Managing Director
Salary and Other Allowances	15,628,261 (16,507,057)	13,028,695 (17,094,264)
Contribution to Provident Fund and Other Funds	1,879,200 (1,879,200)	1,371,576 (1,280,772)
Other Perquisites	329,900 (67,800)	818,059 (67,800)
Commission	6,000,000 (6,000,000)	6,000,000 (6,000,000)
Total ...	23,837,361 (24,454,057)	21,218,330 (24,442,836)

15. Expenses Capitalized during the year are as below :

	Current Year Rs.	Previous Year Rs.
(A) Employee Cost	3,656,556	3,497,952
(B) Borrowing Cost	11,820,671	-
Total...	15,477,227	3,497,952

16. Foreign Exchange Difference Capitalised during the year :

The foreign exchange difference arising out of re-alignment of the value of the foreign currency loan, taken for the purpose of procurement of fixed assets, has been adjusted in the carrying cost of the respective fixed assets and has been depreciated over their remaining depreciable life as follows :

	Current Year Gain / (Loss) Rs.	Previous Year Gain / (Loss) Rs.
(i) Plant and Machinery (Including CWIP)	(88,105,350)	129,089,260
(ii) Buildings	(13,744,559)	24,291,964
(iii) R&D Plant and Machinery	(1,743,450)	3,081,353
(iv) R&D Buildings	(841,594)	1,487,423
Total...	(104,434,953)	157,950,000

17. Revision in Depreciation on account of Componentisation of Fixed Assets :

- A. In the year 2014-15, the Company had revised the Depreciation Rates on Fixed Assets according to the useful life as specified in the Schedule II to the Companies Act, 2013 or on the basis of its assessment made by the Company as permitted by the said Schedule. Depreciation charged for the said year was accordingly higher by Rs. 12,791,681.

The Depreciation on the basis of Revised Schedule II on assets whose useful life had already exhausted before 1st April, 2014, of Rs. 10,837,856 (net of corresponding deferred tax impact Rs. 5,580,651) was adjusted to General Reserve and included in total depreciation of Rs. 435,516,783 disclosed in Note 11 and 12.

- B. During the year under review, in terms of the requirement of Schedule II of the Companies Act 2013, the Company has identified significant component of Property, Plant and Equipment which have materially different useful lives, based on the technical evaluation done by an Independent Valuer. Consequently depreciation charge for the year is higher by Rs. 17,328,640.

18. Acquisition of RIECO Industries Limited :

During the Financial Year 2014-15 Company acquired the entire paid up share capital of RIECO Industries Limited. The transaction was closed on 10th February, 2015 effectively making RIECO Industries Limited a Wholly Owned Subsidiary of the Company.

19. Details of Other Current Liabilities :

	As at 31 st March 2016 Rs.	As at 31 st March 2015 Rs.
Outstanding Expenses	301,040,728	186,583,118
Debtors' Credit Balances / Debtors' Advances	105,562,922	119,254,875
Export Commission Payable	28,333,319	50,690,617
Director Commission Payable	15,200,000	14,500,000
Salaries	9,839,229	13,801,547
Deposit from Employees	15,502,735	9,260,068
Others	31,158,612	12,232,412
Total...	506,637,545	473,322,637

20. Details of Other Current Assets :

	As at 31 st March 2016 Rs.	As at 31 st March 2015 Rs.
Accrued Income	2,815,363	21,967,137
Mediclaime, Excise Duty Recoverable	16,389,863	18,041,183
Gratuity Receivable	3,237,768	1,740,726
Total...	22,442,994	41,749,046

21. Lease Rent :

The Company has taken residential accommodation, office premises and warehouses on lease / rental basis. Lease period varies from one month to twelve months. These leases are cancellable in nature. Lease / rentals recognised in the Statement of Profit and Loss is Rs. 49,315,945 (Previous Year : Rs. 41,432,579).

22. Amount spent towards Corporate Social Responsibility :

During the year the Company has incurred CSR expenses of Rs. 13,178,377 (Previous Year : Rs. 5,266,843) which includes contribution / donation of Rs. 6,691,256 (Previous Year : Rs. 2,997,500) to trusts (related party) which are engaged in activities eligible under Section 135 of Companies Act, 2013 read with Schedule VII thereto and other expenses of Rs. 6,487,121 (Previous Year : Rs. 2,269,343) directly incurred by the Company.

In addition to the above, a contribution of Rs. 402,000 (Previous Year : Rs. 1,040,500) is made to its subsidiary Sudarshan CSR Foundation which is a Section 8 registered company under Companies Act, 2013, with the main objectives of (a) promotion of education and enhancing vocational skills, (b) eradication of hunger and promoting hygiene, (c) promotion of sports (d) protection of national heritage and promotion and development of traditional arts (e) promotion of gender equality and (f) other infrastructure that would help meet the objectives of environmental sustainability such as waste management, vermin-culture, organic farming etc.

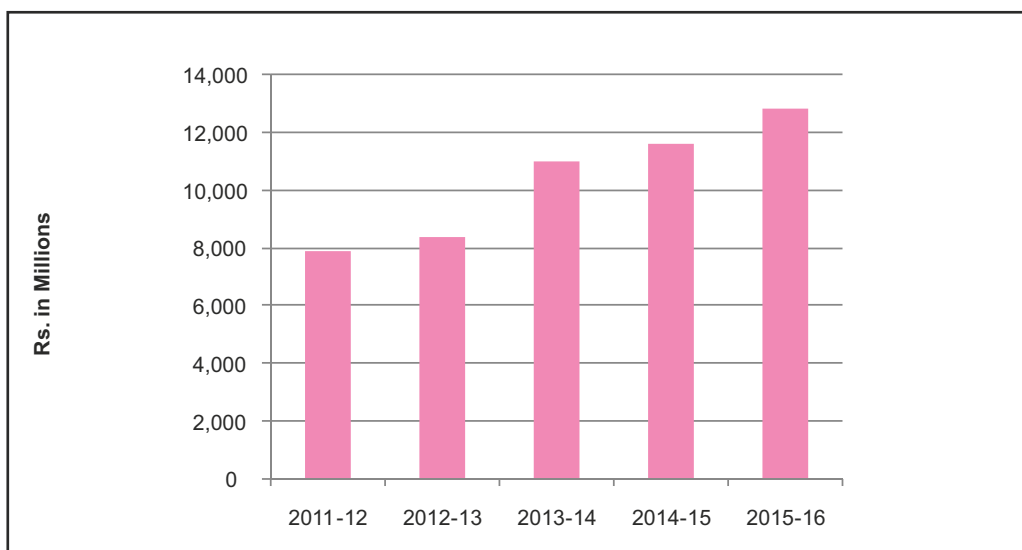
23. General expenses include donation to Political Party Rs. Nil (Previous Year : Rs. 2,000,000 (Nationalist Congress Party))

24. The Company has reclassified previous year's figures to conform to this year's classification.

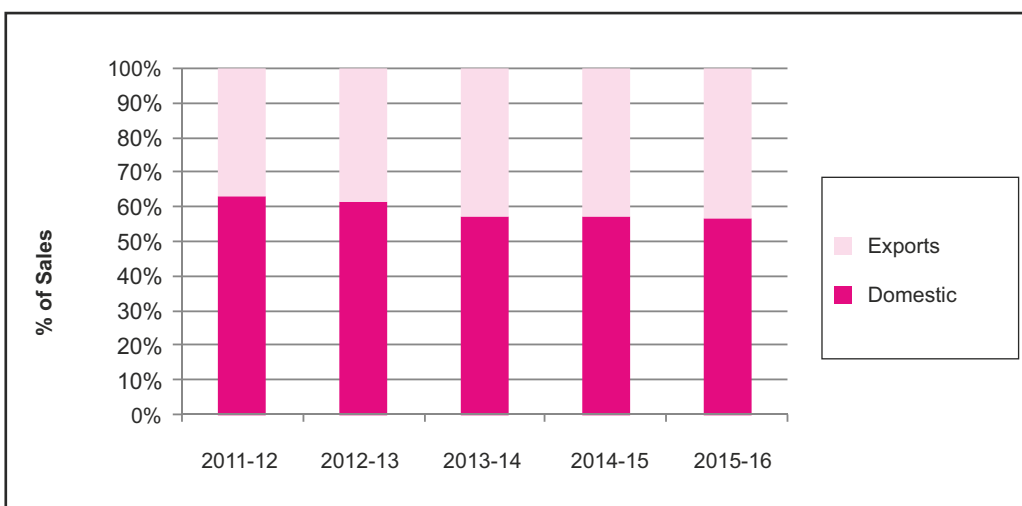
The figures in brackets are those in respect of previous year.

As per our report of even date.	For and on behalf of the Board of Directors		
For B.K.KHARE & Co. Chartered Accountants Firm Regn. No.: 105102W	S.N.INAMDAR Independent Director & Audit Committee Chairman	P.R.RATHI Chairman & Managing Director	V.V.THAKUR Deputy General Manager - Finance (Acting CFO)
NARESH KUMAR KATARIA Partner Membership No.: 037825 Pune : 27 th May, 2016		R.B.RATHI Deputy Managing Director	P.S.RAGHAVAN Company Secretary
	Pune : 27 th May, 2016		

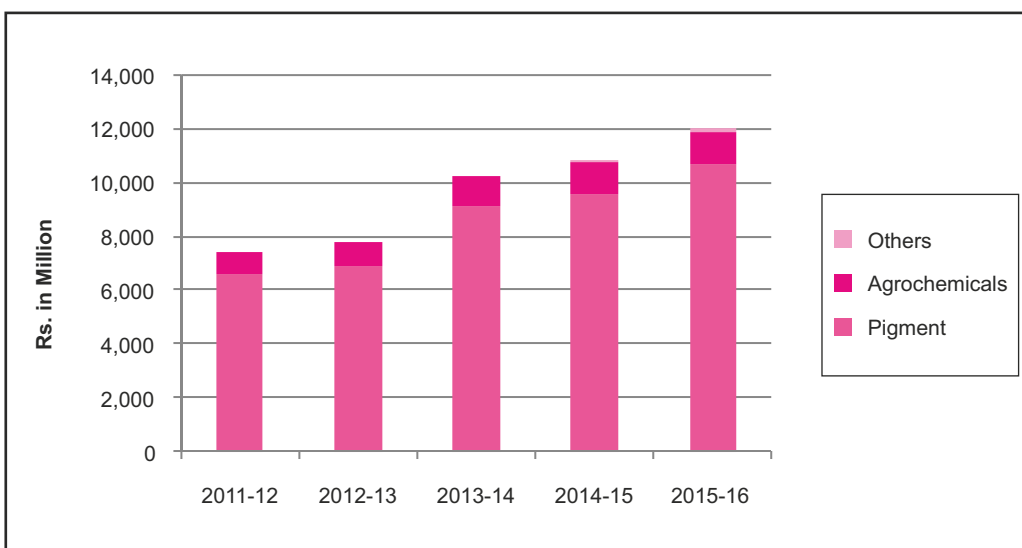
GROSS SALES



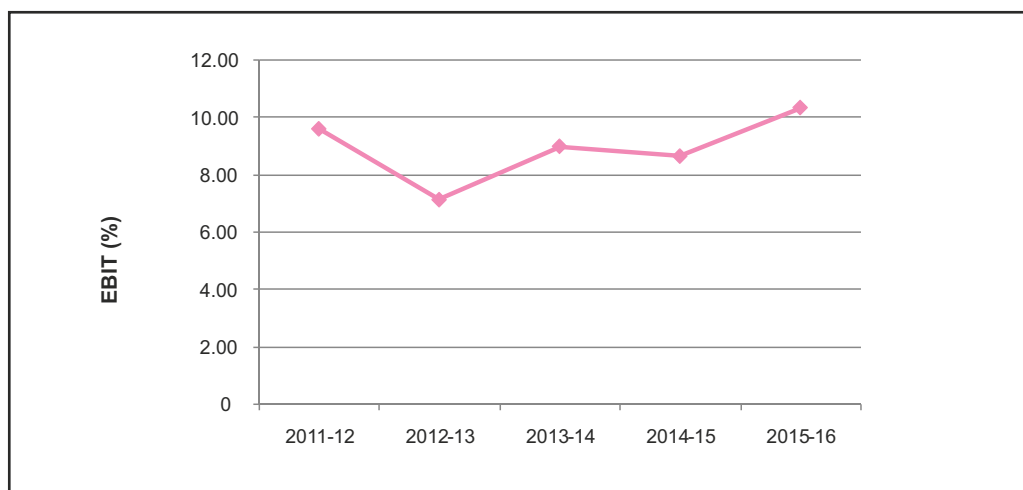
SALES MIX



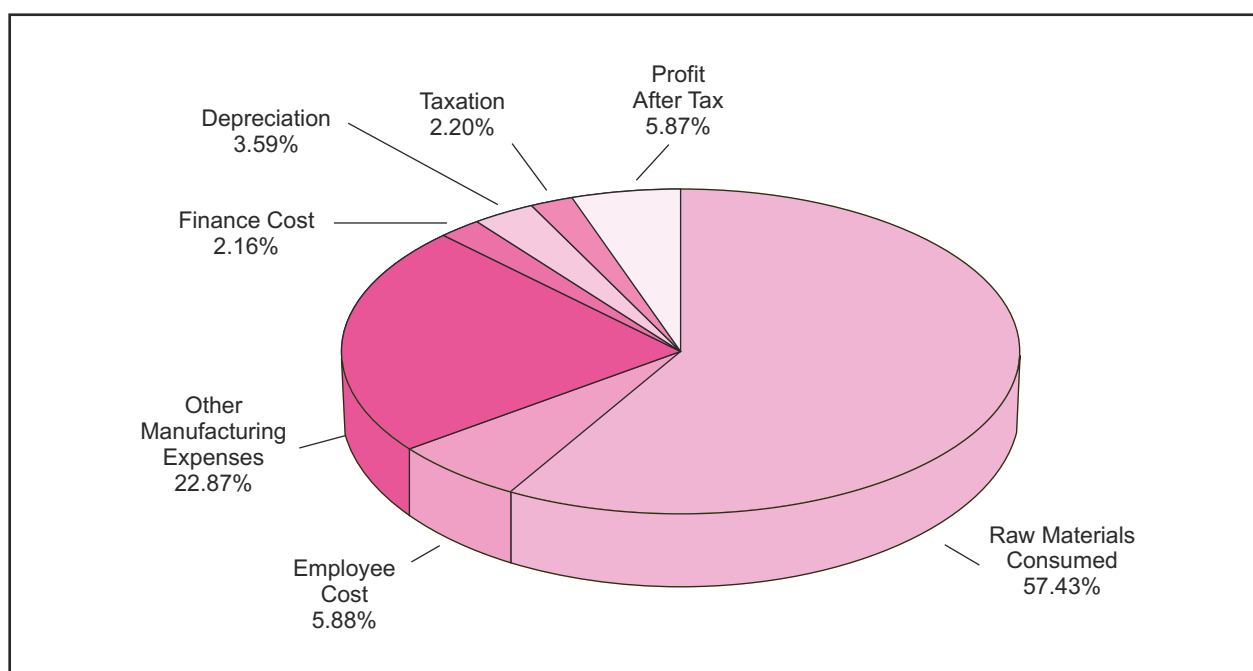
SEGMENT WISE SALES



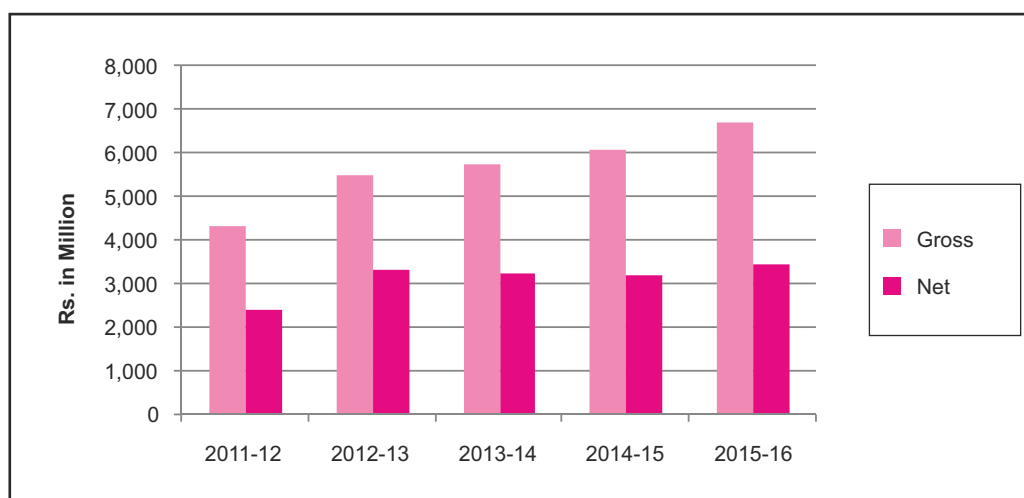
EBIT % TO SALES



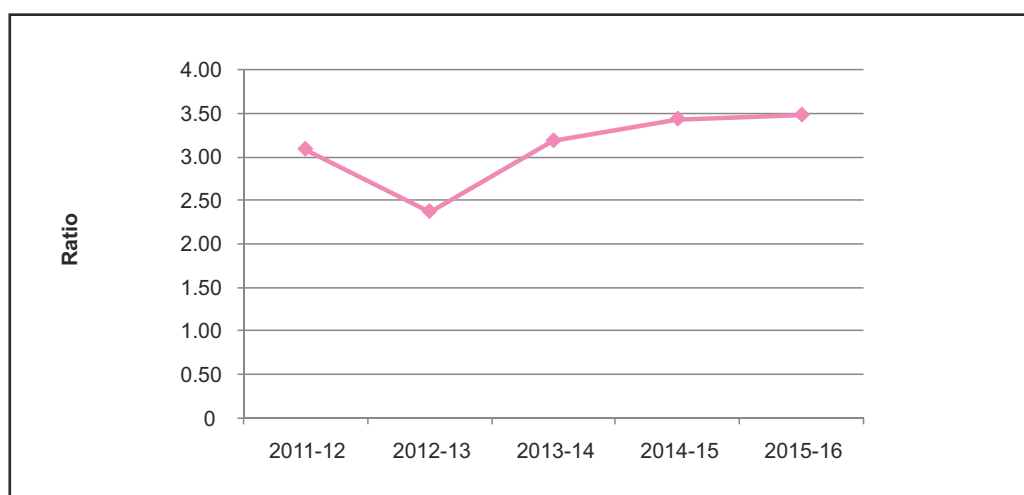
DISTRIBUTION OF REVENUE (%)



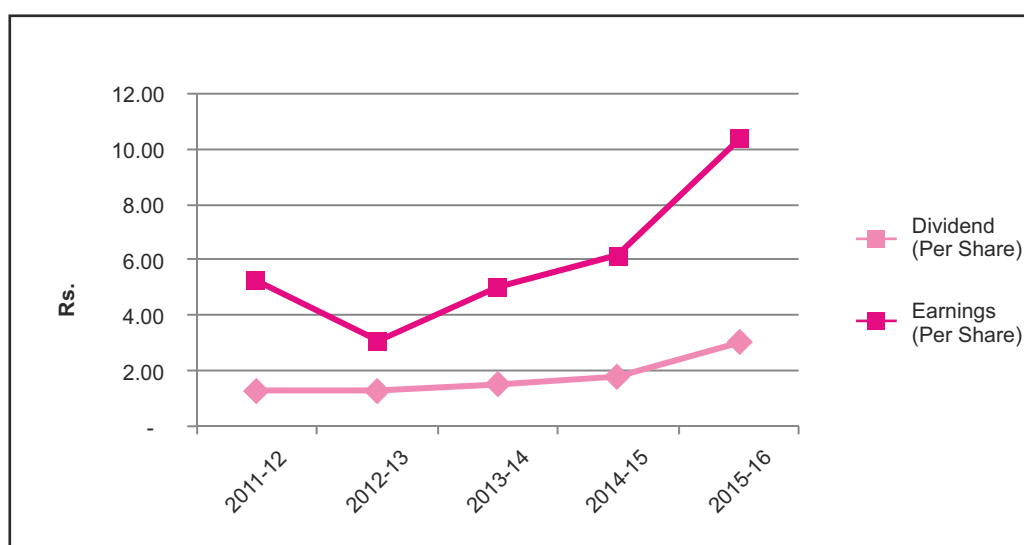
GROSS AND NET FIXED ASSETS



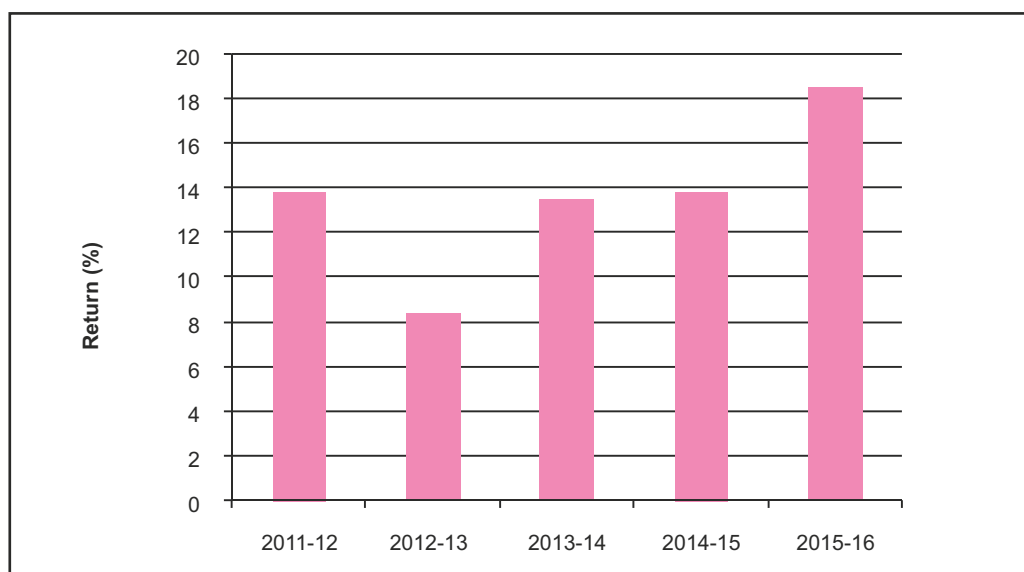
FIXED ASSET TURNOVER RATIO



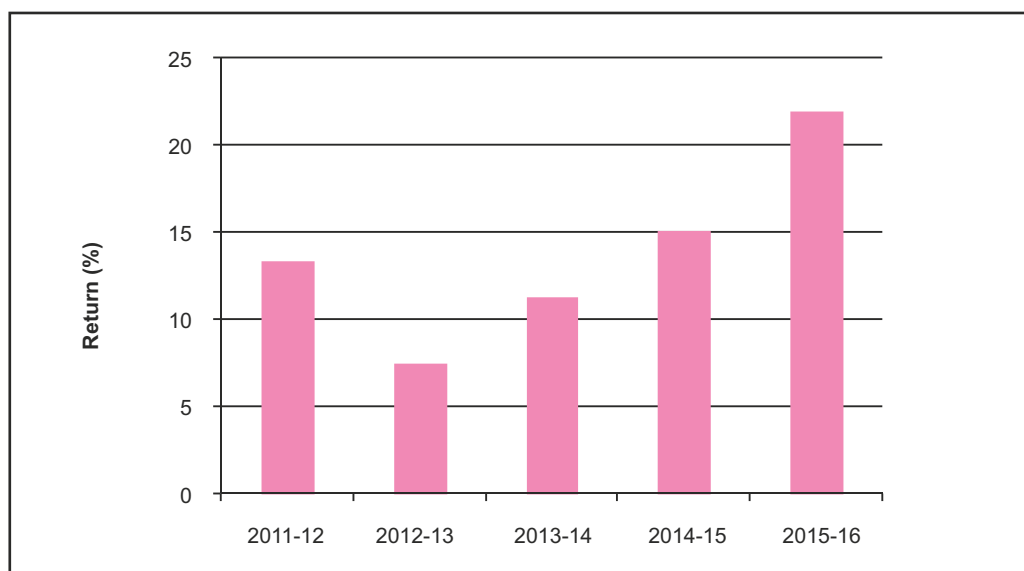
EARNINGS & DIVIDEND PER SHARE



RETURN ON CAPITAL EMPLOYED (%)
(ROCE = PBIT/CE)



RETURN ON NET WORTH (%)
(RONW = PAT/Shareholders' Funds)



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Notes

[illegible]

*Dream Companies to Work For-
In top 50 companies*



*Global Excellence Award-
Managing Health at Work:
Fit Sudarshan Initiative*



*Best Organizational Development
Programme- Living Sudarshan
Culture*



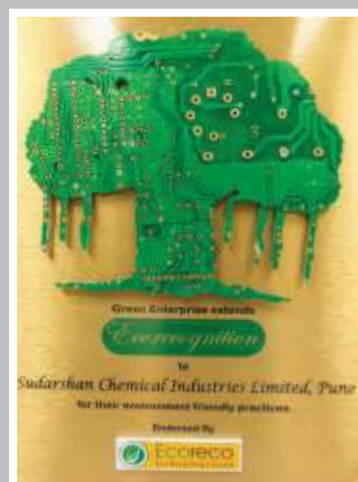
*Best HR strategy in line with Business-
Performance Management System*



*NEXT100 - Indian IT industry's premier
award for experienced IT managers who
have the skills and talent to become
future CIOs and leaders conferred to
Mr. Parmanand Shinde.*



*Eco-Recognition for-Environment
friendly Practices to achieve
Swachh Bharat Mission
by 2nd October 2019*



*National Safety Council Of India:
for Consistent and Meritorious
Occupational Safety and Health (OSH)
performance and implementing effective
OSH Management Systems.*



Sudarshan Chemical Achievements in **2016**

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Pirangut, Taluka-Mulshi

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Fax: +91 20 665 21 500

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SUDARSHAN

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