RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

DEEPAK NITRITE

DNL/140/NSE/472/2018
August 6, 2018

To,
Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1, Block-G,
Bandra Kurla Complex, Bandra - East,
Mumbai - 400 051

Dear Sir,

Stock Code: DEEPAKNTR

Sub: Submission of Annual Report for the Financial Year-2017-18

As required under the provisions of regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a soft copy of the 47th Annual Report of the Company for the Financial Year 2017-18.

Please note that the 47th Annual General Meeting of the Company was held on 3rd August, 2018 at Vadodara.

Kindly take the same on your record.

Thanking you,

For DEEPAK NITRITE **LIMITED**

ARVIND BAJRAI
Company Secretary

Encl.: as above

DEEPAK NITRITE LIMITED
CIN: L24110GJ1970PLC001735
Registered & Corporate Office:
Aaditya-I, Chhani Road, Vadodara-390 024. Gujarat, India.
Tel: +91 265 276 5200/396 0200 | Fax: +91 265 276 5344
Investor Relations Contact: investor@deepaknitrite.com
www.deepaknitrite.com



RESPONSIBLE
CHEMISTRY

Deepak Nitrite Limited

47th Annual Report **2017-18**

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Headquartered at Vadodara, Gujarat, Deepak Nitrite Limited (DNL) is a multi-division and multi-product, chemical intermediate manufacturer with its plants at Nandesari and Dahej in Gujarat, Roha and Taloja in Maharashtra, and at Hyderabad, Telangana. Its product portfolio comprises Basic Chemicals (BC), Fine and Speciality Chemicals (FSC) & Performance Products (PP). The Company has also set up a wholly owned subsidiary, Deepak Phenolics Limited to manufacture Phenol and Acetone in a new state-of-the-art plant. As a partner of choice for domestic and global chemical majors, DNL is one of the fastest growing chemical intermediaries Company in India, adhering to Responsible Chemistry.

Forty Seventh Annual General Meeting

Day & Date : Friday, August 3, 2018
Time : 10:00 a.m.
Venue : Grand Mercure Vadodara Surya Palace, Opposite Parsi Agiyari, Sayajigunj, Vadodara - 390 020

www.deepaknitrite.com

Visit Company's official website to download the Annual Report.

Cautionary Statement Regarding Forward-Looking Statement

This Report may contain certain forward-looking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro-economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approvals from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this Report. Deepak Nitrite Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.



Deepak Nitrite has built a reputation over the last 50 years of being a partner of choice with its world-class manufacturing facilities to deliver key intermediates to several leading Indian and global chemical companies.

We continue adhering to the 3P philosophy – people, planet, profit – in our journey of sustainable growth.

A recipient of several awards and accreditations that highlight Deepak Nitrite's responsible manufacturing practices, we are also proud to be contributing to the Government's 'Make in India' initiative.

UNVEILING THE NEW IDENTITY - RESPONSIBLE CHEMISTRY

Deepak Nitrite's new brand identity is not just a change of logo but of the entire stakeholder experience and of the commitment to Responsible Chemistry.

VISION:

To become the fastest growing Indian chemical intermediates company

ESSENCE:

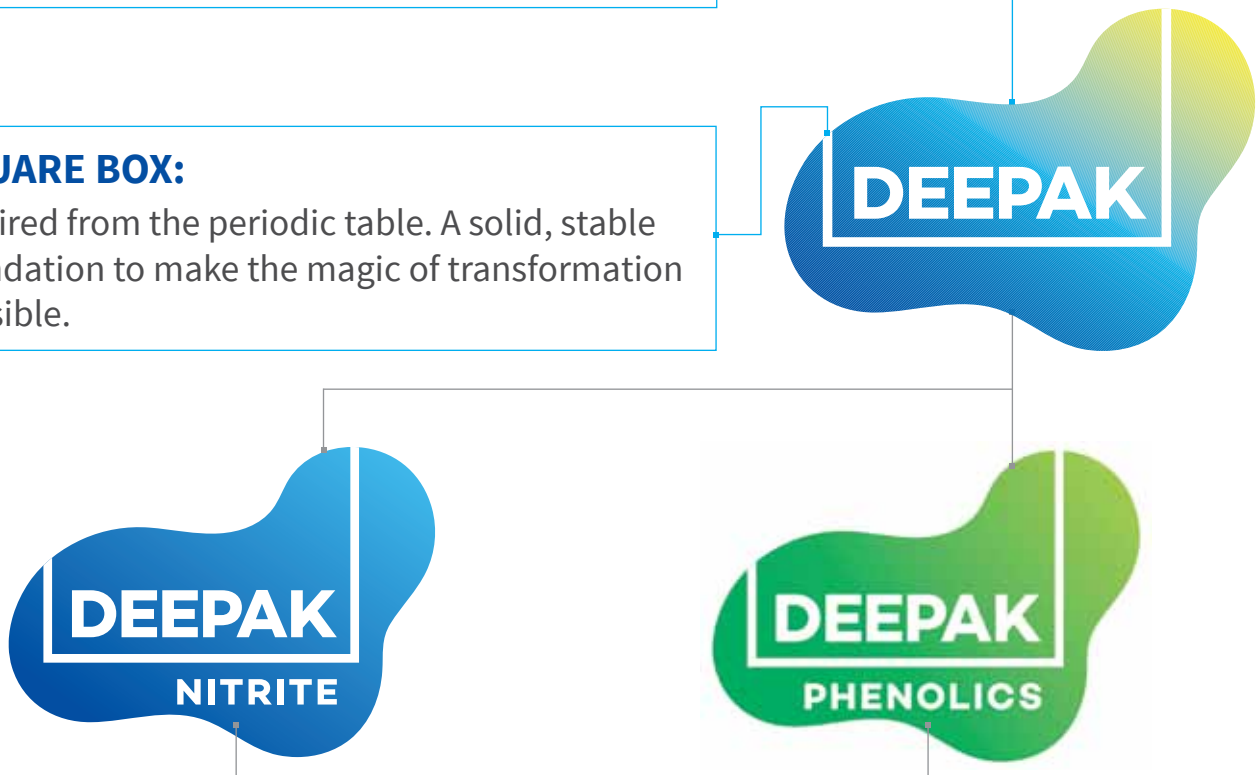
Roots that accelerate growth



The birth of Deepak Phenolics necessitated a redesign of our brand family. A detailed diagnosis of the stakeholders further revealed need for a new face and personality, reflecting our growth aspirations. So emerged Deepak Nitrite's new logo - sharing its vision, values and new look with the other group companies.

ORGANIC SHAPE:
The dynamic transforming space inspired from the amorphous form of a chemical reaction.

SQUARE BOX:
Inspired from the periodic table. A solid, stable foundation to make the magic of transformation possible.



BLUE COLOUR:
The colour of trust and technology that drives our long-standing relationships and growth plans.

GREEN COLOUR:
The colour of cutting-edge technology and care for our people and the environment.

OUR VALUE PROPOSITION

Responsible chemistry, for us, is not just a thematic proposition but a value system that is rooted in our solid foundation.

Aligning ourselves intrinsically to future growth aspirations, we have articulated this value proposition to drive our new vision, and seize the opportunities of tomorrow.



We will ensure that our growth comes sustainably by:

- Giving the highest importance to safety, environment and health as a signatory of Responsible Care
- Continuing our legacy of ethical business practices
- Ensuring pride in our own performance by being agile, innovative and responsive



INNOVATIVENESS:

Driving not just product ideas but also innovation in terms of processes and employee engagement, thus maximising growth.



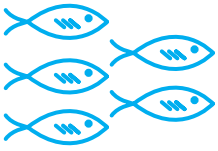
AGILITY:

Change is constant. This equips the organisation to respond rapidly to a dynamic world.



OWNERSHIP:

Where the vision becomes not just the company goal but the individual goal as well.



PERFORMANCE DRIVEN:

Rewarding performance across verticals, thereby setting examples of leadership.

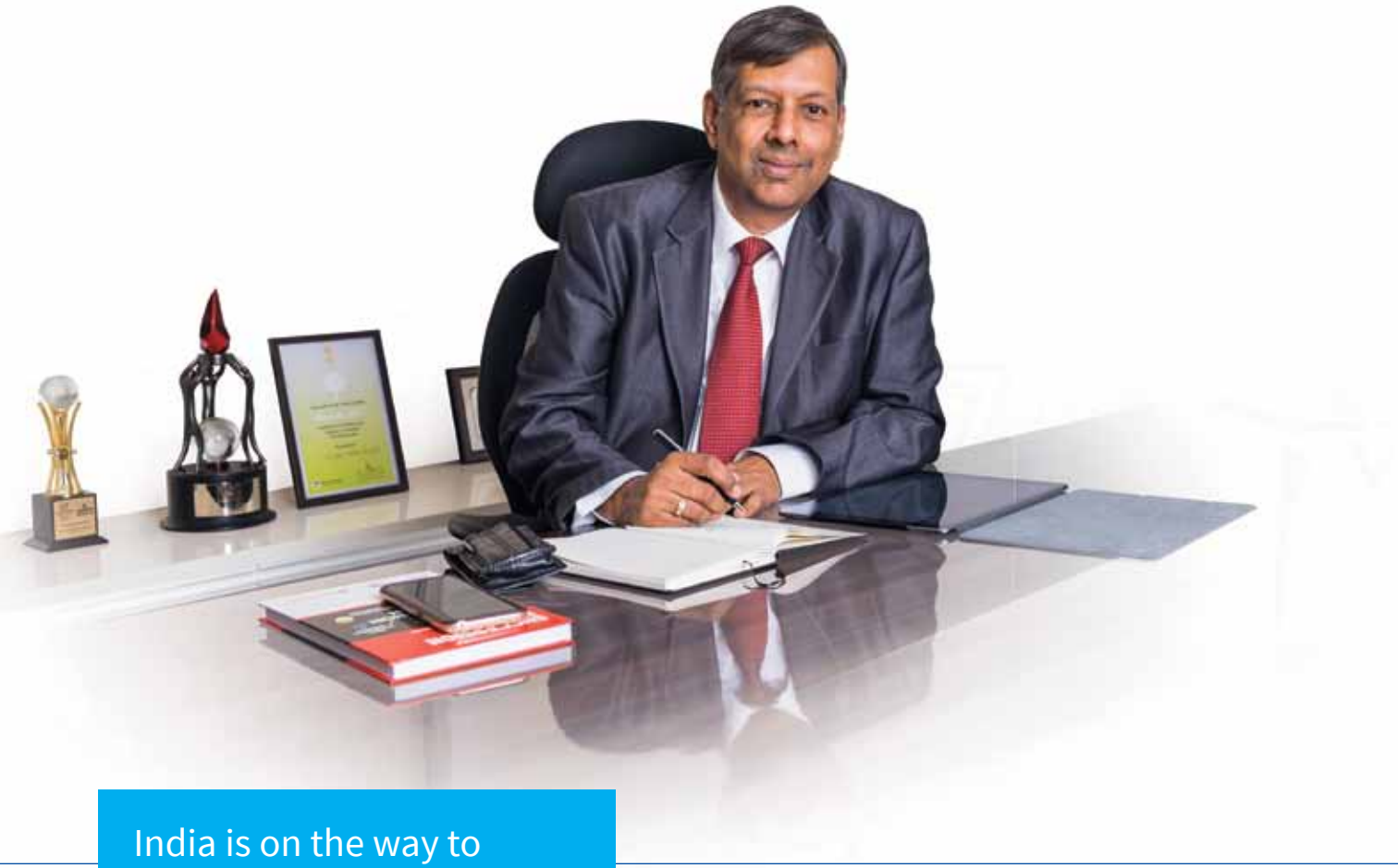


RESPONSIVENESS:

Towards customers, employees and all other stakeholders.

Our efforts throughout the year remained focussed on strengthening this value proposition. Our performance during FY 2017-18 stands testimony to its success.

FROM THE DESK OF CHAIRMAN & MANAGING DIRECTOR



India is on the way to regaining its momentum that was temporarily affected by various monetary exercises over the last two years. Higher per capita consumption, a stable GST and focussed approach by the Government on infrastructure are all effectively accelerating growth.

Dear Stakeholders,

The Financial Year 2017-18 has proved to be a mix of risks and opportunities for the chemical industry. The global economy continues to grow at a brisk pace, albeit under the shadow of trade barriers, volatile oil prices and nationalist agendas - threats that will hurt mismanaged organisations and provide opportunities to well-managed ones. Let us take a look at some of the global externalities that is impacting the world economy - a taciturn Chinese premier, unchallenged by elections for the near future, has tied his reputation to pollution and corruption control; a reticent American policy is focussed on one-on-one deals instead of multi-party agreements and an 'America First' agenda; there is uncertainty about Iran and Venezuela's oil reserves reaching those badly in need of them; and Europe remains mired in confusion about its own membership and economic policies. The world over, money is turning to look towards India as a safe harbour to offer stability and high returns.

The global chemical industry has looked at rampant M&A to achieve its 5.5% growth rate - Dow and DuPont, Bayer and Monsanto, LyondellBasel and Braskem may be the headlines, but there are many more just under the radar that are sure to change the landscape we have known for so many years. The crackdown on polluting industries in China has pushed increased demand toward India's agrochemical and dyes manufacturers who are rapidly expanding to ensure a sustainable competitive advantage. The global hunt intensifies for partners in developing countries that share similar values of responsibility and Environment Health and Safety (EHS) competitively.

India is on the way to regaining its momentum that was temporarily affected by various monetary exercises over the last two years. Higher per capita consumption, a stable GST, and focussed approach by the Government on infrastructure are all effectively accelerating growth. The Government is also improving ease of access to physical and digital infrastructure with schemes designed to bring its far-flung masses into the mainstream. The PM's 'Make in India' projects may have had a rocky start but are anticipated to gather momentum. The metric of India's growth may be gauged by the fact that USD 337 billion the country added to its GDP between 2016 and 2017 is more than USD 323 billion added by Germany and France combined.

The performance demonstrated by Deepak Nitrite Limited highlights your Company's strengths in such an environment. With only minor changes to its production capacity, your Company has managed its business processes to optimise profits by strengthening customer and supplier relationships, operational excellence initiatives and effective governance. It is well-positioned to now use these streamlined practices in brownfield and greenfield expansions. Your Company has taken advantage of this inflection point to further fortify its core competencies and value system, starting with a re-imagined brand identity that retains the goodwill created by decades of responsibility, ethics and, the vibrancy of growth.

Your Company has put plans in motion to expand its capacity to cater to a growing demand in products where it has a competitive advantage. While your Company remains committed to being an intermediate supplier, increasingly it is wooed by fine chemical companies to become their partner of choice. Rallis, a TATA company recognised your Company with the **'Most Collaborative Partner in 2017'** award. Your Company has embarked upon ambitious project, which will cater to Phenol and Acetone demand, a larger portion of which was imported until now. Your Company aims to provide 65% of India's demand for Phenol and Acetone. At full capacity, the supply will save the nation's USD 400 million that would otherwise be spent on imports each year. As a reliable domestic supplier, your Company also plans to develop the downstream products, which shall foster new verticals to grow the segment of value-added import substitutes that are in high demand locally.

Your Company has embarked upon ambitious project, which will cater to Phenol and Acetone demand, a larger portion of which was imported until now. Your Company aims to provide 65% of India's demand for Phenol and Acetone. At full capacity, the supply will save the nation's USD 400 million that would otherwise be spent on imports each year.

EXPANSION PLANS

In FY 2017-18, your Company, through its wholly-owned subsidiary, Deepak Phenolics Limited (DPL), made substantial progress, in its ongoing project at Dahej, to manufacture 2,00,000 MTPA of Phenol and 1,20,000 MTPA of co-product Acetone. This project is also going to manufacture 2,60,000 MTPA of Cumene, feedstock to manufacture Phenol and Acetone. The demand for Phenol in India is growing at about 10%-12% per annum, which your Company is seeking to leverage on. Technology for manufacturing Phenol and Acetone has been sourced from Kellogg Brown & Root International Inc. and technology for manufacturing Cumene has been sourced from UOP LLC.

This project entails a capital outlay of ₹ 1,400 Crores. I am glad to inform that, we could achieve financial closure, for both debt and equity, successfully at desired terms. You are all aware that your Company completed third QIP of ₹ 150 Crores in

January 2018 towards achieving closure of equity. What is even more heartening is, while all the existing institutional investors participated in this QIP too, we could also bring in additional blue chip investor.

In view of the impending commissioning of Phenol project, DPL's leadership team is already in place and the marketing team has commenced customer outreach programme. Looking at the size of the project, it will be commendable to mention that DPL team has achieved 12 million safe man-hours. I am happy to share that, this greenfield project is expected to be commissioned in the first half of the current fiscal year.

Apart from the above, your Company is also in the process of expanding capacities of some of its existing products in order to cater to the growing demand and we expect these projects to be commissioned by the first half of the current fiscal year.

While various initiatives as stated above shall bear fruit in the ensuing years, I would like to highlight several achievements towards sustainable growth - People, Planet, Profit - in particular.

PEOPLE

Your Company's family has grown significantly in both size and competency over the last decade. Your Company has been awarded **Gujarat's Best Employer for 2017** by the World HRD Congress - an acknowledgement of the several initiatives to generate ideas, ownership and recognition at all levels from shop floor to senior management.

While your Company remains committed to being an intermediate supplier, increasingly it is wooed by fine chemical companies to become their partner of choice. Rallis, a TATA company recognised Deepak Nitrite Limited with the 'Most Collaborative Partner in 2018' award.

The Phenol project, registered 12 Million safe man-hours without incidents this year. It has also developed in-house talent for technology implementation at the factory floor and R&D centres.

PLANET

Your Company remains steadfastly committed to the environment. Besides Responsible Care, it is also part of the Nicer Globe and Together for Sustainability initiatives that make it a partner of choice for discerning international chemical companies.

Your Company continues to invest in its CSR outreach programmes through its Charitable arm, Deepak Foundation, which focusses on neonatal care, tribal and rural skill development, and education. Deepak Foundation was conferred with the **ICC Award for Social Responsibility, the GCSRA award for cohesive partnership** under the large companies' category for its obstetric and new born care unit in Jabugam. Deepak Foundation also received **CSR Leadership awards** for public-private partnership and **women's empowerment from ET NOW and recognition for woman and child care project from FGI**.

On Environment Health and Safety (EHS) front, **Deepak Nitrite Limited's Nandesari plant was awarded by Gujarat Safety Council, Vadodara and DISH, Gujarat** for achieving 8.7 Million accident-free man-hours.

PROFIT AND PERFORMANCE

After reconstruction of the plant at Roha in record time, post the fire incident, your Company was able to report resilient performance during the year. An impressive 60% growth in profit was backed by revenue growth of 18% during the year. Your Company's revenue, including other income, stood at ₹ 1,467 Crores at the end of FY 2017-18, which saw EBIDTA at ₹ 214 Crores, up by 40% from the previous fiscal, and PBT excluding exceptional items grew by 65% to ₹ 122 Crores in the same period. I am happy to share that the Fine and Speciality Chemicals division is back to normal operations after last year's production disruptions.

Domestic turnover, with y-o-y growth of 14%, stood at ₹ 968 Crores to contribute 65% of your Company's revenue. Exports contributing 35% of total turnover, grew 9% y-o-y, underlining the overall robustness of your Company's business model. Europe led the exports growth, contributing around 46% of export revenue, followed by Asia at 30% and USA at 16%.

This performance underlines your Company's inherent robustness and its strong ability to combat challenges such as raw material price volatility. It also endorses the success of your Company's visionary focus, which continues to drive performance and growth across all matrices, including 1200% growth in market capitalisation in just five years.

I am happy to announce that as a reward for the confidence reposed by the shareholders, the Board of Directors of your Company have recommended a dividend of ₹ 1.30 per equity share on a face value of ₹ 2/- (65%), on the expanded capital base of your Company, against the dividend of ₹ 1.20 per equity share declared in the previous year.

Let me now share with you some of the highlights of the performance of your Company's Strategic Business Units (SBUs).

BASIC CHEMICALS

Basic Chemicals segment grew 7% in sales, contributing to half the total revenues and 14% EBIT of your Company. With a strong entry barrier resulting from the high cost involved in setting up operations, and your Company's efficient logistics management, this segment will continue to report sustained growth in the coming years.

FINE AND SPECIALITY CHEMICALS (F&SC)

The F&SC segment reported a remarkable 24% increase in revenue, growing to ₹ 463 Crores, with an EBIT of 25%, during the year. With capacity rationalisation in China, coupled with growing demand from consumer-facing industries and the importance of maintaining cost-effective production, the Indian F&SC segment is poised for multi-fold growth in the coming years, which your Company is favourably positioned to harness. Your Company's capex and brownfield expansion initiatives place it in a leadership position to ride this wave of opportunity.

PERFORMANCE PRODUCTS

With 20% of the total revenue, at ₹ 299 Crores, this segment reported 14% year-on-year growth. Going forward, your Company sees potential for further strengthening this segment, as a result of its strategic focus on the key markets of its presence.

Your Company's revenue, including other income, stood at ₹ 1,467 Crores at the end of FY 2017-18, which saw EBIDTA at ₹ 214 Crores, up by 40% from the previous fiscal, and PBT excluding exceptional items grew by 65% to ₹ 122 Crores in the same period. I am happy to share that the Fine and Speciality Division is back to normal operations after last year's production disruptions.

OUTLOOK

Your Company continues to excel in all SBUs on the back of buoyant market conditions, process improvements across markets and demand in the end user industries. This trend is expected to grow and further expand in the ensuing year, while our Phenol and Acetone project will lead us to the next orbit of transformational growth by this year.

On behalf of the Board of Directors, I would like to thank the entire team at Deepak Nitrite Limited and its family of stakeholders for their continued support and confidence reposed in the vision of your Company.

Best wishes,

DEEPAK C. MEHTA
Chairman & Managing Director

A RESPONSIBLE MANUFACTURER

With around 56 applications across numerous industries and a portfolio of over 100 international quality products, Deepak Nitrite is one of the leading chemical intermediary companies in India.

We are...

A PRODUCER
of organic, inorganic and fine chemicals with customisation

A MARKET LEADER
for organic intermediates Nitro Toluidines, Xylidines, Cumidines, Oximes in India

SPECIALISATION IN CHEMICAL PROCESSES
We are specialised in various chemical processes like Nitration, Alkylation, Diazotization, Oxidation, Hydrogenation, Condensation and Sulphonation

Among the
40
groups in India certified with Responsible Care

We have...

70%
Market share in India of chemical intermediates, we manufacture

30
Countries of presence in 5 continents

30
Years of R&D comprising expert scientists

700+
Customers

₹ 1,467 Crore
Total Revenue







OUR DE-RISKED BUSINESS MODEL

Our business model, driven by product and application diversity and strengthened by strategically located multi-purpose multiple manufacturing facilities, is the key propeller of our responsible and sustainable growth engine.

A large product portfolio of value-added intermediates enables us to keep ourselves insulated from over-dependency on a single or few products. We have further reduced our risk proposition through exports to around 30 countries across six continents, which also enables us to balance our import-export revenues.

Our Phenol-Acetone project will work as an additional de-risking proposition, as these two products cater to more than 20 end-use segments which are directly linked to the growth of India's GDP.

OUR MANUFACTURING PROWESS

Aligning ourselves with the Government's 'Make in India' mission, we have a strong core of manufacturing capabilities, spread across five state-of-the-art, accredited manufacturing facilities in three states in India. In Gujarat, our plants are strategically located at Nandesari and Dahej, while our facilities in Maharashtra are located at Roha and Taloja. We have one plant at Hyderabad, Telangana.

Manufacturing facilities



NANDESARI, Gujarat

Basic chemicals, products manufacturing with on-site Nitration and Speciality chemicals



DAHEJ, Gujarat

Full spectrum stilbenic Optical Brightening Agents productions with Basic and Fine & Speciality chemicals products. The plant also has hydrogenation facilities



TALOJA, Maharashtra

Hydrogenation and noble metal catalysis speciality



ROHA, Maharashtra

Multispeciality manufacturing facility specialising in pilot plants and scaling up activities in Nitration and Speciality Agrochemicals



HYDERABAD, Telangana

Manufactures Optical Brightening Intermediates (DASDA) for captive use and for commercial sales

AND EXPANDING...

We have undertaken a Greenfield expansion project at Dahej, Gujarat, for manufacturing Phenol and Acetone, through our wholly-owned subsidiary, Deepak Phenolics Limited

Intermediates for diverse end applications


Pharmaceuticals


Agrochemicals

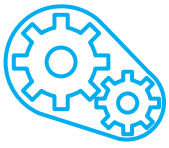

Personal Care


Colourants


Paper


Fuel Additives


Detergents


Rubber


Textiles


Dyes & Pigments

Our renowned clients

BAYER

Unilever

RALLIS INDIA LIMITED
A TATA Enterprise

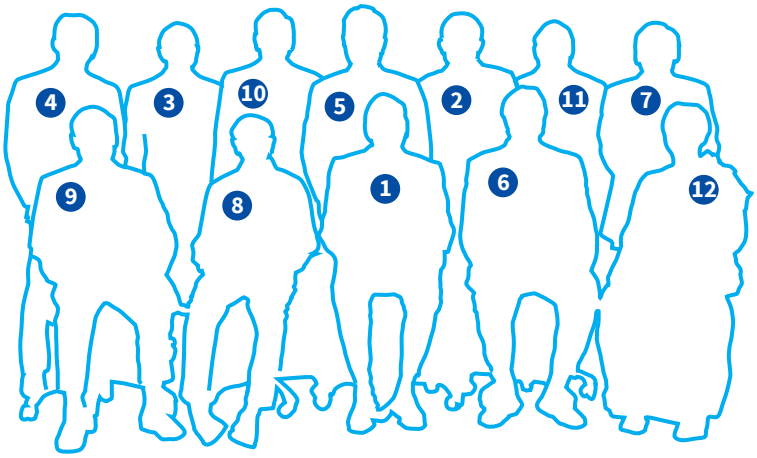
BASF
The Chemical Company

Lubrizol

Reliance
Industries Limited

BOARD OF DIRECTORS





1 MR DEEPAK C. MEHTA
Chairman & Managing Director

Mr. Deepak C. Mehta's business acumen, leadership skills and dynamism have enabled Deepak Nitrite to take swift strides forward and achieve many milestones in the last 40 years. An active participant at industry forums, he has been the Chairman of the National Chemicals Committee at FICCI. He is a science graduate from the University of Bombay.

2 MR UMESH ASAIKAR
Executive Director & CEO

Mr. Umesh Asaikar has been associated with Deepak Nitrite Ltd. as a Chief Executive Officer since September 2008. He holds a Bachelor's degree in Mechanical Engineering from the Indian Institute of Technology Bombay, and Master's Degree in Management Science from Jamnalal Bajaj Institute of Management Studies. He is an Associate Member of the Institute of Cost Accountants of India. He has around 40 years of varied experience in the areas of Sales and Marketing, Manufacturing, Commercial and Business Management across industries, including pharmaceuticals, vitamins and fine chemicals etc. He has held various leadership positions in companies such as Parke-Davis Limited, Piramal Healthcare Limited (erstwhile Nicolas Piramal Limited) and Piramal Glass Limited (erstwhile Gujarat Glass Limited).

3 MR SANJAY UPADHYAY
Director - Finance & CFO

Mr. Sanjay Upadhyay is an Associate Member of the Institute of Cost Accountants of India. He is also a Fellow Member of the Institute of Company Secretaries of India. He has completed Advanced Management Programme from Wharton, USA. He has vast experience in the areas of Finance, Accounts, Commercial and Secretarial Functions. He is associated with the Company since 1994.

4 MR MAULIK MEHTA
Whole-Time Director

Mr. Maulik D. Mehta holds Bachelor's Degree in Business Administration from University of Liverpool, UK. He has also done Masters in Organisational Psychology from Columbia University, USA. Mr. Mehta has around 9 years of experience in the areas of Business Development. During the span of his career, he has held important positions, including Product Head in the Company.

5 MR AJAY C. MEHTA
Director

With extensive experience, a comprehensive approach and industry foresight, Mr. Ajay C. Mehta has paved the way for innovation and excellence at Deepak Nitrite Ltd. He has been actively associated with the organisation since 1984. He is a science graduate with Honours and a Master of Science in Chemical Engineering from the University of Texas, USA.

6 MR NIMESH KAMPANI
Independent Director

In a career spanning more than 40 years, Mr. Nimesh Kampani has made notable contributions to the development of Indian capital markets. He has advised several companies on their strategic and financial needs, especially capital raising as well as mergers and acquisitions. He is the Founder and Chairman of the JM Financial Group, one of India's leading financial services groups. He has served on various committees constituted by BSE, NSE, SEBI and ICAI. He is a commerce graduate from Sydenham College, Mumbai and a Chartered Accountant.

7 MR SUDHIN CHOKSEY
Independent Director

Mr. Sudhin Choksey has extensive experience in functional areas like finance, commerce and general management, both in India and abroad. He is the Managing Director of GRUH Finance Ltd. and a Fellow Member of the Institute of Chartered Accountants of India.

8 MR SUDHIR MANKAD

Independent Director

Mr. Sudhir Mankad, IAS (Retd.) has served in senior positions, both with the Government of India and Government of Gujarat. His last assignment was as Chief Secretary, Government of Gujarat. Additionally, he has served as a Director/Chairman on the Board of several cement, power, fertiliser and finance companies. He is associated with several educational institutions and NGOs. He holds a Master's degree in History from the University of Delhi.

9 DR RICHARD H. RUPP

Independent Director

Dr. Richard H. Rupp has held various top level positions in leading multinational companies such as Hoechst AG (Germany), Lonza (Switzerland) and Allessachemie (Germany). His experience encompasses a mix of scientific, technical as well as managerial roles. He is well-acquainted with the USA, European, Asian and Indian sub-continent markets. Dr. Rupp holds Ph.D. in Chemistry from the University of Karlsruhe, Germany, and has completed a programme for Executive Development from IMD at Lausanne, Switzerland.

10 MR S. K. ANAND

Independent Director

Mr. S. K. Anand has a rich experience of 46 years in the field of Project Management, Operations, Corporate Planning, Quality Management, Health, Safety and Environment Management, Energy Management and Strategic Planning in Petrochemicals, refining and other allied industries. He is a Bachelor of Engineering (Chemical) from Delhi University and has done a Petrochemical Course from I.I.P., Dehradun. He has also done an advanced management course from IIM, Ahmedabad.

11 DR SWAMINATHAN SIVARAM

Independent Director

Dr. Sivaram has over 41 years of experience in basic research, process/product R&D and S&T management, both in industry and academia. His professional affiliations include President, Society of Polymer Science, India; Life Member, Chemical Research Society of India; Life Member, Material Research Society of India and Member, American Chemical Society. An alumnus of IIT, Kanpur, he received his Ph.D in Chemistry from Purdue University W. Lafayatte, Indiana, USA. He has over 49 US patents to his credit.

12 PROF INDIRA PARIKH

Independent Director

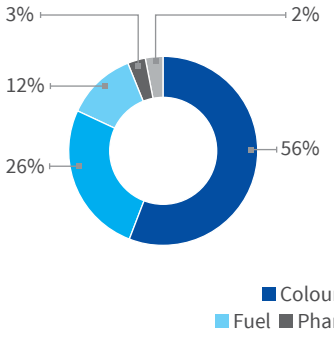
Prof. Indira Parikh is the Founder President of FLAME (Foundation for Liberal and Management Education). Previously, she was the Dean of IIM-Ahmedabad from 2002 to 2005. She was a faculty member at IIM-Ahmedabad for over 30 years. She has specialised in organisation development and design, and institution building. She holds a Ph.D from Gujarat University, Ahmedabad and MA from University of Rochester. She has designed and offered management development programmes for managerial role effectiveness, issues of roles and identity, and stress and self-renewal for men and women in organisations. She has been a consultant to various national and international organisations, both in private and public sectors.



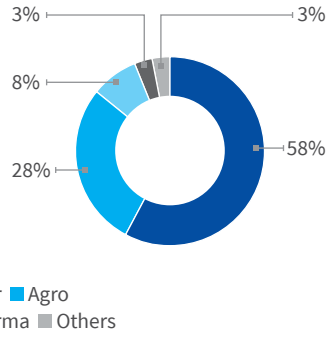
KEY PERFORMANCE INDICATORS

Application-wise Sales

FY 2017-18



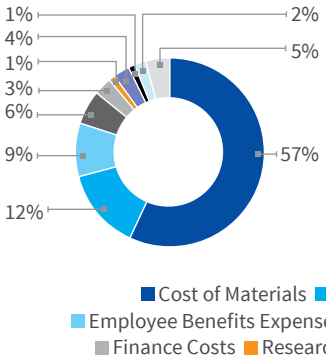
FY 2016-17



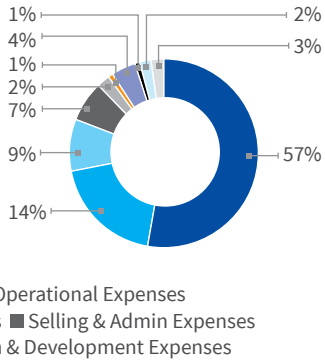
Colour Agro
Fuel Pharma Others

Funds Outflow

FY 2017-18



FY 2016-17

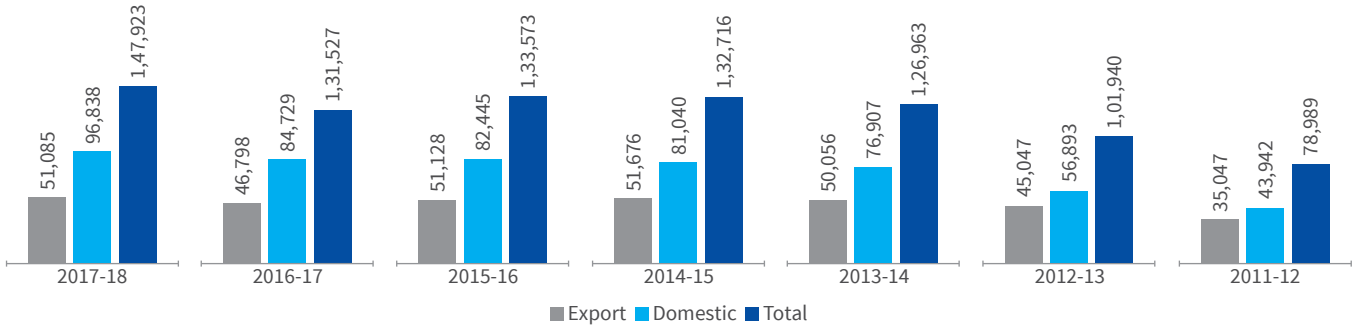


Cost of Materials Operational Expenses
Employee Benefits Expenses Selling & Admin Expenses
Finance Costs Research & Development Expenses
Depreciation Dividend & Dividend Tax Income Tax
Retained Earning*

**Proposed dividend shall be accounted as and when declared by the Company*

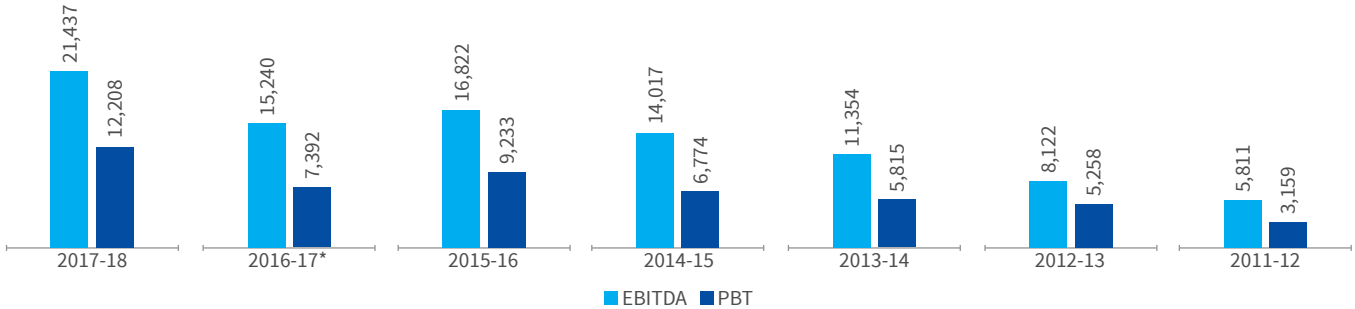
Revenue Standalone

(₹ in Lakhs)



EBITDA / PBT

(₹ in Lakhs)



**Excludes exceptional income*

FINANCIAL HIGHLIGHTS FOR THE LAST 10 YEARS

Sr. No.	Particulars	UOM*	Ind-AS		Indian GAAP							
			2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
1	Total Income	₹ in Lakhs	149093	132442	133727	132922	127140	103010	79273	67742	54646	58289
	YoY Growth	%	12.57	(0.96)	0.61	4.55	23.42	29.94	17.02	23.97	(6.25)	23.46
2	EBIDTA	₹ in Lakhs	21437	15240#	16822	14017	11354	8122	5811	6217	5449	7838
3	Profit / (Loss) Before Taxation	₹ in Lakhs	12208	7392#	9133	6774	5815	5258	3159	3696	3032	4286
	Percentage to Total Income	%	8.19	5.58	6.83	5.10	4.57	5.10	3.98	5.46	5.55	7.35
4	Profit / (Loss) After Taxation	₹ in Lakhs	8345	5194#	6515	5344	3833	3782	2308	2580	2001	2828
	Percentage to Total Income	%	5.60	3.92	4.87	4.02	3.01	3.67	2.91	3.81	3.66	4.85
5	Equity	₹ in Lakhs	2728	2614	2326	2091	1045	1045	1045	1045	1045	896
6	Net Worth	₹ in Lakhs	94384	73213	47589	34683	30752	28060	25278	23791	21944	19064
7	Debt	₹ in Lakhs	46153	57355	49520	54451	50504	33546	17096	5958	9256	8955
8	Dividend on Equity Capital	₹ in Lakhs	1773##	1569	1395	1045	1045	837	628	628	523	448
	Percentage	%	65##	60	60	50	100	80	60	60	50	50
9	EPS	₹	6.34	4.43	6.07	5.11	36.63	36.15	22.06	24.65	21.82	31.55
10	Book Value	₹	72	62	44	34	294	268	242	235	210	213
11	Net Debt / Equity Ratio	%	48.90	78.34	104.06	157.00	164.23	119.55	67.63	25.04	30.33	46.97

** UOM: Units of Measurement*
 # Excludes exceptional income
Proposed dividend shall be accounted as and when declared by the Company



MAPPING THE JOURNEY

At Deepak Nitrite, our journey during FY 2017-18 was mapped along a multitude of important events and milestones. A series of awards and recognitions further accentuated its transformational thrust.



FGI CSR Award



FICCI Award

RECOGNITIONS:

TATA GROUP RECOGNITION, 2018: Excellent Performance as Most Collaborative Partner, 2018 recognised by Rallis, A TATA Group Company.

FICCI CHEMICALS & PETROCHEMICALS AWARD, 2017: Mr. Deepak C. Mehta, CMD, honoured for his 'Distinguished Contribution to Indian Chemicals Industry'.

GUJARAT'S BEST EMPLOYER BRAND AWARD: Honoured with "Gujarat Best Employer Brand Award" by World HRD Congress for using marketing communications effectively in attracting, retaining and developing talent and in retention policy.

ET NOW TV: channel felicitated Deepak Nitrite as "Super Achievers 2017 – Making New India".

CSR & EHS AWARDS:

FGI RECOGNITION, 2018: Deepak Foundation was conferred with Certificate of Merit at the 15th Federation of Gujarat Industries (FGI) Awards for energetically engaging in CSR activities.

MILLENNIUM ALLIANCE AWARD, 2017: Conferred with the Millennium Alliance Round-4 Innovations Award 2016-17 for community-owned initiatives to secure food security in tribal areas.

EHS AWARD: Deepak Nitrite Limited, Nandesari awarded by Gujarat Safety Council, Vadodara and DISH, Gujarat in two different categories for achieving Accident-free Man-hours. The plant has achieved 8.7 Million Safe Man-hours.

GCSRA AWARD, 2017: Best CSR project for Cohesive & Strategic Partnerships under the large companies category – for



World HRD Award



Tata Rallis Award

Comprehensive Emergency Obstetric and Newborn Care (CEmONC) unit at Jabugam, implemented with the CSR support of Deepak Nitrite Ltd and in partnership with the Gujarat Government.

ET NOW CSR AWARDS: Deepak Foundation received accolades under 2 categories at "ET Now – CSR Leadership Awards":

1. Best Corporate Social Responsibility Practices Award for public private partnership model established with state govt., aimed at reducing maternal and infant deaths.
2. Women Empowerment Award for empowering women of rural and tribal areas.

ICC AWARD FOR SOCIAL RESPONSIBILITY, 2017: Deepak Foundation conferred with the ICC Award For Social Responsibility by the Indian Chemicals Council for promoting women empowerment in tribal areas of Chhota Udepur district in Gujarat.

LAUNCH OF NEW DNL LOGO

We unveiled our new logo and identity at Chemspec India 2018 – an exhibition to showcase new technology, chemistry and products, along with industry emerging trends.

QIP

We raised ₹ 150 Crores through Qualified Institutional Placement (QIP) in January 2018 at a price of ₹ 264 per Equity Share (including premium of ₹ 262 per equity share). These proceeds are being invested in funding the mega Greenfield project for manufacture of Phenol and Acetone. Prominent investors participated in this QIP.

SAFETY

DNL, Nandesari recognised by Gujarat Safety Council, Vadodara and DISH, Gujarat in two different categories for achieving Accident Free Man-hours.

INNOVATING RESPONSIBLY

With innovation at the heart of our business ethos, we have developed a strong base of R&D capabilities to deliver responsible growth.

Our R&D efforts are guided by our deep understanding of customer preferences. Aligning ourselves to these preferences, we have focussed our R&D efforts on **enhancing our existing portfolio of Fine & Speciality Chemicals and Performance Products**. In the **Basic Chemicals division**, we are **leveraging our R&D capabilities to optimise manufacturing processes to boost productivity**.

BUILDING INNOVATION

To steer our innovation-led responsible growth strategy, we have established a Research & Development Centre in Nandesari, Gujarat. Recognised by the Department of Scientific and Industrial Research (DSIR), the R&D Centre enables us to deliver novel products. Our sophisticated analytical laboratory helps us perfect complex chemistries and new technologies to deliver exceptional products.

Over the years, we have carved a strong edge in the development of our technologies, coupled with expertise in multiple chemical processes, that enables us to deliver customised offerings designed to meet future growth opportunities.



45
Expert R&D professionals

~11%
Contribution to revenue in FY 2017-18

OUR R&D STRENGTHS

- Chemical synthesis and analysis for different segments
- Competency in hazardous chemistries
- Cost-effective and eco-friendly process development

PARTNERING INNOVATION

In our quest for product and process supremacy, we are collaborating with some of India's premier institutes on specific projects. These include National Chemical Laboratory at Pune; Institute of Chemical Technology and Indian Institute of Technology Bombay at Mumbai; and Indian Institute of Chemical Technology at Hyderabad.



COMMITTED TO BEING AGILE

Being an agile Company, we are continuously expanding our portfolio across sectors to encompass new products, designed to cater to specific needs. This is in line with our strategic approach to tap industry opportunities, as we target a growing base of clients. Our agility has steered our shift from a functional business model towards three distinct Strategic Business Units (SBUs), enabling us to generate higher operational efficiencies.

Our Strategic Business Units (SBUs) bring focus and agility

Basic Chemicals	Fine & Speciality Chemicals	Performance Products
▪ Moderate margin high volume products ▪ High dependence on sustainable raw material availability ▪ High entry barrier due to the high cost of putting up large-scale operations ▪ Finds application in dyes and pigments, agrochemicals and fuel additives	▪ Specialised molecules and technological competency in handling potentially hazardous reactions ▪ Value of F&SC is tied to long-term strategic relationships with customers and requires stringent monitoring of quality and timely supply ▪ Finds application in agrochemicals, pigment, pharmaceutical and personal care end segments	▪ Value is tied to the characteristic in end product ▪ Certifications required in selling to large multinational. Our certifications include Intertek, FDA, REACH etc. ▪ Globally recognised certifications and customer approvals act as entry barriers ▪ Finds application in textile, paper and detergents
Process improvements leading to **21% growth in EBIT**	Strategic partnerships leading to **39% growth in EBIT**	Customer approvals leading to **42% growth in EBIT**

Being Agile - Harnessing growing market opportunities



Market demand in India

PHENOL **350** KTPA

ACETONE **180** KTPA



10%-12%

YoY increase in Phenol and Acetone demand in India

HARNESSING THE 'MAKE IN INDIA' VALUE PROPOSITION

The growing market demand for Phenol and Acetone in India provided us the ideal opportunity to capitalise on our manufacturing strength, which is intrinsically woven into our value charter. On year on year basis, the demand for these products has been going up 10%-12% and is currently estimated at 350 KTPA for Phenol and 180 KTPA for Acetone.

The significant growth in volume of import of Phenol and Acetone by India in the last few years has further enhanced the demand potential for these products. While the **import volume for Phenol has gone up from 2,20,000 MT/Annum in FY 2013-14 to 2,90,000 MT/Annum in FY 2017-18, that for Acetone increased from 1,16,000 MT/Annum to 150,000 MT/Annum in the same period**.

The demand for downstream products has also commensurately gone up over the past few years, with Bisphenol A accounting for ~80,000 MTA of the demand for such products imported in the last few years, followed by Methyl Isobutyl Ketone (MIBK) (~ 26,000 MTA).

As an experienced player with a prowess in technological and manufacturing, we found ourselves ideally positioned to harness this steadily growing opportunity and decided to go in for a major greenfield expansion to cater to the new demand potential.

OUR EXPANSION PLANS – PHENOL AND ACETONE PROJECT

Deepak Nitrite Limited (DNL) is implementing a state-of-the-art mega project, aligned with 'Make in India', to manufacture 2,00,000 MTPA of Phenol and 1,20,000 MTPA of the co-product Acetone. This will be supported by capacity to manufacture 2,60,000 MT of Cumene, which is a feedstock for manufacturing Phenol and Acetone. This project is being implemented through our 100% subsidiary, Deepak Phenolics Limited (DPL). The proposed Phenol Plant will be located at Dahej in the State of Gujarat, with a capital expenditure of ₹ 1,400 Crores being funded by debt and equity in the ratio 60:40.

DPL will address the opportunity in the domestic market which is currently met by imports. In addition, the plant is based on cutting-edge technology and will be resource and energy efficient. Local availability of Phenol and Acetone is expected to boost the production of derivatives and downstream intermediates, which will expand the overall market in the country.

Technology for Phenol and Acetone has been sourced from Kellogg Brown & Root International Inc and technology for Cumene has been sourced from UOP LLC. M/s ThyssenKrupp Industrial Solutions (India) Pvt. Ltd. has been assigned the EPCm (Erection, Procurement and Construction management) contract.

The project is expected to meet the most stringent safety and environmental standards set by the regulatory authorities. The project is expected to cater to all the domestic customers.

Deepak Phenolics Limited - Project Progress



PROGRESS:

The Greenfield project is now well into its pre-commissioning activities and well poised to be commissioned. In view of the impending commissioning, DPL's leadership team is already in place and the marketing team has commenced customer outreach programme. There is complete focus on operational readiness and flawless start-up for which technology partner's team is deployed at the project site.

We are delighted to see that Phenol demand is growing significantly in India even better than envisaged when conceiving the project. Against 7%-8% annual growth envisaged, Phenol demand is now growing at around 10% annually and the Company has received highly encouraging response to its seed marketing programme.

Phenol demand is also growing globally due to which, the global demand-supply capacity is moving towards equilibrium as some downstream projects have commenced in China leading to greater captive consumption of Chinese Phenol capacity. Further, a large global facility for production of Phenol has been shut down in the US. The combination of these factors has resulted in firming up of overall prices of Phenol globally.



Deepak Phenolics Limited: A future-ready, state-of-the-art facility

IOT-enabled and environment-friendly plant

Harnessing the power of technology and data

Amongst the lowest emitting and highest yielding plants in the industry



CONSTANTLY DRIVING COLLECTIVE OWNERSHIP

Human Resources being integral to our growth story, we are continually investing in attracting, nurturing and retaining the best industry talent.

Gujarat's Best Employer Brand Award 2017

Recognised by the World HR Congress for HR initiatives

Committed to be an **Equal Opportunities Employer**

9.2

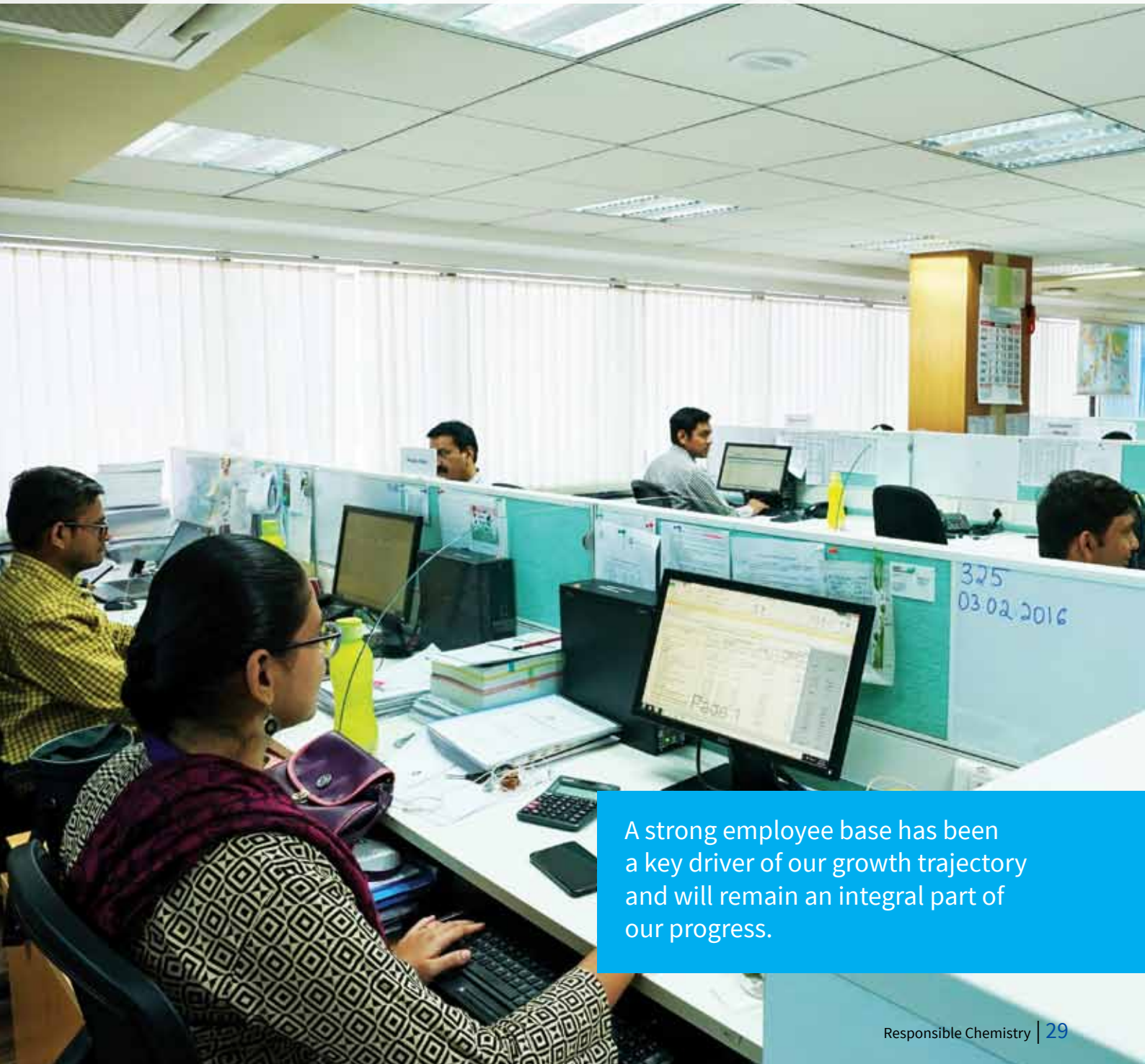
Years average employee tenure





BUILDING CAPABILITIES

We conduct regular learning programmes for the development and upgradation of our people talent to ensure that they remain professionally aligned to the needs of the industry and our customers.



A strong employee base has been a key driver of our growth trajectory and will remain an integral part of our progress.

A PERFORMANCE-DRIVEN CULTURE

Our focus on delivering operational and financial performance is linked to our culture of efficiencies imbibed across the organisational fabric.

Continuous enhancement of performance-linked culture has become a critical enabler of our strategic approach.

POWERING GREATER EFFICIENCIES

In our efforts to boost product, process and manufacturing efficiencies, we remain stringently focussed on ensuring that our plants and products are compliant with the current quality concepts. Our facilities are ISO 9001:2008, ISO 14001:2004 & OHSAS 18001:2007 certified, underlining the high levels of quality adherence to which we are committed.



How our efficiencies drove performance during FY 2017-18

Total income:
₹ 1,467 crore
↑ 18%

EBITDA:
₹ 214 crore
↑ 41%

PBT:
₹ 122 crore
↑ 65%

PAT:
₹ 83 crore
↑ 60%

EPS:
₹ 6.34 per share
↑ 43%



RESPONSIVE TO ENVIRONMENTAL DEMANDS

As a proactive and agile entity that is continuously evolving to meet the strategic demands of the business, the industry, the society and the environment, we strive towards building a sustainable future.

Our 3P approach is structured to drive sustainable progress and we remain committed to being responsive to the global concerns on Environment Protection and Management. We ensure sustainable manufacturing operations by investing in modern Effluent Treatment Plants, Energy Conservation and Technology adaptation.



Our Environment Focus

WE HAVE:

- A dedicated cell responsible for conservation through improvisation in processes and products.
- Effluent treatment plants compliant with pollution control norms at all our manufacturing facilities.
- The only DAS plant in the world with Zero Discharge, located in Hyderabad, Telangana.
- Performance Product division is committed to sustainable manufacturing and is compliant with following pollution control standards:

ENSURING RESPONSIBLE CARE

Since 2012, we are accredited with 'Responsible Care' – a global benchmark of environment, safety and health management. Today, we are among the 40 Groups in India certified with 'Responsible Care', underlining our stringent adherence to environmental regulations.

TOWARDS HEALTHY & SAFE ENVIRONS

As a manufacturing industry, we lay considerable emphasis on ensuring the health and safety of our plants, processes and the people, within and outside the facilities. Emergency preparedness is maintained at all times through regular drills and pre-tests. HAZOP studies and safety inspections are undertaken periodically to sustain the highest levels of health and safety.

8.7 Million
Safe Man-hours at DNL, Nandesari Plant

12 Million
Safe Man-hours at DPL, Dahej Plant



RESPONSIBLE TO THE SOCIETY

Integral to our growth charter, we have in place dedicated programmes for Community Care, CSR and Societal development which are efficiently driven through Deepak Foundation.

Deepak Foundation is playing a pivotal role in collaborating with the Government's efforts for nation-building. We undertake social interventions in and around Gujarat. During FY 2017-18, we increased the penetration of healthcare infrastructure and facilities for the weaker sections of the society, besides implementing various skill and personality development programmes.

OUR CSR THRUST AREAS

- Women & Child Welfare



- Integrated Livelihood Promotion



- Rehabilitation & Integrated Child Development Schemes





Deepak Foundation, the Group's charitable arm, has been serving the country for more than 40 years, with a special focus on maternal and neonatal care and livelihood projects designed to uplift underprivileged communities.

>2 Million
Beneficiaries of Deepak Foundation initiatives

A snapshot of our CSR projects during FY 2017-18

1. STRENGTHENING MATERNAL AND CHILD HEALTH SERVICES IN TRIBAL AREAS THROUGH COMPREHENSIVE EMERGENCY OBSTETRIC AND NEW-BORN CARE UNIT

We support the functioning of Comprehensive Emergency Obstetric and Neonatal Care (CEmONC) unit in Jabugam in public private partnership with the Government. Our CEmONC unit in Jabugam in Pavi-Jetpur block of tribal district of Chhota Udepur provides quality maternal and child health service to 10,00,000 tribal population, and facilitates over 3,000 deliveries annually. The CEmONC unit has been recognised as one of the best practices in tribal health by the Government of India, and by the Gujarat CSR Authority as the Best CSR project promoting cohesive and strategic partnerships.

2. BRINGING QUALITY HEALTHCARE CLOSER TO COMMUNITIES THROUGH MOBILE HEALTH SERVICES

Two mobile health services are being operated in the vicinity of the Company's plant in Roha and Dahej to meet the medical needs of the underprivileged remote population. The mobile health unit reaches out to a target population of 25,000 in Roha, Maharashtra and 47,000 in Dahej area of Bharuch district, Gujarat. Each mobile unit caters to the health & medical needs of approximately 1,200 beneficiaries.

3. HELP DESK SERVICES FACILITATING TERTIARY CARE IN HOSPITAL

24 x 7 Help Desk services are being implemented at the district hospital of Vadodara to provide support in arranging emergency medical supplies and blood, counselling and guiding patients and their relatives. The Help Desk served more than 50,000 patients and arranged over 700 units of blood during FY 2017-18.

4. DE-ADDICTION & REHABILITATION SERVICES

The Company is working in the urban slums of Hyderabad and Roha to reduce the burden of addiction and facilitate quality rehabilitation services through awareness generation, identification, treatment and rehabilitation of addicts. Baseline survey was conducted in 518 households of Hyderabad and 502 households of Roha. Over 2,374 beneficiaries from Hyderabad and 2,580 beneficiaries from Roha were identified and counselled.

5. TRAINING YOUTH IN EMPLOYABILITY SKILLS THROUGH SHORT-TERM COURSES IN HEALTHCARE (HOME HEALTH AIDE COURSE)

Unemployed youth from below poverty line families and other disadvantaged sections of society are provided free trainings through Government-approved certified courses. These courses are implemented in tribal, rural and urban areas of Chhota Udepur, Vadodara and Hyderabad. Over 350 youths have benefited through this project and are now earning a decent steady income of about ₹ 5000 - 7000 per month.

6. IMPROVING COMPREHENSION & READING SKILLS AMONG CHILDREN THROUGH MOBILE LIBRARY SERVICES

Mobile library services have been initiated in 25 far-flung villages in Roha so as to enable children to have access to reading material. Over 1,000 children have benefited through the library services, with innovative approaches such as story-telling, puppet shows, story narration competitions, etc.

7. ACCELERATING HEALTH & NUTRITION THROUGH INNOVATIVE APPROACHES, SUPPORTIVE SUPERVISION AND MANAGEMENT OF ANGANWADI CENTRES

65 Anganwadi centres are currently being supported and supervised under the Integrated Child Development Scheme of the Department of Women and Child Development, Government of Gujarat. The services include tracking and facilitation of severely undernourished children, free treatment of severely malnourished children, providing milk through linkages with women dairy cooperatives, developing model Anganwadi Centres. Over 60,00 children under six years of age are being reached through these services.

CORPORATE INFORMATION

CHAIRMAN EMERITUS

Mr C. K. Mehta

BOARD OF DIRECTORS

Mr Deepak C. Mehta
Chairman & Managing Director

Mr Umesh Asaikar
Executive Director & Chief Executive Officer

Mr Sanjay Upadhyay
Director-Finance & Chief Financial Officer

Mr Maulik D. Mehta
Whole-time Director

Mr Ajay C. Mehta
Director

Mr Nimesh Kampani
Independent Director

Mr Sudhin Choksey
Independent Director

Dr Richard H. Rupp
Independent Director

Mr Sudhir Mankad
Independent Director

Mr S. K. Anand
Independent Director

Dr Swaminathan Sivaram
Independent Director

Prof Indira Parikh
Independent Director

AUDIT COMMITTEE

Mr Sudhin Choksey
Chairman

Mr Sudhir Mankad
Member

Mr S. K. Anand
Member

STAKEHOLDERS' RELATIONSHIP & INVESTORS' GRIEVANCE COMMITTEE

Mr S. K. Anand
Chairman

Mr Ajay C. Mehta
Member

Mr Umesh Asaikar
Member

NOMINATION & REMUNERATION COMMITTEE

Mr Sudhir Mankad
Chairman

Mr Sudhin Choksey
Member

Mr S. K. Anand
Member

Prof Indira Parikh
Member

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr Arvind Bajpai

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited
C-101, 247 Park, L.B.S Marg,
Vikhroli (W), Mumbai – 400 083.

BANKERS

State Bank of India
Dena Bank
Axis Bank Ltd
Standard Chartered Bank
Bank of Baroda
ICICI Bank Ltd
DBS Bank Ltd
The Hongkong and Shanghai Banking Corporation Ltd.

AUDITORS

Deloitte Haskins & Sells, LLP
Chartered Accountants, Pune

SECRETARIAL AUDITORS

KANJ & Co. LLP
Company Secretaries, Pune

COST AUDITORS

B.M. Sharma & Co.,
Cost Accountants, Pune

INTERNAL AUDITORS

Sharp & Tannan Associates,
Chartered Accountants, Vadodara

CORPORATE IDENTITY NO.

L24110GJ1970PLC001735

CORPORATE & REGISTERED OFFICE

Aaditya-I, Chhani Road,
Vadodara – 390 024, Gujarat
Tel: +91-265-2765200
Fax: +91-265-2765344
Email: investor@deepaknitrite.com
Website: www.deepaknitrite.com

PLANTS

Nitrite & Nitroaromatics Division
4-12, GIDC Chemical Complex,
Nandesari, Dist. Vadodara – 391 340

Taloja Chemical Division
Plot Nos. K/9-10, MIDC Taloja,
Dist. Raigad – 410 208

Roha Division
Plot Nos. 1, 2, 26 & 27, MIDC Dhatav,
Roha, Dist. Raigad – 402 116

Hyderabad Specialities Division
Plot Nos. 70-A & B, 90-F and 22,
Phase I, Industrial Development Area,
Jeedimetla, Tal. Quthbullapur Madal,
Dist. Ranga Reddy, Hyderabad – 500 055

Dahej Division
Plot No. 12/B-2 GIDC, Dahej,
Dist. Bharuch, Gujarat – 392 130

NOTICE

NOTICE is hereby given that the Forty Seventh Annual General Meeting of members of DEEPAK NITRITE LIMITED will be held at Grand Mercure Vadodara Surya Palace, Opposite Parsi Agiyari, Sayajigunj, Vadodara – 390 020 on **Friday, August 3, 2018** at **10:00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1) To receive, consider, approve and adopt the Audited Balance Sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of Changes in Equity for the Financial Year ended March 31, 2018, together with the Directors' Report and the Auditor's Report thereon.

2) To consider declaration of Dividend on Equity Shares for the Financial Year ending March 31, 2018.

3) To appoint a Director in place of Mr Maulik D. Mehta (DIN: 05227290), who retires by rotation at this Annual General Meeting, in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

4) To consider and ratify the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.:117366W/W-100018) as the Statutory Auditors of the Company approved by the Shareholders at the 46th Annual General Meeting for a term of five years i.e. till the conclusion of the 51st Annual General Meeting of the Company.

SPECIAL BUSINESS:

5) Re-appointment of Mr Umesh Asaikar (DIN:06595059) as Executive Director & CEO of the Company.

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

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded for the re-appointment of Mr Umesh Asaikar (DIN:06595059) as Whole-time Director designated as the Executive Director & CEO of the Company from May 9, 2018 to May 31, 2020, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) be and is hereby authorized to alter and/or vary the terms and conditions of the said re-appointment including remuneration within the overall limits prescribed under Section 197 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT where in any Financial Year during the tenure of Mr Umesh Asaikar, the Company incurs a loss or its profit are inadequate, the Company shall continue to pay to Mr Umesh Asaikar, the remuneration as set out in the Explanatory Statement, by way of salary, perquisites, incentives and other allowances, as a "minimum remuneration" subject to the limits and conditions specified in Schedule V of the Companies Act, 2013 and rules made thereunder or such other limits as may be prescribed by the Central Government and approval of Members and/or Central Government required, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorise executives of the Company for the purpose of giving effect to the re-appointment of Mr Umesh Asaikar as the Executive Director & CEO of the Company as aforesaid.**"**

6) Ratification of remuneration of the Cost Auditor for the Financial Year 2018-19.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) to M/s. B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219), the Cost Auditors, appointed by the Board of Directors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019, be and is hereby ratified.

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

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: F6713

Address: A/2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri,
Vadodara-390 021

Place : Mumbai
Date : May 4, 2018

Registered Office:*
9/10, Kunj Society, Alkapuri, Vadodara – 390 007
Tel: + 91-265-235 1013, 233 4481
Fax: +91-265-233 0994
Email: investor@deepaknitrite.com
Website: www.deepaknitrite.com
CIN: L24110GJ1970PLC001735

(* Refer Note No. 2 of the Notice)

NOTES:

1. A statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.

2. **Members are requested to note that effective from June 1, 2018 the Registered Office of the Company will be shifted from 9/10, Kunj Society, Alkapuri, Vadodara – 390 007, Gujarat, India to Aaditya-I, Chhani Road, Vadodara-390 024, Gujarat, India. All future correspondences addressed to the Company should be sent to above new Registered Office address of the Company.**

3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 47TH ANNUAL GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   The instrument appointing the Proxy, in order to be valid and effective, should be lodged / deposited with the Company at its new Registered Office not less than 48 (forty eight) hours before the commencement of the Annual General Meeting ("the Meeting").

   A person can act as a Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. A Member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as a Proxy for any other person or Member.

4. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send to the Company a certified copy of the Board resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

5. Members / Proxies are requested to bring duly filled Attendance Slip to attend the Meeting, along with their copy of Annual Report.

6. The relevant documents referred to in this Notice requiring approval of the Members at the Meeting shall be available for inspection by the Members at the new Registered Office of the Company on all working days, except Saturdays and Sundays, during business hours, up to the date of the Meeting. This Notice and the Annual Report will also be available on the Company's website www.deepaknitrite.com for download.

7. The Register of Members and Share Transfer Books of the Company will be closed from Friday, July 27, 2018 to Friday, August 3, 2018 (both days inclusive).

8. The dividend as recommended by the Board of Directors, if approved at the Meeting, will be paid within statutory time limit of 30 (thirty) days, as under :

   (a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data made available by the National Securities Depository Limited and Central Depository Services (India) Limited as at the close of business hours on July 27, 2018.

   (b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 27, 2018.

9. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address/name, e-mail address, contact numbers, etc. to their Depository Participant (DP) only, and not to the Company's Registrar & Share Transfer Agent.

   Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrar & Share Transfer Agent to provide efficient and better services to the Members.

10. Members holding shares in physical form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address / name, etc. to the Company's Registrar & Share Transfer Agent, quoting their Registered Folio Number. The Bank Account particulars of the Members will be printed on the Dividend Warrant.

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

12. Members seeking any information with regard to the Annual Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the Meeting.

13. In terms of the provisions of Section 124 and other applicable provisions of the Companies Act, 2013, the amount of dividend not encashed or claimed within 7 (seven) years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Accordingly, the unclaimed dividend in respect of Financial Year 2010-11 is due for transfer to the said Fund in August, 2018. Members who have not yet encashed their dividend warrant(s) pertaining to the dividend for the Financial Year 2010-11 onwards, are requested to lodge their claims with the Company for the same.

    Attention of Members is invited to the provisions of Section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 amended from time to time, which *inter alia* requires the Company to transfer the equity shares on which the dividend has remained unpaid or unclaimed for a continuous period of seven years, to a special demat

account opened by Investor Education and Protection Fund Authority ('IEPF Authority'). The said Shares, once transferred to the said demat account of the IEPF Authority can be claimed after following due procedure prescribed under the said IEPF Rules.

The Company has intimated individually to all such shareholders, dividend on whose shares has remained unpaid for a continuous period of seven years. The Statement of Unclaimed Dividend amount for seven consecutive years and Shares due for transfer to IEPF Demat Suspense Account is placed on the website of the Company at http://deepaknitrite.com/pdf/results/Details%20Shareholders%20for%20IEPF%20Demat%20Suspense%20account.PDF

Members are, therefore, requested to approach the Registrar and Share Transfer Agent of the Company to claim their unpaid dividend, if any.

14. The Notice of the Annual General Meeting along with the Annual Report for the Financial Year 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participant, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

    The route map showing directions to reach the venue of the Meeting is provided in the Notice after the Explanatory Statement.

15. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar & Share Transfer Agent/ their respective Depository Participants. Members whose email Ids are already registered may update the changes therein, if any. This may be treated as an advance opportunity in terms of proviso to Rule 18(3) (i) of the Companies (Management and Administration) Rules, 2014.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ Company's Registrar & Share Transfer Agent.

17. A brief profile of Mr Maulik D. Mehta together with other details as required under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standard – 2 are as under:

    Mr Maulik D. Mehta (DIN: 05227290), holds a Bachelor's degree in Business Administration from University of Liverpool, UK. He has also done Masters in Organisational Psychology from Columbia University, USA. Mr Maulik D. Mehta has experience in the areas of Business Development. During the span of his career, he has held important positions including Product Head & Associate Vice President in the Company. He holds 1,31,300 Equity Shares of the Company.

    He is also a Director of Deepak Cybit Private Limited. He does not hold any Chairmanship or Membership of any Committees of the Board.

    Mr Maulik D. Mehta is son of Mr Deepak C. Mehta, Chairman and Managing Director and nephew of Mr Ajay C. Mehta, Director of the Company.

18. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR' or 'Listing Regulations'), the Company is pleased to provide the facility to Members, to exercise their right to vote on Resolutions proposed to be considered at the Meeting by electronic means and the business may be transacted through such voting.

19. Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, July 27, 2018 ("Cut-off Date") are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the Cut-off Date should treat this Notice for information purposes only.

20. The Company has entered into an arrangement with Central Depository Services (India) Limited ("CDSL") for facilitating remote e-Voting for the Meeting. The Members may cast their votes on electronic voting system to be provided by CDSL from place other than the venue of the Meeting ("remote e-Voting"). The remote e-Voting will commence on **Tuesday, July 31, 2018 (9:00 a.m.)** and will end on **Thursday, August 2, 2018 (5:00 p.m.)**. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the Member, he/she shall not be allowed to change it subsequently. The Members desiring to vote through remote e-Voting are requested to refer to the detailed procedure given herein in the Notice.

21. In addition, the facility for voting through Polling Paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the Meeting through Polling Paper.

22. Members who have cast their vote by remote e-Voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

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

24. The voting rights of Members shall be in the proportion of their shareholding in the Company as on Cut-off Date.

25. The Company has appointed Mr Dinesh Joshi, Practising Company Secretary (Membership No.: FCS 3752), Designated

Partner, M/s. KANJ & Co. LLP, Company Secretaries, Pune, as the Scrutinizer, to scrutinize the entire voting process including remote e-Voting in a fair and transparent manner.

PROCEDURE FOR REMOTE E-VOTING

I. The instructions for remote e-voting are as under:

The Members should log on to the e-voting website www.evotingindia.com.

i. Click on Shareholders.

ii. Now Enter your User ID :

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

iii. Enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

iv. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the Depository Participant or Company, please enter the Member ID/ Folio Number in the Dividend Bank Details filed as mentioned in instruction (ii).

v. After entering these details appropriately, click on "SUBMIT" tab.

vi. Members holding shares in physical form will then directly reach the company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat account holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

vii. For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.

viii. Click on the EVSN for "Deepak Nitrite Limited".

ix. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

x. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xi. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xii. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

xiii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xiv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

xv. Shareholders can also cast their vote using Mobile app - "m - Voting" for e- voting. m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).

xvi. Note for Non – Individual Shareholders and Custodians:

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be e-mailed to helpdesk.evoting@cdslindia.com and on

approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

II. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

III. Members can cast their vote online from July 31, 2018 (9:00 a.m.) till August 2, 2018 (5:00 p.m.). Remote e-Voting shall not be allowed beyond the said period.

IV. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as on the Cut-off Date i.e. July 27, 2018, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com or at vadodara@linkintime.co.in. However, if he/she is already registered with CDSL for remote e-Voting then he/she can use his/ her existing User ID and password for casting vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evotingindia.com or contact CDSL at the Toll Free No.: 1800-22-5533.

V. A person, whose name is recorded in the Register of Members or in the list of Beneficial Owners maintained by the Depositories as on Cut-off Date only shall be entitled to avail the facility of remote e-Voting as well as voting at the Meeting through Polling Paper.

VI. The result of voting at the Meeting including remote e-Voting shall be declared after the Meeting but not later than Forty Eight Hours of the conclusion of the Meeting.

VII. The result declared alongwith the Report of the Scrutinizer shall be placed on the website of the Company www.deepaknitrite.com and on the website of CDSL immediately after the declaration of result by the Chairman & Managing Director of the Company or a person authorised by him in writing. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited where the shares of the Company are listed.

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

ITEM NO. 5

The Board of Directors of the Company at their meeting held on May 4, 2018, has approved, subject to the approval of Members, re-appointment of Mr Umesh Asaikar as Whole-time Director designated as the Executive Director & CEO of the Company for a further period from May 9, 2018 to May 31, 2020.

The terms of appointment including remuneration of Mr Umesh Asaikar as Executive Director & CEO, as recommended by the Nomination and Remuneration Committee are as under:

(A) Salary and Perquisites

Mr Umesh Asaikar, during the Financial Year 2018-19, be paid a fixed amount of around ₹ 470 Lakhs per annum by way of salary, perquisites, allowances and other benefits and for subsequent year, such remuneration as may be determined by the Board or Committee thereof.

The perquisites, allowances and other benefits shall include but not be limited to the following:

1) Leave travel concession for self and members of his family, as per policy of the Company.
2) Medical and other insurances, as per the policy of the Company.
3) Company car with driver.
4) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity and encashment of leave, as per policy of the Company.
5) Retirement and other benefit, as per policy of the Company.
6) Hardship Allowance and Loyalty / Retention Bonus as per policy of the Company.

(B) Variable Pay

In addition to the salary, perquisites, allowances and other benefits as mentioned above, Mr Umesh Asaikar will also be paid Variable Pay by way of Performance Linked Incentive. This amount shall be paid annually at the end of each Financial Year. This Variable Pay for the respective Financial Year shall range from 0% to 20% of his cost to the Company, depending upon his individual and also the Company's performance as per policy of the Company. During the tenure of Mr Umesh Asaikar as Executive Director & CEO, the Board or Committee thereof shall determine the amount of Variable Pay from time to time.

(C) Mr Umesh Asaikar shall also be entitled to reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

(D) Mr Umesh Asaikar, as the Executive Director & CEO, shall perform such duties and exercise such powers bestowed on him from time to time by the Chairman & Managing Director and/or Board of Directors of the Company.

(E) Mr Umesh Asaikar shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.

(F) Minimum Remuneration:

Where, in any Financial Year during the tenure of Mr Umesh Asaikar as Executive Director & CEO, the Company incurs a loss or its profits are inadequate, the Company shall continue to pay to Mr Umesh Asaikar the above mentioned remuneration by way of salary, perquisites and other allowances as a minimum remuneration subject to the conditions specified under Schedule V to the Companies Act, 2013 and rules made thereunder or such other limits as may be prescribed by the Central Government from time to time and approval of members and/or Central Government required, if any.

(G) Mr Umesh Asaikar shall be liable to retire by rotation as a Director of the Company.

A brief profile of Mr Umesh Asaikar together with other details as required under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Secretarial Standards – 2 are as under:

Mr Umesh Asaikar has been associated with the Company as a Chief Executive Officer since September, 2008. He holds a Bachelor's degree in Mechanical Engineering from The Indian Institute of Technology, Bombay and Master's degree in Management Science from Jamnalal Bajaj Institute of Management Studies. He is also an Associate Member of The Institute of Cost Accountants of India. He has around 40 years of varied experience in the areas of Sales and Marketing, Manufacturing, Commercial and Business Management across industries including pharmaceuticals, vitamins and fine chemicals etc. During the span of his career, he has held various leadership positions in companies such as Parke-Davis Limited, Piramal Healthcare Limited (erstwhile Nicolas Piramal Limited) and Piramal Glass Limited (erstwhile Gujarat Glass Limited).

He is a Key Managerial Personnel of the Company and is not related to any Director or other Key Managerial Personnel of the Company.

He does not hold any shares in the Company and is not a Director in any other Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr Umesh Asaikar and his relatives, are concerned or interested, financially or otherwise, in the Resolutions set out at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. B. M. Sharma & Co., Cost Accountants (Firm Registration No. 00219) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2019.

The remuneration of the Cost Auditors was fixed by the Board of Directors as ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only), upon recommendation of the Audit Committee.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, approval of the Members is sought for the Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2019.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

By Order of the Board of Directors

Arvind Bajpai
Company Secretary
Membership No.: F6713

Address: A/2/202, Labh Exotica,
Nr. Pratham Vatika, Gotri,
Vadodara-390 021

Place : Mumbai
Date : May 4, 2018

Registered Office:*
9/10, Kunj Society, Alkapuri, Vadodara – 390 007
Tel: +91-265-235 1013, 233 4481
Fax: +91-265-233 0994
Email: investor@deepaknitrite.com
Website: www.deepaknitrite.com
CIN: L24110GJ1970PLC001735

(* Refer Note No. 2 of the Notice)

Route Map to the Venue of 47th Annual General Meeting of Deepak Nitrite Limited



Landmark : Parsi Agiyari

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC SCENARIO

A recovery in global investment and manufacturing leading to increased trade has created economic growth in all major economies since the financial crisis. This improvement rides on tailwinds of benign banking conditions, accommodative policies, rising consumer confidence and firming of commodity prices, the highest global growth rate since 2011. 80% of this growth comes from emerging markets and developing economies which now act as not just centres of production but also final destinations of goods and services.

The economies of USA, China and Europe have rebounded despite tariff threats and protectionism. In 2017, the global economy grew at 3.8% as against 3.2% in 2016. The GDP of wealthy economies improved from 1.7% in 2016 to 2.3% in 2017, whereas, emerging market economies grew at 4.8% in 2017 vis-à-vis 4.4% a year ago. This sharp rebound in the global economy has been encouraging and is evident in the improvement in employment data and consumer confidence seen in the developed nations. (Data source: International Monetary Fund)

However, it is envisaged that economic growth, especially in the advanced nations may not continue at the same trajectory. As the world's largest economy is slated to ease banking regulations and renegotiate trade terms with its long-time partners, its protectionist policies may throw the economic equations of many export-oriented nations in disarray. Geopolitical uncertainties in the middle-east and rising crude oil prices might also work against the prospects of the world economy. China, which has long been considered the engine of manufacturing, is in the process of reorienting itself toward value added goods and technology.

INDIAN ECONOMIC SCENARIO

India's growth in FY 2017-18 is targeted at 7.5% shedding the drag of the implementation of Goods and Services Tax (GST) and the lingering impact of demonetisation. Despite a recent uptick, inflation remains within the RBI's target band of 2% - 6%, following a steady decline over the past year to 1.3% in July.

Through concerted efforts, the Government and RBI have been trying to decisively resolve the banking sector problems. The Government has devised a plan to infuse capital worth ₹ 2.11 Lakhs Crores to revive wholesale lending activity. On the other hand, the RBI has tightened up the norms for early identification and resolution of stressed assets.

In FY 2017-18, India witnessed its first sovereign rating upgrade in last 14 years. Acknowledging Government's commitment to implementing some of the toughest and most crucial reforms such as GST, Insolvency and Bankruptcy Code, Moody's not only upgraded India's rating, it also raised the outlook to positive from stable.

GST has made India's 29 States and 7 Union Territories a unified market. The implementation of these rules has also streamlined compliance systems by limiting the involvement of bureaucratic machinery. It is expected to create a level playing field for the manufacturers thereby improving the prospects for Government's ambitious 'Make in India' programme.

Moreover, India's ranking on the World Bank's list of ease of doing business improved to 100th in FY 2017-18 from 130th a year before.

In FY 2018-19, the Government's focus on rural development and higher budgetary support to infrastructure development is likely to accelerate growth and help India regain its status as the fastest growing major economy in the world.

INDUSTRY OUTLOOK AND TRENDS

The $4.5 trillion global chemical industry is expected to grow at 5.5% in the medium term. Profitability remains a challenge for many conglomerates, leading to significant M&A action, business remodelling and digitisation. Bayer buys Monsanto and sells part of its agrochemical business to BASF. LyondelBasell may take over Braskem, Dow and DuPont have merged and there is the possibility of a union between Chemchina and Sinochem.

The Indian chemical industry is an integral part of the Indian economy. India is the 3rd largest producer of chemicals in Asia and 7th largest in the world. The industry is a critical component of the Index of Industrial Production (IIP) with a 7.9% weightage. Its extensive portfolio of more than 80,000 products makes it one of the most diversified chemical markets in the world. According to a report jointly published by FICCI and Tata Strategic Management Group, India ranks 14th in exports and 8th in imports of chemicals.

India's chemical industry is projected to double in size to $300 billion by 2025, growing at nearly 10% annually with speciality and agrochemical sectors leading the pace. The Government has put in place several initiatives like 'Make in India' and accelerative policies for textile intermediates that will support this growth. 'Make in India' targets duty rationalisation for raw materials,

improved infrastructure, tax incentives for R&D investment and skill development and easing of regulations for the set up of 'Reverse SEZs'. Coupled with India's improving performance on ease of doing business, a thrust on developing Petroleum, Chemicals and Petrochemicals Industrial Regions (PCPIR) may prove to be instrumental to this aspiration. Moreover, factors such as the implementation of GST and development of a single-window compliance system augur well for the growth of the chemical industry.

Agrochemicals, dyes and pigments companies will enjoy tailwinds because of an expansive Government crackdown on companies that violate emission standards in China. Small scale and unorganised units in China have been particularly hit. Consequently, international demand for such products has moved to India and leading players are building up capacity to cater to these requirements for the increased demand from their own consumer base. This expansion will ensure that Indian companies have lower cost overheads and volume resilience in the long term.

The Indian Speciality Chemicals industry also has a favourable outlook. Growing demand from global consumer-facing industries, need for innovation, capacity rationalisation in China—the most prominent player in the chemical industry until recently, coupled with the requirement to maintain cost-effective production will open up multi-year growth opportunities for India's chemical sector.

PERFORMANCE OF YOUR COMPANY

In FY 2017-18, revenue including other income grew to ₹ 1467 Crores, a growth of 18% from FY 2016-17. EBITDA came in at ₹ 214 Crores, up by 40% from the previous year and PBT was ₹ 122 Crores, an improvement of 65% from last year. PAT was ₹ 83.50 Crores which was an improvement of 60% compared to previous year, excluding exceptional items. The Fine and Speciality Chemicals Division which had encountered production issues last year has regained normal operation.

Domestic Revenues represent 65% of your Company's turnover, while exports brought in the rest

Domestic topline saw a YoY growth of 14% because of robust demand from agrochemical and pigment applications. Exports grew at 9% YoY due to an increase in your Company's existing geographical reach as well as in agro-chemicals, basic chemicals, paper and personal care segment growth.

As you may recall, your Company faced an accidental fire incident at its Roha facility which impacted last year's performance. Your Company lodged an insurance claim for the same and has recovered ₹ 7.50 Crores as interim payment against a claim for ₹ 18.33 Crores which shall be accounted for upon final settlement. This year, all units at Roha resumed full production, and your Company has entirely recovered from the one-off incident. In spite of several challenges, such as heightened volatility in raw material prices (₹ 844 Crores, an increase of 19% YoY), supply disruption in some Chinese feedstock, your Company was able to achieve sustainable performance.

Your Company has received regulatory clearance for commencing operations on backward integration in FSC segment and has planned several capacity enhancements which will position it well to capture emerging opportunities. This is done keeping environmental regulations in mind as an accredited member of Responsible Care.

Your Company continues to reward the trust of its shareholders. In FY 2017-18, your Company declared a Dividend of ₹ 1.30 per Equity Share on a face value of ₹ 2/- (65%). The Dividend rate has been increased from ₹ 1.20 per Equity Share on an expanded capital base.

PERFORMANCE OF BUSINESS UNITS

Basic Chemicals

Basic Chemicals are moderate margin high volume products with heightened price sensitivity, a high dependence on sustainable raw material availability and plant utilisation. They enjoy an entry barrier due to the high cost of putting up large scale operations but require very efficient chemical process and logistics management. They are building blocks, each goes into a variety of end applications. Your Company's Basic Chemicals business unit makes intermediates for dyes and pigments, rubber, fuel additives, pharmaceutical, agrochemicals and explosives.

Basic Chemicals brought in sales of ₹ 747 Crores, a YoY growth of 7%, despite a negligible increase in volume and contributed to half of your Company's total revenues and an EBIT of 14%.

Fine and Speciality Chemicals

Fine and Speciality Chemicals (FSC) are knowledge based, specialised molecules that are created from strong process competency and technical skills in handling potentially hazardous reactions. FSC can see its value intrinsically tied to long term strategic relationships with a few customers and is less affected by raw material prices, requires stringent monitoring of quality and timely supply. Products in FSC cater to agrochemicals, pigment pharmaceutical and personal care end segments.

Your Company began the year with a commitment to resume plant operations at Roha which had seen an accidental fire incident last year. It took confident steps toward restoring production and customer delight in the ensuing quarters without losing a single customer. It has further fortified itself by increasing manufacturing integration (which has also been given an approval by regulators).

Revenue from FSC came in at ₹ 463 Crores, an improvement of 24% YoY and an EBIT of 25% in FY 2017-18.

Performance Products

Performance Products (PP) are chemicals that are valued for the specific characteristic they impart to the end product. These products have stringent requirements in terms of performance as desired. Your Company's PP products go into paper, detergent and textiles end applications. Your Company is the only fully integrated manufacturer of Optical Brighteners (OBAs) which is backward integrated up to the feedstock of toluene. In this segment, your Company caters to 75% of the domestic requirement of brighteners and has expanded its footprint internationally as well. Your Company has a wide network of global clientele for Performance Products supplies and it enjoys competitive advantage over peers due to the integration. This helps your Company to benefit from steady demand in the end-use industry, with better customer acceptance.

PP represented 20% towards total revenue with ₹ 299 Crores, and a growth of 14% YoY.

EXPANSION PLANS AND INITIATIVES

Your Company is setting up a project through its wholly owned subsidiary, Deepak Phenolics Limited, to manufacture 200,000 MT of Phenol and 120,000 MT of Acetone annually, supported by production of 260,000 MT of cumene. This is a greenfield project located at Dahej, aligned with the Government's 'Make in India' initiative.

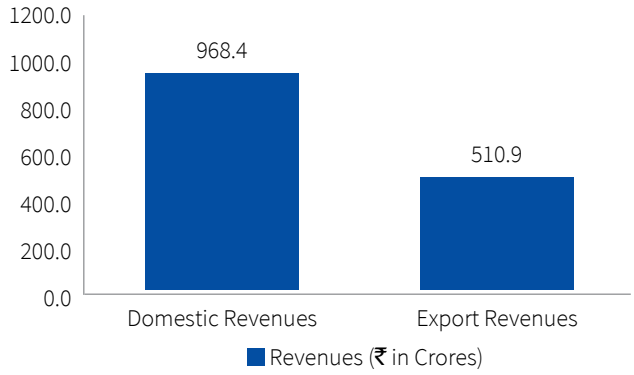
The capital expenditure for this project is ₹ 1400 Crores with a debt equity ratio of 60:40. Saliently, this is being built on cutting edge technology and is resource and energy efficient being well supported by its technology providers, Kellogg Brown & Root International, Inc. (for Phenol and Acetone) and UOP LLC (for Cumene).

Phenol and Acetone are organic compounds that are basic building blocks for a variety of end applications. Phenol goes into laminates, paints, automotive lining, adhesives and pesticides and is expected to grow at around 10% - 12% CAGR. Acetone is used by the healthcare, paints, acrylic and inks segments and is expected to grow at 6% CAGR. Since the domestic production capacity is much lower than demand, imports have been forced to grow at a CAGR of 8% over the last 4 years.

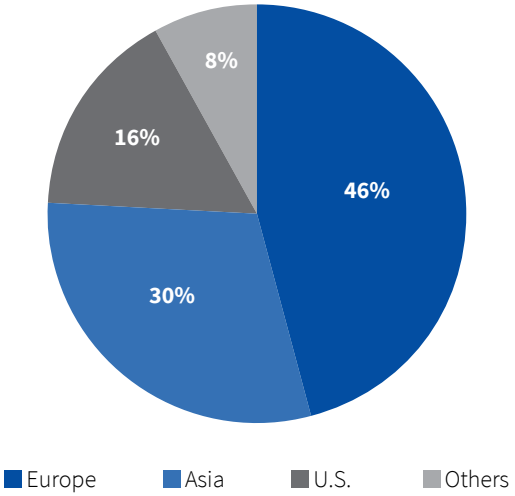
In order to understand the market scenario, overall logistics challenges and customer requirements better, your Company began seed marketing activities which resulted in the domestic market becoming familiar with its imminent entry. The ensuing financial year will be a defining one for your Company as it begins commercial production at its world-class production plant, opening new avenues for future growth.

Geographic Performance

Domestic revenues stood at ₹ 968.38 Crores, while export revenues amounted to ₹ 510.85 Crores in FY 2017-18.



This year, export performance was supported by encouraging demand trends in key geographies as well as higher product realisation enabling your Company to grow volumes across SBUs. Europe continues to be the largest export market for your Company, contributing close to 46% to the total export revenues, while Asia took the next lead contributing 30%. Contribution from the U.S. came in at 16%.



SWOT ANALYSIS

Strengths

Technical Expertise: Your Company focuses on managing complicated operations in an efficient manner with high plant utilisation. Its special competency is in the areas of Nitration, Hydrogenation, Oxidation, and Diazotization at batch and continuous operations.

Product Portfolio: Your Company has a diverse portfolio which caters to several end applications. This insulates it against volatility in the industry and allows it to change focus at short notice on accelerated segments.

Global Footprint: While it is a strong domestic player, your Company has also expanded its global footprint. Bolstered by membership of coveted accreditations like Responsible Care, Nicer Globe, and Together for Sustainability, your Company is a Supplier of Choice for several chemical multinationals like BASF, Bayer, Lanxess, Eastman and others.

Experienced Management Team: Your Company's move into the SBU structure has opened up new opportunities for specialisation and an increased attention to delivering high productivity throughout the year. Management in your Company is a collaborative meritocracy where good performers at all levels are encouraged to lead new and dynamic initiatives. Succession planning, learning and development programs ensure consistent employee growth and motivation.

Weaknesses

Non availability of alternative energy sources: Chemical manufacturing requires significant energy in the manufacturing and effluent management process which in turn has an impact on the environment. Greener sources of energy will soon be a viable option but are still at a nascent stage. Keeping this in mind, your Company has taken several steps to minimise its impact on the planet.

Raw Materials: Increased volatility in prices and availability of raw materials have become the new challenges for the chemical industry. Your Company regularly navigates many intra-year challenges on these front. Your Company gives raw material sustainability a significant weightage in its Risk Management strategy.

Currency Fluctuation: A strong rupee is good for the economy, but hurts exporters; conversely a weak rupee affects domestic suppliers. Your Company has significant exports and domestic sales and therefore, it always works to manage currency risk on a dynamic basis.

Opportunities

Import Substitution: Your Company's flagship products (now with the inclusion of Phenol and Acetone) are import substitutes, giving domestic customers comfort with an easily accessible source available at short notice and without the stress of import costs. As India's production of chemical downstream grows, your Company's brand name, will continue to enjoy favourable tailwinds.

Make in India: This initiative, launched by the Central Government focuses on improving India's capability as a manufacturing hub. This scheme involves accelerating regulatory clearances, improving infrastructure with the ease of doing business in India. This increases your Company's attraction to global players looking for dependable partners to collaborate with, in India.

Scope for Exports: A raft of measures intended on improving India's international trade have recently been enacted, simultaneously using trade analytics to identify markets. Beside this, India's well known respect for intellectual property rights and the recent pollution crackdown in China have opened new vistas for established players with proven capabilities and values.

Government Policies: The Government has introduced several measures at various levels to improve productivity in the chemical sector. It has allowed 100% FDI under the automatic approval route, launched by the Draft National Chemical Policy aiming to enhance the share of the chemical industry in our GDP. This has increased focus on R&D and technology.

Threats

Obsolescence of products or processes: As in other fields, products or processes going obsolete is always a threat in the chemical industry. It can arise because of changes in international regulations, substitutions or even cost escalations. Fortunately, your Company has a diversified portfolio and manufacturing flexibility which helps it tide over a large part of this risk.

Scarcity of Skilled Labour: Dedicated employees are any company's most valuable resource. Your Company is constantly improving its development and training programs to encourage talent and retain consistent performers who may be sought for by industry.

OUTLOOK

Factors such as global competitiveness of India's chemical industry, our Government's policy support and the closure of capacities in China are likely to create multi-billion dollar growth opportunities for the domestic industry. Your Company is well-positioned to reap the benefits of this trend.

Basic Chemicals business to remain strong

Going forward, your Company's Basic Chemicals business is expected to remain strong on the back of demand-supply disruptions and projected capacity closures in China. Your Company is expecting to benefit from brownfield expansions planned for this year.

Strong product portfolio of FSCs and significant market share

Your Company enjoys a leadership position in some of its key product offerings such as Xylidines, Oximes and Cumidines. It addresses the demand of some high growth industries such as agrochemicals, pharmaceuticals, personal care, to name a few. At present, the contribution of FSC business to your Company's top line is close to 31% which is slated to improve in the future. Your Company is exploring growth opportunities to further strengthen its product portfolio in the pharmaceutical intermediate sector.

Performance product segment - expected to turnaround

Performance Products segment, which comprised of a wide range of products, is expected to record an uptick in the foreseeable future. With your Company's OBAs receiving widespread acceptance by multinationals in all segments, the Performance Products segment is targeted to record higher capacity utilisation which is expected to improve its contribution to the bottom line.

Steering towards higher growth trajectory with Phenol and Acetone

As discussed under Expansion Plans above, your Company aims to supply about 2/3rd of India's fast growing appetite for Phenol and Acetone. Further, this availability shall foster investments in downstream products which are also import substitutes.

RISK MANAGEMENT

Creating long-term value for shareholders, shielding its employees from potential hazards and protecting the environment are the three critical goals of your Company. To achieve them, your Company has laid down a well-defined Risk Management framework and a set of stringent SOPs and monitoring practices.

Through its robust Risk Management protocols, your Company ensures that its plants and machinery are monitored on a real-time basis. Through regular maintenance and assessment practices, your Company ensures that the risk of accidents is brought down to a minimum. Your Company also encourages its employees to follow behavioural safety measures which form the basis for creating safe working conditions.

Your Company has an equally effective Risk Management mechanism to deal with financial and credit risks. It regularly monitors the financial health of its customers and based on its observations grants the credit terms. Similarly, through effective inventory management and sound hedging practices, your Company significantly minimises the risks to financials stemming from currency fluctuations, fluctuation in the raw material prices, and that in the prices of its finished products as well. Your Company also protects its margins by adopting formula-based pricing practices that include pass through clauses.

Your Company is committed to protecting the environment and public health and livelihood. Through process excellence, your Company limits its emission count and ensures that effluents are adequately treated before releasing them in the environment.

Overall, your Company endeavours to improve predictability in its processes, reduce operational risks and enhance the quality of product that leads to superior performance of the organisation on all fronts.

INTERNAL CONTROL FRAMEWORK

Your Company believes that internal control is a necessary concomitant of the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances. Your Company remains committed to ensuring an effective internal control environment that, inter alia, provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds / errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. Your Company's independent and robust Internal Audit processes, both at the Business and Corporate levels, provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements. Your Company always adheres to set guidelines and adheres to all Accounting Standards prescribed for maintenance of books of accounts and reporting of financial statements. Summary observation of the Internal Audit is submitted to the Audit Committee of Board of Directors and corrective measures are taken. The Audit methodology is designed to validate effectiveness of critical IT controls that are embedded in the business systems, leading to greater alignment with the business process environment.

HUMAN RESOURCES

Your Company operates in a knowledge-intensive industry. In the business of chemicals, quality and competency of talent-pool is closely linked to the success of a company. While your Company has been investing heavily in capacity additions, it is also creating a strong foundation for the future growth of its manpower by handpicking and retaining the best talent.

As on March 31, 2018, there were 1392 permanent employees in your Company who have, on an average, spent 9 years with your Company. This speaks well of the exceptionally high level of satisfaction among employees.

Your Company is committed to offer level-playing opportunities to all employees. Your Company regularly organises training programmes for its employees and meticulously tracks their performance which then becomes the basis for placing them in more prominent roles. Your Company encourages its employees to maintain a healthy work-life balance at all its units.

In FY 2017-18, your Company's relations with all its employees and unions remained cordial and no untoward incidents were reported.

DISCLAIMER

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar expressions as they relate to the Company and/or its Businesses are intended to identify such forward-looking statements. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates. This report should be read in conjunction with the financial statements included herein and the notes thereto.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Forty Seventh Annual Report together with the Audited Statement of Accounts for the Financial Year (FY) ended March 31, 2018.

FINANCIAL RESULTS

(₹ in Crores)

Particulars	STANDALONE RESULTS		CONSOLIDATED RESULTS	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	1,479.23	1,315.27	1,676.18	1,454.71
Other Income	11.70	9.15	12.40	10.91
Total Revenue (Gross)	**1,490.93**	**1,324.42**	**1,688.58**	**1,465.62**
Less : Excise Duty on sale of Goods	24.25	82.57	24.73	84.00
Total Revenue (Net)	**1,466.68**	**1,241.85**	**1,663.85**	**1,381.62**
Less : Operating and Administrative expenses	1,252.31	1,089.44	1,455.25	1,235.24
Operating Profit before Depreciation, Finance Cost, Exceptional Item and Tax	**214.37**	**152.41**	**208.60**	**146.38**
Less : Depreciation and Amortization expenses	51.95	47.60	52.60	48.04
Less : Finance Cost	40.34	30.89	45.15	34.12
Profit Before Exceptional Items & Tax	**122.08**	**73.92**	**110.85**	**64.22**
Add : Exceptional Items	-	74.97	-	70.48
Profit Before Tax	**122.08**	**148.89**	**110.85**	**134.70**
Less : Tax expenses	38.62	38.25	31.83	38.24
Net Profit for the Year	**83.46**	**110.64**	**79.02**	**96.46**
Share of Loss from Associate	-	-	-	0.14
Other Comprehensive Income	0.86	(2.41)	0.86	(2.41)
Total Comprehensive Income for the Year	**84.32**	**108.23**	**79.88**	**93.90**
Surplus brought forward from Previous Year	342.02	250.59	324.76	247.65
Balance available for Appropriation	**426.20**	**358.82**	**404.49**	**341.55**

PERFORMANCE REVIEW

In FY 2017-18, Total Revenue including Other Income stood at ₹1466.68 Crores as against ₹1,241.85 Crores in FY 2016-17.

EBITDA came in at ₹214.37 Crores in FY 2017-18, higher by 41% as compared to ₹152.40 Crores in FY 2016-17. Raw material costs stood at ₹843.82 Crores as against ₹706.44 Crores in FY 2017, up by 19%.

Profit Before Tax excluding exceptional items stood at ₹122.08 Crores as compared to ₹73.92 Crores in FY 2016-17. The Profit After Tax excluding exceptional items came in at ₹83.46 Crores as compared to ₹51.94 Crores in FY 2016-17. Full resumption of normal operations and favourable shift in product mix led to better PAT performance. The depreciation and finance costs during the year stood at ₹51.95 Crores and ₹40.34 Crores respectively.

The domestic revenues stood at ₹968.38 Crores from ₹847.29 Crores in FY 2016-17, representing a growth of 14% owing to strong demand trends from local customers who are benefitting from supply disruption in China. The revenue from exports stood at ₹510.85 Crores compared to ₹467.98 Crores last year. The export performance was driven by encouraging trends in key geographies in the Basic Chemicals ('BC') segment as well as higher product realisation and improved performance of the Performance Products ('PP') segment.

As you may recall, your Company had faced an accidental fire last year at one of the distillation columns of the manufacturing facility at Roha, which had impacted the performance. During the year under review, all the units at Roha resumed full operations which enabled your Company to deliver balanced growth with contribution from all the three Strategic Business Units (SBUs), thereby recovering from the one-off events that occurred last year. In spite of several challenges in the form of volatility in prices of inputs and finished goods as well as fluctuations in the Foreign Exchange rates, your Company was able to pursue opportunities in the domestic and export markets, thereby recording a sharp growth.

With respect to fire in October, 2016, your Company had lodged insurance claims, both for replacement value of the damaged facilities

and loss of profits due to business interruption. The financial results for FY 2017-18 includes ₹ 18.33 Crores (Net of loss on account of fire) against expected settlement under Fine & Speciality Chemicals ('FSC') segment. Remaining balance shall be accounted upon final settlement of claims. During FY 2017-18, your Company has already received ₹ 7.50 Crores as an interim payment against the above claims.

During the year under review, your Company undertook several initiatives to fortify its offerings by increasing integration of manufacturing process for select high value products in the FSC segment and has received regulator's clearances for commencing operations, which will enable your Company to further enhance profitability. In addition, your Company is expanding capacity of couple of its existing products which shall further augment growth prospects.

Your Company is favorably positioned to capture opportunities emerging across the chemicals and speciality chemicals value-chain. More importantly, China, which is the world's largest supplier for multiple chemicals, has enhanced its focus on environmental protection and sustainable manufacturing processes. As a result, local Chinese producers are faced with higher cost of operations which will increase the landed cost of chemicals. This has improved the competitiveness of alternate suppliers, opening up opportunities for established players like us with proven capabilities and abundant capacities.

ISSUE OF SHARES

During FY 2017-18, your Company, offered Equity Shares to the Qualified Institutional Buyers ("QIBs") on private placement basis through Qualified Institutions Placement ("QIP"), in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. Accordingly, 56,81,775 Equity Shares of ₹ 2/- each were allotted to QIBs on January 30, 2018 at an issue price of ₹ 264/- per Equity Share (including share premium of ₹ 262/- per Equity Share). The QIP issue proceeds aggregating to ₹ 150.00 Crores will be utilized in accordance with the objects stated in the offer document. Pending utilisation, the unutilised amount of issue proceeds have been parked in Liquid Mutual Funds.

Post issuance of Equity Shares under QIP, the issued, subscribed and paid-up capital of your Company has increased from ₹ 26.14 Crores in FY 2016-17 to ₹ 27.27 Crores in FY 2017-18.

DIVIDEND

The Board of Directors of your Company are pleased to recommend a dividend of ₹ 1.30 (Rupee One and Paisa Thirty only) per Equity Share for the year ended March 31, 2018 on 13,63,93,041 Equity Shares of ₹ 2/- each, as against ₹ 1.20 (Rupee One and Paisa Twenty only) per Equity Share in the previous year.

The dividend, as recommended above, if declared by the Members at the Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 21.38 Crores, including corporate dividend tax (Previous Year ₹ 18.88 Crores).

DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires top 500 listed entities, based on market capitalization calculated as on March 31 of every Financial Year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Report and on their websites.

Accordingly, the Board of Directors of your Company has adopted a Dividend Distribution Policy, which aims to ensure fairness, sustainability and consistency in distributing profits to the Shareholders. The Policy is attached as Annexure - A and is also available on the website of your Company under the "Investors Relation" section.

TRANSFER TO RESERVES

Your Company proposes to transfer ₹ 5 Crores to the General Reserves out of the amount available for appropriation.

UPDATE ON PHENOL AND ACETONE PROJECT

The Members are aware that your Company, through its wholly owned subsidiary, Deepak Phenolics Limited ('DPL'), is setting up a state-of-the-art plant to manufacture 200,000 MTPA of Phenol and 120,000 MTPA of its co-product Acetone. This will be supported by manufacturing 260,000 MT of Cumene, which is a feedstock for manufacturing Phenol and Acetone. This Greenfield project is expected to be commissioned in the first half of FY 2018-19 at Dahej in the State of Gujarat. The overall capital outlay for this project is ₹ 1,400.00 Crores, which is being funded through a combination of debt and equity. The entire debt portion of ₹ 840.00 Crores and equity funds of ₹ 560.00 Crores have already been tied up.

With this, your Company will address the opportunity offered by the supply deficit in the domestic market which is majorly being met by imports. In addition to competitiveness on cost due to supplying the domestic markets from a plant located in India, your Company will leverage on the latest manufacturing technologies in its state-of-the art plant which will reduce wastage and is more efficient in utilisation of inputs and energy.

With an objective of developing working relationships with major clients across India as well as establishing strong marketing and distribution channels, DPL has been doing seed marketing of Phenol to understand and penetrate in the market. Additionally, availability of benzene, a key raw material has improved significantly in the domestic market thereby enhancing the prospects for the mega Phenol project further. DPL is also in the process of setting up distribution channels and has also tied for transportation and other logistics requirements.

FINANCE

Your Company tries to strike a balance in its capital structure on a consolidated level while following strict guidelines to efficiently manage its working capital, thereby maintaining its debt at a

reasonable level. During the year under review, the total debt of your Company decreased due to scheduled repayments and improved working capital management. However, as your Company commissions its expansion projects, on a consolidated level the total debt will enhance. These levels would normalise as your Company generate revenues from the new projects.

Interest costs increased during the year due to repayment of low cost foreign currency debt, increase in the Libor and market rate in rupee borrowing. Depreciation increased due to regular growth and maintenance Capex. Your Company has an active team to manage its foreign exchange exposures to minimise risk arising out of imports and due to availing foreign currency loans. Due to prudent management, your Company has been able to effectively manage its cash flows. There is always an effort to reduce the overall interest costs. Debt : Equity as on March 31, 2018 reduced to 0.49 compared to 0.78 as on March 31, 2017, however, on a consolidated level, Debt : Equity ratio stood at 1.07 times.

ICRA Limited re-affirmed the long-term rating of [ICRA] A+ and Short Term rating of [ICRA] A1+ assigned to the fund based limits and non-fund based limits of your Company. ICRA also re-affirmed the short-term rating of [ICRA] A1+ assigned to the Commercial Paper programme.

DIRECTORS

Mr Ajay C. Mehta (DIN:00028405) resigned from the position of Managing Director of the Company effective from December 1, 2017. He shall remain on the Board of your Company as a Non-Executive Non-Independent Director.

As required under the provisions of Section 152 of the Companies Act, 2013, Mr Maulik Mehta (DIN:05227290), Whole-time Director, liable to retire by rotation, will be retiring at the ensuing Annual General Meeting. He is eligible for re-appointment at the ensuing Annual General Meeting and has offered himself for re-appointment.

The Board of Directors at their meeting held on May 4, 2018, subject to the approval of shareholders, re-appointed Mr Umesh Asaikar as Whole - time Director designated as Executive Director & CEO of your Company for a period from May 9, 2018 to May 31, 2020 .

KEY MANAGERIAL PERSONNEL

Mr Deepak. C. Mehta, Chairman & Managing Director, Mr Umesh Asaikar, Executive Director & CEO, Mr Sanjay Upadhyay, Director-Finance & CFO, Mr Maulik Mehta, Whole-time Director and Mr Arvind Bajpai, Company Secretary are the Key Managerial Personnel of your Company.

MEETINGS OF THE BOARD

During FY 2017-18, 6 (six) Board Meetings were held. The details of the Board Meetings with regard to their dates and attendance of each of the Directors thereat have been set out in the Report on Corporate Governance, which forms part of this Report.

INDEPENDENT DIRECTORS

The Independent Directors of your Company have furnished the declaration that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013.

PERFORMANCE EVALUATION

Pursuant to the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Board of Directors have carried out annual evaluation of its own performance, Board Committees and individual Directors.

The performance of the Board / Committee was evaluated after seeking inputs from all the Directors / Committee members on the basis of the defined criteria including composition and structure, effectiveness of meetings, information and functioning.

Performance evaluation of Independent Directors was done by the entire board, excluding the Independent Director being evaluated, on the basis of following evaluation criteria:

- Relevant Knowledge, Expertise and Experience
- Devotion of time and attention to the Company's long term strategic issues
- Addressing the most relevant issues for the Company
- Discussing and endorsing the Company's strategy
- Professional Conduct, Ethics and Integrity
- Understanding of Duties, Roles and Function as Independent Director

Your Directors have expressed their satisfaction to the evaluation process.

AUDIT COMMITTEE

The Audit Committee consists of all Independent Directors with Mr Sudhin Choksey as the Chairman of the Committee. The other members of the Audit Committee are Mr Sudhir Mankad and Mr S. K. Anand. The terms of reference of the Audit Committee, details of meetings held during the year and attendance of members are set out in the Report on Corporate Governance, which forms part of this Report.

STATUTORY AUDITOR'S REPORT

The observations made in the Auditor's Report of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments. There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report.

REPORTING OF FRAUD BY AUDITORS

There is no instance of fraud reported by the Auditors during the FY 2017-18.

SECRETARIAL AUDITOR'S REPORT

The Members are informed that the name of the Secretarial Auditors which was formerly known as M/s. KANJ & Associates, Company Secretaries, Pune, has been changed to M/s. KANJ & Co. LLP, Company Secretaries, Pune, consequent to their conversion into a Limited Liability Partnership.

The Secretarial Audit Report of M/s. KANJ & Co. LLP, Company Secretaries, Pune, for the Financial Year ended March 31, 2018 does not contain any qualification, reservation, adverse remark or disclaimer by the Secretarial Auditors.

The Secretarial Audit Report in Form MR-3 is annexed as Annexure - B, which forms part of this Report.

AUDITORS

(A) Statutory Auditors:

In compliance with the Companies (Audit and Auditors) Rules, 2014, the Members, at the 46th Annual General Meeting of the Company held on June 26, 2017, appointed M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Registration No.: 117366W/W-100018), as Statutory Auditors of your Company for a term of 5 (five) years up to the conclusion of the 51st Annual General Meeting of the Company.

As required under the provisions of Section 139 of the Companies Act, 2013, their appointment as Statutory Auditors is subject to ratification by the Members at every Annual General Meeting. Accordingly, Members are requested to ratify their said appointment at the ensuing Annual General Meeting of your Company.

(B) Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Secretarial Audit for the year ended March 31, 2018 was carried out by the Secretarial Auditors, M/s. KANJ & Co. LLP, Company Secretaries, Pune. The Board of Directors of your Company has appointed M/s. KANJ & Co. LLP, Company Secretaries, Pune to carry out Secretarial Audit of your Company for FY 2018-19.

(C) Cost Auditors:

The Board of Directors of your Company has appointed M/s. B. M. Sharma & Company, Cost Accountants, to conduct audit of your Company's cost records for FY 2018-19 at a remuneration of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand only) plus out of pocket expenses. As required under the provisions of Companies Act, 2013, the remuneration of Cost Auditors as approved by the Board of Directors is subject to ratification by the shareholders at the ensuing Annual General Meeting.

The Cost Audit Report will be filed within the prescribed period of 180 days from the close of the Financial Year.

(D) Internal Auditors:

The Board of Directors has appointed M/s. Sharp & Tannan Associates, Chartered Accountants as Internal Auditors of your Company to conduct the Internal Audit for FY 2018-19.

FIXED DEPOSITS

During FY 2017-18, your Company has not accepted or renewed any Fixed Deposits.

As on March 31, 2018, 39 warrants aggregating to ₹ 7,83,507 issued by your Company to the respective deposit holders towards compulsory repayment of deposits and interest thereon in accordance with the provisions of Section 74 of the Companies Act, 2013, remained uncleared. There has been no default in repayment of deposits or interest thereon during the year and there are no deposits outstanding as on March 31, 2018.

VIGIL MECHANISM

Your Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of your Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimisation of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

RELATED PARTY TRANSACTIONS

All Related Party Transactions that were entered into during the Financial Year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Listing Regulations. There were no materially significant Related Party Transactions entered into by the Company during the year that would have required Shareholders' approval under the Listing Regulations.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the name of the Related Party, nature and value of the transactions.

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on your Company's website at www.deepaknitrite.com.

Details of transactions with Related Parties are provided in the accompanying Financial Statements. There were no transactions with Related Parties during the year which would required to be reported in Form AOC-2.

SUBSIDIARY / ASSOCIATE COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared on a Standalone basis.

During FY 2017-18, Deepak Gulf LLC, a limited liability company incorporated in the Sultanate of Oman ceased to be Associate of your Company.

The Consolidated Financial Statements of your Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of your Company.

The annual Financial Statements of the subsidiaries and related detailed information will be kept at the Registered Office of your Company, as also at the Registered Offices of the respective Subsidiary Companies and will be available to investors seeking information at any time. They are also available on the website of your Company. The consolidated financial results reflect the operations of the following subsidiaries: Deepak Phenolics Limited and Deepak Nitrite Corporation Inc. Your Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16(1)(c) of the Listing Regulations. The Policy, as approved by the Board, is uploaded on your Company's website.

PERFORMANCE OF SUBSIDIARIES

(a) Deepak Phenolics Limited

Your Company's Phenol and Acetone Project is being undertaken through Deepak Phenolics Limited ('DPL'), a wholly owned subsidiary of your Company. The construction and erection activity with respect to the project is almost completed and is at trial run stage and commercial production has not yet started.

During FY 2017-18, DPL has been doing seed marketing of Phenol/Acetone and the Revenue from Operations of DPL was ₹ 199.86 Crores for the period ended March 31, 2018 and Net Loss for the period was ₹ 4.84 Crores.

(b) Deepak Nitrite Corporation Inc. (USA)

Deepak Nitrite Corporation Inc. ('DNC') is a wholly owned subsidiary company incorporated in the United States of America to cater to the marketing requirements of your Company in North and South American region. DNC actively does market research and scouts for market and potential customers for your Company's products in the North and South American region.

During FY 2017-18 the Total Revenue of DNC was USD 572,264 and the Net Loss for the period was USD 2,376.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of your Company's subsidiaries in Form AOC-1 is attached to the Financial Statements.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review, your Company sold 77,500 shares held in Deepak Gulf LLC ('DGL'), a limited liability company incorporated in the Sultanate of Oman, being 31% of total share capital of DGL. Post the said transaction, the shareholding of your Company in DGL is 45,000 shares, representing 18% total share capital of DGL. Consequently, DGL ceased to be Associate of your Company with effect from March 16, 2018.

The Particulars of Loans granted and Investments made by your Company have been disclosed in the Financial Statements.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of your Company since the close of Financial Year i.e. since March 31, 2018 and the date of this Report. Further, it is hereby confirmed that there has been no change in the nature of business of your Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013 ("the Act"), the Board of Directors of your Company, to the best of their knowledge and ability, confirm that:

(a) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;

(b) they have selected 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 your Company at the end of the Financial Year and of profits of your Company for that period;

(c) they 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 your Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the Annual Accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and are operating effectively;

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is provided together with a Certificate from a Practicing Company Secretary, M/s. KANJ & Co. LLP, Company Secretaries, Pune regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations.

BUSINESS RESPONSIBILITY REPORT

As stipulated under Regulation 34 of the Listing Regulations, the Business Responsibility Report on your Company's business as required by Regulation 34(2) of the Listing Regulations, initiatives on environmental, social and governance aspects forming part of this Report is annexed as Annexure - C.

CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility (CSR) activities of your Company are being implemented through Deepak Foundation, the group's charitable trust encompassing social interventions in various developmental domains such as Health, Education, Livelihood, etc.

During FY 2017-18, your Company has spent ₹ 225.00 Lakhs on CSR activities, against the requirement of ₹ 178.92 Lakhs, being 2% of average of the net profits for the preceding three years.

The brief outline of the CSR policy of your Company, composition of the Committee and report on initiatives undertaken by your Company on CSR activities during the year are set out in Annexure – D of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

NOMINATION AND REMUNERATION POLICY

Your Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the requirement of Section 178 of the Companies Act, 2013 and Listing Regulations.

The Nomination and Remuneration Policy of your Company is annexed as Annexure - E.

EXTRACTS OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, forms part of this Report and annexed as Annexure - F.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is set out in the Annexure - G to this report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any shareholder on request. Such details are also available on your Company's Website www.deepaknitrite.com.

CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to the requirement of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the relevant data pertaining to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are provided in Annexure - H of this Report.

STATE OF COMPANY'S AFFAIRS

The state of your Company's affairs is given under the heading 'Performance Review' and various other headings in this Report and in the Management Discussion and Analysis, which forms part of the Annual Report.

SIGNIFICANT OR MATERIAL ORDERS PASSED AGAINST THE COMPANY

Pursuant to the requirement of Section 134(3)(q) of the Companies Act, 2013 read with Rule 8(5)(vii) of the Companies (Accounts) Rules, 2014, it is confirmed that during FY 2017-18 there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and your Company's operations in future.

SECRETARIAL STANDARDS OF ICSI

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

INTERNAL CONTROL SYSTEMS

Your Company has put in place adequate internal control systems including internal financial controls, commensurate with size, scale and complexity of its operations, to ensure compliance with policies and procedures. Your Company has also adopted policies and procedures for ensuring the orderly and efficient conduct of its business, 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 disclosures. The internal control mechanism comprises a well-defined organisation, which undertakes time bound audits and reports its findings to the Audit Committee, documents policy guidelines and determines authority levels and processes.

With a view to ensure and review the effectiveness and implementation of the systems and operations, the Audit Committee regularly reviews them. The Internal Auditors and Statutory Auditors regularly attend Audit Committee meetings and convey their views on the adequacy of internal control systems as well as financial

disclosures. The Audit Committee is briefed about the corrective actions taken by the management on the audit observations. The Audit scope is regularly reviewed by the Audit Committee for enhancement/ modification of scope and coverage of specific areas.

RISK MANAGEMENT

Your Company has in place a Risk Management framework to identify, evaluate and monitor business risks and challenges across your Company. The Risk Management Policy, pursuant to Section 134 of the Companies Act, 2013 has been adopted based on this framework. The Risk Management Policy provides for creation of a Risk Register, identification of risks and formulating mitigation plans. The enterprise risks for your Company are identified by the respective Risk Managers and presented to the Board for review. The Board of Directors reviews the risk assessment and minimization procedures regularly. The Risk Register gets updated periodically, to ensure that the risks remain relevant at any point in time and corresponding mitigation measures are effective. This provides a proactive and value adding review process which enables maintaining the risk profile at an acceptable level in a rapidly changing environment.

Your Company has constituted a Risk Management Committee. The Committee reviews your Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect your Company's overall risk exposure and reviews the Risk Management Policy and structure.

RESEARCH & DEVELOPMENT

Your Company has a Research & Development (R&D) facility at Nandesari, Gujarat with pilot plants at Roha, Maharashtra and Nandesari, Gujarat. The Department of Scientific and Industrial Research (DSIR), New Delhi, on behalf of Government of India vide letter August 10, 2017 has recognised your Company's in-house R&D facilities for further period of 3 years i.e. upto March 31, 2020.

Your Company's R&D center at Vadodara focuses on Import substituted pharmaceutical and agrochemical intermediate, development of speciality chemicals and value added products from by-products.

Your Company is a knowledge led entity and has spruced up its R&D facility for innovation and to collaborate with its customers to understand consumer preference and develop new product applications to cater to the needs of its customers. Your Company focuses its R&D efforts to develop cost effective cleaner technologies to improve profitability. Through its R&D capabilities, your Company has been successful in developing and enhancing its portfolio of cutting edge products. Your Company believes that its ability to develop new product applications and ability to customise products to suit customer needs have helped in expanding its customer base, thereby enabling it to establish leadership position.

SAFETY, HEALTH & ENVIRONMENT

Your Company believes in responsible chemistry for sustainable future through its commitment to the principles of Responsible Care®. The continual improvement of safety, health, environment protection, energy and resources efficiency and social responsibility is inbuilt in the strategy of your Company.

Your Company has laid down policies, principles and standards that all its manufacturing sites must adhere to. It aims to achieve excellence in environment protection, health management and safety across its businesses. Your Company's Environment, Health and Safety (EHS) Policy also specifies the EHS requirements to be observed by its suppliers, contractors & others.

Your Company has adopted global principles of sustainable development, Responsible Care® and management system standards. It has undertaken several environmental initiatives in the areas of reduction in greenhouse gases and energy efficiency programs.

Your Company has system to ensure compliance to the requirements of applicable laws and regulations. Manufacturing locations of your Company has facilities for the proper treatment of effluents. Your Company's emissions, effluents and wastes are within the permissible limits.

Employees' health and safety is accepted as a core business value at your Company. The top management of your Company continuously works towards establishing, sustaining and improving the safety culture.

All manufacturing plants and corporate office of your Company has Quality, Environment & Occupational Health & Safety Management Systems as per revised standards for ISO 9001, ISO 14001 & OHSAS 18001.

Your Company has Process Safety Management (PSM) system at all manufacturing locations. It has carried out Safety Integrity Level (SIL) based HAZOP studies and Layer of Protection Analysis (LOPA) study for existing and new processes and products. The outcomes of these studies are being used to enhance Process Automation in all the Units, which in turn improves process safety at the sites.

Your Company had zero lost time incidents during the year. Good engineering practices, preventive checking systems, safety awareness and training has helped your Company in maintaining its operations and workplace free from incidents.

Your Company regularly monitors the occupational health of employees working in designated hazardous areas with respect to exposure to hazardous chemicals and processes. It also monitors employees for any indications of lifestyle or work-style related diseases and provides counseling. Well-equipped Occupational Health Centers are in place at all manufacturing locations to monitor health of employees on regular basis.

Your Company has accepted and implemented the principles of Together for Sustainability (TfS) and has fetched the prestigious 75% score in Together for Sustainability (TfS) Audit by Intertek.

Your Company is founder member of Nicer Globe initiative. It takes utmost care during transportation and ensures compliance with all checks and measures for a safe and secured delivery. All raw materials and products within supply chain framework of your Company are transported in a secure manner, for the safety of its customers, carriers, suppliers, distributors and contractors.

Your Company proactively fulfills the environmental requirements of customers by delivering products that match international standards.

HUMAN RESOURCES

Your Company considers its employees as most valuable resource and ensures strategic alignment of Human Resource practices to business priorities and objectives. Your Company's constant endeavour is to invest in people and processes to improve human capital for the organisation and service delivery to its customers. Attracting, developing and retaining the right talent will continue to be a key strategic initiative and the organisation continues to be focussed on building up the capabilities of its people. Given growth plans of your Company, an important strategic focus of your Company is to continue to not only nurture its human capital, but also proactively focus on preparing all employees for the challenges of the future. Your Company strives to provide a healthy, conducive and competitive work environment to enable the employees excel and create new benchmarks of productivity, efficiency and customer delight. Your Company always believes in maintaining mutually beneficial industrial relations with the Union, which are of paramount importance for success of any organisation and hence the industrial relations have always been smooth, cordial and trusting.

INSURANCE

All the insurable interests of your Company including inventories, buildings, plant and machinery are adequately insured against risk of fire and other risks.

DISCLOSURE AS REQUIRED UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has in place an Anti-Discrimination and Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress the complaints received regarding sexual harassment at workplace. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint was received from any employee during FY 2017-18 and hence no complaint is outstanding as on March 31, 2018 for redressal.

ACKNOWLEGDEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board also places on record its appreciation for the continued co-operation and support received by your Company during the year from investors, bankers, financial institutions, customers, business partners, all regulatory and government authorities and other stakeholders.

For and on behalf of the Board

D. C. MEHTA
Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE–A
DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

The Securities and Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulation, 2016.

Vide these Reguations, SEBI has inserted Regulation 43A after Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, which requires top five hundred listed entities (based on market capitalization calculated as on March 31 of every Financial Year) to formulate a Dividend Distribution Policy, which shall be disclosed its Annual Report.

Deepak Nitrite Limited ('the Company'), being one of the five hundred companies as per the criteria mentioned above; the Board of Directors approved and adopted this Dividend Distribution Policy at their meeting held on May 4, 2018, being the effective date of the Policy.

2. OBJECTIVES AND SCOPE

This Policy lays down the broad framework which will act as a guiding principle for the purpose of declaring or recommending Dividend during or for any Financial Year, by the Company.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring Dividend and the circumstances under which shareholders of the Company may or may not expect Dividend and how the retained earnings shall be utilized etc.

The Policy, however, is not an alternative to the decision making process of the Board for recommending Dividend and the Board may take into consideration other factors as well in addition to those numerated in this Policy.

3. APPLICABILITY

This Policy shall apply to the Dividend on the Equity Shares of the Company. Presently, the Company has only one class of Equity Shares.

This Policy shall not apply to determination and declaration of Dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue of such preference shares, approved by the shareholders.

4. DEFINITIONS

4.1. **"Board of Director"** or **"Board"** shall mean the Board of Directors of the Company, as constituted from time to time.

4.2. **"Companies Act"** or **"Act"** shall mean the Companies Act, 2013 and Rules framed thereunder, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

4.3. **"Dividend"** includes any interim dividend.

4.4. **"Financial Year"** a consecutive period of 12 months ending March 31.

4.5. **"Policy"** means this Dividend Distribution Policy.

4.6. **"Regulations"** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, including any amendments, modifications, clarifications or re-enactment thereof, for the time being in force.

5. DECLARATION OF DIVIDEND

5.1 Subject to provisions of the Act, Dividend may be declared and paid out of:

(a) Profits of the Company for the Financial Year for which the Dividend is to be paid after setting off carried over losses of the previous Financial Year and depreciation not provided in the previous Financial Year(s);

(b) Undistributed profits of the previous Financial Years remaining undistributed after provising for depreciation in accordance with the Act and/or Regulations; or

(c) Out of (a) and (b) both.

5.2 Before declaration of Dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

6. PARAMETERS FOR DECLARATION OF DIVIDEND

6.1 The Board of Directors may consider the following financial parameters, internal and external factors while recommending or declaration of the Dividend:

A. Financial Parameters / Internal Factors

- Operating cash flow of the Company
- Profit earned during the Financial Year and available for distribution
- Earnings Per Share (EPS)
- Gross Dividend payout ratio
- Financial Ratios
- Business expansion and growth
- Company's liquidity position and future cash flow need
- Stipulation / convenants in loan agreements
- Such other factors as the Board may deem fit from time to time

B. External Factors

- Economic environment
- Capital markets
- Global conditions
- Industry outook and growth rate
- Economic and regulatory framework
- Governmental policies

6.2 While recommending or declaring Dividend, the Board will consider adequacy of profit calculated in accordance with the applicable provisions of the Act and Indian Accounting Standards. The Board of Directors may, in exceptional circumstances, consider utilising retained earning for declaration of Dividend subject to the provisions of the Act and/or Regulations.

7. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

Dividend payout is a crucial decision as it determines the share of profit to be distributed amongst the shareholders and share of profit to be retained in the business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through Dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The shareholders of the Company may not normally expect Dividend in the following circumstances, subject to discretion of Board of Directors:

- In case Company has incurred losses or inadequacy of profit
- It would be in the interest of the Company to re-invest / plough back the profits of the Company for major expansion / diversification requiring major funding
- Any other unforeseen event which would restrict ability to recommend Dividend

8. UTILISATION OF RETAINED EARNINGS

The Board of Directors may retain its earnings in order to make better use of available funds and increase the value of the stakeholders in the long run. The decision of utilisation of the retained earnings of the Company shall be based on the following:

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Replacement of capital assets
- Diversification of business
- Long term strategic plans
- Dividend payment
- Such other criteria as the Board may deem fit from time to time
- Such purpose as may be permitted under the Act and/or Regulations

9. PROCEDURE

9.1 Pursuant to provisions of the Act, the Regulations and the Policy, interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholders' approval, at the ensuing Annual General Meeting of the Company.

9.2 The Members, whose name appears in the Register of Member as on Record Date/Book Closure, as may be deicided by the Board of Directors, shall be entitled for Dividend.

9.3 The Dividend shall be paid to the Members within the limit prescribed under the Act and/or Regulations.

9.4 The Company shall ensure compliance of provisions of the Act and/or Regulations and this Policy in relation to Dividend declared by the Company.

10. PARAMETERS WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of Equity Shares with equal voting rights, all the Members of the Company are entitled to receive the same amount of Dividend per Equity Share. The Policy shall be suitably revised at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

11. DISCLOSURES

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company.

12. REVIEW AND AMENDMENTS

12.1 This Policy will be reviewed by the Board of Directors of the Company as they deem necessary.

12.2 The Board of Directors on its own can amend this Policy, as and when deem fit.

12.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

D. C. MEHTA
Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE–B

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

To,
The Members,
Deepak Nitrite Limited,
9/10, Kunj Society, Alkapuri,
Vadodara – 390 007,
Gujarat.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Deepak Nitrite Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

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

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2018 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 there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

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

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

(b) Securities And Exchange Board of India (Prohibition Of Insider Trading) Regulations, 2015.;

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2014: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable. and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: There were no events occurred during the period which attracts provisions of these regulations, hence not applicable.

(vi) Other laws as applicable specifically to the Company;

a) The Environment (Protection) Act, 1986,

b) The Water (Prevention & Control of Pollution) Act, 1974,

c) The Air (Prevention & Control of Pollution) Act, 1981,

d) Public Liability Insurance Act, 1991,

e) Explosives Act, 1884

f) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008,

g) Petroleum Act, 1934 and Rules made thereunder.

We 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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

All the decision in the Board Meetings were carried through by majority while there were no dissenting members' views and hence not captured and recorded as part of the minutes.

We further report that

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

We further report that during the audit period the Company has following events having a major bearing on the it's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The Company has issued and allotted 56,81,775 Equity Shares at a price of ₹ 264/- per Equity Share (including premium of ₹ 262/- per Equity Share) to the Qualified Institutional Buyers.

- Mr Ajay C. Mehta, has resigned from the position of Managing Director of the Company with effect from December 1, 2017. He continued to be Non-Executive Director on the Board of the Company.

Dinesh Joshi
Designated Partner,
KANJ & CO. LLP,
Company Secretaries
FCS No: 3752
C P No: 2246

Place: Pune
Date: May 3, 2018

To,
The Members,
Deepak Nitrite Limited,
9/10, Kunj Society, Alkapuri,
Vadodara - 390 007,
Gujarat.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

Dinesh Joshi
Designated Partner,
KANJ & CO. LLP,
Company Secretaries
FCS No:3752
C P No: 2246

Place: Pune
Date: May 3, 2018

ANNEXURE–C
BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	:	L24110GJ1970PLC001735
2	Name of the Company	:	Deepak Nitrite Limited
3	Registered Office Address*	:	9/10,Kunj Society, Alkapuri, Vadodara -390 007, Gujarat, India
4	Website	:	www.deepaknitrite.com
5	Email Id	:	investor@deepaknitrite.com
6	Financial Year reported	:	April 1, 2017 to March 31, 2018
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Commodity Chemicals NIC Code: 24121
8	List of three key products/services that the Company manufactures/provides (as per Balance sheet)	:	1) Sodium Nitrite 2) 2 Ethyl Hexyl Nitrate 3) Optical Brightening Agent
9	Total number of locations where business activity is undertaken by the Company	:	(a) Number of International Locations - 01# (b) Number of National Locations - 07 #through wholly-owned subsidiary
10	Markets served by the Company	:	National and International

**Effective from June 1, 2018, the Registered Office of the Company will be shifted to Aaditya-I,Chhani Road, Vadodara – 390 024.*

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	:	₹ 2,727.86 Lakhs
2	Total Turnover (INR)	:	₹ 1,47,922.97 Lakhs
3	Total profit after taxes (INR)	:	₹ 8,345.50 Lakhs
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	Company's total spending on CSR for the Financial Year 2017-18 is ₹ 225.00 Lakhs which is 2.70% of PAT.
5	List of activities in which expenditure in 4 above has been incurred:-		
	A. Health Care		
	□ Comprehensive Emergency Obstetric Newborn Care Unit (CEmONC) □ Mobile Health Unit □ Help Desk Project □ Integrated Child Development Area (ICD) □ Deepak Occupational Health Center □ Setting up a De-addiction and Counseling Center		
	B. Skill Development/ Education		
	□ Nandesari Vidyalay □ Home Health Aid Course □ Mobile Library		

SECTION C: OTHER DETAILS

1	Does the Company have any Subsidiary Company/ Companies?	:	Yes. The Company has 2 wholly owned subsidiaries.
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	The subsidiary companies participate in the BR initiates of the Company by following the basic principles and practices of the Parent Company, to the extent applicable.

3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	:	The Company encourages its Business Associates to support Company's BR initiatives, to the extent feasible.

SECTION D: BR INFORMATION

1	Details of Director/Directors responsible for Business Responsibility				
a	Details of the Director/Director responsible for implementation of the BR policy/policies	a	DIN Number	:	06595059
		b	Name	:	Mr Umesh Asaikar
		c	Designation	:	Executive Director & CEO
b	Details of the BR head	a	DIN Number	:	06595059
		b	Name	:	Mr Umesh Asaikar
		c	Designation	:	Executive Director & CEO
		d	Telephone Number	:	0265-3960200
		e	Email ID	:	umesh@deepaknitrite.com

2. Principle-wise (as per National Voluntary Guidelines (NVGs)) Business Responsibility (BR) Policy/policies

At Deepak Nitrite Limited, Business Responsibility is guided by "National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs, which articulates nine principles as below:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote Human Rights.
P6	Business should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliances

S. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify?	Most of the policies are aligned to various standards such as Responsible care principles, Together for Sustainability System, ISO 9001, ISO 14001 & OHSAS 18001 system.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are approved by the Board and other policies are approved by the Executive Director & Chief Executive Officer of the Company and signed by the Executive Director & Chief Executive Officer of the Company.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has Audit Committee, CSR Committee to oversee implementation of respective policies. For other policies, the Functional Heads are authorized to oversee the implementation thereof.								
6	Indicate the link for the policy to be viewed online?	The policies which are mandatorily required to be placed on the website of the Company can be viewed on http://deepaknitrite.com/code-conduct.html. All other policies are available on the Company's internal network.								

S. No.	Question(s)	P1	P2	P3	P4	P5	P6	P7	P8	P9
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	All the policies have been communicated to all relevant internal and external stakeholders of the Company. The policies for all relevant internal stakeholders are available on the internal network and for external stakeholders, the policies are available on Company's website www.deepaknitrite.com.								
8	Does the Company have in-house structure to implement the policy/ policies	Yes, the Company has necessary structure in place to implement the policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, the Company provides the redressal mechanism for all kinds of grievances.								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Policy relating to Environment, Health and Safety are evaluated by internal as well as external ISO audit agencies. Other policies are evaluated internally or by respective Committee.								

3.	**Governance related to BR**	
a.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	
	The Chairman & Managing Director, the Executive Director & CEO, the Director - Finance & CFO, the Whole-time Director review the Business Responsibility performance of the Company during the monthly review meetings. The action points that emerge from the discussions at these meetings are recorded, implemented wherever necessary and reviewed in the subsequent meetings. Besides, the CSR Committee of the Board reviews the social performance of the Company on yearly basis.	
b.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	
	This is the first year of applicability of Business Responsibility Report to the Company. Henceforth, the Report shall be published annually by the Company. The Report can be viewed on the website of the Company www.deepaknitrite.com.	

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	The Company strives to adhere to the highest standards of integrity and behaviour and ensure compliance and adherence to law and internal policies through its compliance systems. The Board of Directors of the Company has also adopted a Code of Conduct ('Çode') which applies to the Directors, Key Managerial Personnel and the senior management of the Company. The Company obtains an annual confirmation affirming compliance with the Code from the Directors, Key Managerial Personnel and the senior management every year.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has not received any complaint from any stakeholders relating to ethics, bribery and corruption during the Financial Year 2017-18.

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Sodium Nitrite 2 Ethyl Hexyl Nitrate Optical Brightening Agent

2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):	The Company is in process to establish the procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by Responsible Care, ISO 9001 and ISO 14001 standards.
	a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	
	b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?	While the Company has long term relationships and understandings with several suppliers, the Company do not have long term contractual agreements with majority of its suppliers. Raw material price fluctuations are mitigated through formula based pricing which typically have a fixed and a variable price component. The variable component is linked to the price of commodity in international markets.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company gives preference to the manufacturers and service providers located near-by. It provides feedback to them to improve their capacity and capability particularly in the areas of manufacturing, health, safety and environment.
5.	Does the Company have a mechanism to recycle products and waste?	The Company has taken initiatives to recycle its wastes and is continuously striving to minimise the same. At present, it is recycling its wastes, wherever feasible. It also coordinates with various agencies for using such wastes as their inputs.

Principle 3: Businesses should promote the wellbeing of all employees

1.	Total number of Employees	There were 1392 permanent employees as on March 31, 2018.
2.	Total number of employees hired on temporary/contractual/ casual basis	There were 1408 employees hired on temporary/contract/casual basis as on March 31, 2018.
3.	Number of permanent women employees.	There were 25 permanent women employees as on March 31, 2018.
4.	Number of permanent employees with disabilities	There were 10 permanent employees with disabilities as on March 31, 2018.
5.	Do you have an employee association that is recognized by management	Yes, The Company has recongnised unions in Nandesari, Roha, Taloja and Hyderabad.
6.	What percentage of your permanent employees is members of this recognized employee association?	24% of the total permanent employees are members of recongnised union.
7.	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	

S. No.	Category	No. of Complaints filed during the Financial Year	No of Complaints pending as on end of Financial Year
1	Child Labour / Forced Labour / Involuntary Labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

8. Percentage of under mentioned employees who were given safety & skill up-gradation training in the last year?

S. No.	Employees Category	Employee imparted safety training	Employees imparted skill up - gradation training
a.	Permanent Employees	90.88%	22.70%
b.	Permanent Women Employees	100.00%	20.00%
C.	Casual/Temporary/Contractual Employees	97.16%	39.99%
d.	Employees with Disabilities	100.00%	100.00%

Principle 4 :Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1.	Has the Company mapped its internal and external stakeholders?	The Company has mapped its internal and external stakeholders. They are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.	The Company has identified poor, tribals, women and children as marginalized and disadvantaged groups through needs assessment and engagement with local communities in and around the Company's manufacturing sites under its Corporate Social Responsibility (CSR) initiatives. The Company has undertaken various programmes under its CSR Policy in the areas of health, education and livelihood for such marginalized and disadvantaged groups.
3.	Special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.	The initiatives undertaken by the Company for the disadvantaged, vulnerable and marginalized stakeholders are elaborated in Principle 8 and in the Annexure – D of the Directors' Report.

Principle 5: Businesses should respect and promote human rights

1.	Does the policy of the Company on Human Rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The Company follows its policy on Human Rights which are applicable to the Company, its Subsidiary and Contractors.
2.	How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?	The Company has not received any stakeholder complaints in the Financial Year 2017-18 related to Human Rights.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?	The policy related to Principle 6 covers the Company and its Subsidiaries.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.	The Company believes in responsible chemistry for a sustainable future through its commitment to the principles of Responsible Care®. The focus is on continuous improvement of safety, health, environment protection, energy and resources efficiency and social responsibility.
3.	Does the Company identify and assess potential environmental risks?	Yes. The Company has integrated Management System and Risk Management Committee to identify and assess potential environmental risks.
4.	Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?	The Company does not have any Clean Development Mechanism Project.
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.	The Company is continuously improving its environmental performance for its existing products and do thorough analysis for new products.
6.	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?	Yes. The effluents, emissions and wastes generated by the manufacturing facilities of the Company are within the permissible limits given by SPCB.
7.	Number of show cause / legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as at the end of Financial Year.	There are no show cause / legal notices received from Central and State Pollution Control Boards which are pending as at the end of Financial Year 2017-18.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is the Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	As on March 31, 2018, your Company is a Member of the following trade associations: a. FICCI: The Federation of Indian Chambers of Commerce and Industry b. FGI: Federation of Gujarat Industries c. GEO: Gujarat Employees Orgranisation d. ICC: Indian Chemical Council
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).	The Company supports the initiatives taken by above association in their endeavor for the advancement or improvement of public good.

Principle 8 : Businesses should support inclusive growth and equitable development

1.	Does the Company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8?	The Company takes up programme/ initiatives/ projects in pursuit of the principle of inclusive growth and equitable development in pursuance of its Corporate Social Responsibility ('CSR') Policy. Detailed information about the specified programme and initiatives undertaken during the Financial Year 2017-18 in pursuit of the CSR Policy has been given in Annexure - D to the Directors' Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	The programmes/projects are undertaken through Implementing Agency, Deepak Foundation and Deepak Medical Foundation.
3.	Have you done any impact assessment of your initiative?	The CSR programmes and their impacts/ outcomes are monitored and reviewed by the CSR Committee of the Board and management periodically, to understand the impact of these programmes.
4.	What is your Company's direct contribution to community development projects.	During the Financial Year 2017-18, the Company spent ₹ 225.00 Lakhs on various CSR initiatives, detailed in Annexure - D to the Directors' Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Implementation of the CSR programmes/projects is ensured through site visits, obtaining periodic progress reports from Implementing Agency.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints/consumer cases are pending as on the end of Financial Year.	There were no customer complaints / consumer cases pending as at the end of Financial Year 2017-18.
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws?	Yes, the Company adheres to all the applicable statutory laws regarding product labeling and displays relevant information on product label.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behavior during the last five years and pending as at end of Financial Year.	There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company during the last five years and as at the end of Financial Year 2017-18.
4.	Did the Company carry out any consumer survey/ consumer satisfaction trends?	Customer satisfaction surveys are being conducted frequently for betterment of the products, feedback and improving delivering mechanism.

For and on behalf of the Board

D. C. MEHTA
Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE–D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

Outline of Company's CSR Policy:

The Company's CSR policy is to remain a responsible corporate entity mindful of its social responsibilities to all stakeholders including consumers, shareholders, employees, local community and society at large.

Overview of Projects or programs undertaken:

Various projects and programs are being undertaken as per the CSR policy of the Company. The major Programs are CEmONC, Mobile Health Unit, Help Desk Project, ICDS, Deepak Occupational Health Centre, Setting up a De-addiction and Counselling Centre in the field of healthcare. The details of these programs undertaken by the Company during the Financial Year 2017-18 are provided in a separate section on CSR in the Annual Report.

Weblink to the CSR Policy of the Company:

http://deepaknitrite.com/pdf/investor/DNL_Corporate%20Social%20Responsibility%20Policy.pdf

2. The Composition of CSR Committee: The CSR Committee comprises of Mr Sudhir Mankad as Chairman and Dr. S. Sivaram, Mr D. C. Mehta and Mr Umesh Asaikar as Members.

3. Average Net Profit of the Company for the last three Financial Years: ₹ 8946.24 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 178.92 Lakhs.

5. Details of CSR Spent during the Financial Year

   (a) Total amount to be spent for the Financial Year: ₹ 178.92 Lakhs

   (b) Amount unspent, if any: NIL

   (c) Manner in which the amount was spent during the Financial Year is detailed below:

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2. Overheads**	**Cumulative expenditure upto the reporting period[4]**	**Amount Spent: Direct or through Implementing Agency**
1	CEmONC[1]	Health Care	Jabugam Dist.: Vadodara State: Gujarat	30.00	35.22 0.12 **35.34**	88.49 (29.80)	Implementing Agency
2	Nandesari Vidyalay	Skill Development/ Education	Nandesari Dist: Vadodara State: Gujarat	-	1.02	1.02	Implementing Agency
3	Mobile Health Unit	Health Care	Dahej Dist: Bharuch State: Gujarat	26.51	23.68 2.33 **26.01**	101.54 (25.86)	Implementing Agency

(₹ In Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and District Where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads 1. Direct Expenditure On projects or programs 2. Overheads**	**Cumulative expenditure upto the reporting period[4]**	**Amount Spent: Direct or through Implementing Agency**
4	Help Desk Project	Health Care	Vadodara Dist: Vadodara State: Gujarat	13.45	13.42 1.40 **14.82**	36.39 (13.82)	Implementing Agency
5	Mobile Health Unit	Health Care	Roha Dist: Raigad State: Maharashtra	22.70	31.26 1.61 **32.87**	61.68 (20.35)	Implementing Agency
6	ICDS[2]	Health Care	Nandesari Dist: Vadodara State: Gujarat	29.00	24.47 1.99 **26.46**	81.79 (30.66)	Implementing Agency
7	DOHC[3]	Health Care	Nandesari Dist: Vadodara State: Gujarat	16.65	15.91 0.74 **16.65**	74.15 (19.07)	Implementing Agency
8	Home Health Aid Course	Skill Development/ Education	Vadodara Dist: Vadodara State: Gujarat Hyderabad Dist: Hyderabad State: Telangana	45.00	29.65 3.42 **33.07**	77.14 (26.11)	Implementing Agency
9	Mobile Library	Skill Development/ Education	Roha Dist: Raigad State: Maharashtra	13.28	10.15 1.00 **11.15**	24.27 (10.95)	Implementing Agency
10	Setting up a De-addiction and counseling center	Health Care	Hyderabad Dist: Hyderabad State: Telangana	17.70	15.34 1.56 **16.90**	29.77 (12.87)	Implementing Agency
11	Management Cost	-	NA	10.71	10.71	32.82 (9.74)	Implementing Agency
	TOTAL			**225.00**	**225.00**		

1. Comprehensive Emergency Obstetric Newborn Care Unit.

2. Integrated Child Development Scheme.

3. Deepak Occupational Health Centre.

4. Figures in Brackets are of previous Financial Year i.e. 2016-17.

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

D. C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Sudhir Mankad
Chairman of CSR Committee
(DIN: 00086077)

ANNEXURE–E

NOMINATION AND REMUNERATION POLICY
(Adopted by the Board of Director on May 2, 2014)

1. INTRODUCTION

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder and the Listing Regulations as amended from time to time, this policy on nomination and remuneration of Directors on the Board of the Company, Key Managerial Personnel and other employees in the Senior Management is formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and of the Listing Regulations with the Stock Exchanges.

This Policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, appointment and removal of the Directors, Key Managerial Personnel and Senior Management employees and matters relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

Pursuant to the requirement of Section 178 of the Companies Act, 2013 and the Listing Regulations with the Stock Exchanges, the Company has a duly constituted Nomination and Remuneration Committee.

2. OBJECTIVE OF THE POLICY

2.1. The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with best industry practices and are good enough to attract and retain competent Directors on the Board, Key Managerial Personnel and the Senior Management Personnel of the quality required.

The key objectives of this Policy include:

(i) guiding the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management employees.

(ii) evaluating the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.

(iii) recommending to the Board the remuneration payable to the Directors and setting forth a policy for determining remuneration payable to Key Managerial Personnel and Senior Management employees.

2.2. While determining the remuneration for the Directors, Key Managerial Personnel and Senior Management employees, regard should be given to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company as well as prevailing laws and government/other guidelines, to ensure that pay structures are appropriately aligned and the levels of remuneration remain appropriate.

2.3. While designing the remuneration package it should be ensured:

(i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate person, to ensure the quality required to run the Company successfully.

(ii) Remuneration to Directors, Key Managerial Personnel and Senior Management employees 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.

2.4. Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company and a strong alignment of interest with stakeholders.

2.5. The Committee shall observe the set of principles and objectives as envisaged under the Companies Act, 2013 ("Act") (including Section 178 thereof), rules framed there under and the Listing Regulations including, inter-alia, principles pertaining to determining qualifications, positives attributes, integrity and independence.

2.6. In this context, the following Policy has been formulated by the Nomination and Remuneration Committee and recommended to the Board of Directors for adoption.

3. EFFECTIVE DATE

This Policy shall be effective from the date of its adoption by the Board.

4. DEFINITIONS

4.1. In this Policy the following terms shall have the meaning assigned to them:

(i) **"Act"** means The Companies Act, 2013 and rules made thereunder.

(ii) **"Board of Directors"** or "Board" means the Board of Directors of the Company.

(iii) **"Committee"** means Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the Listing Regulations.

(iv) **"Company"** means "Deepak Nitrite Limited."

(v) **"Director"** shall mean a member of the Board of Directors of the Company appointed from time to time in accordance with the Articles of Association of the Company and provisions of the Act.

(vi) **"Employees' Stock Option"** means the option given to the Directors, other than Independent Directors, officers or employees of a Company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

(vii) **"Executive Director"** shall mean a Director who is in the whole-time employment of the Company other than Managing Director.

(viii) **"Financial Year"** shall mean the period ending on the 31st day of March every year.

(ix) **"Independent Director"** shall mean a Director referred to in Section 149 (6) of the Act read with the Listing Regulations.

(x) **"Key Managerial Personnel"** or **"KMP"** shall have the meaning ascribed to it in the Act.

(xi) **"Listing Regulations"** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and for the time being in force.

(xii) **"Managing Director"** means a Director who, by virtue of the Articles of Association of the Company or an agreement with the Company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the Company and includes a Director occupying the position of Managing Director, by whatever name called.

(xiii) **"Policy"** or **"this Policy"** means, "Nomination and Remuneration Policy."

(xiv) **"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.

(xv) **"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 the functional heads.

4.2. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 and/or Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

5. APPLICABILITY

This Policy is applicable to:

(i) Directors (Managing Director, Executive Director, Independent Director and Non-Independent Director)

(ii) Key Managerial Personnel

(iii) Senior Management employees

(iv) Other Employees

6. NOMINATION AND REMUNERATION COMMITTEE

6.1. Role of the Committee:

(a) Identifying persons who are qualified to become Director and who may be appointed in Senior Management cadre in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

(b) Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy, relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management employees.

(c) Formulating the criteria for evaluation of Independent Directors and the Board.

(d) Devising a policy on Board diversity.

(e) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.

(f) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Executive Directors.

(g) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee.

(h) any other role as may be specified by the Board.

6.2. Composition of the Committee

(a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent Directors.

(b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and/or the Listing Regulations.

(c) Membership of the Committee shall be disclosed in the Annual Report.

(d) Term of the Committee shall continue unless terminated by the Board of Directors.

6.3. Chairman of the Committee

(a) Chairman of the Committee shall be an Independent Director.

(b) Chairman of the Company (whether Executive or non-Executive) may be appointed as a member of the Committee but shall not Chair the Committee.

(c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

(d) Chairman of the Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

6.4. Frequency of the Meetings of the Committee

The meeting of the Committee shall be held at such intervals as may be required.

6.5. Committee Member's Interest

(a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

(b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

6.6. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two (2) members or one-third of the members of the Committee, whichever is greater.

6.7. Voting at the Meeting

(a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall for all purposes be deemed a decision of the Committee.

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

7. APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES

7.1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director, KMP and Senior Management employee.

7.2. A person should possess adequate qualifications, expertise and experience for the position he/ she is considered for appointment as a Director, Key Managerial Personal or Senior Management employee.

7.3. The Company shall not appoint or continue the employment of any person as Managing Director / Executive Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for such appointment.

7.4. The appointment as recommended by the Committee to the Board shall be subject to the approval of the Board.

7.5. Criteria for appointment of Independent Director:

7.5.1. The proposed appointee shall comply with the criteria specified in the relevant provisions of the Act and/or the Listing Regulations. He or she shall not, directly or indirectly, represent the interest of any specific vendor or customer or stakeholder and shall have business reputation and strong ethical standards and possess leadership skills and business experience including board procedures.

7.5.2. The Independent Director shall fulfill the qualification and requirements specified under the Act and Listing Regulations.

7.5.3. He or she shall also declare his or her independent status prior to their appointment to the Board and maintain the same during his or her tenure as an Independent Director. Being a Director of the Company, he or she shall adhere to the Code of Conduct stipulated for the Director.

7.6. Criteria for appointment of Managing Director / Executive Director:

7.6.1. The Company can have more than one Managing Director or Executive Director.

7.6.2. The appointee(s) shall have good educational background, preferably with specialization in the field.

He shall have exemplary skills and leadership qualities to lead the Company or as the case may be the function assigned to him.

7.6.3. Depending on the role and responsibility, he shall have hands on experience in the relevant filed. For example as ED (Operations) is expected to have adequate knowledge and experience about the plant operations and related issues. The suitability of the candidate shall be determined on a case to case basis by the Committee. Being a Director of the Company, Managing Director / Executive Director shall adhere to the Code of Conduct stipulated for the Director.

7.6.4. He shall fulfill the conditions as specified under Part I of Schedule V of the Act. However, in case the conditions specified under Part I of Schedule V of the Act is not fulfilled, such appointments shall be subject to the approval of the Central Government.

7.7. Criteria for appointment of KMPs:

7.7.1. Pursuant to the requirement of Section 203 of the Act, the Company is required to appoint a Managing Director/ Manager / Chief Executive Officer and in their absence an Executive Director as Whole Time KMP.

7.7.2. The Company may also appoint a Chief Executive Officer (CEO) who may or may not be a Director. The qualification, experience and stature of the CEO could be in line with that of the Executive Director. Where the CEO is designated as KMP, he shall act subject to the superintendence and control of the Board.

7.7.3. The Company is also required to appoint a Chief Financial Officer (CFO) as KMP as per the requirement of the Act. The CFO shall preferably be a Chartered Accountant or a Cost & Management Accountant or holds an equivalent qualification and have relevant work experience. He shall be well versed with finance function including but not limited to funding, taxation, forex and other core matters. As required under the Listing Regulations, the appointment of CFO shall be subject to approval of the Audit Committee.

7.7.4. As required under the said Section of the Act, a Company Secretary (CS) is also required to be appointed by the Company as a KMP. The CS shall have the prescribed qualification and requisite experience to discharge the duties specified in law and as may be assigned by the Board / Managing Director / Executive Director from time to time.

7.7.5. KMPs, other than Managing Director and/or Executive Director shall adhere to the Code of Conduct stipulated for the Senior Management.

7.8. Criteria for appointment of Senior Management employees:

7.8.1. Senior Management employees shall possess the requisite qualifications, expertise and experience depending upon the requirement of the relevant position.

7.8.2. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

7.8.3. Senior Management employees shall adhere to the Code of Conduct stipulated for the Senior Management.

7.9. Term / Tenure

7.9.1. **Managing Director and Executive Director**

The Company shall appoint or re-appoint any person as its Managing Director / Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

7.9.2. **Independent Director**

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

(c) The Independent Director shall comply with the requirement of number of directorships he or she can hold as prescribed under the provisions of the Act or the Listing Regulations including any amendment thereto from time to time.

7.10. Familiarization Programme for Independent Directors

The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the Company, etc., through various programmes.

7.11. Evaluation

7.11.1. Subject to Schedule IV of the Companies Act, 2013 and Listing Regulations, the Committee shall carry out the evaluation of Directors periodically.

7.11.2. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

7.11.3. The Independent Directors at their separate meeting shall review, on yearly basis, the performance of Non-Independent Directors and the Board as a whole.

7.11.4. The Independent Directors at their separate meeting shall also review, on yearly basis, the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

7.11.5. The entire process of the Performance Evaluation shall be kept in strict confidence and shall not be disclosed to any person except to those required to perform their duties under the Act.

7.11.6. All the records of Performance Evaluation process and outcome shall be maintained by the Company Secretary of the Company and shall be kept at the Registered Office of the Company. Such records shall be preserved till such time as may be decided by the Board from time to time or as required under the Act.

7.12. Removal

Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP and Senior Management employees subject to the provisions and compliance of the applicable laws, rules and regulations.

7.13. Retirement

The Director, KMP and Senior Management employees shall retire as per the applicable provisions of the Act and/or the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management employees in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company, in accordance with the provisions of the Act and approval of members, wherever required.

8. REMUNERATION

8.1. Remuneration to Managing Director:

8.1.1. The remuneration comprising of salary, allowance, perquisites and other benefits payable to Managing Director will be determined by the Committee and recommended to the Board for approval.

8.1.2. In addition to the remuneration as stated in 8.1.1. above, Managing Director shall also be paid a Commission, calculated with reference to the Net Profits of the Company in a particular Financial Year, as may be determined by the Board of Directors, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Act.

8.1.3. The Managing Director shall be entitled to the following perquisites / allowances:

(i) Housing – Rent free furnished residential accommodation. In case no accommodation is provided by the Company, Managing Director shall be paid house rent allowance as may be decided by the Board of Directors.

(ii) Re-imbursement of gas, electricity, water charges and furnishings.

(iii) Re-imbursement of medical expenses incurred for self and members of his family, as per rules of the Company.

(iv) Leave travel concession for self and members of his family, as per rules of the Company.

(v) Fees of clubs subject to maximum of two clubs.

(vi) Medical insurance, as per rules of the Company.

(vii) Personal Accident Insurance, as per rules of the Company.

(viii) Provision of car and telephone at residence.

(ix) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per rules of the Company.

(x) Retirement and other benefits, as per rules of the Company.

8.1.4. The remuneration and commission to be paid to the Managing Director shall be as per the statutory provisions of the Act and the rules made thereunder for the time being in force and shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

8.1.5. The remuneration / commission payable to Managing Director shall be reviewed by the Board after close of each Financial Year, and based on the Profits made by the Company in that Financial Year, Managing Director shall be paid such enhanced remuneration as the Board may decide subject to the ceiling limits specified in Section

197 and other applicable provisions of the Act read with Schedule V of the Act.

8.1.6. The Managing Director shall not be entitled to sitting fees for attending the meetings of the Board or any Committee thereof.

8.2. Remuneration to Executive Director:

8.2.1. Fixed Pay

(a) Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the provisions of the Act and rules made thereunder for the time being in force.

(b) The Fixed Pay of Executive Director shall comprise of salary, perquisites, allowances and other benefits. The perquisites, allowances and other benefits to the Executive Director shall include but not be limited to the following:

(i) Re-imbursement of medical expenses incurred for self and members of his family, as per policy of the Company.

(ii) Leave travel concession for self and members of his family, as per policy of the Company.

(iii) Medical and other insurances, as per policy of the Company.

(iv) Company Car with Driver.

(v) Company's contribution to provident fund, superannuation fund or annuity fund, gratuity and encashment of leave, as per the policy of the Company.

(vi) Retirement and other benefits, as per policy of the Company.

(vii) Hardship Allowance as applicable in accordance with the policy of the Company.

(c) The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

8.2.2. Variable Pay

In addition to the salary, perquisites, allowances and other benefits as mentioned above, Executive Director will also be entitled to a Variable Pay by way of Performance Linked Incentive. This amount shall be paid annually after the end of each Financial Year. The Performance Linked Incentive shall be in the range of 0% to 20% of cost to the Company, which will be entirely based on the individual's performance and Company's performance as per policy of the Company.

8.2.3. Loyalty Bonus

In addition to the above, Executive Director shall also be entitled for the Loyalty Bonus as per policy of the Company.

8.2.4. Payment of Variable component / Increments

(a) Payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director shall be recommended by the Chairman & Managing Director of the Company to the Committee based upon the individual performance and also the Company's performance as per policy of the Company.

(b) The Committee shall review the payment of Variable component of the remuneration of the Executive Director for a particular Financial Year and increments to the existing remuneration structure of Executive Director as recommended by the Chairman & Managing Director of the Company and recommend the same to the Board for its approval. Such Variable component and proposed enhanced remuneration as recommended by the Committee to the Board should be within the overall limits of managerial remuneration as prescribed under the Act and rules made thereunder.

(c) The Executive Director shall also be entitled to reimbursement of all legitimate expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.

8.2.5. Executive Director shall not be entitled to sitting fees for attending meetings of the Board or any Committee thereof.

8.3. Minimum Remuneration

Where, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director(s) and Executive Director(s) in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

8.4. Remuneration to Independent Director and Directors other than Managing Director/ Executive Director:

8.4.1. Sitting Fees

The Independent Director/ Directors other than Managing Director and Executive Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The Sitting Fee paid to Independent Directors, shall not be less than the Sitting Fees payable to other Directors.

8.4.2. Commission on the Net Profits

Apart from receiving the Sitting Fees, Independent Director(s) / Non-Independent Director(s) may be paid Commission on the Net Profits of the Company for a particular Financial Year within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the Net Profits of the Company computed as per the applicable provisions of the Act. The amount of Commission payable to each Independent Director / Non-Independent Director for a particular Financial Year shall be decided by the Chairman of the Company and shall be approved by the Board.

8.4.3. Stock Options

Independent Director shall not be entitled to any stock option of the Company.

8.5. Provisions for excess remuneration

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. Subject to the approval of Central Government, the Shareholders of the Company may waive recovery of such excess remuneration by passing an Ordinary Resolution.

8.6. Remuneration to KMP and Senior Management employees:

8.6.1. The remuneration to KMP and Senior Management employees shall comprise of Fixed Pay and Variable Pay and governed by the DNL HR Policy.

8.6.2. The Committee may authorize the Managing Director/ Executive Director to determine from time to time the remuneration payable to KMP and Senior Management employee including their increments. The powers of the Committee in this regard may be delegated to the Managing Director / Executive Director.

8.6.3. Remuneration of a KMP at the time of their appointment will be recommended by the Managing Director / Executive Director to the Committee. The Committee shall review such remuneration and recommend the same to the Board for approval. Any subsequent modification to the remuneration of KMP shall be decided by the Managing Director / Executive Director as may be authorized by the Committee.

8.6.4. Fixed Pay

The Fixed Pay of KMP and Senior Management employees shall comprise of salary, perquisites, allowances and other benefits as per policy of the Company. The break-up of the pay scale and quantum of perquisites including but not limited to employer's contribution to P.F, pension scheme, medical expenses etc. shall be decided by the Managing Director / Executive Director.

8.6.5. Variable Pay

The remuneration of KMP and Senior Management employees will also comprise performance linked variable pay which may vary from 0% to 16% of the cost to the Company. This amount of variable pay shall be paid annually after the end of each Financial Year and will be entirely based on the individual's performance and Company's performance as per policy of the Company. Such Variable Pay for a particular Financial Year shall be decided by the Managing Director / Executive Director.

8.6.6. Hardship Allowance and Loyalty Bonus

In addition to the above, KMP and Senior Management employees shall also be entitled for the Hardship Allowance, as may be applicable and Loyalty Bonus as per policy of the Company.

8.7. The remuneration to other employees of the Company shall be governed by DNL HR Policy.

8.8 Loans and Advances to Employees

(a) The Loan, advance and other financial assistance facilities to the employees shall be governed by the DNL HR policy as amended from time to time and shall be considered as a part of 'conditions of service' for employees of the Company.

(b) Advances to the employees for the purpose of performance of his duties shall be governed by the DNL HR Policy as amended from time to time and shall be considered as a part of 'conditions of service' for employees of the Company.

9. BOARD DIVERSITY

9.1. The Board of Directors shall have the optimum combination of Directors from the different areas / fields like operations, projects, production, management, quality assurance, finance, legal, sales and marketing, research and development, human resources etc. or as may be considered appropriate.

9.2. The Board shall have at least one Director who has accounting or related financial management expertise.

10. DISCLOSURE

This Policy shall be disclosed in the Board's Report.

11. REVIEW OF THE POLICY

This Policy shall be reviewed by the Committee after every three years.

12. AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the competent authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

For and on behalf of the Board

D. C. MEHTA
Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE–F

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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	L24110GJ1970PLC001735
ii)	Registration Date	June 6, 1970
iii)	Name of the Company	Deepak Nitrite Limited
iv)	Category/Sub-Category of the Company	Public Company/Limited by Shares
v)	Address of the Registered Office and Contact Details*	9/10, Kunj Society, Alkapuri, Vadodara- 390 007 Tel: +91-265-235 1013, 233 4481 Fax No. : +91-265-233 0994
vi)	Whether listed Company	Yes
vii)	Name, Address and Contact Details of Registrar and Share Transfer Agent	Link Intime India Private Limited C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai – 400 083. Tel: 022 - 4918 6270 Toll free number: 1800 1020 878 Email: rnt.helpdesk@linkintime.co.in

**Effective from June 1, 2018, the Registered Office of the Company will be shifted to Aaditya-I, Chhani Road, Vadodara – 390 024.*

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

Business activities contributing 10% or more of the total turnover of the Company:-

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/ Service	% to Total Turnover of the Company
1.	Sodium Nitrite	24121	19%
2.	Optical Brightening Agent	24121	12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Deepak Phnolics Limited (Registered Office at First Floor, Aaditya-II, Chhani Road, Vadodara - 390024, Gujarat, India)	U24100GJ2011PLC064669	Subsidiary	100%	2(87)(ii)
2.	Deepak Nitrite Corporation Inc. 10801, Johnston Road, Suit 204, Charlotte, NC 28226, USA	NA	Subsidiary	100%	2(87)(ii)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the Beginning of the year				No. of Shares held at the End of the year				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters[1] Indian									
Individuals/H.U.F	22867361	-	22867361	17.49	22867361	-	22867361	16.77	(0.72)
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Bodies Corporate	37945000	-	37945000	29.03	38031106	-	38031106	27.88	(1.15)
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**60812361**		**60812361**	**46.52**	**60898467**		**60898467**	**44.65**	**(1.87)**
Foreign									
Non Resident Individuals/Foreign Nationals	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total holding of Promoter (A)=(A)(1)+(A)(2)	**60812361**	**-**	**60812361**	**46.52**	**60898467**	**-**	**60898467**	**44.65**	**(1.87)**
B. Public Shareholding									
Non- Institutions									
Mutual Fund/UTI	14339243	18000	14357243	10.99	17051856	9000	17060856	12.51	1.52
Financial Institutions/Banks	785824	1100	786924	0.60	731449	1100	732549	0.54	(0.06)
Central/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	905651	-	905651	0.66	0.66
Insurance Companies	-	-	-	-	132575	-	132575	0.10	0.10
Foreign Institutional Investors[2]	18840153		18840153	14.41	15199212	-	15199212	11.14	(3.27)
Foreign Venture Cap. Inv	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (specify)									
Foreign Banks	1350	-	1350	0.00	1350	-	1350	0.00	0.00
Sub-Total (B)(1)	**33966570**	**19100**	**33985670**	**26.00**	**34022093**	**10100**	**34032193**	**24.95**	**(1.05)**
Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
Central Government / State Government(s)	-	-	-	-	225040	-	225040	0.16	0.16
Sub Total (B)(2)	**-**	**-**	**-**	**-**	**225040**	**-**	**225040**	**0.16**	**0.16**
Non Institutions									
Bodies Corporate	13023178	-	13023178	9.97	13184875	-	13184875	9.67	(0.30)
Individuals									
i) Holding nominal share capital upto ₹ 1 Lakh	15429382	1577950	17007332	13.01	19236371	1439780	20676151	15.16	2.15
ii) Holding nominal share capital in excess of ₹ 1 Lakh	4022767	251140	4273907	3.27	4732438	158540	4890978	3.59	0.32
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other(specify)									
Trusts	4225	-	4225	0.00	1292	-	1292	0.00	0.00
Hindu Undivided Family	949713	-	949713	0.73	1458508	-	1458508	1.07	0.34
Individual NRI- Rep.- Non Rep.	403444	6050	409494	0.31	759718	6050	765768	0.56	0.25
Clearing Member	245386	-	245386	0.19	259769	-	259769	0.19	-
Sub-Total (B)(3)	**34078095**	**1835140**	**35913235**	**27.48**	**39632971**	**1604370**	**41237341**	**30.24**	**2.76**
Total Public shareholding (B)=(B)(1)+(B)(2)+(B)(3)	68044665	1854240	69898905	53.48	73880104	1614470	75494574	55.35	1.87
TOTAL (A)+(B)	**128857026**	**1854240**	**130711266**	**100.00**	**134778571**	**1614470**	**136393041**	**100.00**	**-**
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**128857026**	**1854240**	**130711266**	**100.00**	**134778571**	**1614470**	**136393041**	**100.00**	**-**

[1] Includes Shareholding of Promoter Group.
[2] Includes Foreign Portfolio Investor (FPI).

(ii) Shareholding of Promoters

A. Details of Shareholding of Promoters and Promoters group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the Year
		No. of Shares	% of Total Shares of the Company	% Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% Shares Pledged/ Encumbered to Total Shares	
1.	C. K. Mehta	86430*	0.07	-	86430*	0.06	-	(0.01)
2.	Deepak Chimanlal Mehta	21236331	16.25	-	21236331	15.57	-	(0.68)
3.	A. C. Mehta	-	-	-	-	-	-	-
4.	Stiffen Credits And Capital Pvt. Ltd.	8379940	6.41	-	8379940	6.14	-	(0.27)
5.	Checkpoint Credit And Capital Pvt. Ltd.	7206050	5.51	-	7206050	5.28	-	(0.23)
6.	Stepup Credits And Capital Pvt. Ltd.	6915580	5.29	-	6915580	5.07	-	(0.22)
7.	Stigma Credits And Capital Pvt. Ltd.	6178100	4.73	-	6178100	4.53	-	(0.20)
8.	Skyrose Finvest Pvt. Ltd.	3691250	2.82	-	3777356	2.77	-	(0.05)
9.	Pranawa Leafin Pvt. Ltd.	2246000	1.72	-	2246000	1.65	-	(0.07)
10.	Forex Leafin Pvt. Ltd.	2169780	1.66	-	2169780	1.59	-	(0.07)
11.	Kantaben Chimanlal Mehta	970000	0.74	-	970000	0.71	-	(0.03)
12.	Sundown Finvest Pvt. Ltd.	812300	0.62	-	812300	0.60	-	(0.02)
13.	Ila Deepak Mehta	396010	0.30	-	396010	0.29	-	(0.01)
14.	Maulik Deepak Mehta	131300	0.10	-	131300	0.10	-	-
15.	Meghav Deepak Mehta	47290	0.04	-	47290	0.03	-	(0.01)
16.	Hardik Leafin Pvt. Ltd.	346000	0.26	-	346000	0.25	-	(0.01)

* Include 8040 shares held as the Karta of HUF.

(iii) Change in Shareholding of Promoters group

Sr. No.	Name	Shareholding at the beginning of the Financial Year 2017-18		Transactions during the year		Shareholding at the end of the Financial Year 2017-18	
		No. of Shares	% of Total Shares of the Company	Date	Increase/ (Decrease) in shareholding	No. of Shares	% of Total Shares of the Company
1	Skyrose Finvest Pvt. Ltd.	3691250	2.82	18-08-2017	86106	3777356	2.77

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

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
1	Reliance Capital Trustee Co. Ltd-A/C Eliancesmall Cap Fund	7,128,333	5.45				
	Market Sale			21 Apr 2017	(27545)	7,100,788	5.43
	Market Sale			28 Apr 2017	(6080)	7,094,708	5.43
	Market Sale			12 May 2017	(54916)	7,039,792	5.39
	Market Sale			23 Jun 2017	(413947)	6,625,845	5.07
	Market Sale			30 Jun 2017	(771)	6,625,074	5.07
	Market Sale			07 Jul 2017	(158000)	6,467,074	4.95
	Market Sale			14 Jul 2017	(149030)	6,318,044	4.83
	Market Sale			21 Jul 2017	(154819)	6,163,225	4.72
	Market Sale			28 Jul 2017	(164206)	5,999,019	4.59
	Market Sale			04 Aug 2017	(121000)	5878019	4.50
	Market Sale			11 Aug 2017	(200000)	5,678,019	4.34
	Market Purchase			29 Dec 2017	175000	5,853,019	4.48
	Market Purchase			02 Feb 2018	568180	6,421,199	4.71
	At the end of the year					6,421,199	4.71

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
2	Franklin India Smaller Companies Fund	7,199,495	5.51				
	Market Sale			07 Apr 2017	(50000)	7,149,495	5.47
	Market Sale			05 May 2017	(17883)	7,131,612	5.46
	Market Sale			12 May 2017	(32167)	7,099,445	5.43
	Market Sale			19 May 2017	(149950)	6,949,495	5.32
	Market Sale			09 Jun 2017	(93616)	6,855,879	5.25
	Market Sale			16 Jun 2017	(206384)	6,649,495	5.09
	Market Sale			23 Jun 2017	(300000)	6,349,495	4.86
	Market Sale			07 Jul 2017	(100000)	6,249,495	4.78
	Market Sale			01 Sep 2017	(200000)	6,049,495	4.63
	Market Sale			22 Sep 2017	(100000)	5,949,495	4.55
	Market Sale			29 Sep 2017	(34077)	5,915,418	4.53
	Market Sale			06 Oct 2017	(40923)	5,874,495	4.49
	Market Sale			13 Oct 2017	(75000)	5,799,495	4.44
	Market Sale			12 Jan 2018	(380927)	5,418,568	4.15
	Market Sale			19 Jan 2018	(49584)	5,368,984	4.11
	Market Sale			26 Jan 2018	(124813)	5,244,171	4.01
	Market Purchase			02 Feb 2018	378780	5,622,951	4.12
	At the end of the year					5,622,951	4.12
3	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	2,925,669	2.24				
	Market Purchase			07 Apr 2017	100000	3,025,669	2.31
	Market Purchase			14 Apr 2017	123820	3,149,489	2.41
	Market Purchase			19 May 2017	881	3,150,370	2.41
	Market Purchase			26 May 2017	194729	3,345,099	2.56
	Market Purchase			23 Jun 2017	106094	3,451,193	2.64
	Market Purchase			30 Jun 2017	10000	3,461,193	2.65
	Market Sale			07 Jul 2017	(55948)	3,405,245	2.61
	Market Sale			14 Jul 2017	(61410)	3,343,835	2.56
	Market Sale			21 Jul 2017	(182072)	3,161,763	2.42
	Market Sale			28 Jul 2017	(134963)	3,026,800	2.32
	Market Sale			04 Aug 2017	(23500)	3,003,300	2.30
	Market Purchase			27 Oct 2017	98800	3,102,100	2.37
	Market Purchase			03 Nov 2017	117700	3,219,800	2.46
	Market Purchase			17 Nov 2017	111222	3,331,022	2.55
	Market Purchase			24 Nov 2017	10	3,331,032	2.55
	Market Purchase			08 Dec 2017	2033	3,333,065	2.55
	Market Purchase			15 Dec 2017	255692	3,588,757	2.75
	Market Purchase			22 Dec 2017	120390	3,709,147	2.84
	Market Purchase			05 Jan 2018	53388	3,762,535	2.88
	Market Purchase			02 Feb 2018	757570	4,520,105	3.31
	Market Purchase			09 Feb 2018	181100	4,701,205	3.45
	Market Purchase			16 Feb 2018	150000	4,851,205	3.56
	Market Purchase			02 Mar 2018	131695	4,982,900	3.65
	Market Purchase			09 Mar 2018	179459	5,162,359	3.78
	Market Purchase			23 Mar 2018	177411	5,339,770	3.91
	At the end of the year					5,339,770	3.91

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
4	DCS Infotech Pvt. Ltd.	4,648,720	3.56				
	At the end of the year					4,648,720	3.41
5	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	2,314,582	1.77				
	Market Purchase			07 Apr 2017	44600	2,359,182	1.80
	Market Purchase			14 Apr 2017	20000	2,379,182	1.82
	Market Purchase			19 May 2017	37000	2,416,182	1.85
	Market Purchase			02 Jun 2017	23000	2,439,182	1.87
	Market Purchase			09 Jun 2017	73100	2,512,282	1.92
	Market Purchase			07 Jul 2017	85000	2,597,282	1.99
	Market Purchase			14 Jul 2017	10000	2,607,282	1.99
	Market Purchase			18 Aug 2017	50000	2,657,282	2.03
	Market Purchase			22 Sep 2017	700000	3,357,282	2.57
	Market Sale			29 Sep 2017	(79000)	3,278,282	2.51
	Market Purchase			03 Nov 2017	65300	3,343,582	2.56
	Market Purchase			24 Nov 2017	175100	3,518,682	2.69
	Market Purchase			01 Dec 2017	100000	3,618,682	2.77
	Market Sale			22 Dec 2017	(40000)	3,578,682	2.74
	Market Sale			29 Dec 2017	(200000)	3,378,682	2.58
	Market Sale			05 Jan 2018	(137000)	3,241,682	2.48
	Market Purchase			02 Feb 2018	643930	3,885,612	2.85
	Market Sale			09 Feb 2018	(102000)	3,783,612	2.77
	Market Purchase			09 Mar 2018	119186	3,902,798	2.86
	Market Purchase			16 Mar 2018	186000	4,088,798	3.00
	At the end of the year					4,088,798	3.00
6	ICICI Lombard General Insurance Company Ltd.	4,682,559	3.58				
	Market Sale			13 Oct 2017	(96924)	4,585,635	3.51
	Market Sale			20 Oct 2017	(125810)	4,459,825	3.41
	Market Sale			27 Oct 2017	(306500)	4,153,325	3.18
	Market Sale			03 Nov 2017	(301325)	3,852,000	2.95
	Market Sale			10 Nov 2017	(152000)	3,700,000	2.83
	Market Purchase			02 Feb 2018	303030	4,003,030	2.93
	At the end of the year					4,003,030	2.93
7	IDFC Sterling Equity Fund	2,788,461	2.13			-	-
	Market Purchase			12 May 2017	19230	2,807,691	2.15
	Market Purchase			30 Jun 2017	20782	2,828,473	2.16
	Market Purchase			07 Jul 2017	29199	2,857,672	2.19
	Market Sale			28 Jul 2017	(4981)	2,852,691	2.18
	Market Purchase			11 Aug 2017	50000	2,902,691	2.22
	Market Purchase			18 Aug 2017	50000	2,952,691	2.26
	Market Sale			29 Sep 2017	(45000)	2,907,691	2.22
	Market Sale			10 Nov 2017	(76)	2,907,615	2.22
	Market Sale			12 Jan 2018	(148333)	2,759,282	2.11
	Market Sale			19 Jan 2018	(83623)	2,675,659	2.05
	Market Purchase			02 Feb 2018	510215	3,185,874	2.34
	Market Sale			02 Mar 2018	(8385)	3,177,489	2.33
	Market Purchase			09 Mar 2018	50000	3,227,489	2.37
	At the end of the year					3,227,489	2.37

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
8	SBI Magnum Multicap Fund	-	-				
	Market Purchase			02 Feb 2018	1704540	1,704,540	1.30
	Market Purchase			23 Mar 2018	329002	2,033,542	1.49
	Market Purchase			31 Mar 2018	189452	2,222,994	1.63
	At the end of the year					2,222,994	1.63
9	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	4,100,000	3.14				
	Market Sale			05 May 2017	(56753)	4,043,247	3.09
	Market Sale			12 May 2017	(43247)	4,000,000	3.06
	Market Sale			19 May 2017	(48560)	3,951,440	3.02
	Market Sale			26 May 2017	(62225)	3,889,215	2.98
	Market Sale			02 Jun 2017	(54558)	3,834,657	2.93
	Market Sale			09 Jun 2017	(34657)	3,800,000	2.91
	Market Sale			14 Jul 2017	(76621)	3,723,379	2.85
	Market Sale			21 Jul 2017	(101799)	3,621,580	2.77
	Market Sale			28 Jul 2017	(121580)	3,500,000	2.68
	Market Sale			17 Nov 2017	(77513)	3,422,487	2.62
	Market Sale			24 Nov 2017	(183212)	3,239,275	2.48
	Market Sale			01 Dec 2017	(72791)	3,166,484	2.42
	Market Sale			08 Dec 2017	(87745)	3,078,739	2.36
	Market Sale			15 Dec 2017	(78739)	3,000,000	2.30
	Market Sale			09 Feb 2018	(240933)	2,759,067	2.02
	Market Sale			16 Feb 2018	(163084)	2,595,983	1.90
	Market Sale			23 Feb 2018	(66698)	2,529,285	1.85
	Market Sale			02 Mar 2018	(115914)	2,413,371	1.77
	Market Sale			09 Mar 2018	(107884)	2,305,487	1.69
	Market Sale			16 Mar 2018	(179875)	2,125,612	1.56
	Market Sale			23 Mar 2018	(325612)	1,800,000	1.32
	Market Sale			31 Mar 2018	(32741)	1,767,259	1.30
	At the end of the year					1,767,259	1.30
10	Vantage Equity Fund	-	-				
	Market Purchase			12 Jan 2018	38000	38,000	0.03
	Market Purchase			19 Jan 2018	662000	700,000	0.54
	Market Purchase			26 Jan 2018	165000	865,000	0.66
	At the end of the year					865,000	0.63
11	Government Pension Fund Global	3,200,000	2.45				
	Market Sale			01 Sep 2017	(56087)	3,143,913	2.41
	Market Sale			08 Sep 2017	(56500)	3,087,413	2.36
	Market Sale			15 Sep 2017	(79700)	3,007,713	2.30
	Market Sale			22 Sep 2017	(727824)	2,279,889	1.74
	Market Sale			29 Sep 2017	(69501)	2,210,388	1.69
	Market Sale			06 Oct 2017	(135000)	2,075,388	1.59
	Market Sale			13 Oct 2017	(255388)	1,820,000	1.39
	Market Sale			20 Oct 2017	(166000)	1,654,000	1.27
	Market Sale			24 Nov 2017	(233072)	1,420,928	1.09
	Market Sale			01 Dec 2017	(202000)	1,218,928	0.93
	Market Sale			08 Dec 2017	(44987)	1,173,941	0.90
	Market Sale			15 Dec 2017	(111709)	1,062,232	0.81
	Market Sale			22 Dec 2017	(1016420)	45,812	0.04
	Market Sale			29 Dec 2017	(45812)	-	-
	At the end of the year					-	-

Sr. No.	Name & reason of increase/decrease	Shareholding at the beginning of the Financial Year – 2017-18		Transactions during the year		Cumulative shareholding at the end of the Financial Year – 2017-18	
		No of shares held	% of Total Shares of the Company	Date	Increase / (Decrease)	No of shares held	% of Total Shares of the Company
12	Birla Sun Life Insurance Company Limited	1,653,527	1.27				
	Market Purchase			07 Apr 2017	4480	1,658,007	1.27
	Market Purchase			21 Apr 2017	30000	1,688,007	1.29
	Market Purchase			19 May 2017	156663	1,844,670	1.41
	Market Purchase			23 Jun 2017	265786	2,110,456	1.61
	Market Sale			30 Jun 2017	(1710)	2,108,746	1.61
	Market Sale			14 Jul 2017	(121607)	1,987,139	1.52
	Market Purchase			04 Aug 2017	24000	2,011,139	1.54
	Market Sale			01 Dec 2017	(2380)	2,008,759	1.54
	Market Sale			29 Dec 2017	(100000)	1,908,759	1.46
	Market Sale			05 Jan 2018	(109000)	1,799,759	1.38
	Market Sale			12 Jan 2018	(1319793)	479,966	0.37
	Market Sale			19 Jan 2018	(479965)	1	0.00
	Market Purchase			02 Feb 2018	265150	265,151	0.19
	Market Sale			16 Feb 2018	(36000)	229,151	0.17
	Market Sale			23 Feb 2018	(40000)	189,151	0.14
	Market Sale			09 Mar 2018	(189150)	1	0.00
	Market Sale			30 Mar 2018	(1)	-	-
	At the end of the year					-	-

(v) Shareholding of Directors and Key Managerial Personnel

None of the Directors or KMP, except Mr D. C. Mehta and Mr Maulik D. Mehta (covered under point (ii) above), hold any Shares of the Company and except as disclosed above, there has not been any change in such holdings during the Financial Year.

V. INDEBTEDNESS

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

(₹ In Lakhs)

Indebtedness at the beginning of the Financial Year 2017-18	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	40,017.39	17,362.25	-	57,379.64
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	126.85	39.04	-	165.89
Total (i+ii+iii)	**40,144.24**	**17,401.29**	**-**	**57,545.53**
Change in Indebtedness during the Financial Year 2017-18				
· Addition	6,337.63	8,066.31	-	14,403.94
· Reduction	17,606.81	8,000.00	-	25,606.81
Net Change	**(11,269.18)**	**66.31**	**-**	**(11,202.87)**
Indebtedness at the end of the Financial Year 2017-18				
i) Principal Amount	28,748.21	17,428.56	-	46,176.77
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	105.66	78.94	-	184.60
Total (i+ii+iii)	**28,853.87**	**17,507.50**	**-**	**46,361.37**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ In Lakhs)

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager					Total Amount
		Mr D. C. Mehta	Mr A. C. Mehta*	Mr Umesh Asaikar	Mr Maulik Mehta	Mr Sanjay Upadhyay	
1	**Gross Salary** (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	275.00	36.51	422.57	90.03	178.86	1002.97
	(b) Value of Perquisites u/s 17(2) Income Tax Act, 1961	30.76	36.28	48.16	12.99	26.81	155.00
	(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	200.00	-	-	-	-	200.00
	- others			-	-	-	-
5.	Others, please specify	-	-	-	-	-	-
	Total (A)	**505.76**	**72.79**	**470.73**	**103.02**	**205.67**	**1357.97**

Overall Ceiling as per the Act ₹ 1408.93 Lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

B. Remuneration to other Directors:

(₹ In Lakhs)

Particulars of Remuneration	Name of Directors								Total Amount
	Non- Executive Directors								
	Mr Nimesh Kampani	Mr A. C. Mehta*	Mr Sudhin Choksey	Mr Sudhir Mankad	Dr. R. H. Rupp	Mr S. K. Anand	Dr. S. Sivaram	Prof. Indira Parikh	
Fee for attending Board/Committee Meetings	1.95	0.60	3.45	3.30	1.20	4.05	1.80	1.65	18.00
Commission	4.50	-	6.50	6.50	9.00	6.50	4.00	3.00	40.00
Total (B)	**6.45**	**0.60**	**9.95**	**9.80**	**10.20**	**10.55**	**5.80**	**4.65**	**58.00**

Ceiling as per the Act ₹ 128.08 Lakhs (being 1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

Total Managerial Remuneration ₹ 1397.96 Lakhs

Overall Ceiling as per the Act ₹ 1408.93 Lakhs (being 11% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)

**Mr A. C. Mehta resigned as Managing Director effective from December 1, 2017. He remains on the Board as Non-Executive Director.*

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Company Secretary
1	Gross Salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 (b) Value of Perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	 42.10 0.48 -
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	 - -
5.	Others, please specify	-
	Total	**42.58**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give Details)
A. Company Penalty Punishment Compounding			NIL		
B. Directors Penalty Punishment Compounding			NIL		
C. Other Officers in default Penalty Punishment Compounding			NIL		

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE–G

DISCLOSURE UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013:

PART (A) – DISCLOSURE AS REQUIRED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

1. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended March 31, 2018 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year ended March 31, 2018:

Name of the Director / KMP	Remuneration# (₹ In Lakhs)	% Increase in Remuneration in the FY 2017-18	Ratio to Median Remuneration
Mr D. C. Mehta, Chairman & Managing Director	505.76	52.29	119.85
Mr Ajay C. Mehta*, Director	73.39	-25.24	23.26
Mr Maulik Mehta, Whole-time Director	103.02	36.72	17.86
Mr Nimesh Kampani, Independent Director	6.45	24.04	1.23
Mr Sudhin Choksey, Independent Director	9.95	8.74	2.17
Mr Sudhir Mankad, Independent Director	9.80	8.89	2.13
Dr. Richard H. Rupp, Independent Director	10.20	72.88	1.40
Mr S. K. Anand, Independent Director	10.55	6.57	2.35
Dr. S. Sivaram, Independent Director	5.80	6.42	1.29
Prof. Indira Parikh, Independent Director	4.65	25.68	0.88
Mr Umesh Asaikar, Executive Director & CEO	470.73	21.38	91.90
Mr Sanjay Upadhyay, Director-Finance & CFO	205.67	26.33	38.58
Mr Arvind Bajpai, Company Secretary	42.58	25.53	NA

 # Including sitting fees.

**Mr Ajay C Mehta resigned as Managing Director effective from December 1, 2017. He remains on the Board as Non-Executive Director.*

1. In the Financial Year 2017-18, there was an increase of 4.19% in the median remuneration of employees.
2. There were 1392 permanent employees on the rolls of the Company as on March 31, 2018.
3. Average Percentile increase already made in the salaries of employees other than Managerial Personnel in the last Financial Year was 5 % and average percentile increase in remuneration of Managerial Personnel was 21.13 %.

   Average increase in remuneration of both, managerial and non-managerial personnel were determined based on the overall performance of the Company.

   Key result areas of the managerial personnel are broadly to achieve Company's growth and performance target, achieving the same against various adverse externalities globally, devising sustenance strategy to combat global forces like competition, exchange rate etc, which, in turn, enhance shareholders' value. Remuneration of the managerial personnel is based on the Nomination and Remuneration Policy as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

   As against above, remuneration for non-managerial personnel is based on an internal evaluation of assigned target area which are broken into subsets of key result areas of the managerial personnel.
4. It is affirmed that the remuneration is as per the Nomination & Remuneration Policy of the Company.

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

ANNEXURE–H

INFORMATION REQUIRED UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 PERTAINING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

(A) Conservation of Energy

(i) Steps taken or impact on conservation of energy:
- Improvements in - Flash stream and condensate recovery, column packings, boiler efficiency, chilling units, air compressors with high efficiency system
- Processes improved to reduce utility and improve energy conservation.

(ii) Steps taken for utilizing alternate sources of energy:
- Power generation by using back pressure turbine
- Power trading through open access and bilateral agreements

(iii) Capital Investment on energy conservation equipment: ₹45.61 Lakhs

(B) Technology Absorption:

(i) Efforts made towards technology absorption:
- Technology developed for production of Iron Oxide Pigments employing special oxidation process.
- Technology developed for Nitrogen Oxide utilization in chemical reactions.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:
- Development of Import substitute pharma intermediates in the in-house R & D
- Improvements in chemical processes to reduce raw materials consumption norms with by-products valorization, also evaluated alternative routes to make cheaper and cleaner technologies.

(iii) Information regarding technology imported, during the last 3 years: NIL

(iv) Expenditure incurred on Research and Development:

(₹ In Lakhs)

Particulars	2017-18	2016-17
a) Capital	117.90	214.54
b) Recurring	701.80	709.11
c) Total	819.70	923.65
d) Total R&D expenditure as a percentage to total turnover	0.55%	0.70%

(C) Foreign Exchange Earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ In Lakhs)

Particulars	2017-18	2016-17
Total Foreign Exchange Earned	50,902.66	46,367.64
Total Foreign Exchange Outgo	22,374.30	19,566.01

For and on behalf of the Board

Deepak C. Mehta
Chairman & Managing Director
(DIN: 00028377)

Place: Mumbai
Date: May 4, 2018

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED MARCH 31, 2018

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Your Company's philosophy on Corporate Governance envisages the attainment of a high level transparency and accountability in the functioning of the Company and the efficient conduct of its business, including its interaction with employees, shareholders, depositors, creditors, consumers, financial institutions and other lenders. Accountability improves decision making and transparency helps to explain the rationale behind decisions which in turn helps in building confidence in the Company.

Your Company firmly believes that for a Company to succeed on a sustained basis, it must maintain global standards of Corporate Conduct. It also believes that Corporate Governance is not simply a matter of creating checks and balances; it is about creating an outperforming organisation, which leads to increasing employee and customer satisfaction.

2. BOARD OF DIRECTORS:

Composition and Category of Directors

As on March 31, 2018, the strength of the Board was Twelve members comprising of Four Executive Directors and Eight Non-Executive Directors. There are Seven Independent Directors including One Woman Director on the Board of the Company. Accordingly, the composition of Board is in conformity with the requirements of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015 ('LODR' or 'Listing Regulations'). The Directors of the Company are highly experienced professionals in their fields and brings in a wide range of skills and experience to the Board.

The composition of the Board of Directors of the Company as on March 31, 2018 is as under:

Sr. No.	Category	Name of Director
I.	Promoter and Executive Director	Mr Deepak C. Mehta *Chairman & Managing Director*
II.	Promoter and Non-Executive Director	Mr Ajay C. Mehta* *Director*
III.	Executive Directors	Mr Umesh Asaikar Mr Maulik D. Mehta Mr Sanjay Upadhyay
IV.	Non-Executive and Independent Directors	Mr Nimesh Kampani Mr Sudhin Choksey Mr Sudhir Mankad Dr. Richard H. Rupp Mr Sandesh Kumar Anand Dr. Swaminathan Sivaram Prof. Indira Parikh

**Mr Ajay C Mehta resigned as Managing Director effective from December 1, 2017. He remains on the Board as Non-Executive Director.*

Board Meetings

During the year under review, 6 (six) Board Meetings were held on April 28, 2017, August 8, 2017, November 10, 2017, December 11, 2017, January 18, 2018 and March 16, 2018. The maximum time gap between the two Board Meetings was not more than one hundred twenty days as prescribed under the Listing Regulations.

Attendance of Directors at the Board Meetings held during the year ended March 31, 2018, and at the last Annual General Meeting and the directorship, chairmanship and membership in committees of the Directors in other Companies as on March 31, 2018:

Name of the Director	No. of Board Meetings held during the year/ tenure of Director	No. of Board Meetings Attended	Attendance at Last AGM	No. of other Directorship Held	No. of Committee position in other Public Companies [Chairman (C)/Member (M)]
Mr Deepak C. Mehta	6	6	YES	2	2(M)
Mr Ajay C. Mehta	6	3	YES	2	1(C) & 1(M)
Mr Maulik D. Mehta	6	6	YES	-	-
Mr Nimesh Kampani	6	5	YES	7	1(C) & 6(M)
Mr Sudhin Choksey	6	6	YES	2	1(C)
Mr Sudhir Mankad	6	5	YES	7	1(C) & 4(M)
Dr. Richard H. Rupp	6	3	NO	-	-
Mr S. K. Anand	6	6	YES	3	2(C)
Dr. S. Sivaram	6	3	YES	5	1(M)
Mr Umesh Asaikar	6	5	YES	-	-
Prof. Indira Parikh	6	4	YES	8	7(M)
Mr Sanjay Upadhyay	6	6	YES	2	1(C)

(1) Number of other directorships held by Directors as mentioned above excludes directorships in Private Limited Companies, Section 8 Companies, Foreign Companies, Membership of Managing Committee of various chambers/bodies and alternate directorships.

(2) In accordance with the provisions of the Listing Regulations, Memberships / Chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding Deepak Nitrite Limited) have been considered.

Selection of Independent Directors

The selection of eminent people for appointment as Independent Directors on the Board is considered by the Nomination and Remuneration Committee. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such person and recommend the same to the Board. The Board considers the Committee's recommendation and takes appropriate decision.

Disclosure of relationships between Directors inter-se

Mr Maulik D. Mehta is son of Mr Deepak C. Mehta, Chairman and Managing Director and nephew of Mr Ajay C. Mehta, Director of the Company.

Familiarisation program for Independent Directors

The Company has conducted a Familiarisation Program for Independent Directors. The details for the same have been disclosed on the website of the Company at http://deepaknitrite.com/pdf/investor/DNL_Familiarisation%20program.pdf.

Performance Evaluation

The Nomination and Remuneration Committee of Directors has laid down criteria for performance evaluation of Independent Directors and the same has been approved by the Board of Directors. The criteria for performance evaluation of Independent Directors has been disclosed in the Directors' Report.

Separate Meeting of Independent Directors

As per requirements of the Secretarial Standard-1 on Meetings of Board of Directors, a separate meeting of Independent Directors is required to be held once in a Financial Year.

Separate meeting of Independent Directors was held on June 26, 2017, inter alia to:

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

3. COMMITTEES OF BOARD OF DIRECTORS:

(i) Audit Committee:

Composition of Audit Committee

The Audit Committee comprises of the following members:

Name of Member	Designation	Category
Mr Sudhin Choksey	Chairman	Independent Director
Mr Sudhir Mankad	Member	Independent Director
Mr S. K. Anand	Member	Independent Director

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Listing Regulations. All members of the Audit Committee are financially literate and Mr Sudhin Choksey possesses financial / accounting expertise.

The Statutory Auditors, Internal Auditors and other relevant Senior Management persons are invited to attend the meetings of Audit Committee. Mr Sudhin Choksey, Chairman of the Audit Committee, was present at the last Annual General Meeting held on June 26, 2017.

The Company Secretary acts as a Secretary to the Committee.

Brief Description of Terms of Reference of the Audit Committee

The terms of reference of the Audit Committee are wide enough to cover the matters prescribed under provisions of Section 177(4) and under Part C of Schedule II of the Listing Regulations viz. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company; Approval and subsequent modification of transactions of the Company with related parties; Scrutiny of Inter-Corporate Loans and Investments; Evaluation of Internal Financial Control and Risk Management Systems; Oversee the Vigil Mechanism; Monitoring the end use of funds raised through public offers and related matters; Recommend remuneration of Cost Auditor of the Company; Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible; Approval of payment to statutory auditors for any other services rendered by the statutory auditors; Reviewing with the management, the annual financial statements and auditor's report thereon 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 in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act, 2013 (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; Reviewing, with the management, the quarterly financial statements before submission to the Board for approval; Reviewing, 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 utilisation of proceeds of a public or rights issue, and making appropriate

recommendations to the Board to take up steps in this matter; Review and monitor the auditor's independence and performance, and effectiveness of audit process; Valuation of undertakings or assets of the Company, wherever it is necessary; Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems; 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; Discussion with internal auditors of any significant findings and follow up thereon; 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; 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; 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; To review the functioning of the Whistle Blower mechanism; 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.

Meetings and Attendance thereat

Four meetings of the Audit Committee were held during the year under review on April 27, 2017, August 8, 2017, November 10, 2017 and January 18, 2018.

Attendance at the Audit Committee Meetings was as under:

Name of Member	No. of Audit Committee Meetings held	No. of Audit Committee Meetings attended
Mr Sudhin Choksey	4	4
Mr Sudhir Mankad	4	4
Mr S. K. Anand	4	4

(ii) Nomination and Remuneration Committee:

Composition

The Nomination and Remuneration Committee comprises of the following members:

Name of Member	Designation	Category
Mr Sudhir Mankad	Chairman	Independent Director
Mr S. K. Anand	Member	Independent Director
Mr Sudhin Choksey	Member	Independent Director
Prof. Indira Parikh	Member	Independent Director

The Committee's composition meets with the requirement of Section 178 of the Companies Act, 2013 and requirements of the Listing Regulations.

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference

The terms of reference of the Nomination and Remuneration Committee are as under:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.
- 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 for the Directors, Key Managerial Personnel and other employees.
- Such other functions as may be prescribed under the Companies Act, 2013 and Rules made thereunder and the Listing Regulations.

Meetings and Attendance thereat

During the Financial Year 2017-18, the Nomination and Remuneration Committee met on April 28, 2017 and all the Members of the Committee as on that date except Mr Sudhir Mankad, were present at the said meeting.

Mr Sudhir Mankad, Chairman of the Nomination and Remuneration Committee, was present at the previous Annual General Meeting of the Company held on June 26, 2017.

(iii) Stakeholders' Relationship & Investors Grievance Committee:

Composition

The Stakeholders' Relationship & Investors Grievance Committee comprises of the following Directors:

Name of Member	Designation	Category
Mr S. K. Anand	Chairman	Independent Director
Mr A. C. Mehta	Member	Non-Executive Director
Mr Umesh Asaikar	Member	Executive Director & CEO

Mr Arvind Bajpai, Company Secretary, is the Compliance Officer.

Terms of Reference

The brief terms of reference of the Committee are to look into redressal of complaints like transfer of shares, non receipt of dividends, non-receipt of Annual Report etc. received from shareholders/investors, and improve the efficiency in stakeholders and investors services, wherever possible.

Investors Grievance

Continuous efforts are being made to ensure that investor's grievances are expeditiously redressed to the satisfaction of the investors.

The Company and Link Intime India Pvt. Ltd. (Registrar & Share Transfer Agent) attend to all the grievances of the investors promptly on their receipt, whether received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs etc.

Status of Shareholders' Complaints during the Financial Year 2017-18:

Number of Pending Complaints at the beginning of the Financial Year	01
Number of Complaints received during the Financial Year	28
Number of Complaints resolved during the Financial Year	29
Number of Complaints pending at the end of the Financial Year	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil

Meetings and Attendance thereat

During the Financial Year 2017-18, the Stakeholders' Relationship & Investors Grievance Committee met on June 26, 2017 and all the Members of the Committee as on that date except Mr S.K. Anand, were present at the said meeting.

(iv) Corporate Social Responsibility Committee:

Composition

Pursuant to the requirement of Section 135 of the Companies Act, 2013, your Copmany has a duly constituted Corporate Social Responsibility Committee in place.

The Corporate Social Responsibility Committee comprises of the following members:

Name of Member	Designation	Category
Mr Sudhir Mankad	Chairman	Independent Director
Dr. S. Sivaram	Member	Independent Director
Mr D. C. Mehta	Member	Chairman & Managing Director
Mr Umesh Asaikar	Member	Executive Director & CEO

Terms of Reference

The terms of reference of Corporate Social Responsibility Committee are as under:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy ("CSR Policy").
- Recommend the amount of expenditure to be incurred on the activities listed in CSR Policy.
- Monitor the CSR Policy of the Company from time to time.
- Such other roles and functions as may be prescribed in the Companies Act, 2013 and Rules made thereunder.

Report on CSR activities

As required under the Companies Act, 2013 and Rules made thereunder, the information on the CSR activities undertaken by the Company during the year ended March 31, 2018 is annexed to the Directors' Report.

Meetings and Attendance thereat

During the Financial Year 2017-18, the Corporate Social Responsibility Committee met on April 7, 2017 and March 5, 2018.

Attendance at the Corporate Social Responsibility Committee Meetings was as under:

Name of Member	No. of CSR Committee Meetings held	No. of CSR Committee Meetings attended
Mr Sudhir Mankad	2	2
Dr. S. Sivaram	2	2
Mr D. C. Mehta	2	2
Mr Umesh Asaikar	2	2

(v) Project Committee:

Composition

A Project Committee has been constituted by the Board which meets from time to time to review projects of the Company.

The Project Committee comprises of the following Directors:

Name of Member	Designation	Category
Mr S. K. Anand	Chairman	Independent Director
Dr. R. H. Rupp	Member	Independent Director
Dr. S. Sivaram	Member	Independent Director

Terms of Reference

The Project Committee is constituted inter alia to evaluate the proposed projects / expansion plans and recommend them to the Board for approval and also to review the progress of ongoing projects.

Meetings and Attendance thereat

During the Financial Year 2017-18, the Project Committee Meeting met on March 16, 2018 and all the Members of the Committee as on that date were present at the said meeting.

(vi) Risk Management Committee:

Composition

The Company has a comprehensive Risk Management Framework and the same is periodically reviewed by the Board of Directors of the Company. A Risk Management Committee has been constituted by the Board to monitor and review the Risk Management Framework of the Company.

The Risk Management Committee comprises of the following Directors & Senior Executive:

Name of Member	Designation	Category
Mr D. C. Mehta	Chairman	Chairman & Managing Director
Mr S. K. Anand	Member	Independent Director
Mr Umesh Asaikar	Member	Executive Director & CEO
Mr Sanjay Upadhyay	Member	Director-Finance & CFO
Dr. P. K. Garg	Member	President – BC

Terms of Reference

The terms of reference of the Risk Management Committee are inter alia to ensure that appropriate methodology, processes and systems are in place to monitor, evaluate and report risks associated with the business of the Company; to review the adequacy of the existing measures to mitigate risks covering various functions of the Company; to evaluate and approve mitigation measures that may be recommended by the Risk Manager(s) in respect of any function and review the action taken for its implementation on an ongoing basis; to review and recommend to the Board, amendment of any of the provisions of the Risk Management Framework.

4. REMUNERATION OF DIRECTORS:

The Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as Annexure - E to the Directors' Report. The said Policy is directed towards rewarding performance, based on review of achievements periodically and is in consonance with the existing industry practice.

The details of Managing Directors' & Executive Directors' Remuneration for the Financial Year 2017-18 are as under:

(₹ In Lakhs)

Name	Salary & Allowances	Perquisites	Retirement Benefits	Commission / Variable Pay	Total
Mr Deepak. C. Mehta	255.06	12.53	38.17	200.00	505.76
Mr Ajay. C. Mehta*	57.04	8.12	7.63	0.00	72.79
Mr Umesh Asaikar	328.94	48.16	48.19	45.44	470.73
Mr Maulik D. Mehta	66.67	12.99	12.02	11.34	103.02
Mr Sanjay Upadhyay	134.04	26.81	20.57	24.25	205.67

** Mr Ajay C Mehta resigned as Managing Director effective from December 1, 2017. He remains on the Board as Non-Executive Director.*

Service contracts with Mr D.C. Mehta, Chairman & Managing Director, Mr Sanjay Upadhyay, Director- Finance & CFO and Mr Maulik Mehta, Whole-time Director is for a period of five years from the date of their respective appointments.

Mr Umesh Asaikar has been re-appointed as Executive Director & CEO for a period from May 9, 2018 to May 31, 2020, subject to the approval of shareholders.

Mr A. C. Mehta, Mr Umesh Asaikar, Mr Sanjay Upadhyay and Mr Maulik Mehta are liable to retire by rotation.

There is no provision for payment of severance fees.

The Company does not have any Stock Options Scheme.

The remuneration of Managing Director comprises of salary, allowances, perquisites and other benefits. In addition, the Managing Director is also paid a Commission, calculated with reference to the Net Profits of the Company in a particular Financial Year, as may be determined by the Board of Directors, subject to the overall ceiling stipulated in Section 197 and other relevant provisions of the Companies Act, 2013.

The remuneration of Executive Directors comprise of fixed pay and variable pay which ranges from 0% to 20% of cost to the Company for a particular Financial Year based on performance rating depending upon their individual and also the Company's performance as per policy of the Company.

The Non-Executive Directors of the Company are paid sitting fees for attending meetings of the Board or Committees thereof. Apart from the sitting fees, the Non-Executive Directors are also paid commission not exceeding 1% of the Net Profits of the Company for a particular year, computed in accordance with the provisions of Companies Act, 2013. The amount of Commission is determined on the basis of the attendance of the Non-Executive Director at the Board, Committee or General Meeting(s) of the Company during the particular year, the number of memberships/chairmanships held of Committees of the Board and the time devoted on various matters of the Company.

The details of remuneration paid/payable to Non-Executive Directors for the Financial Year 2017-18 are as under:

(Figures in ₹)

Name	Sitting Fees	Commission	Total
Mr Nimesh Kampani	1,95,000	4,50,000	6,45,000
Mr Sudhin Choksey	3,45,000	6,50,000	9,95,000
Mr Sudhir Mankad	3,30,000	6,50,000	9,80,000
Dr. R. H. Rupp	1,20,000	9,00,000	10,20,000
Mr S. K. Anand	4,05,000	6,50,000	10,55,000
Dr. S. Sivaram	1,80,000	4,00,000	5,80,000
Prof. Indira Parikh	1,65,000	3,00,000	4,65,000
Mr Ajay C Mehta*	60,000	-	60,000

** Mr Ajay C Mehta resigned as Managing Director effective from December 1, 2017. He remains on the Board as Non-Executive Director.*

The details of Equity Shares of the Company held by Non-Executive Directors as on March 31, 2018 are as under:

Sr. No.	Name of Non-Executive Director	No. of shares held
1	Mr Ajay C Mehta	Nil
2	Mr Nimesh Kampani	Nil
3	Mr Sudhin Choksey	Nil
4	Dr. R. H. Rupp	Nil
5	Mr Sudhir Mankad	Nil
6	Mr S. K. Anand	Nil
7	Dr. S. Sivaram	Nil
8	Prof. Indira Parikh	Nil

5. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings held:

Meeting	Date	Time	Venue	No. of Special Resolution Passed
44th AGM	August 7, 2015	10.30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 020	-
45th AGM	August 5, 2016	10.30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 020	-
46th AGM	June 26, 2017	10.30 A.M.	Hotel Surya Palace, Sayajigunj, Vadodara 390 020	-

Postal Ballot conducted during the year and procedure thereof:

During the year under review and upto the date of this Report, Postal Ballot exercise was undertaken in the month of December 2017 and result of the Postal Ballot was declared on January 18, 2018. The details and voting pattern of the Resolutions passed through the said Postal Ballot exercise are as under:

Sr. No.	Resolution	Special / Ordinary	No. of Valid Votes received	No. and % of Votes in Favour	No. and % of Votes Against
1	Issue of Equity Shares through QIP	Special	86964203	86957052 (99.99%)	7151 (0.01%)

The Company had provided e-voting facility as an alternate, to its Members to enable them to cast their vote electronically. Mr Dinesh Joshi, Practicing Company Secretary, Partner of M/s. KANJ & Associates, Company Secretaries, Pune was the Scrutinizer for the above Postal Ballot exercise.

No Special Resolution is proposed to be passed through Postal Ballot.

6. DISCLOSURE:

Related Party Transactions

During the year, there were no materially significant Related Party Transactions of the Company which have potential conflict with the interests of the Company at large. However, some transactions, in the ordinary course of business and on arm's length basis were entered into by the Company with the Related Parties. Disclosure on Related Party Transactions as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India, are given in Note No. 34 in the Notes to the Financial Statements for the year ended March 31, 2018.

The Board has approved a policy on materiality of Related Party Transactions which has been uploaded on the Company's website.

The weblink to the said policy is as under:

http://deepaknitrite.com/pdf/investor/DNL_Policy%20on%20Materiality%20of%20Related%20Party%20Transactions.pdf

Details of non-compliance

There is no non-compliance by the Company nor any penalty or stricture imposed on the Company by any Stock Exchanges, SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

Whistle Blower Policy

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has established a vigil mechanism for Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. During the year under review, no personnel was denied access to the Audit Committee.

The Whistle Blower Policy is placed on the website of the Company and weblink to the same is as under:

http://deepaknitrite.com/pdf/investor/DNL_Whistle%20Blower%20Policy.pdf

Details of Compliance with Mandatory requirements and adoption of Non-mandatory / discretionary requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations.

Policy for Material Subsidiaries

In accordance with the provisions of the Listing Regulations, the Company has framed a policy for Material Subsidiaries in order to determine the Material Subsidiaries and to provide governance framework for such subsidiaries. The said policy has been placed on the website of the Company and weblink to the same is as under:

http://deepaknitrite.com/pdf/investor/DNL_Policy%20on%20Material%20Subsidiaries.pdf

Disclosure of Commodity price risks and commodity hedging activities:

Please refer to Management Discussion & Analysis Report.

The Company has complied with the Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46.

Details of Directors seeking appointment or re-appointment:

The details of Directors seeking appointment or re-appointment forms part of Notes to the Notice convening the 47th Annual General Meeting of the Company.

Demat Suspense Account – Unclaimed Share Certificates

In terms of the provisions of the Listing Regulations, the Company has transferred the shares issued pursuant to the public issues or any other issue, the certificates of which remained unclaimed, to an Unclaimed Suspense Account and these shares are being held by the Company in Demat form on behalf of the beneficial owners of the said shares.

The disclosures with respect to the Demat Suspense Account are as under:

Particulars	Number of Shareholders	Number of Shares
Aggregate Number of Shareholders and the outstanding shares in the Suspense Account lying at the beginning of the year:	312	340040
Number of Shareholders who approached the Company for transfer of shares from Suspense Account during the year	2	83410
Number of Shareholders to whom shares were transferred from Suspense Account during the year	2	83410
Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year	310	256630

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

7. MEANS OF COMMUNICATION:

The Quarterly and Half Yearly results are published in widely circulating national and local dailies such as, The Business Standard (English); The Indian Express and The Financial Express (English and Gujarati). These are not sent individually to the shareholders.

The Company's results are displayed on the Company's website at www.deepaknitrite.com. The website also displays official news releases.

Presentation(s) were made to the institutional investors and to the Analysts during the year under review.

8. CODE OF CONDUCT:

The Company has framed and adopted a Code of Conduct for the members of the Board and the Senior Management ("the Code") in terms of requirements of the Listing Regulations. The Code has been circulated to all the members of the Board and Senior Management and the same is also posted on the Company's website at www.deepaknitrite.com. The Code lays down the general principles designed to guide all Directors and members of the Senior Management for ethical conduct of business and compliance of laws.

All Directors and members of the Senior Management have affirmed their adherence to the provisions of the Code. A declaration to that effect signed by the Executive Director & CEO is given below:

DECLARATION

As per requirements of the Listing Regulations, this is to confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the Financial Year 2017-18.

Mumbai
May 4, 2018

Umesh Asaikar
Executive Director & CEO

9. CEO / CFO CERTIFICATION:

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of requirements of the Listing Regulations. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board.

10. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Day & Date : Friday, August 3, 2018

Time : 10:00 a.m.

Venue : Grand Mercure Vadodara Surya Palace, Opp. Parsi Agiyari, Sayajigunj, Vadodara 390 020, Gujarat.

Financial Year : April 1 to March 31

Date of Book Closure : Friday, the July 27, 2018 to Friday, August 3, 2018.

Dividend Payment Date : Within the statutory time limit of 30 days, subject to Shareholder's approval.

Financial Calendar:

Results for the Quarter ending	Tentative Time of Reporting
June 30, 2018	On or before August 14, 2018
September 30, 2018	On or before November 14, 2018
December 31, 2018	On or before February 14, 2019
Audited Annual Accounts for the year ended March 31, 2019	On or before May 30, 2019

Listing on Stock Exchanges:

The Company's Equity Shares are listed on the following Stock Exchanges:

Name: BSE Limited (BSE)

Address: Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.

Name: National Stock Exchange of India Limited (NSE)

Address: Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051.

Listing fees for Financial Year 2018-19 has been paid to both the Exchanges.

The Securities of the Company have not been suspended from trading during the Financial Year.

Stock Code for Equity Shares (BSE): 506401

Stock Symbol for Equity Shares (NSE): DEEPAKNTR

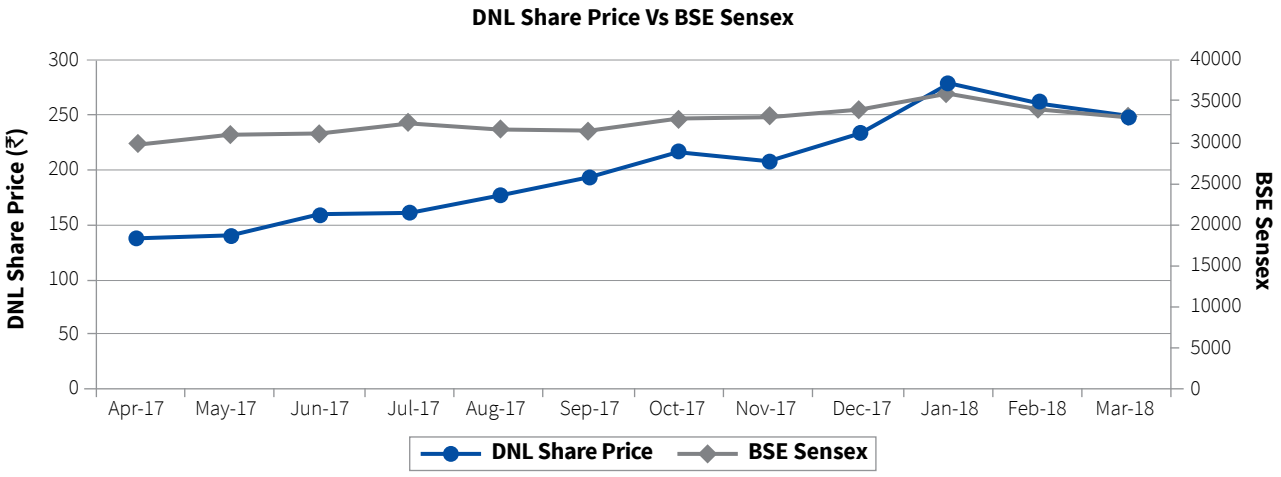
ISIN Number for Equity Shares (NSDL & CDSL): INE288B01029

Market Price Data of Equity Shares:

Monthly High & Low during the Financial Year 2017-18 at BSE and NSE:

Month	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	149.25	129.10	149.00	129.20
May, 2017	149.50	133.00	149.35	132.20
June, 2017	185.00	138.80	185.25	138.80
July, 2017	194.80	155.00	194.6	160.05
August, 2017	183.00	143.75	182.90	142.20
September, 2017	204.60	166.10	204.40	168.00
October, 2017	234.00	192.15	233.70	192.50
November, 2017	230.00	207.40	229.90	207.10
December, 2017	244.00	196.00	243.25	196.50
January, 2018	298.80	227.00	298.00	226.75
February, 2018	281.80	222.00	282.00	221.00
March, 2018	265.40	229.00	263.00	228.00

Source: Respective Websites of BSE and NSE.



Distribution of Shareholding as on March 31, 2018:

Range	No. of Holders	%	No. of Shares	%
1 – 500	25802	78.64	3344929	2.45
501 – 1000	2728	8.31	2266396	1.66
1001 – 5000	3232	9.85	7694310	5.64
5001 – 10000	593	1.81	4223902	3.10
10001 & above	456	1.39	118863504	87.15
TOTAL	**32811**	**100.00**	**136393041**	**100.00**

Shareholding Pattern as on March 31, 2018:

Category of Shareholders	No. of Shares	% to Equity Capital
Promoters & Promoter Group	60898467	44.65
Mutual Fund	17060856	12.51
Financial Institutions, Banks, Insurance Companies	865124	0.63
Foreign Portfolio Investor	15199212	11.14
Bodies Corporate	13184875	9.67
Non Resident Individuals	765768	0.56
Resident Individuals	25567129	18.75
Others	2851610	2.09
TOTAL	**136393041**	**100.00**

The Company has not issued any GDRs/ADRs.

Dematerialisation of Equity Shares:

Electronic holding by Members comprises 98.82 % of the paid up equity capital of the Company as on March 31, 2018 held through National Securities Depository Limited and Central Depository Services (India) Limited.

Share Transfer System:

Share transfers are processed and Share Certificates duly endorsed are delivered within a period of 15 days from the date of receipt, subject to documents being valid and complete in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the Depositories within 15 days.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates, on half yearly basis have been issued by a Practising Company Secretary for due compliance of share transfer formalities by the Company. Pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulation, 1996, certificates have been received from a Practising Company Secretary for timely dematerialisation of shares and for reconciliation of the share capital of the Company on a quarterly basis.

Registrar and Share Transfer Agent:

Contact details of Link Intime India Private Limited:

Mumbai Office:
C-101, 247 Park, L.B.S.Marg, Vikhroli (West),
Mumbai - 400 083.
Tel: 022 - 4918 6270
Toll free number: 1800 1020 878
Email: rnt.helpdesk@linkintime.co.in

Vadodara Office:
B-102-103, Shangrila Complex, 1st Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020.
Tel: 0265 - 2356 573 / 2356 794
Fax: 0265 - 2356 791
E-mail: vadodara@linkintime.co.in

Address for Correspondence and Investor Assistance:

Deepak Nitrite Limited*
9/10, Kunj Society,
Alkapuri,
Vadodara – 390 007
Contact Person: Mr Arvind Bajpai

Telephone Numbers : (0265) 235 1013, 233 4481
Fax No. : (0265) 233 0994
E-mail : investor@deepaknitrite.com
Website : www.deepaknitrite.com

**Effective from June 1, 2018, the Registered Office of the Company will be shifted to the following new address:*

New Address for Correspondence and Investor Assistance:

Deepak Nitrite Limited
Aaditya-1,Chhani Road,
Vadodara – 390 024

Telephone Numbers : (0265) 276 5200, 396 0200
Fax No. : : (0265) 276 5344
E-mail : investor@deepaknitrite.com
Website : www.deepaknitrite.com

Shareholders holding shares in electronic mode should address all their correspondence related to change of address or bank details or NECS mandate to their respective Depository Participants.

Unclaimed/Unpaid Dividend:

As per the provisions of Section 124 of the Companies Act, 2013, the Company is required to transfer unclaimed dividends, matured deposits and interest accrued thereon remaining unclaimed and unpaid for a period of seven years from the due date to the Investor Education and Protection Fund (IEPF) set by the Central Government.

Given below are the due dates for transfer of unclaimed and unpaid dividend to the Investors Education & Protection Fund (IEPF) by the Company:

Financial Year	Dividend Payment Date	Proposed Date for transfer to IEPF*
2010-2011	August 10, 2011	August 9, 2018
2011-2012	August 9, 2012	August 8, 2019
2012-2013	August 5, 2013	August 4, 2020
2013-2014	August 11, 2014	August 10, 2021
2014-2015	August 10, 2015	August 9, 2022
2015-2016	August 8, 2016	August 7, 2023
2016-2017	June 30, 2017	June 29, 2024

** Indicative dates, actual date may vary.*

Commodity Price risk or Foreign Exchange risk and hedging activities:

During the year ended March 31, 2018, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 39 to the Annual Accounts.

Plant Locations:

1. Nitrite & Nitroaromatics Division
   4-12 GIDC Chemical Complex,
   Nandesari - 391 340.
   Dist. Vadodara

2. Roha Division
   Plot Nos. 1, 2, 26 & 27,
   MIDC Dhatav, Roha, Dist. Raigad - 402 116

3. Taloja Chemicals Division
   Plot Nos. K/9-10, MIDC Taloja,
   Dist. Raigad - 410 208

4. Hyderabad Specialities Division :
   Plot Nos. 70A & B, 90-F and 22
   Phase I, Industrial Development Area,
   Jedimetla, Tal. Qutbyullapur Mandal,
   Dist. Ranga Reddy, Hyderabad - 500 055

5. Dahej Division
   Plot No. 12/B/2, GIDC, Dahej,
   Dist. Bharuch, Gujarat – 392 130

Certificate of Compliance with the Corporate Governance Requirements

To,
The Members,
Deepak Nitrite Limited,
9/10, Kunj Society, Alkapuri,
Vadodara - 390 007,
Gujarat.

We have examined the compliance of conditions of Corporate Governance by DEEPAK NITRITE LIMITED ("the Company") having CIN L24110GJ1970PLC001735 for the Financial Year ended March 31, 2018 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

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 Corporate Governance. It is neither an audit nor an expression on 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 Regulations, as applicable.

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

Dinesh Joshi
Designated Partner,

KANJ & CO. LLP,
Company Secretaries
FCS No: 3752
C P No: 2246

Place: Pune
Date: May 3, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Deepak Nitrite Limited

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

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

OTHER MATTER

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated April 28, 2017 and May 9, 2016, respectively expressed an unmodified opinion on those standalone financial statements, and have been restated to comply with Ind AS. Adjustments made to the previously issued said financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit, we report,:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid standalone Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the standalone Ind AS financial statements.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, 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 Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No.106189

Place: Ahmedabad
Date: May 4, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

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

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No.106189)

Place: Ahmedabad
Date: May 4, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(b) The Company has a regular program for verification of property, plant and equipments at every 2 years which, in our opinion, is reasonable having regarding to the size of the Company and nature of its assets. The property, plant and equipments were physically verified in the Financial Year 2016-17 in accordance with this program. According to information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales Tax , Excise Duty and cess which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Central Excise Act 1944	Excise Duty	Central Excise Asst. Commissioner	FY 2011 to FY 2015	79.92	74.89
Central Excise Act 1944	Excise Duty	Central Excise Commissioner	FY 2012 to FY 2016	168.74	168.74
Central Excise Act 1944	Excise Duty	Central Excise Dy. Commissioner	FY 2010 to FY 2017	9.41	9.41
Central Excise Act 1944	Excise Duty	Central Excise & Service Tax Appellate Tribunal	FY 1998 to FY 2016	221.26	221.26
Central Sales Tax Act	Sales Tax	Sales Tax Commissioner (Appeal)	FY 2005 to FY 2014	86.41	80.41
Hyderabad Metropolitan Water Supply & Sewerage Act 1989	Sewerage Cess	High Court of Andhra Pradesh	FY 2008 to FY 2013	11.13	11.13

There are no dues of Income-tax, Service Tax, Customs Duty, Goods and Service Tax and Value Added Tax that have not been deposited as at March 31, 2018 on account of disputes.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer/ further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of paragraph 3 of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has made Qualified Institutions Placement of equity shares during the year under audit. In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No.106189)

Place: Ahmedabad
Date: May 4, 2018

BALANCE SHEET AS AT MARCH 31, 2018

₹ in Lakhs

		Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I.	**ASSETS**				
	Non-Current Assets				
	(a) Property, Plant and Equipment	2	56,465.24	56,225.03	59,188.40
	(b) Capital Work-in-Progress	2	3,624.79	4,072.77	1,031.15
	(c) Other Intangible Assets	3	453.97	571.12	591.19
	(d) Financial Assets				
	Investments	4	43,382.67	25,467.52	6,635.83
	Loans	5	131.01	135.94	185.87
	Other Financial Assets	6	893.59	1,178.16	1,066.49
	(e) Non-Current Tax Assets (Net)	7	255.40	159.88	-
	(f) Other Non-Current Assets	8	353.91	247.02	422.42
	Total Non-Current Assets		**1,05,560.58**	**88,057.44**	**69,121.35**
	Current Assets				
	(a) Inventories	9	18,818.24	14,064.40	13,093.84
	(b) Financial Assets				
	Investments	10	2,140.30	10,334.16	6,806.90
	Trade Receivables	11	36,921.13	31,545.06	29,564.89
	Cash and Cash Equivalents	12.A	118.65	120.44	336.21
	Bank balances other than Cash and Cash Equivalents above	12.B	3,092.36	58.49	52.20
	Other Financial Assets	13	6,871.07	6,012.81	782.74
	(c) Other Current Assets	14	6,527.56	5,586.99	4,955.05
	Total Current Assets		**74,489.31**	**67,722.35**	**55,591.83**
	TOTAL ASSETS		**1,80,049.89**	**1,55,779.79**	**1,24,713.18**
II.	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share Capital	15	2,727.86	2,614.23	2,325.76
	(b) Other Equity	16	91,656.63	70,598.98	47,100.71
	Total Equity		**94,384.49**	**73,213.21**	**49,426.47**
	Non-Current Liabilities				
	(a) Financial Liabilities				
	Borrowings	17	9,295.86	13,719.65	15,862.21
	(b) Provisions	18	783.50	736.54	468.51
	(c) Deferred Tax Liabilities (Net)	19	5,219.81	3,907.75	3,373.52
	Total Non-Current Liabilities		**15,299.17**	**18,363.94**	**19,704.24**
	Current Liabilities				
	(a) Financial Liabilities				
	Borrowings	20	26,406.01	30,752.13	23,490.49
	Trade Payables	21	30,651.93	17,519.35	16,689.93
	Other Financial Liabilities	22	11,008.49	13,419.76	10,655.91
	(b) Provisions	18	300.80	403.04	343.06
	(c) Current Tax Liabilities (Net)	23	-	-	13.86
	(d) Other Current Liabilities	24	1,999.00	2,108.36	4,389.22
	Total Current Liabilities		**70,366.23**	**64,202.64**	**55,582.47**
	Total Liabilities		**85,665.40**	**82,566.58**	**75,286.71**
	TOTAL EQUITY AND LIABILITIES		**1,80,049.89**	**1,55,779.79**	**1,24,713.18**
	Significant Accounting Policies	1			

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN No: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN No: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN No: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

SUDHIN CHOKSEY
DIN No: 00036085

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

		Notes	For the year March 31, 2018	For the year March 31, 2017
I.	Revenue from Operations	25	1,47,922.97	1,31,526.51
II.	Other Income	26	1,170.27	915.43
III.	**Total Income (I+II)**		**1,49,093.24**	**1,32,441.94**
IV.	**Expenses**			
	(a) Cost of Materials Consumed	27	83,992.79	70,600.77
	(b) Changes in Inventories of Finished Goods and Work-in-Progress	28	389.15	42.75
	(c) Excise Duty on Sale of Goods		2,425.24	8,256.76
	(d) Employee Benefits Expense	29	13,205.93	11,889.87
	(e) Power & Fuel Expenses	30	11,987.90	10,243.94
	(f) Finance Costs	31	4,034.00	3,089.31
	(g) Depreciation and Amortisation Expense	32	5,194.92	4,759.62
	(h) Other Expenses	33	15,654.89	16,167.31
	Total Expenses (IV)		**1,36,884.82**	**1,25,050.33**
V.	**Profit Before Exceptional Items and Tax (III-IV)**		**12,208.42**	**7,391.61**
VI.	Exceptional Items (Refer Note 2.4 and 2.5)		-	7,496.71
VII.	**Profit Before Tax (V+VI)**		**12,208.42**	**14,888.32**
VIII.	**Tax Expense**			
	(a) Current Tax		2,594.99	3,187.70
	(b) Deferred Tax		1,556.44	636.41
	(c) Excess Provision of Earlier Years		(288.51)	-
IX.	**Profit for the Year (VII-VIII)**		**8,345.50**	**11,064.21**
X.	**Other Comprehensive Income**			
	(A) Items that will not be Reclassified to Profit and Loss			
	(a) Remeasurement of Defined Benefit Obligations (Net)		108.83	(343.35)
	(b) Tax Effect of Remeasurement of Defined Benefit Liabilities / (Assets)		(37.01)	102.18
	(B) Items that will be Reclassified to Profit and Loss			
	(a) Fair Value gains on Investments		20.97	-
	(b) Tax Effect of Fair Value Gains on Investments		(7.13)	-
	Total Other Comprehensive Income for the Year (X)		**85.66**	**(241.17)**
XI.	**Total Comprehensive Income for the Year (IX+X)**		**8,431.16**	**10,823.04**
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per Share ₹ 2)		6.34	9.43
	(b) Diluted (Nominal Value per Share ₹ 2)		6.34	9.43

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN No: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN No: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN No: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

SUDHIN CHOKSEY
DIN No: 00036085

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	12,208.42	14,888.32
	Profit Before Tax	**12,208.42**	**14,888.32**
	Non-Cash Adjustment to Reconcile Profit Before Tax to Net Cash Flows		
	1. Depreciation / Amortisation	5,194.92	4,759.62
	2. Loss on Sale of Fixed Assets	546.69	160.46
	3. Profit on Sale of Fixed Assets (including exceptional items)	(16.70)	(7,510.44)
	4. Provision for Doubtful Debts	263.41	(111.75)
	6. Gain on Redemption of Investment	(345.81)	(233.95)
	7. Interest Expenses	4,034.00	3,089.31
	8. Interest Income	(131.95)	(117.45)
	9. Dividend Income	(0.01)	(0.07)
	10. Fair Value (Gains)/Loss	(9.64)	11.36
	Operating Profit Before Change in Operating Assets and Liabilities	**21,743.33**	**14,935.41**
	Movements in Working Capital		
	1. (Increase)/Decrease in Inventories	(4,753.84)	(970.56)
	2. (Increase)/Decrease in Trade Receivables	(5,639.47)	(1,868.42)
	3. (Increase)/Decrease in Non-Current Loans	4.93	49.94
	4. (Increase)/Decrease in Other Financial Assets	405.02	(116.26)
	5. (Increase)/Decrease in Other Assets	(871.52)	(772.89)
	6. Increase/(Decrease) in Trade Payables	13,132.58	829.66
	7. Increase/(Decrease) in Other Financial Liabilities	(6.28)	14.22
	8. Increase/(Decrease) in Other Liabilities	129.06	(1,176.59)
	9. Increase/(Decrease) in Provisions	53.55	(15.34)
	Cash Generated from Operations	**24,197.36**	**10,909.17**
	Less: Income Tax paid (net of refund)	2,780.88	1,616.30
	Net Cash Inflow from Operating Activities (A)	**21,416.48**	**9,292.87**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant & Equipment, including Capital Work in Progress, Capital Advances & Payable for Capital Expenditure	(5,564.72)	(4,335.36)
	2. Proceeds from Sale of Property, Plant & Equipment Net of Receivable	111.96	3,918.50
	3. Insurance Claims Received	750.00	-
	4. Investment in Subsidiaries	(20,100.00)	(21,815.59)
	5. Proceeds from Redemption of Investment	225.43	-
	6. Purchase of Current Investments	(29,664.77)	(44,850.40)
	7. Proceeds from Redemption/Maturity of Current Investments	38,194.47	41,310.63
	8. Deposit with Bank	(3,026.22)	-
	9. Interest Received	131.51	40.33
	10. Dividend Received	0.01	0.07
	11. Taxes Paid on Transfer/Sale of Land	-	(1,626.20)
	Net Cash Outflow from Investing Activities (B)	**(18,942.33)**	**(27,358.02)**

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
1.	Proceeds from Issue of Equity Shares including Securities Premium	14,627.98	14,643.23
2.	Proceeds from Long-Term Borrowings	9,950.00	10,943.35
3.	Repayment of Long-Term Borrowings	(16,812.08)	(10,231.71)
4.	Net Proceeds from Working Capital Borrowings	(4,346.12)	7,261.74
5.	Interest Paid	(4,015.98)	(3,092.18)
6.	Dividend Paid on Equity Shares	(1,560.31)	(1,389.27)
7.	Tax on Equity Dividend Paid	(319.32)	(284.08)
8.	Margin Money Deposit	(0.11)	(1.70)
	Net Cash Outflow from Financing Activities (C)	**(2,475.94)**	**17,849.38**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**(1.79)**	**(215.77)**
	Cash and Cash Equivalents at the Beginning of the Financial Year	120.44	336.21
	Cash and Cash Equivalents at the end of the Financial Year	**118.65**	**120.44**
	Reconciliation of Cash and Cash Equivalents		
	Balances with Banks		
	In Current Accounts	105.73	105.23
	In EEFC Accounts	11.45	15.21
	Cash on Hand	1.47	-
	Total Cash and Cash Equivalents as per Note 12 A.	**118.65**	**120.44**

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

D.C. MEHTA
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SUDHIN CHOKSEY
DIN No: 00036085

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) EQUITY SHARE CAPITAL

₹ in Lakhs

	Note	Amount
As at April 1, 2016		**2,325.76**
Issued during the year (Refer Note 15 (b) (iv))		288.47
As at March 31, 2017	**15**	**2,614.23**
Issued during the year (Refer Note 15 (b) (iv))		113.63
As at March 31, 2018		**2,727.86**

(B) OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus					Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at 01.04.2016	**25,058.82**	**71.27**	**7,390.13**	**15.00**	**14,547.45**	**18.04**	**47,100.71**
Profit for the year	11,064.21	-	-	-	-	-	11,064.21
Other Comprehensive Income	(241.17)	-	-	-	-	-	(241.17)
Dividend	(1,395.46)	-	-	-	-	-	(1,395.46)
Tax on Dividend	(284.08)	-		-	-	-	(284.08)
Transfer to/from Retained Earnings	-	-	-	-	-	-	-
Receipt of Securities Premium from issue of Equity Shares to Qualified Institutional Buyers (Net) (Refer Note 15 (b) (iv))	-	-	-	-	14,354.77	-	14,354.77
Balance as at 31.03.2017	**34,202.32**	**71.27**	**7,390.13**	**15.00**	**28,902.22**	**18.04**	**70,598.98**
Profit for the year	**8,345.50**	**-**	**-**	**-**	**-**	**-**	**8,345.50**
Other Comprehensive Income	71.82	-	-	-	-	13.84	85.66
Dividend	(1,568.53)	-	-	-	-	-	(1,568.53)
Tax on Dividend	(319.32)	-	-	-	-	-	(319.32)
Transfer to/from Retained Earnings	(500.00)	-	500.00	-	-	-	-
Receipt of Securities Premium from Issue of Equity Shares to Qualified Institutional Buyers (Net) (Refer Note 15 (b) (iv))	-	-	-	-	14,514.34	-	14,514.34
Balance as at 31.03.2018	**40,231.79**	**71.27**	**7,890.13**	**15.00**	**43,416.56**	**31.88**	**91,656.63**

The accompanying notes form an integral part of the Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

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Directors

Mumbai: May 4, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

COMPANY OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at 9/10, Kunj Society, Alkapuri, Vadodara- 390 007, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company manufactures Basic Chemicals, Fine & Speciality Chemicals and Performance Products**.**

1. Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

(i) Compliance with Ind AS

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) "Previous GAAP" and other relevant provisions of the Companies Act, 2013. These Financial Statements are the first Financial Statements of the Company in accordance with Ind AS. The date of transition to Ind AS is April 1, 2016. Refer 'Note 47' for details of first-time adoption exemptions availed by the Company.

The Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain items of Property, Plant and Equipment

(b) Certain financial assets and financial liabilities measured at fair value

(c) Derivative Financial instruments

(d) Defined benefit plan – plan assets measured at fair value

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

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

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

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

(ii) Functional and Presentation Currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

(iii) Use of Estimates and Critical Accounting Judgements

Preparation of the Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Useful Lives and Residual Value of Property, Plant and Equipment The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Allowance for Expected Credit Losses The expected credit allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

Fair Value of Investments The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Company with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

Income Taxes Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(b) Current Versus Non-Current Classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Company's normal operating cycle.

An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

(c) Revenue Recognition

(i) Timing of Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of goods are transferred to the buyer, recoverability of consideration is probable, the amount of revenue and cost incurred or to be incurred in respect of the

transaction can be measured reliably and there is no continuing managerial involvement over the goods sold.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

(ii) Measurement of Revenue

Sale of Goods

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not. The revenue is reported net of GST as per Ind AS 18. Discounts given include rebates, price reductions and other incentives given to customers. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

Revenue from Services is recognised when the services are rendered or when contracted milestones have been achieved.

Interest Income

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

(d) Foreign Currency Transactions

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

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

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(e) Income Taxes

The income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit /(tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognised in statement of changes in equity as part of associated dividend payment.

(f) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is provided, pro rata for the period of use, under the Straight Line Method (SLM) except in respect of Aromatics Amines plant where depreciation in respect of plant & equipment is provided on Written Down Value method (WDV).

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the company, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years
Road	5 years

Freehold land is stated at historical cost and is not depreciated.

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

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged

on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each Financial Year end and adjusted prospectively, if appropriate.

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Statement of Profit and Loss.

(g) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Software and related implementation costs	6 years
Rights to use facilities	5 years
Technical Know How	10 years

(h) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(j) Inventories

Raw materials and components, stores and spares other than specific spares for plant and equipment are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Stock-in-process are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable price.

(k) Investments and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

(1) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through the Statement of Profit and Loss)

(2) Those measured at amortised cost

The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

(ii) Initial Recognition and Measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

(iii) Subsequent Measurement

After initial recognition, financial assets are measured at:

(1) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

(2) Amortised cost

(iv) Debt Instruments

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at Amortised Cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

Measured at Fair Value Through Other Comprehensive Income (OCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain/(loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at Fair Value Through Profit or Loss

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

(v) Equity Instruments

The Company subsequently measures all investments in equity instruments other than subsidiary companies at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments, except for strategic investments, in the Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(vi) Investments in Subsidiary Companies

Investments in subsidiary companies carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

(vii) Impairment of Financial Assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

(viii) De-Recognition

A financial asset is de-recognised only when the Company

(1) has transferred the rights to receive cash flows from the financial asset or

(2) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(l) Financial Liabilities

(i) Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial Recognition and Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

(iii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iv) De-Recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

(m) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(n) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

(o) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(p) Employee Benefits

(i) Short-Term Employee Benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in statement of profit and loss.

(ii) Defined Contribution Plan

Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund are recognised in the Statement of Profit and Loss.

(iii) Defined Benefit Plan

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

(iv) Compensated Absence and Earned Leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

(q) Government Grants

(i) Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

(iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(r) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(s) Earnings Per Share

Basic Earnings Per Share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(t) Segment Reporting - Basis of Information

The Company has determined 3 (three) reporting Segments, based on the information reviewed by chief operating decision maker as primary segments viz. (i) Basic Chemicals , (ii) Fine & Speciality Chemicals and (iii) Performance Products .

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Company.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under "Other unallocable". Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets/Liabilities".

Secondary segment have been identified with reference to geographical location of external customers. Composition of secondary segment is as follows: (i) India and (ii) outside India.

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Owned assets								Total	Capital Work-in-Progress
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road		
Deemed Cost as at April 1, 2016	**578.68**	**2,769.05**	**9,506.57**	**44,954.82**	**374.80**	**534.75**	**172.65**	**297.08**	**59,188.40**	**1,031.15**
Additions during the year 2016-17	-	-	118.68	2,918.15	116.69	134.51	69.37	-	3,357.40	6,399.02
Deductions during the year 2016-17	-	(1,231.09)	(256.81)	(1,497.11)	(138.16)	(158.32)	(105.52)	-	(3,387.01)	(3,357.40)
Depreciation for the year 2016-17	-	(22.94)	(414.91)	(3,279.43)	(65.76)	(101.93)	(82.76)	(102.70)	(4,070.43)	-
Depreciation impact on account of Fair Valuation	-	-	-	(531.21)	-	-	-	-	(531.21)	-
Depreciation on disposal during the year 2016-17	-	81.99	100.06	1,160.56	134.85	85.37	105.05	-	1,667.88	-
Net Carrying Amount as at March 31, 2017	**578.68**	**1,597.01**	**9,053.59**	**43,725.78**	**422.42**	**494.38**	**158.79**	**194.38**	**56,225.03**	**4,072.77**
Additions during the year 2017-18	-	314.24	289.06	4,796.62	60.92	21.97	56.65	10.24	5,549.71	5,101.73
Deductions during the year 2017-18	-	-	(87.02)	(199.08)	(0.34)	(29.07)	(6.08)	-	(321.58)	(5,549.71)
Depreciation for the year 2017-18	-	(20.12)	(434.39)	(4,231.67)	(67.15)	(102.01)	(64.08)	(104.40)	(5,023.82)	-
Depreciation on disposal during the year 2017-18	-	-	5.94	16.32	0.30	7.92	5.42	-	35.90	-
Net Carrying Amount as at March 31, 2018	**578.68**	**1,891.13**	**8,827.18**	**44,107.97**	**416.16**	**393.19**	**150.71**	**100.22**	**56,465.24**	**3,624.79**

3. INTANGIBLE ASSETS

₹ in Lakhs

	Computer Software	Others	Total
Deemed Cost as at April 1, 2016	**290.29**	**300.90**	**591.19**
Additions during the year 2016-17	169.59	-	169.59
Deductions during the year 2016-17	(96.82)	-	(96.82)
Depreciation for the year 2016-17	(102.92)	(55.06)	(157.98)
Depreciation on disposal during the year 2016-17	65.14	-	65.14
Net Carrying Amount as at March 31, 2017	**325.28**	**245.84**	**571.12**
Additions during the year 2017-18	53.95	-	53.95
Depreciation for the year 2017-18	(96.50)	(74.60)	(171.10)
Net Carrying Amount as at March 31, 2018	**282.73**	**171.24**	**453.97**

Notes:

1 Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.

2 Building includes ₹ 1,080.00 Lakhs (₹ 1,080.00 Lakhs at March 31, 2017 and April 1, 2016) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

3 The useful lives of Plant & Machinery have been changed from Financial Year 2017-18 which is based on technical evaluation done by the Management experts which are in accordance to the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets.

4 During the previous year, company has sold a parcel of freehold land situated at Pune for a consideration of ₹ 6,960.00 Lakhs and has also surrendered / assigned its leasehold rights in respect of adjoining land for consideration of ₹ 966.00 Lakhs. The profit on sale of land and surrender / assignment of its leasehold rights amounting to ₹ 7,048.38 Lakhs has been recognised in the Statement of Profit and Loss as an exceptional item.

5 During the previous year, company transferred its leasehold rights in respect of parcel of land located at Dahej for consideration of ₹ 1,597.43 Lakhs to Deepak Phenolics Limited (Wholly Owned Subsidiary). The profit on transfer of its leasehold rights amounting to ₹ 448.33 Lakhs has been recognised in the Statement of Profit and Loss as an exceptional item.

6 Property Plant & Equipment- Deemed Cost as at 01.04.2016

₹ in Lakhs

	Owned Assets										Total
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Computer Software	Others	
Gross Carrying Amount as at April 1, 2016	**581.11**	**3,001.70**	**12,087.30**	**69,887.06**	**856.47**	**856.92**	**544.24**	**537.48**	**746.63**	**499.84**	**89,598.75**
Accumulated depreciation as at April 1, 2016	-	(232.65)	(2,580.73)	(25,003.54)	(481.67)	(322.17)	(371.59)	(240.40)	(456.34)	(198.94)	(29,888.03)
Impact of Fair Valuation	-	-	-	71.30	-	-	-	-	-	-	71.30
Regrouping to Asset Held for Sale	(2.43)	-	-	-	-	-	-	-	-	-	(2.43)
Deemed Cost as at April 1, 2016	**578.68**	**2,769.05**	**9,506.57**	**44,954.82**	**374.80**	**534.75**	**172.65**	**297.08**	**290.29**	**300.90**	**59,779.59**

7 Capitalised borrowing costs

Addition to Property, Plant & Equipment include borrowing costs (including exchange difference considered as adjustments to borrowings cost) amounting to ₹ 5.31 Lakhs (Previous year, ₹ (113.27) Lakhs)

₹ in Lakhs

	Capitalised during the Current Year	Capitalised during the Previous Year
Exchange Loss/(Gain) Capitalised (Refer Note Below)		
(a) Plant & Machinery	5.01	(106.82)
(b) Factory & Other Building	0.30	(6.45)
Total	**5.31**	**(113.27)**

Note: Pursuant to the provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009, and related notifications of Ministry of Corporate Affairs, the Company in 2017-18 has adjusted to Property, Plant & Equipment, foreign exchange differences amounting to ₹ 5.31 Lakhs (Previous year, ₹ (113.27) Lakhs) on revaluation of long term foreign currency borrowing for acquisition of Property, Plant & Equipment as an adjustment to borrowing costs.

8 Capital Work in Progress

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Capital Work in Progress (Building)	397.88	397.88	397.88
(b) Capital Work in Progress (Others)	3,226.91	4,072.77	1,031.15
Provision for Impairment	-	(397.88)	(397.88)
Capital Work in Progress (Net)	**3,624.79**	**4,072.77**	**1,031.15**

9 Research & Development Assets included in Property, Plant & Equipment

₹ in Lakhs

	Owned assets						Total
	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Computer Software	
Gross Carrying Amount as at April 1, 2016	**64.47**	**1,298.14**	**93.78**	**26.06**	**35.24**	**2.70**	**1,520.40**
Accumulated depreciation as at April 1, 2016	(52.53)	(738.79)	(54.31)	(2.41)	(33.03)	(0.26)	(881.32)
Impact of Fair Valuation	-	125.82	-	-	-	-	125.82
Deemed Cost as at April 1, 2016	**11.94**	**685.17**	**39.47**	**23.66**	**2.21**	**2.44**	**764.89**
Additions during the year 2016-17	43.23	69.52	88.64	-	13.15	-	214.54
Deductions during the year 2016-17	-	(199.92)	(46.97)	-	(1.71)	-	(248.60)
Depreciation for the year 2016-17	(3.39)	(80.23)	(10.62)	(3.23)	(3.11)	(0.44)	(101.01)
Depreciation impact on account of Fair Valuation	-	(24.42)	-	-	-	-	(24.42)
Depreciation on disposal during the year 2016-17	-	196.87	43.67	-	1.71	-	242.25
Net Carrying Amount as at March 31, 2017	**51.78**	**646.98**	**114.19**	**20.43**	**12.25**	**2.01**	**847.65**
Additions during the year 2017-18	8.95	64.71	23.78	-	4.14	16.33	117.90
Depreciation for the year 2017-18	(3.54)	(80.12)	(10.52)	(3.23)	(3.23)	(0.88)	(101.52)
Net Carrying Amount as at March 31, 2018	**57.19**	**631.58**	**127.44**	**17.21**	**13.15**	**17.46**	**864.03**

4. NON-CURRENT INVESTMENTS

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Investments in equity instruments of subsidiary companies measured at cost	28,047.68	25,047.68	6,232.09
(b)	Investments in equity instruments of associate company measured at cost	-	179.30	179.30
(c)	Investments in Preference shares of subsidiary companies measured at cost	15,100.00	-	-
Subtotal		**43,147.68**	**25,226.98**	**6,411.39**
(a)	Investments in equity instruments of other companies measured at FVTPL	10.71	103.09	86.99
(b)	Investments in equity instruments of other companies measured at FVOCI	224.27	137.44	137.44
(c)	Investments in Government or Trust Securities measured at amortised cost	0.01	0.01	0.01
Subtotal		**234.99**	**240.54**	**224.44**
Total		**43,382.67**	**25,467.52**	**6,635.83**

₹ in Lakhs

		Face Value	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
			No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
(a)	**Investment in Equity Instruments (Fully Paid-Up)**							
	(i) Subsidiary Companies/Associates Measured at Cost (Unquoted)							
	In Indian Subsidiary Company Measured at Cost							
	Deepak Phenolics Limited	₹ 10/-	28,00,00,000	28,000.00	25,00,00,000	25,000.00	6,18,44,100	6184.41
	In Foreign Subsidiary Company Measured at Cost							
	Deepak Nitrite Corporation, Inc.	US $ 10/-	7,500	47.68	7,500	47.68	7,500	47.68
	In Foreign Associate Company Measured at Cost							
	Deepak Gulf LLC (Refer Note 4.1 below)	Omani Riyal 1/-	-	-	1,22,500	179.30	1,22,500	179.30
	(ii) Other Companies Measured at FVTPL							
	Quoted							
	Bank of Baroda	₹ 2/-	-	-	50,000	86.48	50,000	73.50
	IDBI Bank	₹ 10/-	6,240	4.51	6,240	4.68	6,240	4.34
	Dena Bank	₹ 10/-	29,400	5.53	29,400	11.26	29,400	8.48
	Unquoted							
	Nandesari Environment Control Limited	₹ 10/-	800	0.08	800	0.08	800	0.08
	Baroda Co-operative Bank Ltd.	₹ 50/-	20	0.01	20	0.01	20	0.01
	Shamrao Vitthal Co-op Bank Ltd.	₹ 25/-	2,000	0.50	2,000	0.50	2,000	0.50
	New India Co-op Bank Ltd.	₹ 10/-	798	0.08	798	0.08	798	0.08
	(iii) Other Companies Measured at FVOCI							
	Unquoted							
	Jedimetla Effluent Treatment Ltd.	₹ 100/-	52,342	80.08	52,342	80.08	52,342	80.08
	Deepak International Limited	GBP 1/-	73,706	68.01	73,706	57.36	73,706	57.36
	Deepak Gulf LLC (Refer Note 4.1)	Omani Riyal 1/-	45,000	76.18	-	-	-	-

₹ in Lakhs

		Face Value	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
			No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
(b)	**Investment in Preference Shares (Fully Paid-Up) Subsidiary Company Measured at Cost**							
	Unquoted							
	Deepak Phenolics Limited							
	7% Non- Cumulative Optionally Convertible Preference Shares	₹ 100/-	1,51,00,000	15,100.00	-	-	-	-
(c)	**Investments in Government or Trust Securities Measured at Amortised Cost**							
	National Savings Certificate		-	0.01	-	0.01	-	0.01
Total			**29,53,17,806**	**43,382.67**	**25,03,45,306**	**25,467.52**	**6,21,89,406**	**6,635.83**

Notes:

4.1 During the year, 31% shares out of 49% holding of Deepak Gulf LLC was transferred for a consideration of ₹ 131.13 Lakhs. Deepak Gulf LLC ceased to be associate company and remaining investment is measured at FVOCI as on March 31, 2018. The gain on redemption of Investment of ₹ 17.70 Lakhs has been recognised in the Statement of Profit and Loss. (Refer Note 26(d))

4.2

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Aggregate amount of Unquoted Investments	43,372.63	25,365.10	6,549.51
(b)	Aggregate amount of Quoted Investments	10.04	102.42	86.32

5. LOANS

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans to Employees				
Unsecured, considered good				
(a)	Key Managerial Personnel and Directors	0.89	1.51	2.13
(b)	Others	130.12	134.43	183.74
Total		**131.01**	**135.94**	**185.87**

These financial assets are carried at amortised cost.

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits				
Unsecured, considered good				
(a)	Related parties (Refer Note below)	383.09	348.26	316.60
(b)	Others	510.50	829.90	749.89
Total		**893.59**	**1,178.16**	**1,066.49**

Security Deposits from Related Parties include Deposit towards lease of Residential Premises of ₹ 400 Lakhs accounted at Fair value using appropriate discount rate.

7. NON-CURRENT TAX ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current Tax Assets			
Advance Income Tax (Net of provisions)	255.40	159.88	-
Total	**255.40**	**159.88**	**-**

8. OTHER NON-CURRENT ASSETS

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Capital Advances	255.93	79.99	33.98
(b)	Prepaid Expenses	37.31	108.91	239.19
(c)	Advance against Salary	60.67	58.12	44.13
(d)	Balance with Tax Authorities	-	-	105.12
Total		**353.91**	**247.02**	**422.42**

9. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Raw materials and components	6,654.68	3,751.52	3,439.03
	Goods-in-transit	3,427.14	1,541.41	1,008.72
		10,081.82	5,292.93	4,447.75
(b)	Work-in-progress	3,820.16	3,529.68	2,358.42
(c)	Finished goods	3,406.80	4,086.43	5,300.44
(d)	Stores and Spares	1,683.39	1,325.56	1,196.88
		18,992.17	14,234.60	13,303.49
	Provision for obsolescence	(173.93)	(170.20)	(209.65)
Total		**18,818.24**	**14,064.40**	**13,093.84**

Inventories hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.

10. CURRENT INVESTMENTS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments Measured at FVTPL (Quoted)			
Investments in Mutual Funds	2,140.30	10,334.16	6,806.90
Total	**2,140.30**	**10,334.16**	**6,806.90**

11. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
(a) Unsecured, Considered Good			
(i) Trade Receivables	36,412.36	30,734.11	29,365.99
(ii) Related Parties	508.77	810.95	198.90
(b) Unsecured, Considered Doubtful	594.56	331.15	442.90
Allowance for credit losses	(594.56)	(331.15)	(442.90)
Total	**36,921.13**	**31,545.06**	**29,564.89**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk related to Trade Receivables refer note 39.5 and 39.6.

Trade receivables hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 20.

12A. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Cash on hand	1.47	-	-
(b) Balances with banks			
In Current accounts	105.73	105.23	336.20
In EEFC Accounts	11.45	15.21	0.01
Total	**118.65**	**120.44**	**336.21**

12B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Earmarked Balances with Bank	64.33	56.79	52.20
(b) Deposits with banks with maturity less than 3 months	3,026.22	-	-
(c) Margin Money Deposits			
Maturity less than 3 months	1.81	-	-
Maturity more than 3 months but less than 12 months	-	1.70	-
Total	**3,092.36**	**58.49**	**52.20**

13. OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good			
(a) Loans to employees			
(i) Key Managerial Personnel and Directors	0.62	0.62	0.62
(ii) Others	124.07	178.49	201.16
(b) Interest Receivable	68.86	68.42	46.92
(c) Insurance Claim Receivable (Refer Note (i) below)	1,446.03	421.43	-
(d) Security Deposits	9.62	9.87	35.24
(e) Earnest Money	11.23	26.28	15.07
(f) Loan to Company (Refer Note (ii) below)	187.90	187.90	187.90
(g) Advance to company towards Share Application Money (Refer Note (iii) below)	5,000.00	3,000.00	-
(h) Others (Refer Note (iv) below)	22.74	2,119.80	295.83
Total	**6,871.07**	**6,012.81**	**782.74**

(i) With respect to fire incident in October 2016, the Company has lodged insurance claims, both for replacement value of the damaged facilities and loss of profits due to business interruption. The above includes ₹ 1,832.90 Lakhs (Net of loss on account of fire of ₹ 417.10 Lakhs) against expected settlement under Fine & Speciality Chemicals Segment which was recognised during the year ended March 31, 2018. Remaining balance shall be accounted upon final settlement of claims. The Company received ₹ 750.00 Lakhs as an interim payment against the above claims during the year ended March 31, 2018.

(ii) Loans to Company have been given for business purpose.

(iii) The Company has paid ₹ 5,000.00 Lakhs and ₹ 3,000.00 Lakhs for the year ended March 31, 2018 and 2017 respectively towards Share Application Money pending allotment to Deepak Phenolics Limited (Wholly Owned Subsidiary).

(iv) Others as at March 31, 2017 includes recoverable of ₹ 1,584.45 Lakhs from Deepak Phenolics Limited (Wholly Owned Subsidiary) on sale of land during previous year. (Refer Note 2.5)

14. OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good			
(a) Assets held for Disposal	63.87	63.87	83.29
(b) Balance with Tax Authorities/Benefits Receivable	4,928.68	3,890.28	3,837.19
(c) Prepaid Expenses	294.08	121.38	22.03
(d) Advances to Suppliers	1,224.82	1,496.39	1,010.71
(e) Other Receivables	16.11	15.07	1.83
Total	**6,527.56**	**5,586.99**	**4,955.05**

15. EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised			
15,00,00,000 Equity shares of ₹ 2 each	3,000.00	3,000.00	3,000.00
20,00,000 Preference shares of ₹ 100 each	2,000.00	2,000.00	2,000.00
Total	**5,000.00**	**5,000.00**	**5,000.00**
Issued, Subscribed and Fully Paid Up			
Equity shares of ₹ 2 each	2,727.86	2,614.23	2,325.76
Total	**2,727.86**	**2,614.23**	**2,325.76**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year

₹ in Lakhs

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares						
Shares outstanding at the beginning of the year	13,07,11,266	2,614.23	11,62,88,190	2,325.76	10,45,38,190	2,090.76
Issued during the year- issued to QIB (Refer Note (b) (iv) below)	56,81,775	113.63	1,44,23,076	288.47	1,17,50,000	235.00
Shares outstanding at the end of the year	**13,63,93,041**	**2,727.86**	**13,07,11,266**	**2,614.23**	**11,62,88,190**	**2,325.76**

(b) Shares: Terms/Rights

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share 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 approval of the shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the Company, the holders of Equity Shares shall 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. No preferential amounts exist as on the Balance Sheet date.

(iv) The Company offered Equity Shares to Qualified Institutional Buyers ("QIBs") through Qualified Institutions Placement in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The year wise details are:

For Financial Year 2015-16 - 1,17,50,000 Equity Shares of ₹ 2/- each were allotted to QIBs on January 06, 2016 at an issue price of ₹ 70.90 per Equity Share (including premium of ₹ 68.90 per Equity Share). The issue proceeds of ₹ 8,330.75 Lakhs from the Qualified Institutions Placements has been fully utilised for the object stated in the offer document.

For Financial Year 2016-17 - 1,44,23,076 Equity Shares of ₹ 2/- each were allotted to QIBs on March 7, 2017 at an issue price of ₹ 104 per Equity Share (including premium of ₹ 102 per Equity Share). The issue proceeds of ₹ 15,000.00 Lakhs from the Qualified Institutions Placements has been fully utilised for the object stated in the offer document.

For Financial Year 2017-18 - 56,81,775 Equity Shares of ₹ 2/- each were allotted to QIBs on January 30, 2018 at an issue price of ₹ 264 per Equity Share (including premium of ₹ 262 per Equity Share).

Out of issue proceeds of ₹ 15,000.00 Lakhs from the Qualified Institutions Placements during the current year, ₹ 371.91 Lakhs were utilised towards share issue expenses and ₹ 9,546.44 Lakhs has been utilised for the object stated in the offer document. Pending utilisation, ₹ 5,081.65 Lakhs have been invested in Liquid Mutual Funds and Fixed Deposits.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company :

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No.	% Holding	No.	% Holding	No.	% Holding
Mr. Deepak Chimanlal Mehta	2,12,36,331	15.57	2,12,36,331	16.25	2,09,04,040	18.01
Stiffen Credits & Capital Pvt. Ltd.	83,79,940	6.14	83,79,940	6.41	83,79,940	7.21
Checkpoint Credits & Capital Pvt. Ltd.	72,06,050	5.28	72,06,050	5.51	72,06,050	6.20
Stepup Credits & Capital Pvt. Ltd.	69,15,580	5.07	69,15,580	5.29	69,15,580	5.95
Stigma Credits & Capital Pvt. Ltd.	61,78,100	4.53	61,78,100	4.73	61,78,100	5.31
Franklin India Smaller Companies Fund	56,22,951	4.12	71,99,495	5.51	61,00,000	5.25

(d) During the year 2014-15, Company has allotted 52,269,095 Bonus Equity Shares of ₹ 2/- (Rupees Two Only) each, fully paid up, in the ratio of 1:1 (one Bonus Equity Shares of ₹ 2/- each).

16. OTHER EQUITY

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Reserves & Surplus			
(a) Retained Earnings	40,231.79	34,202.32	25,058.82
(b) General Reserve	7,890.13	7,390.13	7,390.13
(c) Capital Reserve	71.27	71.27	71.27
(d) Capital Redemption Reserve	15.00	15.00	15.00
(e) Securities Premium Reserve	43,416.56	28,902.22	14,547.45
Reserves Representing Unrealised Gains/(Losses)			
Equity instruments through other comprehensive income	31.88	18.04	18.04
Total	**91,656.63**	**70,598.98**	**47,100.71**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
(a) Retained Earnings		
Balance at beginning of year	34,202.32	25,058.82
Add: Profit attributable to owners of the Company (Profit for the year)	8,417.32	10,823.04
Less: Payment of Dividend on Equity Shares	1,568.53	1,395.46
Less: Payment of Dividend distribution tax	319.32	284.08
Less: Transferred to General Reserve	500.00	-
Balance at end of year	**40,231.79**	**34,202.32**
Retained earnings represents the Company's undistributed earnings after taxes.		
(b) General Reserve		
Balance at beginning of year	7,390.13	7,390.13
Add: Transferred from Surplus Balance in the Statement of Profit and Loss	500.00	-
Balance at end of year	**7,890.13**	**7,390.13**
The general reserve is used for the purposes specified under the Companies Act, 2013. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.		

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017
(c)	**Capital Reserve**		
	Balance at beginning of year	71.27	71.27
	Movements	-	-
	Balance at end of year	**71.27**	**71.27**
(d)	**Capital Redemption Reserve**		
	Balance at beginning of year	15.00	15.00
	Movements	-	-
	Balance at end of year	**15.00**	**15.00**
	Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the debentures. The Company has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
(e)	**Securities Premium Reserve**		
	Balance at beginning of year	28,902.22	14,547.45
	Add: Receipt of Securities Premium from issue of Equity Shares to QIBs	14,886.25	14,711.54
	Less: Share issue Expenses	371.91	356.77
	Balance at end of year	**43,416.56**	**28,902.22**
	Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Companies Act, 2013. Share issue expenses includes fees of Statutory Auditors of ₹ 15.00 Lakhs (Previous year, ₹ 15.00 Lakhs) for work related to Qualified Institutions Placement.		
(f)	**Reserve for Equity Instruments Through Other Comprehensive Income**		
	Balance at beginning of year	18.04	18.04
	Movements	13.84	-
	Balance at end of year	**31.88**	**18.04**
	This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.		

17. NON-CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans at Amortised Cost			
Term Loan from Banks			
Foreign Currency Loan from Banks	-	4,993.35	-
Loan from Banks	7,295.86	4,454.14	6,608.77
External Commercial Borrowings	-	2,322.16	9,253.44
Unsecured Loans at Amortised Cost			
Term Loan from Banks	2,000.00	1,950.00	-
Total	**9,295.86**	**13,719.65**	**15,862.21**

Secured Term Loans

Term loan from Banks are secured by first pari passu charge by way of hypothecation of all existing movable property, plant and equipment and mortgage of immovable properties of the Company and second charge on entire current assets of the Company. The Company is in the process of executing necessary charge on the assets.

Repayment Schedule

(i) Rate of interest of Foreign Currency Loan from Bank is 3.35% p.a. including LIBOR

(ii) Rate of interest of Rupee loan from Banks are in the range of Base rate/MCLR plus 0.00% to 1.40% p.a. and is repayable on monthly/ quarterly basis with last installment payable from April, 2020 to March, 2026.

(iii) Rate of interest of External Commercial Borrowings are in the range of LIBOR plus 2.50% to 3.00% p.a. and is repayable on quarterly/ half-yearly basis with a step up repayment schedule and last installment payable in November, 2018.

(iv) Unsecured Term Loan from Banks is repayable on quarterly basis with last installment payable in September, 2019.

18. PROVISIONS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current			
Provision for Employee benefit obligations :			
Provision for leave benefits (Refer Note 37 (B))	783.50	736.54	468.51
Total-Non-Current	**783.50**	**736.54**	**468.51**
Current			
Provision for Employee benefit obligations :			
Provision for leave benefits (Refer Note 37 (B))	298.04	282.16	290.63
Provision for Gratuity (Refer Note 37 (A)(iii))	2.76	120.88	52.43
Total-Current	**300.80**	**403.04**	**343.06**

19. DEFERRED TAX LIABILITY (NET)

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Break up of Deferred Tax Liability as at year end			
Nature of Timing Difference			
Property, Plant and Equipment	8,204.75	7,056.60	6,232.47
Total Deferred Tax Liability	**8,204.75**	**7,056.60**	**6,232.47**
(b) Break up of Deferred Tax Asset as at year end			
Nature of Timing Difference			
Disallowances u/s 43B and Others	507.09	562.21	484.41
MAT Credit Entitlement	2,477.85	2,586.64	2,374.54
Total Deferred Tax Asset	**2,984.94**	**3,148.85**	**2,858.95**
Deferred Tax Liability (Net) (a-b)	**5,219.81**	**3,907.75**	**3,373.52**

20. CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Working Capital Borrowings from Banks			
(a) Secured	16,927.45	19,339.88	17,882.57
(b) Unsecured	9,478.56	11,412.25	5,607.92
Total	**26,406.01**	**30,752.13**	**23,490.49**

(i) Working Capital borrowings from banks represent Cash Credit, Working Capital Demand Loan, Export Packing Credit with rate of interest as Base Rate/MCLR of respective banks plus spread ranging from 0% - 2.00% p.a., Packing Credit in Foreign Currency, Buyers' Credit against Letter of Undertaking with rate of interest ranging from LIBOR/EURIBOR plus spread ranging from 0.30% p.a. to 1.10% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts and second charge on Property, Plant and Equipment by way of hypothecation and mortgage.

(iii) Commercial Paper placed by the Company during the year are unsecured and carries interest rate ranging from 6.40% p.a. to 7.75% p.a., tenure of each placement ranging from 60 days to 90 days.

21. TRADE PAYABLES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) To outstanding dues of Micro, Small and Medium Enterprises	104.43	85.00	143.51
(b) To outstanding dues of creditors other than Micro, Small and Medium Enterprises	30,547.50	17,434.35	16,546.42
Total	**30,651.93**	**17,519.35**	**16,689.93**

The average credit period on goods purchased or services received ranges between 30 days to 180 days.

22. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Current maturities of Long term Borrowings	10,451.59	12,882.83	10,136.53
(b) Security Deposits	286.11	286.16	290.80
(c) Investor Education and Protection Fund will be credited by following amounts (as and when due)			
Unpaid Dividend	61.06	52.83	46.64
Unclaimed Matured Deposits (Refer Note below)	7.84	7.84	9.23
Unpaid Interest on Matured Fixed Deposits	3.27	3.96	5.55
(d) Interest accrued but not due on Borrowings	184.60	165.89	167.16
(e) Others	14.02	20.25	-
Total	**11,008.49**	**13,419.76**	**10,655.91**

The Unclaimed Matured deposits of ₹ 7.84 Lakhs outstanding as at March 31, 2018 represents an aggregate amount of certain cheques issued towards compulsory repayment of the outstanding fixed deposits as on March 31, 2015, which have not been presented to the bank for payment by the depositors.

23. CURRENT TAX LIABILITIES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Tax Liabilities			
Provision for Tax (Net of Advances)	-	-	13.86
Total	**-**	**-**	**13.86**

24. OTHER CURRENT LIABILITIES

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Advances Received from Customers	89.77	118.26	176.71
(b)	Payable for Capital Expenditure	597.49	835.91	440.19
(c)	Excise duty on Finished Goods	-	330.21	356.30
(d)	Statutory Dues	559.21	370.46	143.65
(e)	Employee Benefits Payable	752.53	453.52	1,772.37
(f)	Advance received against Sale of Land	-	-	1,500.00
Total		**1,999.00**	**2,108.36**	**4,389.22**

25. REVENUE FROM OPERATIONS

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Sale of Products	1,42,962.65	1,28,947.16
(b)	Sale of Services	884.21	865.75
(c)	Other Operating Revenue		
	Export Incentives	1,605.37	1,462.97
	Scrap Sale	218.75	216.44
	Insurance Claims (Refer Note 13 (i))	2,251.97	34.19
Total		**1,47,922.97**	**1,31,526.51**

26. OTHER INCOME

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Profit on sale of Property, Plant and Equipment	16.70	13.73
(b)	Interest Income	131.95	117.45
(c)	Dividend Income	0.01	0.07
(d)	Profit on redemption of Investments	345.81	233.95
(e)	Rent	10.48	1.67
(f)	Miscellaneous Receipts	36.59	27.73
(g)	Foreign Exchange Gain	221.20	461.83
(h)	Fair Value Gains on Financial Assets	9.65	59.00
(i)	Write back of provision for Impairment	397.88	-
Total		**1,170.27**	**915.43**

27. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Raw Material and Components Consumed		
	Inventory at the beginning of the year	5,292.93	3,439.03
	Add: Purchases during the year	86,409.77	70,235.84
		91,702.70	73,674.87
	Less: Inventory at the end of the year	10,081.82	5,292.93
	Cost of Raw Material and Components Consumed	**81,620.88**	**68,381.94**
(b)	Packing Material Consumed	2,371.91	2,218.83
	Cost of Packing Material Consumed	**2,371.91**	**2,218.83**
Total		**83,992.79**	**70,600.77**

28. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Inventories at the beginning of the year		
Stock in Process	3,529.68	2,358.42
Finished Goods	4,086.43	5,300.44
	7,616.11	**7,658.86**
Less:		
Inventories at the end of the year		
Stock in Process	3,820.16	3,529.68
Finished Goods	3,406.80	4,086.43
	7,226.96	**7,616.11**
Total	**389.15**	**42.75**

29. EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Salaries & Wages	11,747.48	10,537.68
(b) Contribution to Provident Fund and Other Funds (Refer Note 37C)	688.43	640.22
(c) Gratuity Expenses (Refer Note 37A(iv))	124.37	105.33
(d) Staff Welfare Expenses	645.65	606.64
Total	**13,205.93**	**11,889.87**

30. POWER & FUEL EXPENSES

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Consumption of Gas	2,404.45	898.51
(b) Consumption of Furnace Oil	714.61	677.30
(c) Consumption of High Speed Diesel	93.80	110.27
(d) Consumption of Coal & Coke	3,556.30	3,230.58
(e) Electricity Expenses	4,565.45	4,845.29
(f) Water Charges	621.33	476.57
(g) Other Expenses	31.96	5.42
Total	**11,987.90**	**10,243.94**

31. FINANCE COSTS

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Interest on Borrowings	3,636.07	2,749.11
(b) Exchange difference to the extent considered as an adjustment to Borrowing Costs	397.93	340.20
Total	**4,034.00**	**3,089.31**

32. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Depreciation on Tangible Assets	5,023.82	4,601.64
(b) Amortisation of Intangible Assets	171.10	157.98
Total	**5,194.92**	**4,759.62**

33. OTHER EXPENSES

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Conversion Charges	528.49	580.51
(b)	Excise Duty Paid	-	22.86
(c)	Excise Duty Relating to Increase / (Decrease) in Closing Stocks	(330.22)	(26.08)
(d)	Other Manufacturing Expenses	962.47	840.20
(e)	Rent	283.42	366.96
(f)	Repairs & Maintenance		
	Repairs to Building	100.55	200.42
	Repairs and Maintenance to Plant and Equipment	2,200.36	2,068.51
	Repairs and Maintenance to Others	70.47	67.51
(g)	Consumption of Stores & Spare Parts	1,520.16	1,532.53
(h)	Insurance	329.04	211.91
(i)	Rates & Taxes	232.03	189.05
(j)	Bank Charges	152.81	142.12
(k)	Travelling & Conveyance	423.76	436.18
(l)	Freight & Forwarding Charges	4,203.79	4,436.28
(m)	Loss on Sale of Assets	546.69	160.46
(n)	Commission on Sales	425.36	304.77
(o)	CSR Expenses	225.00	205.00
(p)	Provision for Doubtful Debts (Gross)	275.67	8.28
	Add: Bad Debts	9.57	25.20
	Less: Transfer from Provision for Doubtful Debts	12.26	120.03
	Provision for Doubtful Debts (Net)	272.98	(86.55)
(q)	Vehicle Expenses	299.89	271.49
(r)	Legal & Professional Expenses	947.53	1,662.36
(s)	General Expenses	2,181.29	2,559.05
(t)	Payment to Auditor	57.29	45.32
(u)	Director's Sitting Fees	18.00	15.90
(v)	Provision/(Reversal) for Inventory Obsolescence	3.73	(39.45)
Total		**15,654.89**	**16,167.31**

Note: Payment to Auditor

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	As Auditor:		
	Audit fees	29.90	29.62
	Tax Audit fees	2.00	3.52
	Quarterly Limited Review	21.00	4.50
(b)	In Other Capacity:		
	Taxation Matters	2.76	4.50
	Other Services (Certification fees)	1.63	3.18
Total		**57.29**	**45.32**

34. RELATED PARTIES DISCLOSURES

A) Name of Related Party and Nature of Relationship

(i) Subsidiary Companies

Deepak Nitrite Corporation Inc., United States of America
Deepak Phenolics Limited

(ii) Key Management Personnel

Mr. D.C. Mehta	Chairman & Managing Director
Mr. M.D. Mehta	Whole Time Director
Mr. Umesh Asaikar	Executive Director & Chief Executive Officer
Mr. Sanjay Upadhyay	Director-Finance & Chief Financial Officer

(iii) Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited *Deepak Gulf LLC, Sultanate of Oman* Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Pranawa Leafin Private Limited * Skyrose Finvest Private Limited * Sofotel Infra Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credit & Capital Private Limited * Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Mr. C.K. Mehta
Mr. A.C. Mehta
Mr. Meghav D. Mehta

B) Transaction with Related Parties

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2018					March 31, 2017				
		Subsidiary Companies	Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	TOTAL	Subsidiary Companies	Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	TOTAL
1	**Purchase of Goods**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	8,077.65	-	**8,077.65**	-	-	6,049.65	-	**6,049.65**
	Deepak Novochem Technologies Limited	-	-	34.19	-	**34.19**	-	-	-	-	**-**
	Deepak Phenolics Limited	422.75	-	-	-	**422.75**	-	-	-	-	**-**
2	**Sale of Goods/Services**										
	Deepak Novochem Technologies Limited	-	-	902.21	-	**902.21**	-	-	712.69	-	**712.69**
	Deepak Phenolics Limited	26.25	-	-	-	**26.25**	-	-	-	-	**-**
3	**Conversion Charges Received**										
	Deepak Novochem Technologies Limited	-	-	1,032.50	-	**1,032.50**	-	-	894.86	-	**894.86**
4	**Sale of Fixed Assets**										**-**
	Deepak Phenolics Limited	87.02	-	-	-	**87.02**	1,597.43	-	-	-	**1,597.43**
5	**Rendering of Services / Reimbursement of Expenses**										
	Deepak Novochem Technologies Limited	-	-	0.38	-	**0.38**	-	-	0.39	-	**0.39**
	Deepak Phenolics Limited	643.56	-	-	-	**643.56**	213.19	-	-	-	**213.19**
	Storewell Credits and Capital Private Limited	-	-	8.80	-	**8.80**	-	-	-	-	**-**
6	**Sale of Investments**										
	Forex Leafin Private Ltd	-	-	131.13	-	**131.13**	-	-	-	-	**-**
7	**Receiving of services / Reimbursement of Expenses**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	7.47	-	**7.47**	-	-	14.03	-	**14.03**
	Deepak Novochem Technologies Limited	-	-	1.08	-	**1.08**	-	-	1.72	-	**1.72**
	Deepak Phenolics Limited	1.77	-	-	-	**1.77**	-	-	-	-	**-**
	Deepak Foundation	-	-	0.78	-	**0.78**	-	-	2.37	-	**2.37**
	Deepak Medical Foundation	-	-	8.90	-	**8.90**	-	-	17.76	-	**17.76**
	Deepak Nitrite Corporation Inc.	335.65	-	-	-	**335.65**	968.03	-	-	-	**968.03**
	Deepak Cybit Private Limited	-	-	24.97	-	**24.97**	-	-	16.33	-	**16.33**
	Mr. Deepak C. Mehta	-	9.60	-	-	**9.60**	-	9.60	-	-	**9.60**
	Mr. C.K. Mehta	-	-	-	-	**-**	-	0.60	-	1.00	**1.60**
	Mr. Maulik D.Mehta	-	-	-	-	**-**	-	-	-	8.76	**8.76**
	Mr. Meghav D. Mehta	-	-	-	53.55	**53.55**	-	-	-	30.05	**30.05**
	Mr. Ajay C. Mehta	-	-	-	0.60	**0.60**	**-**	-	-	-	-

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2018					March 31, 2017				
		Subsidiary Companies	Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	TOTAL	Subsidiary Companies	Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	TOTAL
8	**Managerial Remuneration**										
	Mr. Deepak C. Mehta	-	496.16	-	-	**496.16**	-	322.51	-	-	**322.51**
	Mr. Ajay C. Mehta	-	72.79	-	-	**72.79**	-	98.17	-	-	**98.17**
	Mr. Maulik D. Mehta	-	103.02	-	-	**103.02**	-	75.35	-	-	**75.35**
	Mr. Umesh Asaikar	-	470.73	-	-	**470.73**	-	387.82	-	-	**387.82**
	Mr. Sanjay Upadhyay	-	205.67	-	-	**205.67**	-	-	-	-	**-**
9	**Subscription of Investment / Acquisition of Investment/ Liquidation of Investment**										
	Deepak Phenolics Limited	20,100.00	-	-	-	**20,100.00**	21,815.59	-	-	-	**21,815.59**
10	**Dividend Paid**										
	Checkpoint Credits & Capitals Private Limited	-	-	86.47	-	**86.47**	-	-	86.47	-	**86.47**
	Stigma Credits & Capital Private Limited	-	-	74.14	-	**74.14**	-	-	74.14	-	**74.14**
	Stiffen Credits & Capital Private Limited	-	-	100.56	-	**100.56**	-	-	100.56	-	**100.56**
	Stepup Credits & Capital Private Limited	-	-	82.99	-	**82.99**	-	-	82.99	-	**82.99**
	Skyrose Finvest Private Limited	-	-	44.30	-	**44.30**	-	-	44.30	-	**44.30**
	Mr. Deepak C. Mehta	-	284.54	-	-	**284.54**	-	251.28	-	-	**251.28**
	Mr. C.K. Mehta	-	-	-	0.94	**0.94**	-	1.04	-	-	**1.04**
	Mr. Maulik D. Mehta	-	1.58	-	-	**1.58**	-	-	-	1.58	**1.58**
	Mr. Meghav D. Mehta	-	-	-	0.57	**0.57**	-	-	-	0.57	**0.57**
	Others	-	-	66.89	16.39	**83.28**	-	-	65.66	16.39	**82.05**
11	**Donation / CSR Activity**										
	Deepak Foundation - PHTI	-	-	-	-	**-**	-	-	148.26	-	**148.26**
	Deepak Medical Foundation	-	-	16.65	-	**16.65**	-	-	23.84	-	**23.84**
	Deepak Foundation	-	-	211.33	-	**211.33**	-	-	33.10	-	**33.10**
12	**Net Accounts Receivable / (Payable)**										
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	-	(1,795.43)	-	**(1,795.43)**	-	-	(851.42)	-	**(851.42)**
	Deepak Novochem Technologies Limited	-	-	508.77	-	**508.77**	-	-	810.95	-	**810.95**
	Deepak Phenolics Limited	(412.61)	-	-	-	**(412.61)**	1,615.10	-	-	-	**1,615.10**
	Deepak Nitrite Corporation Inc.	(65.79)	-	-	-	**(65.79)**	(55.72)	-	-	-	**(55.72)**
	Mr. Deepak C. Mehta	-	200.00	-	-	**200.00**	-	374.00	-	-	**374.00**
	Mr. Ajay C. Mehta	-	(20.60)	-	-	**(20.60)**	-	(26.00)	-	-	**(26.00)**
	Mr. C.K. Mehta	-	-	-	-	**-**	-	-	-	(1.00)	**(1.00)**
	Mr. Maulik D. Mehta	-	(11.34)	-	-	**(11.34)**	-	(20.25)	-	-	**(20.25)**
	Mr. Umesh Asaikar	-	(45.44)	-	-	**(45.44)**	-	(72.13)	-	-	**(72.13)**
	Mr. Sanjay Upadhyay	-	(24.25)	-	-	**(24.25)**	-	-	-	-	**-**

Notes:

(a) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(b) All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis.

35. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017
I.	**Claims Against the Company not Acknowledged as Debts in Respect of**		
(a)	Matters relating to Income Tax from AY 1991-92 & AY 2012-13 is being contested at various levels of Tax authorities	98.60	98.60
(b)	Matters relating to Sales Tax/VAT from AY 2005-06 to FY 2013-14 is being contested at various level of Indirect Tax authorities.	86.41	72.84
(c)	Matters relating to Excise duty from FY 1998-99 to FY 2016-17 is being contested at various level of Indirect Tax authorities.	479.33	493.23
(d)	Bank Guarantees:		
	Financial	1,479.06	980.48
	Performance	2,717.92	2,525.51
(e)	In respect of Stamp duty matter	-	22.85
(f)	Disputed Labour Matters	Amount Not ascertainable	Amount Not ascertainable
	Management is not expecting any future cash outflow in respect of (a) to (c), (e) & (f),		
	Total	**4,861.32**	**4,193.51**
II.	**Commitments**		
	Capital Commitments (Net of Advances)	1,335.18	378.46
	Total	**1,335.18**	**378.46**

36. TAX EXPENSE

A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
I.	**Expense / (Benefit) Recognised in the Statement of Profit and Loss**		
	Current tax on profit for the year	2,594.99	3,187.70
	Increase in Deferred Tax Liabilities	1,556.44	636.41
	Excess provision of earlier years	(288.51)	-
	Total	**3,862.92**	**3,824.11**
II.	**Expense / (Benefit) Recognised in Statement of Other Comprehensive Income**		
	Re-measurement gains / (losses) on defined benefit plans	37.01	(102.18)
	Equity instruments through other comprehensive income	7.13	-
	Total	**44.14**	**(102.18)**

B. The Reconciliation Between the Provision of Income Tax and Amounts Computed by Applying the Indian Statutory Income Tax Rate to Profit Before Taxes is as Follows

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Profit Before Taxes	**12,208.42**	**14,888.32**
Enacted income tax rate in India	34.61%	34.61%
Computed Expected Tax Expense	**4,225.09**	**5,152.55**
Effect of		
Weighted deduction for R&D Expenditure	(155.66)	(263.97)
Income taxed at higher/ (lower) rates	(21.48)	(970.23)
Others (Net)	103.48	(94.24)
Excess provision of earlier years	(288.51)	-
Total Income Tax Expense	**3,862.92**	**3,824.11**

C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets)

₹ in Lakhs

	As at March 31, 2018	Recognised in Statement of Profit and Loss /OCI	As at March 31, 2017	Recognised in Statement of Profit and Loss /OCI	As at April 1, 2016
Property, Plant and Equipment	8,204.75	1,148.15	7,056.60	824.13	6,232.47
Total Deferred Tax Liabilities (a)	**8,204.75**	**1,148.15**	**7,056.60**	**824.13**	**6,232.47**
Disallowances u/s 43B and Others	507.09	(55.12)	562.21	77.80	484.41
MAT Credit Entitlement	2,477.85	(108.79)	2,586.64	212.10	2,374.54
Total Deferred Tax Assets (b)	**2,984.94**	**(163.91)**	**3,148.85**	**289.90**	**2,858.95**
Net Deferred Tax (Asset)/Liabilities (a-b)	**5,219.81**	**1,312.06**	**3,907.75**	**534.23**	**3,373.52**

37. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Company has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	1,794.01	1,338.98
Current Service Cost	109.45	93.31
Interest Cost	130.93	106.14
Actuarial (gain)/losses	(100.62)	346.08
Benefits Paid	(106.78)	(90.50)
Balance at the end of the year	**1,826.99**	**1,794.01**

(ii) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	1,673.13	1,286.55
Expected Return on Plan Assets	122.91	102.25
Actuarial gain/(losses)	8.21	2.73
Contribution by the Company	131.26	372.10
Benefits Paid	(111.28)	(90.50)
Balance at the end of the year	**1,824.23**	**1,673.13**
Actual Return on Plan Assets	7.12% to 7.88%	7.56% to 8.07%

(iii) Assets and Liabilities Recognised in the Balance Sheet

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Present Value of Defined Benefit Obligation	1,826.99	1,794.01
Less: Fair Value of Plan Assets	1,824.23	1,673.13
Amounts Recognised as Liability	**2.76**	**120.88**
Recognised under		
Short Term provision (Refer Note 18)	2.76	120.88
Total	**2.76**	**120.88**

(iv) Expenses Recognised in the Statement of Profit and Loss

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Current Service Cost	109.45	93.31
Net Interest Cost	8.02	3.89
Liability Transferred	6.90	8.13
Total Expenses (Refer Note No. 29)	**124.37**	**105.33**

(v) Expenses Recognised in the Other Comprehensive Income

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Actuarial gain/(losses) on Obligation for the year	100.62	346.08
Return on Plan assets excluding Interest Income	8.21	(2.73)
Total Expenses Recognised in OCI	**108.83**	**343.35**

(vi) Major Category of Plan Assets

	As at March 31, 2018		As at March 31, 2017	
	₹ in Lakhs	%	₹ in Lakhs	%
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	1,824.23	100.00	1,673.13	100.00
Others	-	-	-	-

Risk Exposure

The Company is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Actuarial Assumptions

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.85%	7.34%
Expected Return on Plan Assets	7.85%	7.34%
Salary Growth Rate	6.50%	6.50%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Change in Assumptions		Impact on Defined Benefit Obligation			
			Increase in Assumptions		Decrease in Assumptions	
	As at March 31, 2018 %	As at March 31, 2017 %	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2017 ₹ in Lakhs
Discount Rate	1.00%	1.00%	(94.37)	(97.33)	106.81	110.61
Salary Growth Rate	1.00%	1.00%	107.15	110.42	(96.31)	(98.91)
Attrition Rate	1.00%	1.00%	7.48	4.20	(8.46)	(4.85)

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

B. Leave Encashment

(a) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2018, is ₹ 1,081.54 Lakhs (Previous year ₹ 1018.70 Lakhs), which is determined on actuarial basis using Projected Unit Credit Method.

(c) **Principal Actuarial Assumptions**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.85%	7.34%

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Employer's Contribution to Provident Fund and other funds except superannuation	523.11	478.16
Employer's Contribution to Superannuation Fund	165.32	162.06

Expected Contribution for the next year	₹ in Lakhs
Employer's Contribution to Provident Fund and other funds except superannuation	564.96
Employer's Contribution to Superannuation Fund	178.55

38. CAPITAL MANAGEMENT

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Company focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company.

For the purposes of Capital Management, the Company considers the following components of its Balance Sheet to manage capital.

The Capital Structure of the Company was as follows

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Equity (A)	94,384.49	73,213.21	49,426.47
Non-Current Borrowings (including current maturities)	19,747.45	26,602.48	25,998.74
Current Borrowings	26,406.01	30,752.13	23,490.49
Total Borrowings (B)	46,153.46	57,354.61	49,489.23
Total Capital (A+B)	**1,40,537.95**	**1,30,567.82**	**98,915.70**
Total Borrowing as % of Total Equity	48.90%	78.34%	100.13%

Borrowings represented 32.84%, 43.93% and 50.03% of total capital as at March 31, 2018, March 31, 2017, and April 1, 2016 respectively.

The Interest Coverage Ratio for the reporting period was as follows

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
EBITDA (excluding other income & exceptional items)	20,267.07	14,325.11
Interest	4,034.00	3,089.31
Interest Coverage Ratio	**5.02**	**4.64**

39. FINANCIAL INSTRUMENTS

39.1. Categories of Financial Instruments

The Carrying Value of Financial Instruments by Categories as at March 31, 2018 is as follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	118.65
Other Balances with Banks	-	-	3,092.36
Quoted Investments (Level 1)	-	2,150.34	-
Unquoted Investments (Level 3)	224.27	0.67	43,147.68
Government Securities	-	-	0.01
Trade Receivables	-	-	36,921.13
Loans	-	-	255.70
Other Financial Assets	-	-	7,639.97
Total	**224.27**	**2,151.01**	**91,175.50**
Financial Liabilities			
Current Borrowings	-	-	26,406.01
Non-Current Borrowings (including current maturities)	-	-	19,747.45
Trade Payables	-	-	30,651.93
Other Financial Liabilities	-	14.02	542.88
Total	**-**	**14.02**	**77,348.27**

The Carrying Value of Financial Instruments by Categories as at March 31, 2017 is as follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	120.44
Other Balances with Banks	-	-	58.49
Quoted Investments (Level 1)	-	10,436.58	-
Unquoted Investments (Level 3)	137.44	0.67	25,226.98
Government Securities	-	-	0.01
Trade Receivables	-	-	31,545.06
Loans	-	-	315.05
Other Financial Assets	-	-	7,011.86
Total	**137.44**	**10,437.25**	**64,277.89**
Financial Liabilities			
Current Borrowings	-	-	30,752.13
Non-Current Borrowings (including current maturities)	-	-	26,602.48
Trade Payables	-	-	17,519.35
Other Financial Liabilities	-	20.25	516.68
Total	**-**	**20.25**	**75,390.64**

The Carrying Value of Financial Instruments by Categories as at April 1, 2016 is as follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	336.21
Other Balances with Banks	-	-	52.20
Quoted Investments (Level 1)	-	6,893.22	-
Unquoted Investments (Level 3)	137.44	0.67	6,411.39
Government Securities	-	-	0.01
Trade Receivables	-	-	29,564.89
Loans	-	-	387.65
Other Financial Assets	-	91.49	1,555.96
Total	**137.44**	**6,985.38**	**38,308.30**
Financial Liabilities			
Current Borrowings	-	-	23,490.49
Non-Current Borrowings (including current maturities)	-	-	25,998.74
Trade Payables	-	-	16,689.93
Other Financial Liabilities	-	-	519.38
Total	**-**	**-**	**66,698.54**

39.2. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy as at March 31, 2018

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted equity instruments	2,150.34	-	-	2,150.34
Investments in Unquoted equity instruments	-	-	224.94	224.94

Fair Value Hierarchy as at March 31, 2017

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted equity instruments	10,436.58	-	-	10,436.58
Investments in Unquoted equity instruments	-	-	138.11	138.11

Fair Value Hierarchy as at March 31, 2016

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted equity instruments	6,893.22	-	-	6,893.22
Investments in Unquoted equity instruments	-	-	138.11	138.11
Others	91.49	-	-	91.49

Reconciliation of Level 3 Fair Value Measurements

	₹ in Lakhs Investment in Unquoted Shares Irrevocably Designated as FVTOCI
Opening Balance as at April 1, 2016	137.44
Purchases	-
Total gains/losses in other comprehensive income	-
Disposals / settlements	-
Closing Balance as at March 31, 2017	**137.44**
Reclassification of Investments (Refer Note 4.1)	65.86
Total gains in other comprehensive income	20.97
Disposals / settlements	-
Closing Balance as at March 31, 2018	**224.27**

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

39.3. Financial Risk Management Objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts and interest swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

Item	Primarily Effected by	Risk Management Policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts and option contracts.	Note 39.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 39.4.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 39.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 39.6

39.4. Market Risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks

Foreign currency risk

Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

39.4.1 Foreign Currency Risk Management

The Company is exposed to foreign exchange risk on account of following

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign currency borrowings in the form of Term loans, External Commercial Borrowings, buyers credit, packing credit etc. availed for meeting its funding requirements.

The Company has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure.

(a) The Carrying Amounts of the Company's Foreign Currency Denominated Monetary Assets and Liabilities Based on Gross Exposure at the end of the Reporting Period is as Under

Currency	Liabilities			Assets		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
USD (Lakhs)	319.66	196.82	248.53	280.66	248.35	221.65
INR (Lakhs)	20,609.06	13,143.91	16,701.68	18,162.49	16,510.49	14,798.56
GBP (Lakhs)	1.29	-	-	-	0.10	-
INR (Lakhs)	110.71	-	-	-	8.15	-
JPY (Lakhs)	7.09	-	-	-	-	-
INR (Lakhs)	4.35	-	-	-	-	-
EURO (Lakhs)	17.30	0.15	0.98	11.14	-	6.00
INR (Lakhs)	1,388.19	12.14	73.22	893.45	-	440.90

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows

(b) Foreign Currency Forward, Option Contracts and Interest Rate Swaps Outstanding as at the Balance Sheet Date

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Buy	Sell	Buy	Sell	Buy	Sell
Forward Contracts (USD Lakhs)	-	60.00	33.56	-	-	72.61
Forward Contracts (EURO Lakhs)	-	-	-	-	-	6.31
Option Contracts (USD Lakhs)	-	35.00	-	-	-	-
Interest rate Swaps ECB (USD Lakhs)	-	36.00	-	139.50	-	259.75

The forward and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables. The swap contracts have been entered into to hedge the interest rate risks on the external commercial borrowings of the Company.

(c) Net Open Exposures Outstanding as at the Balance Sheet Date

Currency	Liabilities			Assets		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
USD (Lakhs)	99.00	-	99.49	-	85.09	-
GBP (Lakhs)	1.29	-	-	-	0.10	-
JPY (Lakhs)	7.09	-	-	-	-	-
EURO (Lakhs)	6.16	0.15	1.29	-	-	-

(d) Foreign Currency Sensitivity Analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a INR 1 increase and decrease against the US Dollar. INR 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by INR 1 against the US Dollar. For a INR 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Lakhs

Currency USD Impact on Profit or Loss	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Impact of INR 1 strengthening against US Dollar	177.09	(18.26)	98.16
Impact of INR 1 weakening against US Dollar	(167.09)	18.26	(98.16)

The above sensitivity analysis does not include effect of Foreign exchange (loss)/gain capitalised as the same does not affect profit or loss or total equity.

39.4.2 Interest Rate Risk Management

The Company issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Company manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

(a) Interest Rate Swap Contract

The Company had entered into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 39.4.1(b).

(b) Interest Rate Sensitivity Analysis

The sensitivity analysis in para below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended March 31, 2018 would decrease/ increase by ₹ 99.53 Lakhs (March 31, 2017: ₹ 105.99 Lakhs and April 1, 2016 ₹ 59.71 Lakhs)

39.5 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through financial institutions. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Reconciliation of Loss Allowance Provision - Trade Receivables

	₹ in Lakhs
Loss Allowance on April 1, 2016	**442.90**
Changes in loss allowance	(111.75)
Loss Allowance on March 31, 2017	**331.15**
Changes in loss allowance	263.41
Loss Allowance on March 31, 2018	**594.56**

39.6 Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2018

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Trade Payables	(30,651.93)	(30,651.93)	-	-	(30,651.93)
Borrowings	(46,153.46)	(36,857.60)	(9,295.86)	-	(46,153.46)
Other Financial Liabilities	(11,008.49)	(11,008.49)	-	-	(11,008.49)
Foreign Currency Forward Contracts, option contracts and interest swaps	(14.02)	(14.02)	-	-	(14.02)
Trade Receivables (Gross)	37,515.69	36,845.19	504.73	165.78	37,515.69

The table below provides details of financial assets as at March 31, 2018

₹ in Lakhs

	Carrying Amount
Loans	255.70
Other financial assets	7,639.97
Total	**7,895.67**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2017

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Trade Payables	(17,519.35)	(17,519.35)	-	-	(17,519.35)
Borrowings	(57,354.61)	(43,634.96)	(11,527.13)	(2,192.52)	(57,354.61)
Other Financial Liabilities	(13,419.76)	(13,419.76)	-	-	(13,419.76)
Foreign Currency Forward Contracts, option contracts and interest swaps	(20.25)	(20.25)	-	-	(20.25)
Trade Receivables (Gross)	31,876.12	31,379.80	336.63	159.69	31,876.12

The table below provides details of financial assets as at March 31, 2017

₹ in Lakhs

	Carrying Amount
Loans	315.05
Other financial assets	7,011.86
Total	**7,326.91**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at April 1, 2016

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Trade Payables	(16,689.93)	(16,689.93)	-	-	(16,689.93)
Borrowings	(49,489.23)	(33,627.02)	(13,543.04)	(2,319.17)	(49,489.23)
Other Financial Liabilities	(10,655.91)	(10,655.91)	-	-	(10,655.91)
Foreign Currency Forward Contracts, option contracts and interest swaps	91.49	91.49	-	-	91.49
Trade Receivables (Gross)	30,007.79	29,500.73	475.22	31.83	30,007.79

The table below provides details of financial assets as at April 1, 2016:

₹ in Lakhs

	Carrying Amount
Loans	387.65
Other financial assets	1,464.47
Total	**1,852.12**

40. SEGMENT INFORMATION

(a) Primary Segment Information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods delivered. Accordingly, the Company's reportable segments under Ind AS 108 are as follows

(i) Basic Chemicals
(ii) Fine & Speciality Chemicals
(iii) Performance Products

The accounting policies of the reportable segments are same as the Company's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
I)	**Segment Revenue**		
	(a) Basic Chemicals	74,697.86	69,596.61
	(b) Fine & Speciality Chemicals	46,324.06	37,481.68
	(c) Performance Products	29,931.00	26,183.32
	(d) Un- allocable	7.19	-
	Total	**1,50,960.11**	**1,33,261.61**
	Less: Inter Segment Revenue	3,037.14	1,735.10
	Net Sales/Income from operations	**1,47,922.97**	**1,31,526.51**
II)	**Segment Results**		
	Profit + Loss (-) Before Tax & Interest		
	(a) Basic Chemicals	10,664.95	8,810.83
	(b) Fine & Speciality Chemicals	11,479.05	8,236.12
	(c) Performance Products	(808.08)	(1,388.18)
	Total	**21,335.92**	**15,658.77**
	Less : (i) Interest Expenses	4,034.00	3,089.31
	(ii) Other un-allocable expenditure net of un-allocable Income	5,093.50	(2,318.86)
III)	**Profit Before Tax**	**12,208.42**	**14,888.32**

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
IV)	**Segment Assets**		
	(a) Basic Chemicals	41,046.49	38,975.58
	(b) Fine & Speciality Chemicals	43,321.63	34,964.95
	(c) Performance Products	36,668.46	37,638.28
	(d) Un- allocable	59,013.31	44,200.98
	Total	**1,80,049.89**	**1,55,779.79**
V)	**Segment Liabilities**		
	(a) Basic Chemicals	17,587.81	8,487.45
	(b) Fine & Speciality Chemicals	7,932.09	4,232.37
	(c) Performance Products	6,538.65	6,582.44
	(d) Un- allocable	53,606.85	63,264.32
	Total	**85,665.40**	**82,566.58**
VI)	**Capital Expenditure**		
	(a) Basic Chemicals	1,125.52	2,522.70
	(b) Fine & Speciality Chemicals	2,940.25	340.01
	(c) Performance Products	1,251.27	77.66
	(d) Un- allocable	286.62	586.62
	Total	**5,603.66**	**3,526.99**
VII)	**Depreciation**		
	(a) Basic Chemicals	1,638.38	1,568.96
	(b) Fine & Speciality Chemicals	1,403.54	1,257.79
	(c) Performance Products	1,720.26	1,499.53
	(d) Un- allocable	432.74	433.34
	Total	**5,194.92**	**4,759.62**

(b) Secondary Segment Information

The following table shows the distribution of the Company's Revenue and Assets by geographical market

₹ in Lakhs

Revenue	As at March 31, 2018	As at March 31, 2017
In India	96,838.30	84,728.89
Outside India	51,084.67	46,797.62
Total	**1,47,922.97**	**1,31,526.51**

₹ in Lakhs

Carrying Amount of Segment Assets	For the year March 31, 2018	For the year March 31, 2017
In India	1,60,718.66	1,39,675.19
Outside India	19,331.23	16,104.60
Total	**1,80,049.89**	**1,55,779.79**

₹ in Lakhs

Addition to Fixed Assets	For the year March 31, 2018	For the year March 31, 2017
In India		
Tangible	5,549.71	3,357.40
Intangible	53.95	169.59
Outside India		
Tangible	-	-
Intangible	-	-
Total	**5,603.66**	**3,526.99**

41. EARNINGS PER SHARE

	For the year March 31, 2018	For the year March 31, 2017
Basic and Diluted Earnings Per Share		
Number of Shares at the beginning (Nos. in Lakhs)	1,307.11	1,162.88
Number of Shares at the end (Nos. in Lakhs)	1,363.93	1,307.11
Weighted Average Number of Shares considered for Basic Earnings Per Share (Nos. in Lakhs)	1,316.45	1,172.76
Weighted Average Number of Shares considered for Diluted Earnings Per Share (Nos. in Lakhs)	1,316.45	1,172.76
Net Profit after Tax available for Equity Shareholders (₹ in Lakhs)	8,345.50	11,064.21
Basic Earnings (in Rupees) Per Share of ₹ 2/- each	6.34	9.43
Diluted Earnings (in Rupees) Per Share of ₹ 2/- each	6.34	9.43

42 A. RESEARCH AND DEVELOPMENT EXPENSES

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(i)	Capital Expenditure (Refer Note 2.9)	**117.90**	**214.54**
(ii)	Revenue Expenditure		
	Materials	51.21	25.91
	Utilities	5.21	1.72
	Maintenance	17.54	32.47
	Personnel	438.19	421.71
	Others	88.13	103.18
		600.28	**584.99**
	Discarding of Assets	-	6.34
	Depreciation	101.52	117.78
		101.52	**124.12**
	Total Revenue Expenditure	**701.80**	**709.11**
(iii)	**Total Capital & Revenue Expenditure (i + ii)**	**819.70**	**923.65**

42 B. R & D DISCLOSURE FOR DEPARTMENT OF SCIENTIFIC & INDUSTRIAL RESEARCH (DSIR)

₹ in Lakhs

	2017-18	2016-17	2015-16	2014-15	2013-14
(i) Capital Expenditure					
Nandesari	105.05	214.54	158.95	97.48	255.16
Roha	12.85	-	-	-	-
Total	**117.90**	**214.54**	**158.95**	**97.48**	**255.16**
(ii) Revenue Expenditure					
Nandesari	676.01	677.48	648.77	673.67	528.99
Roha	25.79	31.63	13.90	86.32	96.75
Total	**701.80**	**709.11**	**662.67**	**759.99**	**625.74**
(iii) Total Capital & Revenue Expenditure					
Nandesari	781.06	892.02	807.72	771.15	784.15
Roha	38.64	31.63	13.90	86.32	96.75
Total	**819.70**	**923.65**	**821.62**	**857.47**	**880.90**

43. DISCLOSURES UNDER MICRO, SMALL AND MEDIUM ENTERPRISE DEVELOPMENT ACT, 2006

To the extent, the company has received intimation from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details are provided as under

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(i)	Principal amount remaining unpaid	104.43	85.00
(ii)	Interest due thereon remaining unpaid	-	-
(iii)	Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	0.07	0.25
(iv)	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	0.07
(v)	Interest accrued and remaining unpaid (net of tax deducted at source)	-	-
(vi)	Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

44. During FY 2017-18, the Company has spent ₹ 225.00 Lakhs on Corporate Social Responsibility activities, against the requirement of ₹ 178.92 Lakhs, being 2% of average of the net profits for the preceding three years.

45. Previous year's figures are shown in bracket and have been re-classified / regrouped to conform to Ind AS presentation requirements.

46. The Financial Statements were approved for issue by the Board of Directors on May 4, 2018.

47. TRANSITION TO IND AS

These are the first Financial Statements of the Company prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Company is set out in the following tables and notes

A) Exemptions and Exceptions Availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 1, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

(a) Ind AS Optional Exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

(i) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 'Investment Property'. The company has determined that the values of items of Plant, Property and Equipment; except for Plant & Machinery, as at March 31, 2016 do not differ materially from fair valuation as at April 1, 2016 (date of transition to Ind AS). Accordingly, the company has not revalued the items of property plant and equipment at April 1, 2016 except for Plant and Machinery which have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., April 1, 2016.

(ii) Designation of Previously Recognised Financial Instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption for its investment in equity investments.

(iii) Investments in Subsidiary Companies and Associate Company

Ind AS 101 permits a first-time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies and associate company at the IGAAP carrying amount as its deemed cost on the transition date.

(iv) Long-Term Foreign Currency Monetary Items

Under IGAAP, para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates', provided an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets can be added | deducted from the cost of the depreciable asset, which will be depreciated over the balance life of the asset. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the Financial Statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Company has opted to apply this exemption.

(b) Ind AS Mandatory Exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101.

(i) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for Investment in equity instruments carried at FVTPL or FVOCI in accordance with Ind AS at the date of transition as these were not required under IGAAP

(ii) Classification and Measurement of Financial Assets

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

B) Reconciliations between IGAAP and Ind AS

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

I) Reconciliation of Equity

₹ in Lakhs

	As at March 31, 2017			As at April 1, 2016		
	Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
ASSETS						
Non-Current Assets						
Property, Plant and Equipment (a)	56,684.94	(459.91)	56,225.03	59,117.10	71.30	59,188.40
Capital Work-in-Progress (b)	4,084.80	(12.03)	4,072.77	1,031.15	-	1,031.15
Intangible Assets	571.12	-	571.12	591.19	-	591.19
Financial Assets						
Investments (c)	25,359.90	107.62	25,467.52	6,544.31	91.52	6,635.83
Loans (d)	169.40	(33.46)	135.94	257.24	(71.37)	185.87
Other Financial Assets (d)	1,229.90	(51.74)	1,178.16	1,149.89	(83.40)	1,066.49
Non - Current Tax Assets(Net)	159.88	-	159.88	-	-	-
Other Non-Current assets (d) & (e)	2,758.81	(2,511.79)	247.02	2,642.20	(2,219.78)	422.42
Total Non-Current Assets	**91,018.75**	**(2,961.31)**	**88,057.44**	**71,333.08**	**(2,211.73)**	**69,121.35**
Current Assets						
Inventories	14,064.40	-	14,064.40	13,093.84	-	13,093.84
Financial Assets						
Investments (c)	10,291.27	42.89	10,334.16	6,751.50	55.40	6,806.90
Trade Receivables (f)	31,545.06	-	31,545.06	29,564.89	-	29,564.89
Cash and Cash Equivalents	178.93	-	178.93	388.41	-	388.41
Other Financial Assets (b)	6,012.81	-	6,012.81	691.25	91.49	782.74
Other Current Assets (d)	5,589.28	(2.29)	5,586.99	4,985.45	(30.40)	4,955.05
Total Current Assets	**67,681.75**	**40.60**	**67,722.35**	**55,475.34**	**116.49**	**55,591.83**
Total Assets	**1,58,700.50**	**(2,920.71)**	**1,55,779.79**	**1,26,808.42**	**(2,095.24)**	**1,24,713.18**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	2,614.23	-	2,614.23	2,325.76	-	2,325.76
Other Equity (g)	70,822.27	(223.29)	70,598.98	45,194.80	1,905.91	47,100.71
Total Equity	**73,436.50**	**(223.29)**	**73,213.21**	**47,520.56**	**1,905.91**	**49,426.47**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	13,756.71	(37.06)	13,719.65	15,892.61	(30.40)	15,862.21
Provisions	736.54	-	736.54	468.51	-	468.51
Deferred tax Liabilities (Net) (e)	6,572.37	(2,664.62)	3,907.75	5,664.73	(2,291.21)	3,373.52
Total Non-Current Liabilities	**21,065.62**	**(2,701.68)**	**18,363.94**	**22,025.85**	**(2,321.61)**	**19,704.24**
Current Liabilities						
Financial Liabilities						
Borrowings	30,752.13	-	30,752.13	23,490.49	-	23,490.49
Trade Payables (b)	17,535.33	(15.98)	17,519.35	16,689.93	-	16,689.93
Other Financial Liabilities (b)	13,399.51	20.25	13,419.76	10,655.91	-	10,655.91
Provisions (h)	403.04	-	403.04	2,022.60	(1,679.54)	343.06
Current Tax Liabilities(Net)	-	-	-	13.86	-	13.86
Other Current Liabilities	2,108.36	-	2,108.36	4,389.22	-	4,389.22
Total Current Liabilities	**64,198.37**	**4.27**	**64,202.64**	**57,262.01**	**(1,679.54)**	**55,582.47**
Total Liabilities	**85,263.99**	**(2,697.41)**	**82,566.58**	**79,287.86**	**(4,001.15)**	**75,286.71**
Total Equity and Liabilities	**1,58,700.49**	**(2,920.70)**	**1,55,779.79**	**1,26,808.42**	**(2,095.24)**	**1,24,713.18**

*The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this Note.

II) Reconciliation of Total Comprehensive Income

₹ in Lakhs

	For the year March 31, 2017		
	Regrouped IGAAP*	Adjustments	Ind AS
Revenue from Operations	1,31,526.51	-	1,31,526.51
Other Income (c) & (d)	882.83	32.60	915.43
Total Income	**1,32,409.34**	**32.60**	**1,32,441.94**
Expenses			
Cost of Materials Consumed	70,600.77	-	70,600.77
Changes in Inventories of Finished Goods and Work-in-Progress	42.75	-	42.75
Excise Duty on Sale of Goods	8,256.76	-	8,256.76
Employee Benefits Expense (i)	12,220.07	(330.20)	11,889.87
Power & Fuel Expenses	10,243.94	-	10,243.94
Finance Costs	3,089.31	-	3,089.31
Depreciation and Amortisation Expense (a)	4,228.41	531.21	4,759.62
Other Expenses (b) & (d)	16,136.98	30.33	16,167.31
Total Expenses	**1,24,818.99**	**231.34**	**1,25,050.33**
Profit before Exceptional and Extra-Ordinary Items and Tax	**7,590.35**	**(198.74)**	**7,391.61**
Exceptional Items	7,496.71	-	7,496.71
Profit Before Tax	**15,087.06**	**(198.74)**	**14,888.32**
Tax Expense			
Current Tax	2,975.60	-	2,975.60
Deferred Tax (e)	907.66	(59.15)	848.51
Total Tax Expenses	**3,883.26**	**(59.15)**	**3,824.11**
Profit for the year	**11,203.80**	**(139.60)**	**11,064.21**
Other Comprehensive Income (j)	**-**	**(241.17)**	**(241.17)**
Total Comprehensive Income for the year	**11,203.80**	**(380.77)**	**10,823.04**

* The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this Note.

III) Notes to the Reconciliations

(a) Plant & Machinery - Fair Value as Deemed Cost As at the date of Transition April 1, 2016, the company has elected to measure Plant & Equipment at fair value and use the fair value as deemed cost with impact of ₹ 71.30 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. During FY 2016-17, depreciation impact on account of Fair valuation amounted to ₹ 531.21 Lakhs which was recognised in the Statement of Profit or Loss.

(b) Forward Contract The Company has recognised the forward contracts at Fair value as on the Balance sheet date and resulting gains losses on the contracts are recognised in the Reserves as on transition date and in the Statement of Profit and Loss for subsequent periods. The underlying assets and liabilities will be measured at the exchange rate prevailing on the balance sheet date.

(c) Fair Valuation of Investments Under IGAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity and as part of 'Other reserves - FVOCI Equity instruments' at the date of transition and in the Statement of Profit and Loss for subsequent periods.

(d) **Loans & Other Financial Assets** Under IGAAP, the Company accounted for Long Term Security Deposits paid and long-term loans to employees at nominal value. Under Ind AS, these financial assets are measured at Fair Value through Profit or Loss. The difference between Fair Value and Nominal value is accounted for as prepaid employee benefit and Deferred Rent Asset. Also under Ind AS, below market interest rate loan received is recorded at fair value by using an appropriate discount rate on date of obtaining the loan. The interest income is recorded periodically till the maturity of the loan and the prepaid account is discounted based on effective interest method.

(e) **Deferred Tax** MAT credit entitlement which was presented under Other Non Current assets has been presented under Deferred Tax as per the Ind AS requirement. The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods.

(f) **Trade Receivables** The Company has applied impairment requirements of Ind AS 109.

(g) **Retained Earnings** Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

(h) **Proposed Dividend** Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date, but before the approval of the Financial Statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the General Meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) included under current provisions has been reversed with corresponding adjustment to Retained earnings. Consequently, the total equity has increased by an equivalent amount.

(i) **Remeasurement of Gratuity Recognised in Other Comprehensive Income** Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss.

(j) **Other Comprehensive Income** Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans and fair value gain / (loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN No: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN No: 06595059

SUDHIN CHOKSEY
DIN No: 00036085

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

SANJAY UPADHYAY
Director-Finance & CFO
DIN No: 01776546

ARVIND BAJPAI
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

FORM AOC-I

(Pursuant to First Proviso to Sub-section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014)
Statement Sontaining Salient Features of the Financial Statement of Subsidiaries

PART "A": SUBSIDIARIES

	Name of the subsidiary	Deepak Phenolics Limited	Deepak Nitrite Corporation, Inc.
1	Reporting Period for the Subsidiary Concerned, if Different from the Holding Company's Reporting Period	2017-18	2017-18
2	Reporting Currency and Exchange Rate as on the Last Date of the Relevant Financial Year in the Case of Foreign Subsidiaries.	₹	US$ 1US$ = ₹ 65.04
3	Share Capital (₹ in Lakhs)	43,100.00	47.68
4	Reserves & Surplus (₹ in Lakhs)	(1,739.13)	23.69
5	Total Assets (₹ in Lakhs)	1,28,714.06	89.87
6	Total Liabilities (₹ in Lakhs)	87,353.19	18.50
7	Investments (₹ in Lakhs)	801.39	-
8	Turnover (₹ in Lakhs)	19,985.88	382.22
9	Profit Before Tax (₹ in Lakhs)	(1,162.61)	(1.73)
10	Provision for Tax (₹ in Lakhs)	679.13	0.19
11	Profit After Tax (₹ in Lakhs)	(483.48)	(1.54)
12	Total Comprehensive Income (₹ in Lakhs)	(483.62)	(1.54)
13	Proposed Dividend (₹ in Lakhs)	-	-
14	% of Shareholding	100%	100%

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN No: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN No: 06595059

SUDHIN CHOKSEY
DIN No: 00036085

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DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

SANJAY UPADHYAY
Director-Finance & CFO
DIN No: 01776546

ARVIND BAJPAI
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members Of Deepak Nitrite Limited

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Deepak Nitrite Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

AUDITOR'S RESPONSIBILITY

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

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

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

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

OPINION

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

OTHER MATTERS

(a) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 128,803.92 Lakhs as at March 31, 2018, total revenues of ₹ 20,395.22 Lakhs and net cash inflows amounting to ₹ 360.44 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

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

(b) The comparative financial information of the Group for the year ended March 31, 2017 and the related transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, have been prepared after adjusting the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS. The previously issued consolidated financial statements were audited by the predecessor auditor whose reports for the years ended March 31, 2017 and March 31, 2016 dated April 28, 2017 and May 9, 2016 respectively expressed an unmodified opinion on those consolidated financial statements. Adjustments made to the previously issued consolidated financial statements to comply with Ind AS have been audited by us after taking into considerations reports of other auditors.

(c) The comparative financial information for the year ended March 31, 2017 in respect of two subsidiaries prepared in accordance with the Ind AS (Deepak Phenolics Limited) and US GAAP (Deepak Nitrite Corporation Inc.) included in this Statement have been audited by other auditors whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries made in this Statement, is based solely on the reports of the other auditors

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements, referred in para (a) of the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, May 4, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (i) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Deepak Nitrite Limited (hereinafter referred to as "Parent") and its subsidiary company which is company incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary company, which is company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary company, which is company incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the Other Matters paragraph below, the Parent and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTER

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

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No. 106189)

Ahmedabad, May 4, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

₹ in Lakhs

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	2	58,291.07	58,008.36	59,250.30
(b) Capital Work-in-Progress	2	95,450.66	34,919.04	3,192.89
(c) Other Intangible Assets	3	465.26	585.12	591.19
(d) Financial Assets				
Investments	4	234.99	374.19	372.30
Loans	5	131.01	135.94	185.87
Other Financial Assets	6	992.02	1,217.24	1,108.58
(e) Non-Current Tax Assets (Net)	7	265.62	169.79	-
(f) Other Non-Current Assets	8	3,937.54	8,281.08	4,383.18
Total Non-Current Assets		**1,59,768.17**	**1,03,690.76**	**69,084.31**
Current Assets				
(a) Inventories	9	32,541.59	16,714.72	13,403.98
(b) Financial Assets				
Investments	10	2,941.69	11,434.16	8,442.78
Trade Receivables	11	41,177.18	36,033.11	31,249.65
Cash and Cash Equivalents	12.A	942.66	584.02	476.84
Bank Balances Other than Cash and Cash Equivalents above	12.B	3,877.28	865.10	172.20
Other Financial Assets	13	1,871.07	1,390.85	748.07
(c) Other Current Assets	14	15,936.36	8,035.74	4,982.48
Total Current Assets		**99,287.83**	**75,057.70**	**59,476.00**
TOTAL ASSETS		**2,59,056.00**	**1,78,748.46**	**1,28,560.31**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	15	2,727.87	2,614.23	2,325.76
(b) Other Equity	16	89,485.96	68,872.37	46,806.89
Total Equity		**92,213.83**	**71,486.60**	**49,132.65**
Non-Current Liabilities				
(a) Financial Liabilities				
Borrowings	17	55,045.79	21,843.82	15,862.21
(b) Provisions	18	793.73	780.12	481.34
(c) Deferred Tax Liabilities (Net)	19	4,540.19	3,907.75	3,373.52
(d) Other Non-Current Liabilities	20	1,702.99	-	-
Total Non-Current Liabilities		**62,082.70**	**26,531.69**	**19,717.07**
Current Liabilities				
(a) Financial Liabilities				
Borrowings	21	33,157.01	37,662.43	26,851.67
Trade Payables	22	48,243.44	21,457.85	17,427.25
Other Financial Liabilities	23	11,069.47	13,420.76	10,655.91
(b) Provisions	17	353.82	409.97	345.94
(c) Current Tax Liabilities (Net)	24	-	-	18.34
(d) Other Current Liabilities	25	11,935.73	7,779.16	4,411.48
Total Current Liabilities		**1,04,759.47**	**80,730.17**	**59,710.59**
Total Liabilities		**1,66,842.17**	**1,07,261.86**	**79,427.66**
TOTAL EQUITY AND LIABILITIES		**2,59,056.00**	**1,78,748.46**	**1,28,560.31**
Significant Accounting Policies	1			

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN No: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN No: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN No: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

SUDHIN CHOKSEY
DIN No: 00036085

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

		Notes	For the year March 31, 2018	For the year March 31, 2017
I.	Revenue from Operations	26	1,67,618.20	1,45,470.73
II.	Other Income	27	1,240.04	1,090.60
III.	**Total Income (I+II)**		**1,68,858.24**	**1,46,561.33**
IV.	**Expenses**			
	(a) Cost of Materials Consumed	28	84,058.07	70,600.77
	(b) Purchase of Traded Goods	29	18,749.93	16,575.91
	(c) Changes in Inventories of Finished Goods, Work-in-Progress and Traded Goods	30	1,070.78	(2,591.15)
	(d) Excise Duty on Sale of Goods		2,472.80	8,400.24
	(e) Employee Benefits Expense	31	13,615.26	12,229.08
	(f) Power & Fuel Expenses	32	11,987.90	10,243.94
	(g) Finance Costs	33	4,514.74	3,412.19
	(h) Depreciation and Amortisation Expense	34	5,259.97	4,803.53
	(i) Other Expenses	35	16,043.62	16,464.76
	Total Expenses (IV)		**1,57,773.07**	**1,40,139.27**
V.	**Profit Before Exceptional Items, Share of Net Profit of Investments accounted for using Equity Method and Tax (III-IV)**		**11,085.17**	**6,422.06**
VI.	Exceptional Items (Refer Note 2.4)		-	7,048.38
VII.	**Profit Before Share of Net Profit of Investments Accounted for Using Equity Method and Tax (V+VI)**		**11,085.17**	**13,470.44**
VIII.	Share of Loss of Associate Company accounted for using the Equity Method		-	(14.21)
IX.	**Profit Before Tax (VII+VIII)**		**11,085.17**	**13,456.23**
X.	**Tax Expense**			
	(a) Current Tax		2,595.30	3,188.30
	(b) Deferred Tax		876.81	636.42
	(c) Excess Provision of Earlier Years		(288.51)	-
XI.	**Profit for the Year (IX-X)**		**7,901.57**	**9,631.51**
XII.	**Other Comprehensive Income**			
	(A) Items that will not be Reclassified to Profit and Loss:			
	(a) Remeasurement of Defined Benefit Obligations (Net)		108.69	(343.44)
	(b) Tax Effect of Remeasurement of Defined Benefit Liabilities / (Assets)		(37.01)	102.18
	(B) Items that will be Reclassified to Profit and Loss:			
	(a) Fair Value Gains on Investments		20.97	-
	(b) Tax Effect of Fair Value Gains on Investments		(7.13)	-
	Total Other Comprehensive Income for the Year (XII)		**85.52**	**(241.26)**
XIII.	**Total Comprehensive Income for the Year (XI+XII)**		**7,987.09**	**9,390.25**
XIV.	**Profit is Attributable to**			
	Owners of the Company		**7,901.57**	**9,631.51**
	Non-Controlling Interest		**-**	**-**
XV.	**Other Comprehensive Income is Attributable to**			
	Owners of the Company		**85.52**	**(241.26)**
	Non-Controlling Interest		**-**	**-**
XVI.	**Total Comprehensive Income is Attributable to**			
	Owners of the Company		**7,987.09**	**9,390.25**
	Non-Controlling Interest		**-**	**-**
	Earnings Per Equity Share			
	(a) Basic (Nominal Value per Share ₹ 2)		6.00	8.21
	(b) Diluted (Nominal Value per Share ₹ 2)		6.00	8.21

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN No: 00028377

SANJAY UPADHYAY
Director-Finance & CFO
DIN No: 01776546

UMESH ASAIKAR
Executive Director & CEO
DIN No: 06595059

ARVIND BAJPAI
Company Secretary
Membership No: F6713

Mumbai: May 4, 2018

SUDHIN CHOKSEY
DIN No: 00036085

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2018

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	11,085.17	13,470.44
	Profit Before Tax	**11,085.17**	**13,470.44**
	Non-Cash Adjustment to Reconcile Profit Before Tax to Net Cash Flows		
	1. Depreciation / Amortisation	5,275.97	4,803.53
	2. Loss on Sale of Fixed Assets	558.11	161.33
	3. Profit on Sale of Fixed Assets (including exceptional items)	(10.77)	(7,062.11)
	4. Provision for Doubtful Debts	314.57	(113.46)
	6. Gain on Redemption of Investment	(395.37)	(273.89)
	7. Interest Expenses	4,514.74	3,412.19
	8. Interest Income	(155.88)	(167.88)
	9. Dividend Income	(0.01)	(0.07)
	10. Fair Value (Gains)/Loss	(9.64)	11.36
	11. Amortisation Expense	1.05	0.53
	Operating Profit Before Change in Operating Assets and Liabilities	**21,177.94**	**14,241.97**
	Movements in Working Capital :		
	1. (Increase)/Decrease in Inventories	(15,825.23)	(3,309.74)
	2. (Increase)/Decrease in Trade Receivables	(5,304.06)	(4,494.37)
	3. (Increase)/Decrease in Non-Current Loans	4.93	49.93
	4. (Increase)/Decrease in Other Financial Assets	508.13	(1,920.06)
	5. (Increase)/Decrease in Other Assets	(7,982.04)	(525.96)
	6. Increase/(Decrease) in Trade Payables	26,612.13	3,261.60
	7. Increase/(Decrease) in Other Financial Liabilities	(6.28)	14.22
	8. Increase/(Decrease) in Other Liabilities	1,834.03	(779.44)
	9. Increase/(Decrease) in Provisions	66.29	(15.43)
	Cash Generated from Operations	**21,085.84**	**6,522.72**
	Less:		
	Income Tax Paid (Net of refund)	2,785.90	1,622.12
	Net Cash Inflow from Operating Activities (A)	**18,299.94**	**4,900.60**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	1. Purchase of Property, Plant & Equipment, including Capital Work in Progress, Capital Advances & Payable for Capital Expenditure	(62,228.24)	(29,623.25)
	2. Proceeds from Sale of Property, Plant & Equipment Net of Receivable	111.96	5,503.38
	3. Insurance Claims Received	750.00	-
	4. Proceeds from Sale of Investment	527.96	-
	5. Purchase of Current Investments	(29,664.77)	(71,354.11)
	6. Proceeds from Sale/Maturity of Current Investments	38,194.47	68,390.15
	7. Deposit with Bank	(3,026.22)	-
	8. Interest Received	155.44	90.76
	9. Dividend Received	0.01	0.07
	10. Taxes paid on Transfer/Sale of Land	-	(1,626.20)
	11. Decrease / (Increase) in Long-Term Loans and Advances & Other Non-Current Assets Related to Capital Assets	2,706.62	(6,636.21)
	Net Cash Outflow from Investing Activities (B)	**(52,472.77)**	**(35,255.41)**

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
1.	Proceeds from Issue of Equity Shares including Securities Premium	14,627.98	14,643.23
2.	Proceeds from Long-Term Borrowings	47,575.75	21,839.02
3.	Repayment of Long-Term Borrowings	(16,812.08)	(8,505.29)
4.	Net Proceeds from Working Capital Borrowings	(4,336.32)	7,261.74
5.	Proceeds/(Repayment) from/of Short-Term Borrowings	(169.10)	1,000.00
6.	Interest Paid	(4,496.72)	(3,415.05)
7.	Dividend Paid on Equity Shares	(1,560.31)	(1,389.27)
8.	Tax on Equity Dividend Paid	(319.32)	(284.08)
9.	Margin Money Deposit	21.58	(688.31)
	Net Cash Outflow from Financing Activities (C)	**34,531.46**	**30,461.99**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	**358.64**	**107.18**
	Cash and Cash Equivalents at the Beginning of the Financial Year	**584.02**	**476.84**
	Cash and Cash Equivalents at the end of the Financial Year	**942.66**	**584.02**
	Reconciliation of Cash and Cash Equivalents		
	Balances with Banks		
	In Current Accounts	929.74	568.81
	In EEFC Accounts	11.45	15.21
	Cash on Hand	1.47	-
	Total Cash and Cash Equivalents as per Note 12 A.	**942.66**	**584.02**

The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
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Mumbai: May 4, 2018

SUDHIN CHOKSEY
DIN No: 00036085

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(A) EQUITY SHARE CAPITAL

₹ in Lakhs

	Note	Amount
As at April 1, 2016		**2,325.76**
Issued during the year (Refer Note 15 (b) (iv))		288.47
As at March 31, 2017	**15**	**2,614.23**
Issued during the year (Refer Note 15 (b) (iv))		113.64
As at March 31, 2018		**2,727.87**

(B) OTHER EQUITY

₹ in Lakhs

	Reserves and Surplus					Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	General Reserve	Capital Redemption Reserve	Securities Premium Reserve	Equity Instruments through Other Comprehensive Income	
Balance as at April 1, 2016	**24,765.00**	**71.27**	**7,390.13**	**15.00**	**14,547.45**	**18.04**	**46,806.89**
Profit for the year	9,631.51	-	-	-	-	-	9,631.51
Other Comprehensive Income	(241.26)	-	-	-	-	-	(241.26)
Dividend	(1,395.46)	-	-	-	-	-	(1,395.46)
Tax on Dividend	(284.08)	-	-	-	-	-	(284.08)
Transfer to/from Retained Earnings	-	-	-	-	-	-	-
Receipt of Securities Premium from Issue of Equity Shares to Qualified Institutional Buyers (Net) (Refer Note 15 (b) (iv))	-	-	-	-	14,354.77	-	14,354.77
Balance as at March 31, 2017	**32,475.71**	**71.27**	**7,390.13**	**15.00**	**28,902.22**	**18.04**	**68,872.37**
Profit for the year	**7,901.57**	**-**	**-**	**-**	**-**	**-**	**7,901.57**
Other Comprehensive Income	71.68	-	-	-	-	13.84	85.52
Dividend	(1,568.53)	-	-	-	-	-	(1,568.53)
Tax on Dividend	(319.31)	-	-	-	-	-	(319.31)
Transfer to/from Retained Earnings	(500.00)	-	500.00	-	-	-	-
Receipt of Securities Premium from Issue of Equity Shares to Qualified Institutional Buyers (Net)(Refer Note 15 (b) (iv))	-	-	-	-	14,514.34	-	14,514.34
Balance as at March 31, 2018	**38,061.12**	**71.27**	**7,890.13**	**15.00**	**43,416.56**	**31.88**	**89,485.96**

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our report of even date

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

KARTIKEYA RAVAL
Partner

Ahmedabad: May 4, 2018

For and on behalf of the Board

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Directors

Mumbai: May 4, 2018

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2018

COMPANY OVERVIEW

Deepak Nitrite Limited ('DNL' or 'the Company') is a prominent chemical manufacturing public limited company incorporated and domiciled in India. Its registered office is located at 9/10, Kunj Society, Alkapuri, Vadodara- 390 007, Gujarat, India and its manufacturing facilities are located in the states of Gujarat, Maharashtra and Telangana.

The Company and its subsidiary Companies are referred to as the Group here under.

1. Significant Accounting Policies

This Note provides a list of the significant Accounting Policies adopted by the Group in the preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Financial Statements are for the Group consisting of the Company and its subsidiary companies.

(a) I. Basis of Preparation

(i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The Consolidated Financial Statements up to the year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) "Previous GAAP" and other relevant provisions of the Companies Act, 2013. These Consolidated Financial Statements are the first Financial Statements of the Company in accordance with Ind AS. The date of transition to Ind AS is April 1, 2016. Refer 'Note 47' for details of first-time adoption exemptions availed by the Company.

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

(a) Certain items of Property, Plant and Equipment

(b) Certain financial assets and financial liabilities measured at fair value

(c) Derivative Financial instruments

(d) Defined benefit plan – plan assets measured at fair value

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

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

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

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

(ii) Functional and Presentation Currency

Items included in the Consolidated Financial Statements of the Company are measured using the currency of the primary economic

environment in which the Company operates ('functional currency'). The Consolidated Financial Statements of the Company are presented in Indian currency (INR), which is also the functional and presentation currency of the Company.

(iii) Use of Estimates and Critical Accounting Judgements

Preparation of the Consolidated Financial Statements requires use of accounting estimates which, by definition, will be equal to the actual results. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Critical Judgements in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Useful Lives and Residual Value of Property, Plant and Equipment The Group reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Allowance for Expected Credit Losses The expected credit allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

Fair Value of Investments The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the valuation exercise carried out by the Group with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

Income Taxes Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

(a) II. Principles of Consolidation

The Consolidated Financial Statements (CFS) comprise the Financial Statements of Deepak Nitrite Limited and its subsidiaries as at March 31, 2018. The consolidated financial statements of the Group have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. The basis for preparing the consolidated financial statements is given below:

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies are consistent with the policies adopted by the Group.

In case of foreign subsidiary, being Integral Foreign Operations, revenue items are consolidated at the average rate that approximates the actual rate at the date of transaction. All monetary items

are translated in to Consolidated financial statements at exchange rate in effect at the balance sheet date. Any exchange difference arising on consolidation is recognised in the Consolidated Statement of Profit and Loss.

Name of Entity	Ownership in % Either Directly or Through Subsidiaries		Nature	Country of Incorporation
	2017-18	2016-17		
Deepak Phenolics Limited	100%	100%	Subsidiary	India
Deepak Nitrite Corporation, Inc.	100%	100%	Subsidiary	United States of America

Changes in Ownership Interest

When the Group ceases to consolidate or equity account for an investment because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company or financial asset.

(b) Current Versus Non-Current Classification

Assets and liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, and the Company's normal operating cycle.

An asset is treated as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of business and its activities, the Group has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of assets and liabilities.

(c) Revenue Recognition

(i) Timing of Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of goods are transferred to the buyer, recoverability of consideration is probable, the amount of revenue and cost incurred or to be incurred in respect of the transaction can be measured reliably and there is no continuing managerial involvement over the goods sold.

Revenue from services is recognised in the accounting period in which the services are rendered.

Eligible export incentives are recognised in the year in which the conditions precedent is met and there is no significant uncertainty about the collectability.

(ii) Measurement of Revenue

Sale of Goods

Revenue includes excise duty as it is paid on production and is a liability of the manufacturer, irrespective of whether the goods are sold or not. The revenue is reported net of GST as per Ind AS 18. Discounts given include rebates, price reductions and other incentives given to customers. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Accumulated experience is used to estimate and

provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as sales are made with a credit term which is consistent with market practice.

Revenue from Services is recognised when the services are rendered or when contracted milestones have been achieved.

Interest Income

Interest income from Financial Assets is recognised when it is probable that the economic benefits will flow to the company and the amount of income is measured reliably. Interest income is accrued on time basis, by reference to the principle outstanding and using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Revenue in respect of other income is recognised to the extent that the Company is reasonably certain of its ultimate realisation.

(d) Foreign Currency Transactions

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

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

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, option contracts and interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

(e) Income Taxes

The income tax expense represents the sum of the tax currently payable and deferred tax.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in equity, respectively.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of Goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting

profit nor taxable profit /(tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Dividend distribution tax arising out of payment of dividends to shareholders under the Indian Income Tax Act regulation are recognised in consolidated statement of changes in equity as part of associated dividend payment.

(f) Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services are stated at cost less accumulated depreciation and accumulated losses if any.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Consolidated Statement of Profit and Loss during the period in which they are incurred.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation Methods, Estimated Useful Lives and Residual Value:

Depreciation is provided, pro rata for the period of use, under the Straight Line Method (SLM) except in respect of Aromatics Amines plant where depreciation in respect of plant & equipment is provided on Written Down Value method (WDV).

Depreciation on all tangible assets is provided at the rates and in the manner prescribed by Schedule II to the Companies Act, 2013 and certain components of plant & equipment such as Reactors, Centrifuge, Cooling towers, Air Compressor etc. which are depreciated over its useful life as technically assessed by Independent/ Internal Technical Personnel after taking into consideration past experience of the company, chemical process & chemical industry norms.

Asset Category	Estimated Useful Life
Building	30 years
Plant & Equipment	3 to 40 years
Furniture & Fixture	10 years
Vehicle	8 years
Office Equipment	5 years
Road	5 years

Freehold land is stated at historical cost and is not depreciated.

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

In respect of depreciable assets for which Impairment Loss is recognised, depreciation/amortisation is charged on the revised carrying amount over the remaining useful life of the assets computed on the basis of the life prescribed in schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each Financial Year end and adjusted prospectively, if appropriate.

Assets held for disposal are classified as Current Assets at lower of its carrying amount and fair value less costs to sell, difference being recognised in the Consolidated Statement of Profit and Loss.

(g) Intangible Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is

recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. A detail of estimated useful life is given below:

Software and related implementation costs	6 years
Rights to use facilities	5 years
Technical Know How	10 years

(h) Impairment of Tangible and Intangible Assets

The carrying amount of cash generating units/assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. Impairment loss, if any, is recognised whenever carrying amount exceeds the recoverable amount. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(i) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term deposits (3 months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(j) Inventories

Raw materials and components, stores and spares other than specific spares for plant and equipment are valued at cost determined on period-moving weighted average basis and are net of Cenvat, VAT & GST. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company. Items such as spare parts, stand-by equipment and servicing equipment which is not plant and equipment gets classified as inventory.

Finished Goods and Stock-in-process are valued at cost of purchase of raw materials and conversion thereof, including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realisable value, whichever is lower. The inventories of joint products are valued by allocating the costs to the joint products by 'Relative Sales Value' method. By-products are valued at net realisable price.

(k) Investments and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

(1) Those to be measured subsequently at fair value (either through Other Comprehensive Income, or through the Statement of Profit and Loss)

(2) Those measured at amortised cost

The classification depends on the business model of the entity for managing financial assets and the contractual terms of the cash flows.

(ii) Initial Recognition and Measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

(iii) Subsequent Measurement

After initial recognition, financial assets are measured at:

(1) Fair value {either through Other Comprehensive Income (FVOCI) or through profit or loss (FVPL)} or,

(2) Amortised cost

(iv) Debt Instruments

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are 3 measurement categories into which the Company classifies its debt instruments:

Measured at Amortised Cost

Financial assets that are held within a business model whose objective is to hold financial assets

in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

Measured at Fair Value Through Other Comprehensive Income (OCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through Other Comprehensive Income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain/(loss) previously recognised in OCI is reclassified from the equity to other income in the Consolidated Statement of Profit and Loss.

Measured at Fair Value Through Profit or Loss

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Consolidated Statement of Profit and Loss.

(v) Equity Instruments

The Company subsequently measures all investments in equity instruments other than subsidiary companies at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments, except for strategic investments, in the Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Consolidated Statement of Profit and Loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(vi) Investments in Subsidiary Companies

Investments in subsidiary companies carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies the difference between net disposal proceeds and the carrying amounts are recognised in the Consolidated Statement of Profit and Loss.

(vii) Impairment of Financial Assets

At each balance sheet date, the Company assesses whether a financial asset is to be impaired. Ind AS 109 requires expected credit losses to be measured through loss allowance. The Company measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses. The Company uses both forward-looking and historical information to determine whether a significant increase in credit risk has occurred.

(viii) De-Recognition

A financial asset is de-recognised only when the Company

(1) has transferred the rights to receive cash flows from the financial asset or

(2) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of, the financial asset is de-recognised if the Company has not retained control of the financial asset. Where the

Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(l) Financial Liabilities

(i) Classification

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

(ii) Initial Recognition and Measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

(iii) Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

(iv) De-Recognition

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

(m) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(n) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

(o) Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the Management of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

(p) Employee Benefits

(i) Short-Term Employee Benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in Consolidated Statement of Profit and Loss.

(ii) Defined Contribution Plan

Company's contributions paid/payable during the year to Provident Fund, Superannuation Fund are recognised in the Consolidated Statement of Profit and Loss.

(iii) Defined Benefit Plan

The Company's net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and interest on the net defined benefit liability / (asset) is recognised in the statement of profit and loss. Past service cost are immediately recognised in the consolidated

statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

(iv) Compensated Absence and Earned Leaves

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the consolidated statement of profit and loss in the period in which they arise.

(q) Government Grants

(i) Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

(ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

(iii) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

(r) Research and Development Expenditure

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

(s) Earnings Per Share

Basic Earnings Per Share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Diluted Earnings per Equity Share are computed by dividing net income by the weighted average number of Equity Shares adjusted for the effects of all dilutive potential Equity Shares. Earnings considered in ascertaining the EPS is the net profit for the period after attributable tax thereto for the period.

(t) Segment Reporting - Basis of Information

The Group has determined 3 (three) reporting Segments, based on the information reviewed by chief operating decision maker as primary segments viz. (i) Basic Chemicals , (ii) Fine & Speciality Chemicals and (iii) Performance Products .

Inter segment transfer prices are normally negotiated amongst the segments with reference to the costs, market prices and business risks, within an overall optimisation objective of the Company.

Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on reasonable basis, have been included under "Other unallocable". Assets and liabilities which relate to the enterprise as a whole but are not allocable to segments on a reasonable basis have been included under "Unallocable Assets/Liabilities".

Secondary segment have been indentified with reference to geographical location of external customers. Composition of secondary segment is as follows: (i) India and (ii) Outside India

2. PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

	Owned assets								Total	Capital Work-in-Progress
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road		
Deemed Cost as at April 1, 2016	**578.68**	**2,769.05**	**9,506.57**	**44,966.53**	**378.54**	**560.91**	**192.94**	**297.08**	**59,250.30**	**3,192.89**
Additions during the year 2016-17	-	483.52	118.68	2,948.29	200.34	134.51	90.36	-	3,975.70	35,701.85
Deductions during the year 2016-17	-	-	(256.81)	(1,497.11)	(138.16)	(158.32)	(111.67)	-	(2,162.07)	(3,975.70)
Depreciation for the year 2016-17	-	(31.52)	(414.91)	(3,289.77)	(78.70)	(105.37)	(89.11)	(102.70)	(4,112.08)	-
Depreciation impact on account of Fair Valuation	-	-	-	(531.21)	-	-	-	-	(531.21)	-
Depreciation on disposal during the year 2016-17	-	-	100.06	1,160.55	134.85	85.37	106.89	-	1,587.72	-
Net Carrying Amount as at March 31, 2017	**578.68**	**3,221.05**	**9,053.59**	**43,757.28**	**496.87**	**517.10**	**189.41**	**194.38**	**58,008.36**	**34,919.04**
Additions during the year 2017-18	-	314.24	289.06	4,812.58	71.31	21.97	81.98	10.24	5,601.38	66,081.33
Deductions during the year 2017-18	-	-	-	(211.01)	(0.34)	(29.07)	(6.08)	-	(246.50)	(5,549.71)
Depreciation for the year 2017-18	-	(40.31)	(434.61)	(4,246.06)	(93.95)	(105.45)	(77.36)	(104.40)	(5,102.14)	-
Depreciation on disposal during the year 2017-18	-	-	-	16.32	0.30	7.92	5.42	-	29.97	-
Net Carrying Amount as at March 31, 2018	**578.68**	**3,494.98**	**8,908.04**	**44,129.11**	**474.20**	**412.47**	**193.37**	**100.22**	**58,291.07**	**95,450.66**

3. INTANGIBLE ASSETS

₹ in Lakhs

	Computer Software	Others	Total
Deemed Cost as at April 1, 2016	**290.29**	**300.90**	**591.19**
Additions during the year 2016-17	185.85	-	185.85
Deductions during the year 2016-17	(96.82)	-	(96.82)
Depreciation for the year 2016-17	(105.18)	(55.06)	(160.24)
Depreciation on disposal during the year 2016-17	65.14	-	65.14
Net Carrying Amount as at March 31, 2017	**339.28**	**245.84**	**585.12**
Additions during the year 2017-18	53.95	-	53.95
Depreciation for the year 2017-18	(99.21)	(74.60)	(173.81)
Net Carrying Amount as at March 31, 2018	**294.02**	**171.24**	**465.26**

Notes:

1 Property, Plant and Equipment hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

2 Building includes ₹ 1,080.00 Lakhs (₹ 1,080.00 Lakhs at March 31, 2017 and April 1, 2016) in respect of ownership of premises in a co-operative housing society by way of 10 Shares.

3 The useful lives of Plant & Machinery have been changed from Financial Year 2017-18 which is based on technical evaluation done by the Management experts which are in accordance to the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets.

4 During the previous year, company has sold a parcel of freehold land situated at Pune for a consideration of ₹ 6,960.00 Lakhs and has also surrendered / assigned its leasehold rights in respect of adjoining land for consideration of ₹ 966.00 Lakhs. The profit on sale of land and surrender / assignment of its leasehold rights amounting to ₹ 7,048.38 Lakhs has been recognised in the Consolidated Statement of Profit and Loss as an exceptional item.

5 Property Plant & Equipment- Deemed Cost as at 01.04.2016

₹ in Lakhs

	Owned Assets										Total
	Freehold Land	Leasehold Land	Building	Plant and Equipment	Furniture and Fixture	Vehicle	Office Equipment	Road	Computer Software	Other	
Gross Carrying amount as at April 1, 2016	**581.11**	**3,001.70**	**12,087.30**	**69,902.70**	**860.45**	**884.56**	**568.11**	**537.48**	**746.63**	**499.84**	**89,669.88**
Accumulated depreciation as at April 1, 2016	-	(232.65)	(2,580.73)	(25,007.47)	(481.91)	(323.65)	(375.17)	(240.40)	(456.34)	(198.94)	(29,897.26)
Impact of Fair Valuation	-	-	-	71.30	-	-	-	-	-	-	71.30
Regrouping to Asset Held for Sale	(2.43)	-	-	-	-	-	-	-	-	-	(2.43)
Deemed Cost as at April 1, 2016	**578.68**	**2,769.05**	**9,506.57**	**44,966.53**	**378.54**	**560.91**	**192.94**	**297.08**	**290.29**	**300.90**	**59,841.49**

6 Capitalised borrowing costs

Addition to Fixed Assets include borrowing costs (including exchange difference considered as adjustments to borrowings cost) amounting to ₹ 5.31 Lakhs (Previous year, ₹ (113.27) Lakhs)

₹ in Lakhs

	Capitalised during the Current Year	Capitalised during the Previous Year
Exchange Loss/(Gain) Capitalised (Refer Note Below)		
(a) Plant & Machinery	5.01	(106.82)
(b) Factory & Other Building	0.30	(6.45)
Total	**5.31**	**(113.27)**

Note: Pursuant to the provisions contained in the Companies (Accounting Standards) Amendment Rules, 2009, and related notifications of Ministry of Corporate Affairs, the Company in 2017-18 has adjusted to Property, Plant & Equipment, foreign exchange differences amounting to ₹ 5.31 Lakhs (Previous year, ₹ (113.27) Lakhs) on revaluation of long term foreign currency borrowing for acquisition of Property, Plant & Equipment as an adjustment to borrowing costs.

7 Capital Work in Progress

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
(a) Capital Work in Progress (Building)	397.88	397.88	397.88
(b) Capital Work in Progress (Projects)	76,286.90	23,896.26	-
(c) Capital Work in Progress (Others)	18,765.87	11,022.78	3,192.89
Provision for Impairment	-	(397.88)	(397.88)
Capital Work in Progress (Net)	**95,450.65**	**34,919.04**	**3,192.89**

4. NON-CURRENT INVESTMENTS

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Investments in equity instruments of associate company measured at cost	-	133.65	147.86
(b)	Investments in equity instruments of other companies measured at FVTPL	10.71	103.09	86.99
(c)	Investments in equity instruments of other companies measured at FVOCI	224.27	137.44	137.44
(d)	Investments in Government or Trust Securities measured at amortised cost	0.01	0.01	0.01
Total		**234.99**	**374.19**	**372.30**

₹ in Lakhs

		Face Value	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
			No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
(a)	**Investment in Equity Instruments (Fully Paid-Up)**							
	(i) Associate Measured at Cost (Unquoted)							
	In Foreign Associate Measured at Cost							
	Deepak Gulf LLC (Refer Note 4.1 below)	Omani Riyal 1/-	-	-	1,22,500	147.86	1,22,500	164.94
	Share of Loss of Associate Company		-	-	-	(14.21)	-	(17.08)
	Balance at the end of year		-	-	1,22,500	133.65	1,22,500	147.86
	(ii) Other Companies Measured at FVTPL							
	Quoted							
	Bank of Baroda	₹ 2/-	-	-	50,000	86.48	50,000	73.50
	IDBI Bank	₹ 10/-	6,240	4.51	6,240	4.68	6,240	4.34
	Dena Bank	₹ 10/-	29,400	5.53	29,400	11.26	29,400	8.48
	Unquoted							
	Nandesari Environment Control Limited	₹ 10/-	800	0.08	800	0.08	800	0.08
	Baroda Co-operative Bank Ltd.	₹ 50/-	20	0.01	20	0.01	20	0.01
	Shamrao Vitthal Co-op Bank Ltd.	₹ 25/-	2,000	0.50	2,000	0.50	2,000	0.50
	New India Co-op Bank Ltd.	₹ 10/-	798	0.08	798	0.08	798	0.08
	(iii) Other Companies Measured at FVOCI							
	Unquoted							
	Jedimetla Effluent Treatment Ltd.	₹ 100/-	52,342	80.08	52,342	80.08	52,342	80.08
	Deepak International Limited	GBP 1/-	73,706	68.01	73,706	57.36	73,706	57.36
	Deepak Gulf LLC (Refer Note 4.1 below)	Omani Riyal 1/-	45,000	76.18	-	-	-	-
(b)	**Investments in Government or Trust Securities Measured at Amortised Cost**							
	National Savings Certificate		-	0.01	-	0.01	-	0.01
	Total		**2,10,306**	**234.99**	**3,37,806**	**374.19**	**3,37,806**	**372.30**

Notes:

4.1 During the year, 31% shares out of 49% holding of Deepak Gulf LLC was transferred for a consideration of ₹ 131.13 Lakhs. Deepak Gulf LLC ceased to be associate company and remaining investment is measured at FVOCI as on March 31, 2018. The gain on redemption of Investment of ₹ 17.70 Lakhs has been recognised in the Statement of Profit and Loss. (Refer Note 27 (e))

4.2

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Aggregate amount of Unquoted Investments	224.95	271.77	285.98
(b) Aggregate amount of Quoted Investments	10.04	102.42	86.32

5. LOANS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loans to Employees			
Unsecured, considered good			
(a) Key Managerial Personnel and Directors	0.89	1.51	2.13
(b) Others	130.12	134.43	183.74
Total	**131.01**	**135.94**	**185.87**

These financial assets are carried at amortised cost.

6. OTHER NON-CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits			
Unsecured, considered good			
(a) Related parties (Refer Note Below)	383.09	348.26	316.60
(b) Others	608.93	868.98	791.98
Total	**992.02**	**1,217.24**	**1,108.58**

Security Deposits from Related Parties include Deposit towards lease of Residential Premises of ₹ 400 Lakhs accounted at Fair value using appropriate discount rate.

7. NON-CURRENT TAX ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current Tax Assets			
Advance Income Tax (Net of provisions)	265.62	169.79	-
Total	**265.62**	**169.79**	**-**

8. OTHER NON-CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Capital Advances	3,834.69	8,113.53	3,380.10
(b) Prepaid Expenses	37.31	108.91	239.19
(c) Advance against Salary	65.54	58.12	44.13
(d) Balance with tax authorities	-	-	718.72
(e) Unamortised expenditure	-	0.52	1.04
Total	**3,937.54**	**8,281.08**	**4,383.18**

9. INVENTORIES [AT LOWER OF COST AND NET REALISABLE VALUE]

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Raw materials and components	18,410.58	3,752.76	3,440.18
Goods-in-transit	3,427.14	1,541.41	1,302.16
	21,837.72	5,294.17	4,742.34
(b) Work-in-progress	3,820.16	3,529.68	2,358.42
(c) Finished goods	3,406.80	4,086.43	5,300.44
(d) Traded goods	1,967.45	2,649.08	15.18
(e) Stores and Spares	1,683.39	1,325.56	1,197.25
	32,715.52	16,884.92	13,613.63
Provision for obsolescence	(173.93)	(170.20)	(209.65)
Total	**32,541.59**	**16,714.72**	**13,403.98**

Inventories hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

10. CURRENT INVESTMENTS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments Measured at FVTPL (Quoted)			
Investments in Mutual Funds	2,941.69	11,434.16	8,442.78
Total	**2,941.69**	**11,434.16**	**8,442.78**

11. TRADE RECEIVABLES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
(a) Unsecured, Considered Good			
(i) Trade Receivables	40,668.72	35,222.16	31,096.73
(ii) Related Parties	508.46	810.95	152.92
(b) Unsecured, Considered Doubtful	645.73	331.15	444.61
Allowance for Credit Losses	(645.73)	(331.15)	(444.61)
Total	**41,177.18**	**36,033.11**	**31,249.65**

The credit period on sales of goods varies with business segments/ markets and generally ranges between 30 to 180 days. For financial risk related to Trade Receivables refer note 41.5 & 41.6.

Trade receivables hypothecated/mortgaged as security for borrowings are disclosed under note 17 and note 21.

12A. CASH AND CASH EQUIVALENTS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Cash on hand	1.47	-	-
(b) Balances with banks			
In Current accounts	929.74	568.81	476.83
In EEFC Accounts	11.45	15.21	0.01
Total	**942.66**	**584.02**	**476.84**

12B. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS ABOVE

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Earmarked Balances with Bank	64.33	56.79	52.20
(b) Deposits with banks with maturity less than 3 months	3,026.22	-	-
(c) Margin Money Deposits			
Maturity less than 3 months	707.43	582.51	-
Maturity more than 3 months but less than 12 months	79.30	225.80	120.00
Total	**3,877.28**	**865.10**	**172.20**

13. OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good			
(a) Loans to employees			
(i) Key Managerial Personnel and Directors	0.62	0.62	0.62
(ii) Others	124.07	178.49	201.16
(b) Interest Receivable	68.86	68.42	50.05
(c) Insurance Claim Receivable (Refer Note (i) below)	1,446.03	421.43	-
(d) Security Deposits	9.62	9.87	35.24
(e) Earnest Money	11.23	26.28	15.07
(f) Loan to Company (Refer Note (ii) below)	187.90	187.90	187.90
(g) Others	22.74	497.84	258.03
Total	**1,871.07**	**1,390.85**	**748.07**

(i) With respect to fire incident in October 2016, the Company has lodged insurance claims, both for replacement value of the damaged facilities and loss of profits due to business interruption. The above includes ₹ 1,832.90 Lakhs (Net of loss on account of fire of ₹ 417.10 Lakhs) against expected settlement under Fine & Speciality Chemicals Segment which was recognised during the year ended March 31, 2018. Remaining balance shall be accounted upon final settlement of claims. The Company received ₹ 750.00 Lakhs as an interim payment against the above claims during the year ended March 31, 2018.

(ii) Loans to Company have been given for business purpose.

14. OTHER CURRENT ASSETS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good			
(a) Assets held for Disposal	63.87	63.87	83.29
(b) Balance with Tax Authorities/Benefits Receivable	14,243.91	6,399.01	3,861.42
(c) Prepaid Expenses	387.65	121.38	22.03
(d) Advances to Suppliers	1,224.82	1,436.41	1,010.71
(e) Other Receivables	16.11	15.07	5.03
Total	**15,936.36**	**8,035.74**	**4,982.48**

15. EQUITY SHARE CAPITAL

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised:			
15,00,00,000 Equity shares of ₹ 2 each	3,000.00	3,000.00	3,000.00
20,00,000 Preference shares of ₹ 100 each	2,000.00	2,000.00	2,000.00
Total	**5,000.00**	**5,000.00**	**5,000.00**
Issued, Subscribed and Fully Paid Up			
Equity shares of ₹ 2 each	2,727.87	2,614.23	2,325.76
Total	**2,727.87**	**2,614.23**	**2,325.76**

(a) Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

₹ in Lakhs

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares						
Shares outstanding at the beginning of the year	13,07,11,266	2,614.23	11,62,88,190	2,325.76	10,45,38,190	2,090.76
Issued during the year- issued to QIB (Refer Note (b) (iv) below)	56,81,775	113.64	1,44,23,076	288.47	1,17,50,000	235.00
Shares outstanding at the end of the year	**13,63,93,041**	**2,727.87**	**13,07,11,266**	**2,614.23**	**11,62,88,190**	**2,325.76**

(b) Shares: Terms/Rights

(i) The Company has Authorised capital of Equity and Preference shares.

(ii) Each holder of the Equity Share is entitled to one vote per Share. The Company declares and pays dividend in Indian Rupees. The dividend recommended by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting.

(iii) In the event of liquidation of the Company, the holders of Equity Shares shall 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. No preferential amounts exist as on the Balance Sheet date.

(iv) The Company offered Equity Shares to Qualified Institutional Buyers ("QIBs") through Qualified Institutions Placement in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The year wise details are:

For Financial Year 2015-16 - 1,17,50,000 Equity Shares of ₹ 2/- each were allotted to QIBs on January 06, 2016 at an issue price of ₹ 70.90 per Equity Share (including premium of ₹ 68.90 per Equity Share). The issue proceeds of ₹ 8,330.75 Lakhs from the Qualified Institutions Placements has been fully utilised for the object stated in the offer document.

For Financial Year 2016-17 - 1,44,23,076 Equity Shares of ₹ 2/- each were allotted to QIBs on March 7, 2017 at an issue price of ₹ 104 per Equity Share (including premium of ₹ 102 per Equity Share). The issue proceeds of ₹ 15,000.00 Lakhs from the Qualified Institutions Placements has been fully utilised for the object stated in the offer document.

For Financial Year 2017-18 - 56,81,775 Equity Shares of ₹ 2/- each were allotted to QIBs on January 30, 2018 at an issue price of ₹ 264 per Equity Share (including premium of ₹ 262 per Equity Share).

Out of issue proceeds of ₹ 15,000.00 Lakhs from the Qualified Institutions Placements during the current year, ₹ 371.91 Lakhs were utilised towards share issue expenses and ₹ 9,546.44 Lakhs has been utilised for the object stated in the offer document. Pending utilisation, ₹ 5,081.65 Lakhs have been invested in Liquid Mutual Funds and Fixed Deposits.

(c) Details of shares held by each shareholder holding more than 5% Equity shares of ₹ 2 each fully paid in the Company :

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No.	% Holding	No.	% Holding	No.	% Holding
Mr. Deepak Chimanlal Mehta	2,12,36,331	15.57	2,12,36,331	16.25	2,09,04,040	18.01
Stiffen Credits & Capital Pvt. Ltd.	83,79,940	6.14	83,79,940	6.41	83,79,940	7.21
Checkpoint Credits & Capital Pvt. Ltd.	72,06,050	5.28	72,06,050	5.51	72,06,050	6.20
Stepup Credits & Capital Pvt. Ltd.	69,15,580	5.07	69,15,580	5.29	69,15,580	5.95
Stigma Credits & Capital Pvt. Ltd.	61,78,100	4.53	61,78,100	4.73	61,78,100	5.31
Franklin India Smaller Companies Fund	56,22,951	4.12	71,99,495	5.51	61,00,000	5.25

(d) During the year 2014-15, Company has allotted 52,269,095 Bonus Equity Shares of ₹ 2/- (Rupees Two Only) each, fully paid up, in the ratio of 1:1 (one Bonus Equity Shares of ₹ 2/- each).

16. OTHER EQUITY

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Reserves & Surplus			
(a) Retained Earnings	38,061.12	32,475.71	24,765.00
(b) General Reserve	7,890.13	7,390.13	7,390.13
(c) Capital Reserve	71.27	71.27	71.27
(d) Capital Redemption Reserve	15.00	15.00	15.00
(e) Securities Premium Reserve	43,416.56	28,902.22	14,547.45
Reserves Representing Unrealised Gains/(Losses)			
Equity instruments through other comprehensive income	31.88	18.04	18.04
Total	**89,485.96**	**68,872.37**	**46,806.89**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
(a) Retained Earnings		
Balance at beginning of year	32,475.71	24,765.00
Add: Profit attributable to owners of the Company (Profit for the year)	7,973.26	9,390.25
Less: Payment of Dividend on Equity Shares	1,568.53	1,395.46
Less: Payment of Dividend distribution tax	319.32	284.08
Less: Transferred to General Reserve	500.00	-
Balance at end of year	**38,061.12**	**32,475.71**
Retained earnings represents the Group's undistributed earnings after taxes.		
(b) General Reserve		
Balance at beginning of year	7,390.13	7,390.13
Add: Transferred from Surplus Balance in the Statement of Profit and Loss	500.00	-
Balance at end of year	**7,890.13**	**7,390.13**
The general reserve is used for the purposes specified under the Companies Act, 2013. As the general reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified to the subsequently Statement of Profit and Loss.		

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017
(c)	**Capital Reserve**		
	Balance at beginning of year	71.27	71.27
	Movements	-	-
	Balance at end of year	**71.27**	**71.27**
(d)	**Capital Redemption Reserve**		
	Balance at beginning of year	15.00	15.00
	Movements	-	-
	Balance at end of year	**15.00**	**15.00**
	Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the debentures. The Company has redeemed the underlying debentures in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.		
(e)	**Securities Premium Reserve**		
	Balance at beginning of year	28,902.22	14,547.45
	Add: Receipt of Securities Premium from issue of Equity Shares to QIBs	14,886.25	14,711.54
	Less: Share issue Expenses	371.91	356.77
	Balance at end of year	**43,416.56**	**28,902.22**
	Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of the Companies Act, 2013. Share issue expenses includes fees of Statutory Auditors of ₹ 15.00 Lakhs (Previous year, ₹ 15.00 Lakhs) for work related to Qualified Institutions Placement.		
(f)	**Reserve for Equity Instruments Through Other Comprehensive Income**		
	Balance at beginning of year	18.04	18.04
	Movements	13.84	-
	Balance at end of year	**31.88**	**18.04**
	This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off		

17. NON-CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured Loans			
Term Loan from Banks			
Foreign Currency Loan from Banks	-	4,993.35	-
Loan from Banks	53,045.79	12,578.31	6,608.77
External Commercial Borrowings	-	2,322.16	9,253.44
Unsecured Loans			
Term Loan from Banks	2,000.00	1,950.00	-
Total	**55,045.79**	**21,843.82**	**15,862.21**

Secured Term Loans

Term loan from Banks are secured by first pari passu charge by way of hypothecation of all movable property, plant and equipment and mortgage of immovable properties of the Company, both present and future and second charge on entire current assets of the Company, both present and future. The Company is in the process of executing necessary charge on the assets.

Repayment Schedule

(i) Rate of interest of Foreign Currency Loan from Bank is 3.35% p.a. including LIBOR

(ii) Rate of interest of Rupee loan from Banks are in the range of Base rate/MCLR plus 0.00% to 2.20% p.a. and is repayable on monthly/ quarterly basis with last installment payable from April, 2020 to December, 2028.

(iii) Rate of interest of External Commercial Borrowings are in the range of LIBOR plus 2.50% to 3.00% p.a. and is repayable on quarterly/ half-yearly basis with a step up repayment schedule and last installment payable on November, 2018.

(iv) Unsecured Term Loan from Banks is repayable on quarterly basis with last installment payable in September, 2019.

18. PROVISIONS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-Current			
Provision for Employee benefit obligations			
Provision for leave benefits (Refer Note 39 (B))	793.73	758.76	481.34
Provision for Gratuity (Refer Note 39 (A)(iii))	-	21.36	-
Total-Non-Current	**793.73**	**780.12**	**481.34**
Current			
Provision for Employee benefit obligations			
Provision for leave benefits (Refer Note 39 (B))	341.39	288.86	293.49
Provision for Gratuity (Refer Note 39 (A)(iii))	12.43	121.11	52.45
Total-Current	**353.82**	**409.97**	**345.94**

19. DEFERRED TAX LIABILITY (NET)

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Break up of Deferred Tax Liability as at year end			
Nature of Timing Difference			
Property, Plant and Equipment	8,204.75	7,056.60	6,232.47
Total Deferred Tax Liability	**8,204.75**	**7,056.60**	**6,232.47**
(b) Break up of Deferred Tax Asset as at year end			
Nature of Timing Difference			
Disallowances u/s 43B and Others	1,186.71	562.21	484.41
MAT Credit Entitlement	2,477.85	2,586.64	2,374.54
Total Deferred Tax Asset	**3,664.56**	**3,148.85**	**2,858.95**
Deferred Tax Liability (Net) (a-b)	**4,540.19**	**3,907.75**	**3,373.52**

20. NON-CURRENT LIABILITIES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Export Obligations	1,702.99	-	-
Total	**1,702.99**	**-**	**-**

21. CURRENT BORROWINGS

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Working Capital Borrowings from Banks			
(a) Secured	21,012.82	22,427.48	19,243.75
(b) Unsecured	9,488.35	11,412.25	5,607.92
Unsecured Short term borrowings from Banks	-	-	2,000.00
Unsecured Short term Borrowings from Related Parties (Refer note (iv) below)	2,650.00	3,000.00	-
Buyers Credit for capital goods (Refer note (v) below)	5.84	822.70	-
Total	**33,157.01**	**37,662.43**	**26,851.67**

(i) Working Capital borrowings from banks represent Cash Credit, Working Capital Demand Loan, Export Packing Credit with rate of interest as Base Rate/MCLR of respective banks plus spread ranging from 0% - 2.00% p.a., Packing Credit in Foreign Currency, Buyers' Credit against Letter of Undertaking with rate of interest ranging from LIBOR/EURIBOR plus spread ranging from 0.20% p.a. to 1.10% p.a. These borrowings are repayable on demand.

(ii) Working Capital borrowings are secured by way of first Hypothecation charge over Company's Raw Materials, Semi-Finished and Finished Goods, Consumable Stores and Book Debts and second charge on all Property, Plant & Equipment by way of hypothecation and mortgage.

(iii) Commercial Paper placed by the Company during the year are unsecured and carries interest rate ranging from 6.40% p.a. to 7.75% p.a., tenure of each placement ranging from 60 days to 90 days.

(iv) Short term Borrowings from Related parties includes unsecured loan taken from related parties carrying interest rate of 10.50% p.a.

(v) Buyers Credit for capital goods against Letter of Undertaking carrying rate of interest ranging from 0.27% p.a. to 0.40 % p.a. availed against sublimit of project loan of ₹ 84,000.00 Lakhs.

22. TRADE PAYABLES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) To outstanding dues of Micro, Small and Medium Enterprises	104.43	85.00	143.51
(b) To outstanding dues of creditors other than Micro, Small and Medium Enterprises	48,139.01	21,372.85	17,283.74
Total	**48,243.44**	**21,457.85**	**17,427.25**

The average credit period on goods purchased or services received ranges between 30 days to 180 days.

23. OTHER CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Current maturities of Long term Borrowings	10,451.59	12,882.83	10,136.53
(b) Security Deposits	330.42	286.16	290.80
(c) Investor Education and Protection Fund will be credited by following amounts (as and when due)			
Unpaid Dividend	61.06	52.83	46.64
Unclaimed Matured Deposits (Refer Note below)	7.84	7.84	9.23
Unpaid Interest on Matured Fixed Deposits	3.27	3.96	5.55
(d) Interest accrued but not due on Borrowings	201.27	165.89	167.16
(e) Others	14.02	21.25	-
Total	**11,069.47**	**13,420.76**	**10,655.91**

The Unclaimed Matured deposits of ₹ 7.84 Lakhs outstanding as at March 31, 2018 represents an aggregate amount of certain cheques issued towards compulsory repayment of the outstanding fixed deposits as on March 31, 2015, which have not been presented to the bank for payment by the depositors.

24. CURRENT TAX LIABILITIES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Tax Liabilities			
Provision for Tax (Net of Advances)	-	-	18.34
Total	**-**	**-**	**18.34**

25. OTHER CURRENT LIABILITIES

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a)	Advances Received from Customers	90.65	118.26	176.71
(b)	Payable for Capital Expenditure	10,530.04	6,506.72	458.05
(c)	Excise duty on Finished Goods	-	330.21	356.30
(d)	Statutory Dues	562.51	370.45	144.04
(e)	Employee Benefits Payable	752.53	453.52	1,776.38
(f)	Advance received against Sale of Land	-	-	1,500.00
Total		**11,935.73**	**7,779.16**	**4,411.48**

26. REVENUE FROM OPERATIONS

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Sale of Products		
	Finished Goods	1,43,010.21	1,28,947.16
	Traded Goods	19,647.60	13,942.81
(b)	Sale of Services	884.21	865.75
(c)	Other operating revenues		
	Export Incentives	1,605.45	1,462.97
	Scrap Sale	218.76	216.44
	Insurance Claims (Refer Note 13 (i))	2,251.97	35.60
Total		**1,67,618.20**	**1,45,470.73**

27. OTHER INCOME

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Profit on sale of Property, Plant & Equipment	10.77	13.73
(b)	Interest Income	155.88	167.88
(c)	Dividend Income	0.01	0.07
(d)	Profit on redemption of Investments	395.36	273.89
(e)	Rent	10.48	1.67
(f)	Miscellaneous Receipts	36.59	24.67
(g)	Foreign Exchange Gains	223.42	549.69
(h)	Fair Value Gains on Financial Assets	9.65	59.00
(i)	Write back of provision for Impairment	397.88	-
Total		**1,240.04**	**1,090.60**

28. COST OF RAW MATERIAL AND COMPONENTS CONSUMED

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Raw Material and Components Consumed		
	Inventory at the beginning of the year	5,292.93	3,439.03
	Add: Purchases during the year	94,738.58	70,235.84
		1,00,031.51	73,674.87
	Less: Inventory at the end of the year	18,410.58	5,292.93
	Cost of Raw Material and Components Consumed	**81,620.93**	**68,381.94**
(b)	Packing Material Consumed	2,437.14	2,218.83
	Cost of Packing Material Consumed	**2,437.14**	**2,218.83**
Total		**84,058.07**	**70,600.77**

29. PURCHASE OF TRADED GOODS

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Purchase of Finished Goods for Resale	18,749.93	16,575.91
Total	**18,749.93**	**16,575.91**

30. CHANGES IN INVENTORIES OF FINISHED GOODS, TRADED GOODS AND WORK-IN-PROGRESS

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Inventories at the beginning of the year		
Stock in Process	3,529.68	2,358.42
Finished Goods	4,086.43	5,300.44
Traded Goods	2,649.08	15.18
	10,265.19	**7,674.04**
Less:		
Inventories at the end of the year		
Stock in Process	3,820.16	3,529.68
Finished Goods	3,406.80	4,086.43
Traded Goods	1,967.45	2,649.08
	9,194.41	**10,265.19**
Total	**1,070.78**	**(2,591.15)**

31. EMPLOYEE BENEFITS EXPENSE

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	Salaries & Wages	12,126.95	10,854.51
(b)	Contribution to Provident Fund and Other Funds (Refer Note 39 C)	696.41	645.78
(c)	Gratuity Expenses (Refer Note 39A(iv))	129.30	108.65
(d)	Staff Welfare Expenses	662.60	620.14
Total		**13,615.26**	**12,229.08**

32. POWER & FUEL EXPENSES

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Consumption of Gas	2,404.45	898.51
(b) Consumption of Furnace Oil	714.61	677.30
(c) Consumption of High Speed Diesel	93.80	110.27
(d) Consumption of Coal & Coke	3,556.30	3,230.58
(e) Electricity Expenses	4,565.45	4,845.29
(f) Water Charges	621.33	476.57
(g) Other Expenses	31.96	5.42
Total	**11,987.90**	**10,243.94**

33. FINANCE COSTS

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Interest on Borrowings	4,116.81	3,071.99
(b) Exchange difference to the extent considered as an adjustment to Borrowing Costs	397.93	340.20
Total	**4,514.74**	**3,412.19**

34. DEPRECIATION AND AMORTISATION EXPENSES

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Depreciation on Tangible Assets	5,102.14	4,643.29
Less: Transferred to Pre-operative expenses	15.98	-
	5,086.16	**4,643.29**
(b) Amortisation of Intangible Assets	173.81	160.24
Total	**5,259.97**	**4,803.53**

35. OTHER EXPENSES

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
(a) Conversion Charges	542.61	604.06
(b) Excise Duty Paid	-	22.86
(c) Excise Duty Relating to Increase / (Decrease) in Closing Stocks	(330.22)	(26.08)
(d) Other Manufacturing Expenses	962.47	840.20
(e) Rent	242.99	468.97
(f) Repairs & Maintenance		
Repairs to Building	100.55	200.42
Repairs and Maintenance to Plant and Equipment	2,200.36	2,068.51
Repairs and Maintenance to Others	70.64	67.51
(g) Consumption of Stores & Spare Parts	1,520.16	1,532.53
(h) Insurance	369.60	284.49
(i) Rates & Taxes	271.26	398.51
(j) Bank Charges	227.46	241.56
(k) Travelling & Conveyance	469.35	513.13
(l) Freight & Forwarding Charges	4,383.95	4,174.52
(m) Loss on Sale of Assets	558.11	160.46
(n) Commission on Sales	463.94	304.77
(o) CSR Expenses	225.00	207.71
(p) Provision for Doubtful Debts (Gross)	326.83	6.57
Add: Bad Debts	9.76	25.20
Less: Transfer from Provision for Doubtful Debts	12.26	120.03
Provision for Doubtful Debts (Net)	324.33	(88.26)

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(q)	Vehicle Expenses	309.72	273.90
(r)	Legal & Professional	1,022.14	1,737.89
(s)	General Expenses	2,015.87	2,450.55
(t)	Payment to Auditors	68.44	48.55
(u)	Director's Sitting Fees	21.16	17.45
(v)	Provision/(Reversal) for Inventory Obsolescence	3.73	(39.45)
Total		**16,043.62**	**16,464.76**

Note: Payment to Auditors

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
(a)	As Auditor:		
	Audit fees	38.40	31.62
	Tax Audit fees	3.00	4.02
	Quarterly Limited Review	21.00	4.50
(b)	In Other Capacity:		
	Taxation Matters	2.76	4.50
	Other Services (Certification fees)	3.28	3.91
Total		**68.44**	**48.55**

36. RELATED PARTIES DISCLOSURES

A) Name of Related Party and Nature of Relationship

(i) Subsidiary Companies

Deepak Nitrite Corporation Inc., United States of America
Deepak Phenolics Limited

(ii) Key Management Personnel

Mr. D.C. Mehta	Chairman & Managing Director
Mr. M.D. Mehta	Whole Time Director
Mr. Umesh Asaikar	Executive Director & Chief Executive Officer
Mr. Sanjay Upadhyay	Director-Finance & Chief Financial Officer

(iii) Entities Over Which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence

Check Point Credits & Capital Private Limited * Deepak Cybit Private Limited * Deepak Fertilizers and Petrochemicals Corporation Limited * Deepak Gulf LLC* Deepak Foundation * Deepak International Limited * Deepak Medical Foundation * Deepak Research and Development Foundation * Deepak Novochem Technologies Limited. * Forex Leafin Private Limited * Hardik Leafin Private Limited * Pranawa Leafin Private Limited * Skyrose Finvest Private Limited * Sofotel Infra Private Limited * Stepup Credits & Capital Private Limited * Stiffen Credits and Capital Private Limited * Stigma Credit & Capital Private Limited * Storewell Credits and Capital Private Limited * Sundown Finvest Private Limited

(iv) Relative of Key Management Personnel

Mr. C.K. Mehta
Mr. A.C. Mehta
Mr. Meghav D. Mehta

B) Transaction with Related Parties

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2018				March 31, 2017			
		Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	Total	Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	Total
1	**Purchase of Goods**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	10,245.25	-	**10,245.25**	-	8,201.53	-	**8,201.53**
	Deepak Novochem Technologies Limited	-	34.19	-	**34.19**	-	-	-	**-**
2	**Sale of Goods**								
	Deepak Novochem Technologies Limited	-	902.21	-	**902.21**	-	712.69	-	**712.69**
3	**Conversion Charges Received**								
	Deepak Novochem Technologies Limited	-	1,032.50	-	**1,032.50**	-	894.86	-	**894.86**
4	**Rendering of Services / Reimbursement of Expenses**								
	Deepak Novochem Technologies Limited	-	0.38	-	**0.38**	-	0.39	-	**0.39**
	Storewell Credits and Capital Private Limited	-	8.80	-	**8.80**	-	-	-	-
5	**Receiving of services / Reimbursement of Expenses**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	7.47	-	**7.47**	-	14.03	-	**14.03**
	Deepak Novochem Technologies Limited	-	1.19	-	**1.19**	-	1.72	-	**1.72**
	Deepak Foundation	-	0.78	-	**0.78**	-	2.37	-	**2.37**
	Deepak Medical Foundation	-	12.52	-	**12.52**	-	18.12	-	**18.12**
	Deepak Cybit Private Limited	-	42.07	-	**42.07**	-	16.61	-	**16.61**
	Mr. Deepak C. Mehta	9.60	-	-	**9.60**	9.60	-	-	**9.60**
	Mr. C.K. Mehta	-	-	-	**-**	0.60	-	1.00	**1.60**
	Mr. Maulik D.Mehta	-	-	-	**-**	-	-	8.76	**8.76**
	Mr. Meghav D. Mehta	-	-	53.55	**53.55**	-	-	30.05	**30.05**
	Mr. Ajay C. Mehta	-	-	0.60	**0.60**	-	-	-	**-**
6	**Sale of Investments**								
	Forex Leafin Private Ltd	-	131.13	-	**131.13**	-	-	-	-
7	**Loan taken from related Parties**								
	Mr. Deepak C. Mehta	-	-	-	**-**	700.00	-	-	**700.00**
	Storewell Credits & Capital Private Limited	-	-	-	**-**	-	2,300.00	-	**2,300.00**
8	**Interest paid to Related Parties**								
	Mr. Deepak C. Mehta	72.59	-	-	**72.59**	38.66	-	-	**38.66**
	Storewell Credits & Capital Private Limited	-	241.50	-	**241.50**	-	147.75	-	**147.75**
9	**Managerial Remuneration**								
	Mr. Deepak C. Mehta	496.16	-	-	**496.16**	322.51	-	-	**322.51**

₹ in Lakhs

Sr. No.	Nature of Transaction	March 31, 2018				March 31, 2017			
		Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	Total	Key Management Personnel	Entities over which Key Managerial Personnel or their Relatives are able to Exercise Significant Influence	Relative of Key Management Personnel	Total
	Mr. Ajay C. Mehta	72.79	-	-	**72.79**	98.17	-	-	**98.17**
	Mr. Maulik D. Mehta	103.02	-	-	**103.02**	75.35	-	-	**75.35**
	Mr. Umesh Asaikar	470.73	-	-	**470.73**	387.82	-	-	**387.82**
	Mr. Sanjay Upadhyay	205.67	-	-	**205.67**	-	-	-	-
10	**Dividend Paid**								
	Checkpoint Credits & Capitals Private Limited	-	86.47	-	**86.47**	-	86.47	-	**86.47**
	Stigma Credits & Capital Private Limited	-	74.14	-	**74.14**	-	74.14	-	**74.14**
	Stiffen Credits & Capital Private Limited	-	100.56	-	**100.56**	-	100.56	-	**100.56**
	Stepup Credits & Capital Private Limited	-	82.99	-	**82.99**	-	82.99	-	**82.99**
	Skyrose Finvest Private Limited	-	44.30	-	**44.30**	-	44.30	-	**44.30**
	Mr. Deepak C. Mehta	284.54	-	-	**284.54**	251.28	-	-	**251.28**
	Mr. C.K. Mehta	-	-	0.94	**0.94**	1.04	-	-	**1.04**
	Mr. Maulik D. Mehta	1.58	-	-	**1.58**	-	-	1.58	**1.58**
	Mr. Meghav D. Mehta	-	-	0.57	**0.57**	-	-	0.57	**0.57**
	Others	-	66.89	16.39	**83.28**	-	65.66	16.39	**82.05**
11	**Donation / CSR Activity**								
	Deepak Foundation - PHTI	-	-	-	**-**	-	148.26	-	**148.26**
	Deepak Medical Foundation	-	16.65	-	**16.65**	-	23.84	-	**23.84**
	Deepak Foundation	-	211.33	-	**211.33**	-	33.10	-	**33.10**
12	**Net Accounts Receivable / (Payable)**								
	Deepak Fertilisers & Petrochemicals Corporation Limited	-	(1,795.43)	-	**(1,795.43)**	-	(851.42)	-	**(851.42)**
	Deepak Novochem Technologies Limited	-	508.46	-	**508.46**	-	810.95	-	**810.95**
	Mr. Deepak C. Mehta	(150.00)	-	-	**(150.00)**	(326.00)	-	-	**(326.00)**
	Mr. Ajay C. Mehta	(20.60)	-	-	**(20.60)**	(26.00)	-	-	**(26.00)**
	Mr. C.K. Mehta	-	-	-	**-**	-	-	(1.00)	**(1.00)**
	Mr. Maulik D. Mehta	(11.34)	-	-	**(11.34)**	(20.25)	-	-	**(20.25)**
	Mr. Umesh Asaikar	(45.44)	-	-	**(45.44)**	(72.13)	-	-	**(72.13)**
	Mr. Sanjay Upadhyay	(24.25)	-	-	**(24.25)**	-	-	-	**-**
	Deepak Medical Foundation	-	15.00	-	**15.00**	-	-	-	**-**
	Deepak Cybit Ltd.	-	(2.50)	-	**(2.50)**	-	-	-	**-**
	Storewell Credits and Capital Pvt Ltd	-	(2,300.00)	-	**(2,300.00)**	-	(2,300.00)	-	**(2,300.00)**

Notes:

(a) The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

(b) All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis.

37. CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Lakhs

		As at March 31, 2018	As at March 31, 2017
I.	**Claims Against the Company Not Acknowledged as Debts in Respect of**		
(a)	Matters relating to Income Tax from AY 1991-92 & AY 2012-13 is being contested at various levels of Tax authorities	98.60	98.60
(b)	Matters relating to Sales Tax/VAT from AY 2005-06 to FY 2013-14 is being contested at various level of Indirect Tax authorities.	86.41	72.84
(c)	Matters relating to Excise duty from FY 1998-99 to FY 2016-17 is being contested at various level of Indirect Tax authorities.	479.33	493.23
(d)	Bank Guarantees:		
	Financial	3,060.55	980.48
	Performance	2,717.92	2,525.51
(e)	In respect of Stamp duty matter	-	22.85
(f)	Disputed Labour Matters	Amount Not ascertainable	Amount Not ascertainable
	Management is not expecting any future cash outflow in respect of (a) to (c), (e) & (f),		
	Total	**6,442.81**	**4,193.51**
II.	**Commitments**		
	Capital Commitments (Net of Advances)	16,239.18	378.46
	Total	**16,239.18**	**378.46**

38. TAX EXPENSE

A. Income Tax Expense Recognised in the Statement of Profit and Loss

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
I.	**Expense / (Benefit) Recognised in the Statement of Profit and Loss**		
	Current tax on profit for the year	2,595.30	3,188.30
	Increase in deferred tax liabilities	876.81	636.42
	Excess provision of earlier years	(288.51)	-
	Total	**3,183.60**	**3,824.72**
II.	**Expense / (Benefit) Recognised in Statement of Other Comprehensive Income**		
	Re-measurement gains / (losses) on defined benefit plans	37.01	(102.18)
	Equity instruments through other comprehensive income	7.13	-
	Total	**44.14**	**(102.18)**

B. The Reconciliation Between the Provision of Income Tax and Amounts Computed by Applying the Indian Statutory Income Tax Rate to Profit Before Taxes is as Follows

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Profit Before Taxes	**11,085.17**	**13,470.44**
Enacted income tax rate in India	34.61%	34.61%
Computed Expected Tax Expense	**3,836.36**	**4,661.85**
Effect of		
Weighted deduction for R&D Expenditure	(155.66)	(263.97)
Income taxed at higher/ (lower) rates	(21.48)	(970.23)
Others (Net)	(187.11)	397.06
Excess provision of earlier years	(288.51)	-
Total Income Tax Expense	**3,183.60**	**3,824.71**

C. Deferred Tax Liabilities (Net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities/(assets)

₹ in Lakhs

	As at March 31, 2018	Recognised in Statement of Profit and Loss /OCI	As at March 31, 2017	Recognised in Statement of Profit and Loss /OCI	As at April 1, 2016
Property, Plant and Equipment	8,204.75	1,148.15	7,056.60	824.13	6,232.47
Total Deferred Tax Liabilities (a)	**8,204.75**	**1,148.15**	**7,056.60**	**824.13**	**6,232.47**
Disallowances u/s 43B and Others	1,186.71	624.50	562.21	77.80	484.41
MAT Credit Entitlement	2,477.85	(108.79)	2,586.64	212.10	2,374.54
Total Deferred Tax Assets (b)	**3,664.56**	**515.71**	**3,148.85**	**289.90**	**2,858.95**
Net Deferred Tax (Asset)/Liabilities (a-b)	**4,540.19**	**632.44**	**3,907.75**	**534.23**	**3,373.52**

39. EMPLOYEE BENEFIT OBLIGATIONS

A. Gratuity

The Group has covered its Gratuity Liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by Life Insurance Corporation of India. Under this plan, an employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus, it is a defined benefit plan and the aforesaid insurance policy is the Plan Asset.

(i) Reconciliation of Opening and Closing Balances of Defined Benefit Obligation

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	1,815.60	1,343.89
Current Service Cost	120.44	98.41
Interest Cost	132.51	106.54
Actuarial (gain)/losses	(99.08)	354.20
Benefits Paid	(106.77)	(87.44)
Balance at the end of the year	**1,862.70**	**1,815.60**

(ii) Reconciliation of Opening and Closing Balances of Fair Value of Plan Assets

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	1,673.13	1,286.55
Expected Return on Plan Assets	122.91	102.25
Actuarial gain/(losses)	9.25	2.73
Contribution by the Company	156.25	372.10
Benefits Paid	(111.27)	(90.50)
Balance at the end of the year	**1,850.27**	**1,673.13**
Actual Return on Plan Assets	7.12% to 7.88%	7.56% to 8.07%

(iii) Assets and Liabilities Recognised in the Balance Sheet

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Present Value of Defined Benefit Obligation	1,862.70	1,815.60
Less: Fair Value of Plan Assets	1,850.27	1,673.13
Amounts Recognised as Liability	**12.43**	**142.47**
Recognised under		
Long Term provision (Refer Note 18)	-	21.36
Short Term provision (Refer Note 18)	12.43	121.11
Total	**12.43**	**142.47**

(iv) Expenses Recognised in the Statement of Profit and Loss

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Current Service Cost	119.70	98.41
Net Interest Cost	9.60	4.29
Liability Transferred	-	5.95
Total Expenses (Refer Note No. 31)	**129.30**	**108.65**

(v) Expenses Recognised in the Other Comprehensive Income

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Actuarial gain/(losses) on Obligation for the year	99.44	346.17
Return on Plan assets excluding Interest Income	9.25	(2.72)
Total Expenses Recognised in OCI	**108.69**	**343.45**

(vi) Major Category of Plan Assets

	As at March 31, 2018		As at March 31, 2017	
	₹ in Lakhs	%	₹ in Lakhs	%
GOI Securities	-	-	-	-
Public Securities	-	-	-	-
State Government Securities	-	-	-	-
Insurance Policies	1,850.27	100.00	1,673.13	100.00
Others	-	-	-	-

Risk Exposure

The Group is exposed to a number of risks, the most significant of which are detailed below:

Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

(vii) Actuarial Assumptions

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.85%	7.34%
Expected Return on Plan Assets	7.85%	7.34%
Salary Growth Rate	6.50%	6.50%
Attrition Rate	2.00%	2.00%

(viii) Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount trade ,expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period , while holding all other assumptions constant. The result of Sensitivity analysis is given below:

	Change in Assumptions		Impact on Defined Benefit Obligation			
			Increase in Assumptions		Decrease in Assumptions	
	As at March 31, 2018 %	As at March 31, 2017 %	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2017 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2017 ₹ in Lakhs
Discount Rate	1.00%	1.00%	(98.62)	(97.33)	111.89	110.61
Salary Growth Rate	1.00%	1.00%	112.24	110.42	(100.65)	(98.91)
Attrition Rate	1.00%	1.00%	7.28	4.20	(8.33)	(4.85)

In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

B. Leave Encashment

(a) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

(b) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2018, is ₹ 1,081.54 Lakhs (Previous year ₹ 1018.70 Lakhs), which is determined on actuarial basis using Projected Unit Credit Method.

(c) **Principal Actuarial Assumptions**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Discount Rate	7.85%	7.34%

C. Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of Profit and Loss, for the year is as under

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
Employer's Contribution to Provident Fund	531.09	488.76
Employer's Contribution to Superannuation Fund	165.32	162.06

Expected Contribution for the next year	₹ in Lakhs
Employer's Contribution to Provident Fund	638.58
Employer's Contribution to Superannuation Fund	178.55

40. CAPITAL MANAGEMENT

The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business.

The Group focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without impacting the risk profile of the Group.

For the purposes of Capital Management, the Group considers the following components of its Balance Sheet to manage capital.

The Capital Structure of the Group was as Follows

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Equity (A)	92,213.83	71,486.60	49,132.65
Non-Current Borrowings (including current maturities)	65,497.38	34,726.65	25,998.74
Current Borrowings	33,157.01	37,662.43	26,851.67
Total Borrowings (B)	98,654.39	72,389.08	52,850.41
Total Capital (A+B)	**1,90,868.22**	**1,43,875.68**	**1,01,983.06**
Total Borrowing as % of Total Equity	106.98%	101.26%	107.57%

Borrowings represented 51.69%, 50.31% and 51.82% of Total Capital as at March 31, 2018, March 31, 2017, and April 1, 2016 respectively.

The Interest Coverage Ratio for the reporting period was as follows

₹ in Lakhs

	For the year March 31, 2018	For the year March 31, 2017
EBITDA (excluding other income & exceptional items)	19,619.84	13,532.97
Interest	4,514.74	3,412.19
Interest Coverage Ratio	**4.35**	**3.97**

41. FINANCIAL INSTRUMENTS

41.1. Categories of Financial Instruments

The Carrying Value of Financial Instruments by Categories as at March 31, 2018 is as Follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	942.66
Other Balances with Banks	-	-	3,877.28
Quoted Investments (Level 1)	-	2,951.73	-
Unquoted Investments (Level 3)	224.27	0.67	-
Government Securities	-	-	0.01
Trade Receivables	-	-	41,177.18
Loans	-	-	131.01
Other Financial Assets	-	-	2,863.09
Total	**224.27**	**2,952.40**	**48,991.23**
Financial Liabilities			
Current Borrowings	-	-	33,157.01
Non-Current Borrowings (including current maturities)	-	-	65,497.38
Trade Payables	-	-	48,243.44
Other Financial Liabilities	-	14.02	603.86
Total	**-**	**14.02**	**1,47,501.69**

The Carrying Value of Financial Instruments by Categories as at March 31, 2017 is as Follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	584.02
Other Balances with Banks	-	-	865.10
Quoted Investments (Level 1)	-	11,536.58	-
Unquoted Investments (Level 3)	137.44	0.67	133.65
Government Securities	-	-	0.01
Trade Receivables	-	-	36,033.11
Loans	-	-	135.94
Other Financial Assets	-	-	2,608.09
Total	**137.44**	**11,537.25**	**40,359.92**
Financial Liabilities			
Current Borrowings	-	-	37,662.43
Non-Current Borrowings (including current maturities)	-	-	34,726.65
Trade Payables	-	-	21,457.85
Other Financial Liabilities	-	21.25	516.68
Total	**-**	**21.25**	**94,363.61**

The Carrying Value of Financial Instruments by Categories as at April 1, 2016 is as Follows

₹ in Lakhs

	Fair Value through Other Comprehensive Income	Fair Value through Profit or Loss	Amortised Cost
Financial Assets			
Cash and Cash Equivalents	-	-	476.84
Other Balances with Banks	-	-	172.20
Quoted Investments (Level 1)	-	8,529.10	-
Unquoted Investments (Level 3)	137.44	0.67	147.86
Government Securities	-	-	0.01
Trade Receivables	-	-	31,249.65
Loans	-	-	185.87
Other Financial Assets	-	91.49	1,765.16
Total	**137.44**	**8,621.26**	**33,997.59**
Financial Liabilities			
Current Borrowings	-	-	26,851.67
Non-Current Borrowings (including current maturities)	-	-	25,998.74
Trade Payables	-	-	17,427.25
Other Financial Liabilities	-	-	519.38
Total	**-**	**-**	**70,797.04**

41.2. Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair Value Hierarchy as at March 31, 2018

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted equity instruments	2,951.73	-	-	2,951.73
Investments in Unquoted equity instruments	-	-	224.94	224.94

Fair Value Hierarchy as at March 31, 2017

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted equity instruments	11,536.58	-	-	11,536.58
Investments in Unquoted equity instruments	-	-	138.11	138.11

Fair Value Hierarchy as at March 31, 2016

₹ in Lakhs

	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments in Quoted equity instruments	8,529.10	-	-	8,529.10
Investments in Unquoted equity instruments	-	-	138.11	138.11
Others	91.49	-	-	91.49

Reconciliation of Level 3 Fair Value Measurements

₹ in Lakhs

	Investment in Unquoted Shares Irrevocably Designated as FVTOCI
Opening Balance as at April 1, 2016	137.44
Purchases	
Total gains/losses in other comprehensive income	-
Disposals / settlements	-
Closing Balance as at March 31, 2017	**137.44**
Reclassification of Investments (Refer Note 4.1)	65.86
Total gains in other comprehensive income	20.97
Disposals / settlements	-
Closing Balance as at March 31, 2018	**224.27**

Comparative Market Multiples method has been used for estimating the fair value of such Investment. The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

41.3. Financial Risk Management Objectives

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts, option contracts and interest swaps to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Group's policies, which outlines principles on foreign exchange risk, interest rate risk, credit risk and deployment of surplus funds.

Item	Primarily Effected by	Risk Management Policies	Reference
Market risk - currency risk	Foreign Currency balances and exposure towards trade payables, buyer's credit, exports, short-term and long-term borrowings	Mitigating foreign currency risk using foreign currency forward contracts and option contracts.	Note 41.4.1
Market risk - interest rate risk	Change in market interest rates	Maintaining a combination of fixed and floating rate debt; interest rate swaps for long-term borrowings; cash management policies	Note 41.4.2
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations.	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 41.5
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cash flows; cash management policies; multiple-year credit and banking facilities	Note 41.6

41.4. Market Risk

The Group's financial instruments are exposed to market rate changes. The Group is exposed to the following significant market risks

- Foreign currency risk
- Interest rate risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which these risks are being managed and measured.

41.4.1 Foreign Currency Risk Management

The Group is exposed to foreign exchange risk on account of following:

1. Imports of raw materials and services.
2. Exports of finished goods.
3. Foreign currency borrowings in the form of Term loans, external commercial borrowings, buyers credit, packing credit etc. availed for meeting its funding requirements.

The Group has a forex policy in place whose objective is to mitigate foreign exchange risk by deploying the appropriate hedging strategies through combination of various hedging instruments such as foreign currency forward contracts, options contracts and has a dedicated forex desk to monitor the currency movement and respond swiftly to market situations. The Company follows netting principle for managing the foreign exchange exposure.

(a) The Carrying Amounts of the Company's Foreign Currency Denominated Monetary Assets and Monetary Liabilities Based on Gross Exposure at the End of the Reporting Period is as Under

Currency	Liabilities			Assets		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
USD (Lakhs)	549.32	255.25	274.17	280.66	248.35	221.65
INR (Lakhs)	35,547.31	17,038.87	18,395.88	18,162.49	16,510.49	14,798.56
GBP (Lakhs)	1.31	-	-	-	0.10	-
INR (Lakhs)	112.44	-	-	-	8.15	-
JPY (Lakhs)	7.09	-	-	-	-	-
INR (Lakhs)	4.35	-	-	-	-	-
CHF (Lakhs)	0.05	-	-	-	-	
INR (Lakhs)	3.62	-	-	-	-	-
EURO (Lakhs)	23.99	0.15	0.98	11.14	-	6.00
INR (Lakhs)	1,927.67	12.14	73.22	893.45	-	440.90

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows

(b) Foreign Currency Forward, Option Contracts and Interest Rate Swaps Outstanding as at the Balance Sheet Date

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Buy	Sell	Buy	Sell	Buy	Sell
Forward Contracts (USD Lakhs)	110.72	60.00	91.99	-	-	72.61
Forward Contracts (EURO Lakhs)	6.39	-	-	-	-	6.31
Option Contracts (USD Lakhs)	-	35.00	-	-	-	-
Interest rate Swaps ECB (USD Lakhs)	-	36.00	-	139.50	-	259.75

The forward and option contracts have been entered into to hedge the foreign currency risk on trade receivables and trade payables. The swap contracts have been entered into to hedge the interest rate risks on the external commercial borrowings of the Company.

(c) Net Open Exposures Outstanding as at the Balance Sheet Date

Currency	Liabilities			Assets		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
USD (Lakhs)	217.94	-	125.13	-	85.09	-
GBP (Lakhs)	1.31	-	-	-	0.10	-
JPY (Lakhs)	7.09	-	-	-	-	-
CHF (Lakhs)	0.05	-	-	-	-	-
EURO (Lakhs)	6.46	0.15	1.29	-	-	-

(d) Foreign Currency Sensitivity Analysis

The Company is mainly exposed to fluctuations in US Dollar. The following table details the Company's sensitivity to a INR 1 increase and decrease against the US Dollar. INR 1 is the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates. A positive number below indicates an increase in profit where the Rupee strengthens by INR 1 against the US Dollar. For a INR 1 weakening against the US Dollar, there would be a comparable impact on the profit before tax.

₹ in Lakhs

Currency USD Impact on Profit or Loss	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Impact of INR 1 strengthening against US Dollar	33.70	(124.57)	72.52
Impact of INR 1 weakening against US Dollar	(23.70)	(88.04)	(72.52)

The above sensitivity analysis does not include effect of Foreign Exchange (loss)/gain capitalised as the same does not affect profit or loss or total equity.

41.4.2 Interest Rate Risk Management

The Group issues commercial papers, draws working capital demand loans, avails cash credit, foreign currency borrowings including buyers credit, Packing Credit etc. for meeting its funding requirements.

Interest rates on these borrowings are exposed to change in respective benchmark rates. The Group manages the interest rate risk by maintaining appropriate mix/portfolio of the borrowings.

(a) Interest Rate Swap Contract

The Company had entered into the swap contracts to hedge the interest rate risks on the external commercial borrowings. Using interest rate swap, Company agrees to exchange LIBOR floating interest rate to LIBOR fixed interest rate on agreed notional principal amounts. Such contracts enable the company to mitigate the interest rate risk. Refer details of the principal and interest rate swaps under Note 41.4.1(b).

(b) Interest Rate Sensitivity Analysis

The sensitivity analysis in para below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 25 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 10 basis points higher/ lower in case of foreign currency borrowings and 25 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended March 31, 2018 would decrease/ increase by ₹ 230.80 Lakhs (March 31, 2017: ₹ 141.85 Lakhs and April 1, 2016 ₹ 66.07 Lakhs)

41.5 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to the customer credit risk management. The Group uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment through financial institutions. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken upon case to case basis. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The credit risk on cash and bank balances, derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Reconciliation of Loss Allowance Provision - Trade Receivables

	₹ in Lakhs
Loss Allowance on April 1, 2016	**444.61**
Changes in loss allowance	(113.46)
Loss Allowance on March 31, 2017	**331.15**
Changes in loss allowance	314.58
Loss Allowance on March 31, 2018	**645.73**

41.6 Liquidity Risk Management

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2018

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Accounts payable	(48,243.44)	(48,243.44)	-	-	(48,243.44)
Borrowings	(98,654.39)	(89,358.53)	(9,295.86)	-	(98,654.39)
Other Financial Liabilities	(11,069.47)	(11,069.47)	-	-	(11,069.47)
Foreign Currency Forward Contracts, option contracts and interest swaps	(14.02)	(14.02)	-	-	(14.02)
Trade Receivables (Gross)	41,822.91	41,152.40	504.73	165.78	41,822.91

The table below provides details of financial assets as at March 31, 2018

₹ in Lakhs

	Carrying Amount
Loans	131.01
Other financial assets	2,863.09
Total	**2,994.10**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at March 31, 2017

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Accounts payable	(21,457.85)	(21,457.85)	-	-	(21,457.85)
Borrowings	(72,389.08)	(58,669.43)	(11,527.13)	(2,192.52)	(72,389.08)
Other Financial Liabilities	(13,420.76)	(13,420.76)	-	-	(13,420.76)
Foreign Currency Forward Contracts, option contracts and interest swaps	(20.25)	(20.25)	-	-	(20.25)
Trade Receivables (Gross)	36,364.26	35,867.95	336.63	159.69	36,364.26

The table below provides details of financial assets as at March 31, 2017

₹ in Lakhs

	Carrying Amount
Loans	135.94
Other financial assets	2,608.09
Total	**2,744.03**

The table below provides details regarding the contractual maturities of financial (liabilities)/assets including estimated interest payments as at April 1, 2016

₹ in Lakhs

	Amount	Upto 1 year	1-3 year	More than 3 year	Total Cash Flows
Accounts payable	(17,427.25)	(17,427.25)	-	-	(17,427.25)
Borrowings	(52,850.41)	(36,988.20)	(13,543.04)	(2,319.17)	(52,850.41)
Other Financial Liabilities	(10,655.91)	(10,655.91)	-	-	(10,655.91)
Foreign Currency Forward Contracts, option contracts and interest swaps	91.49	91.49	-	-	91.49
Trade receivables (Gross)	31,694.26	31,187.21	475.22	31.83	31,694.26

The table below provides details of financial assets as at April 1, 2016

₹ in Lakhs

	Carrying Amount
Loans	185.87
Other financial assets	1,765.16
Total	**1,951.03**

42. SEGMENT INFORMATION

(a) Primary Segment Information

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods delivered. Accordingly, the Group's reportable segments under Ind AS 108 are as follows

(i) Basic Chemicals
(ii) Fine & Speciality Chemicals
(iii) Performance Products

The accounting policies of the reportable segments are same as the Group's accounting policies. Segment profit represents the profit before interest and tax earned by each segment without allocation of central administrative costs and other income. This is the measure reported to the CODM.

Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

₹ in Lakhs

		For the year March 31, 2018	For the year March 31, 2017
I)	**Segment Revenue**		
	(a) Basic Chemicals	74,697.86	69,596.61
	(b) Fine & Speciality Chemicals	46,324.06	37,481.68
	(c) Performance Products	30,000.03	26,470.69
	(d) Un- allocable	19,633.39	13,656.85
	Total	**1,70,655.33**	**1,47,205.83**
	Less: Inter Segment Revenue	3,037.14	1,735.10
	Net Sales/Income from operations	**1,67,618.20**	**1,45,470.73**
II)	**Segment Results**		
	Profit + Loss (-) Before Tax & Interest		
	(a) Basic Chemicals	10,669.28	8,818.39
	(b) Fine & Speciality Chemicals	11,479.05	8,236.12
	(c) Performance Products	(814.13)	(1,844.82)
	Total	**21,334.20**	**15,209.69**
	Less : (i) Interest Expenses	4,514.77	3,412.18
	(ii) Other un-allocable expenditure net of un-allocable Income	5,734.26	(1,658.72)
III)	**Profit Before Tax**	**11,085.17**	**13,456.23**
IV)	**Segment Assets**		
	(a) Basic Chemicals	41,046.49	38,975.58
	(b) Fine & Speciality Chemicals	43,321.63	34,964.95
	(c) Performance Products	36,631.30	36,087.37
	(d) Un- allocable	1,38,056.58	68,720.56
	Total	**2,59,056.00**	**1,78,748.46**
V)	**Segment Liabilities**		
	(a) Basic Chemicals	17,587.81	8,487.45
	(b) Fine & Speciality Chemicals	7,932.09	4,232.37
	(c) Performance Products	6,477.80	4,961.04
	(d) Un- allocable	1,34,844.47	89,581.00
	Total	**1,66,842.17**	**1,07,261.86**

		₹ in Lakhs	
		For the year March 31, 2018	For the year March 31, 2017
VI)	**Capital Expenditure**		
	(a) Basic Chemicals	1,125.52	2,522.70
	(b) Fine & Speciality Chemicals	2,940.25	340.01
	(c) Performance Products	1,251.27	90.59
	(d) Un- allocable	338.29	1,208.25
	Total	**5,655.33**	**4,161.55**
VII)	**Depreciation**		
	(a) Basic Chemicals	1,638.38	1,568.96
	(b) Fine & Speciality Chemicals	1,403.54	1,257.79
	(c) Performance Products	1,720.26	1,499.53
	(d) Un- allocable	497.39	477.25
	Total	**5,259.57**	**4,803.53**

(b) Secondary Segment Information

The following table shows the distribution of the Group's Revenue and Assets by geographical market

	₹ in Lakhs	
Revenue	For the year March 31, 2018	For the year March 31, 2017
In India	1,16,421.84	98,385.74
Outside India	51,196.36	47,084.99
Total	**1,67,618.20**	**1,45,470.73**

	₹ in Lakhs	
Carrying Amount of Segment Assets	As at March 31, 2018	As at March 31, 2017
In India	2,39,713.65	1,62,643.86
Outside India	19,342.36	16,104.60
Total	**2,59,056.00**	**1,78,748.46**

	₹ in Lakhs	
Addition to Fixed Assets	For the year March 31, 2018	For the year March 31, 2017
In India		
Tangible	5,601.38	3,963.10
Intangible	53.95	185.85
Outside India		
Tangible	-	12.60
Intangible	-	-
Total	**5,655.33**	**4,161.55**

43. EARNINGS PER SHARE

	For the year March 31, 2018	For the year March 31, 2017
Basic and Diluted Earnings Per Share		
Number of Shares at the beginning (Nos. in Lakhs).	1,307.11	1,162.88
Number of Shares at the end (Nos. in Lakhs).	1,363.93	1,307.11
Weighted Average Number of Shares considered for Basic Earnings Per Share (Nos. in Lakhs).	1,316.45	1,172.76
Weighted Average Number of Shares considered for Diluted Earnings Per Share (Nos. in Lakhs).	1,316.45	1,172.76
Net Profit after Tax available for Equity Shareholders (₹ in Lakhs)	7,901.57	9,631.51
Basic Earnings (in Rupees) Per Share of ₹ 2/- each.	6.00	8.21
Diluted Earnings (in Rupees) Per Share of ₹ 2/- each.	6.00	8.21

44. During FY 2017-18, the Company has spent ₹ 225.00 Lakhs on Corporate Social Responsibility activities.

45. Previous year's figures are shown in bracket and have been re-classified / regrouped to conform to Ind AS presentation requirements.

46. The Financial Statements were authorised for issue by the Board of Directors on May 4, 2018.

47. TRANSITION TO IND AS

These are the first Financial Statements of the Group prepared in accordance with Ind AS.

The Accounting Policies set out in Note 1 have been applied in preparing the Financial Statements for the year ended March 31, 2018, the comparative information presented in these Financial Statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet as at April 1, 2016 (the date of transition). In preparing its opening Ind AS Balance Sheet, the Group has adjusted the amounts reported previously in Financial Statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (IGAAP). An explanation of how the transition from IGAAP to Ind AS has affected the financial position, financial performance and cash flows of the Group is set out in the following tables and notes

A) Exemptions and Exceptions Availed

In preparing these Ind AS Financial Statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, as explained below. The resulting difference between the carrying values of the assets and liabilities in the Financial Statements as at the transition date under Ind AS and IGAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This Note explains the adjustments made by the Company in restating its IGAAP Financial Statements, including the Balance Sheet as at April 1, 2016 and the Financial Statements as at and for the year ended March 31, 2017.

(a) Ind AS Optional Exemptions

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from IGAAP to Ind AS.

(i) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the Financial Statements as at the date of transition to Ind AS, measured as per IGAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 'Intangible Assets' and investment properties covered by Ind AS 40 'Investment Property'. The company has determined that the values of items of Plant, Property and Equipment; except for Plant & Machinery, as at March 31, 2016 do not differ materially from fair valuation

as at April 1, 2016 (date of transition to Ind AS). Accordingly, the company has not revalued the items of property plant and equipment at April 1, 2016 except for Plant and Machinery which have been measured at fair value at the date of transition to Ind AS. The Company regards the fair value as deemed cost at the transition date, viz., April 1, 2016.

(ii) Designation of Previously Recognised Financial Instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity investments.

(iii) Investments in Subsidiary Companies and Associate Company

Ind AS 101 permits a first-time adopter to measure it's investment, at the date of transition, at cost determined in accordance with Ind AS 27, or deemed cost, The deemed cost of such investment shall be it's fair value at date of transition to Ind AS of the Company, or IGAAP carrying amount at that date. The Company has elected to measure its investment in subsidiary companies and associate company at the IGAAP carrying amount as its deemed cost on the transition date.

(iv) Long-Term Foreign Currency Monetary Items

Under IGAAP, para 46A of AS 11 'The Effects of Changes in Foreign Exchange Rates', provided an alternative accounting treatment to companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets can be added | deducted from the cost of the depreciable asset, which will be depreciated over the balance life of the asset. Ind AS 101 includes an optional exemption that allows a first-time adopter to continue the above accounting treatment in respect of the long-term foreign currency monetary items recognised in the Financial Statements for the period ending immediately before the beginning of the first Ind AS financial reporting period.

The Group has opted to apply this exemption.

(b) Ind AS Mandatory Exceptions

The Group has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101.

(i) Estimates

Estimates in accordance with Ind AS at the transition date will be consistent with estimates made for the same date in accordance with IGAAP (after adjustments to reflect any difference in Accounting Policies) unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with IGAAP. The Company made estimates for Investment in equity instruments carried at FVTPL or FVOCI in accordance with Ind AS at the date of transition as these were not required under IGAAP

(ii) Classification and Measurement of Financial Assets

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

(B) Reconciliations Between IGAAP and Ind AS

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

I) Reconciliation of Equity

₹ in Lakhs

	As at March 31, 2017			As at April 1, 2016		
	Regrouped IGAAP*	Adjustments	Ind AS	Regrouped IGAAP*	Adjustments	Ind AS
ASSETS						
Non- Current Assets						
Property, Plant and Equipment (a)	58,468.27	(459.91)	58,008.36	59,179.00	71.30	59,250.30
Capital Work-in-Progress (b)	34,931.07	(12.03)	34,919.04	3,192.89	-	3,192.89
Intangible Assets	585.12	-	585.12	591.19	-	591.19
Financial Assets						
Investments (c)	266.57	107.62	374.19	280.78	91.52	372.30
Loans (d)	169.40	(33.46)	135.94	257.24	(71.37)	185.87
Other Financial Assets (d)	1,268.98	(51.74)	1,217.24	1,191.98	(83.40)	1,108.58
Non-Current Tax Assets (Net)	169.79	-	169.79	-	-	-
Other Non-Current assets (d) & (e)	10,792.87	(2,511.79)	8,281.08	6,602.96	(2,219.78)	4,383.18
Total Non-Current Assets	**1,06,652.07**	**(2,961.31)**	**1,03,690.76**	**71,296.04**	**(2,211.73)**	**69,084.31**
Current Assets						
Inventories	16,714.72	-	16,714.72	13,403.98	-	13,403.98
Financial Assets						
Investments (c)	11,391.27	42.89	11,434.16	8,387.38	55.40	8,442.78
Trade Receivables (f)	36,033.11	-	36,033.11	31,249.65	-	31,249.65
Cash and Cash Equivalents	1,449.12	-	1,449.12	649.04	-	649.04
Other Financial Assets (b)	1,390.85	-	1,390.85	656.58	91.49	748.07
Other Current Assets (d)	8,038.03	(2.29)	8,035.74	5,012.88	(30.40)	4,982.48
Total Current Assets	**75,017.09**	**40.61**	**75,057.70**	**59,359.52**	**116.49**	**59,476.01**
Total Assets	**1,81,669.17**	**(2,920.71)**	**1,78,748.46**	**1,30,655.56**	**(2,095.25)**	**1,28,560.31**
EQUITY AND LIABILITIES						
Equity						
Equity Share Capital	2,614.23	-	2,614.23	2,325.76	-	2,325.76
Other Equity (g)	69,095.66	(223.29)	68,872.37	44,900.98	1,905.91	46,806.89
Total Equity	**71,709.89**	**(223.29)**	**71,486.60**	**47,226.75**	**1,905.91**	**49,132.65**
Liabilities						
Non-Current Liabilities						
Financial Liabilities						
Borrowings	21,880.89	(37.07)	21,843.82	15,892.61	(30.40)	15,862.21
Provisions	780.12	-	780.12	481.34	-	481.34
Deferred Tax Liabilities (Net) (e)	6,572.37	(2,664.62)	3,907.75	5,664.73	(2,291.21)	3,373.52
Total Non-Current Liabilities	**29,233.38**	**(2,701.69)**	**26,531.69**	**22,038.68**	**(2,321.61)**	**19,717.07**
Current Liabilities						
Financial Liabilities						
Borrowings	37,662.43	-	37,662.43	26,851.67	-	26,851.67
Trade Payables (b)	21,473.83	(15.98)	21,457.85	17,427.25	-	17,427.25
Other Financial Liabilities (b)	13,400.51	20.25	13,420.76	10,655.91	-	10,655.91
Provisions (h)	409.97	-	409.97	2,025.48	(1,679.54)	345.94
Current Tax Liabilities(Net)	-	-	-	18.34	-	18.34
Other Current Liabilities	7,779.16	-	7,779.16	4,411.49	-	4,411.49
Total Current Liabilities	**80,725.90**	**4.27**	**80,730.17**	**61,390.14**	**(1,679.54)**	**59,710.60**
Total Liabilities	**1,09,959.28**	**(2,697.42)**	**1,07,261.86**	**83,428.83**	**(4,001.16)**	**79,427.67**
Total Equity and Liabilities	**1,81,669.17**	**(2,920.71)**	**1,78,748.46**	**1,30,655.57**	**(2,095.25)**	**1,28,560.32**

*The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this Note.

II) Reconciliation of Total Comprehensive Income

₹ in Lakhs

	For the year March 31, 2017		
	Regrouped IGAAP*	Adjustments	Ind AS
Revenue from Operations	1,45,470.73	-	1,45,470.73
Other Income (c) & (d)	1,058.00	32.60	1,090.60
Total Income	**1,46,528.73**	**32.60**	**1,46,561.33**
Expenses			
Cost of Materials Consumed	70,600.77	-	70,600.77
Purchase of Traded Goods	16,575.91	-	16,575.91
Changes in Inventories of Finished Goods, Stock-in-trade, Work-in-Progress	(2,591.15)	-	(2,591.15)
Excise Duty on Sale of Goods	8,400.24	-	8,400.24
Employee Benefits Expense (i)	12,559.28	(330.20)	12,229.08
Power & Fuel Expenses	10,243.94	-	10,243.94
Finance Costs	3,412.19	-	3,412.19
Depreciation and Amortisation Expense (a)	4,272.32	531.21	4,803.53
Other Expenses (b) & (d)	16,434.43	30.33	16,464.76
Total Expenses	**1,39,907.93**	**231.34**	**1,40,139.27**
Profit Before Exceptional and Extra-Ordinary Items and Tax	**6,620.80**	**(198.74)**	**6,422.06**
Exceptional items	7,048.38	-	7,048.38
Profit Before Share of Net Profit of Investments Accounted for Using Equity Method and Tax	**13,669.18**	**(198.74)**	**13,470.44**
Share of loss of associate company accounted for using the equity method	(14.21)	-	(14.21)
Profit Before Tax	**13,654.97**	**(198.74)**	**13,456.23**
Tax expense			
Current tax	2,976.21	-	2,976.21
Deferred tax (e)	907.66	(59.15)	848.51
Total Tax Expenses	**3,883.87**	**(59.15)**	**3,824.72**
Profit for the year	**9,771.11**	**(139.60)**	**9,631.51**
Other Comprehensive Income (j)	**-**	**(241.26)**	**(241.26)**
Total Comprehensive Income for the year	**9,771.11**	**(380.86)**	**9,390.25**

*The IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this Note.

III) Notes to the Reconciliations

(a) Plant & Machinery - Fair Value as Deemed Cost As at the date of Transition April 1, 2016, the company has elected to measure Plant & Equipment at fair value and use the fair value as deemed cost with impact of ₹ 71.30 Lakhs in accordance with stipulations of Ind AS 101 with the resultant impact being accounted for in the reserves. During FY 2016-17, depreciation impact on account of Fair valuation amounted to ₹ 531.21 Lakhs which was recognised in the Statement of Profit or Loss.

(b) Forward Contract The Company has recognised the forward contracts at Fair value as on the Balance sheet date and resulting gains losses on the contracts are recognised in the Reserves as on transition date and in the Statement of Profit and Loss for subsequent periods. The underlying assets and liabilities will be measured at the exchange rate prevailing on the balance sheet date.

(c) Fair valuation of investments Under IGAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity and as part of 'Other reserves - FVOCI Equity instruments' at the date of transition and in the Statement of Profit and Loss for subsequent periods.

(d) Loans & Other Financial Assets Under IGAAP, the Company accounted for Long Term Security Deposits paid and long-term loans to employees at nominal value. Under Ind AS, these financial assets are measured at Fair Value through Profit or Loss. The difference between Fair Value and Nominal value is accounted for as prepaid employee benefit and Deferred Rent Asset. Also under Ind AS, below market interest rate loan received is recorded at fair value by using an appropriate discount rate on date of obtaining the loan. The interest income is recorded periodically till the maturity of the loan and the prepaid account is discounted based on effective interest method.

(e) **Deferred Tax** MAT credit entitlement which was presented under Other Now Current assets has been presented under Deferred Tax as per the Ind AS requirement. The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Statement of Profit and Loss for the subsequent periods.

(f) **Trade Receivables** The Company has applied impairment requirements of Ind AS 109.

(g) **Retained earnings** Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

(h) **Proposed Dividend** Under IGAAP, dividends proposed by the Board of Directors after the Balance Sheet date, but before the approval of the Financial Statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the Shareholders in the General Meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax) included under current provisions has been reversed with corresponding adjustment to Retained earnings. Consequently, the total equity has increased by an equivalent amount.

(i) **Remeasurement of Gratuity Recognised in Other Comprehensive Income** Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss.

(j) **Other Comprehensive Income** Under Ind AS, all items of income and expense recognised in a period are to be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss, but are shown in the Statement of Profit and Loss as Other Comprehensive Income which includes remeasurement of defined benefit plans and fair value gain / (loss) on FVOCI equity instruments. The concept of Other Comprehensive Income did not exist under IGAAP.

48. Additional Information in Consolidated Financial Statements as per Schedule III of Companies Act,2013

	Net Assets, i.e., Total Assets Minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Profit or Loss	Amount ₹ in Lakhs	As % of Consolidated Other Comprehensive Income	Amount ₹ in Lakhs	As % of Consolidated Total Comprehensive Income	Amount ₹ in Lakhs
Parent								
Deepak Nitrite Limited	55.08%	50,814.69	106.14%	8,386.59	100.16%	85.66	106.08%	8,472.25
Subsidiaries								
1. Deepak Phenolics Limited	44.84%	41,360.87	(6.12)%	(483.48)	(0.16)%	(0.14)	(6.06)%	(483.62)
2. Deepak Nitrite Corporation Inc.	0.08%	71.37	(0.02)%	(1.54)	-	-	(0.02)%	(1.54)
Non Controlling Interests in All Aubsidiaries	-	-	-	-	-	-	-	-

For and on behalf of the Board

D.C. MEHTA
Chairman & Managing Director
DIN No: 00028377

UMESH ASAIKAR
Executive Director & CEO
DIN No: 06595059

SUDHIN CHOKSEY
DIN No: 00036085

SANJAY UPADHYAY
Director-Finance & CFO
DIN No: 01776546

ARVIND BAJPAI
Company Secretary
Membership No: F6713

SUDHIR MANKAD
DIN No: 00086077

SANDESH ANAND
DIN No: 00001792

Directors

Mumbai: May 4, 2018

NOTES

INVESTOR'S WELFARE SCHEME

The Company's scheme covers the risk of death and permanent (total/partial) disablement sustained due to an accident by first-named shareholder of the Company solely and directly from external, violent and visible means.

Details of entitlement under the Personal Accident Policy are as under:

I. COVERAGE:

a. Death
b. Permanent (total/partial) disablement

EXPLANATION:

i. Permanent Total Disablement:
Loss of sight of both eyes or of actual loss by physical separation of the two entire hands or two entire feet.
ii. Permanent Partial Disablement:
Loss of sight of one eye or actual loss by physical separation of one entire hand or one entire foot.

II. SUM INSURED:

No. of Equity Shares held	Sum Insured
Up to 1500	₹ 40,000/-
1501 to 5000	₹ 60,000/-
5001 and above	₹ 80,000/-

III. BENEFITS:

The benefits available under the Group Personal Accident Insurance Policy are as under:

1.	Fatal Accident (Death)	:	Sum Insured*
2.	Permanent Total Disablement	:	Sum Insured*
3.	Loss of two limbs or two eyes or one limb and one eye	:	Sum Insured*
4.	Loss of one limb or one eye	:	50% of the Sum Insured
5.	Permanent Partial Disablement	:	Specific percentage of the Sum Insured* depending on the extent of disablement.

[* Sum Insured as explained in para (II) above]

Note:

1. Temporary disablement, medical / hospitalisation expenses are out of the purview of the scheme.
2. Members who have not filed the Nomination Form earlier in respect of Personal Accident Policy may approach the Company for obtaining the Nomination Form and return the same duly filled in and signed for registration with the Company.



Corporate & Registered Office:
Aaditya-I, Chhani Road,
Vadodara - 390 024,
Gujarat, India
Tel: +91-265-276 5200
Fax: +91-265-2765344

www.deepaknitrite.com

Concept, Content & Design
WYATT Prism COMMUNICATIONS (info@wyatt.co.in)