

FORM A

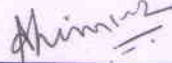
Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	Dai-ichi Karkaria Limited
2	Annual Financial statements for the year ended	31 st March, 2014
3	Type of Audit Observation	Un-qualified
4	Frequency of observation	N.A.

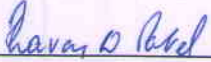
For Dai-ichi Karkaria Limited



Mrs. Shernaz Vakil,
Chairperson and Managing Director



Mr. Nitin Nimkar
Financial Comptroller



Mr. Kavas Patel
Chairman of the Audit Committee

Refer our Audit Report dated 2nd May, 2014
on the standalone financial statements of the Company

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Shyamak R Tata
Partner
Membership No. 38320
Mumbai, 2 May, 2014
HR

FORM A

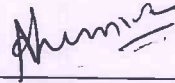
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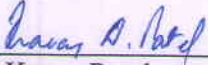
For Dai-ichi Karkaria Limited



Mrs. Shernaz Vakil,
Chairperson and Managing Director



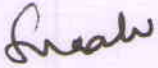
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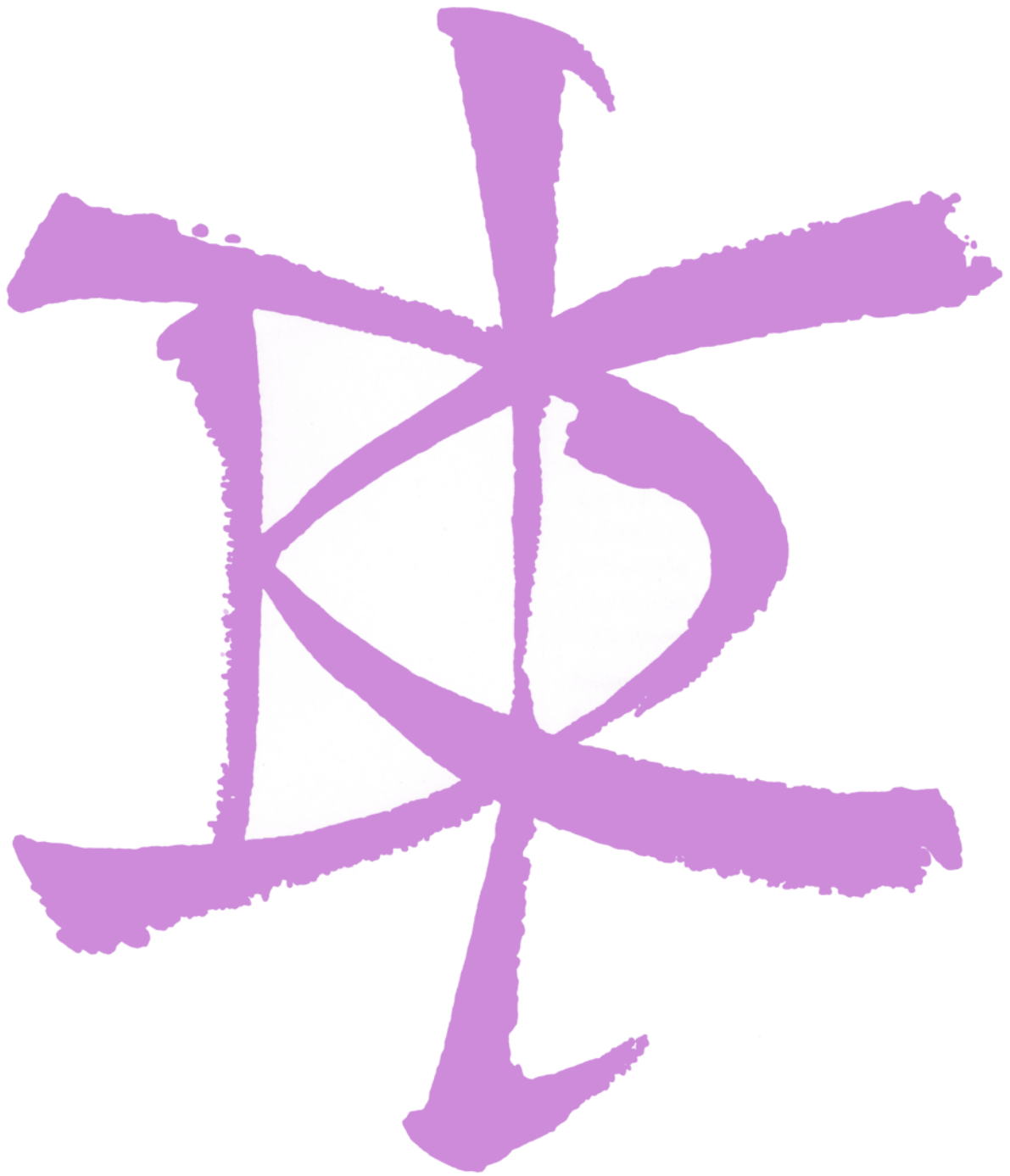
Refer our Audit Report dated 2nd May, 2014
on the consolidated financial statements of the Company

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Shyamak R Tata
Partner
Membership No. 38320
Mumbai, 2 May, 2014





DAI-ICHI

**54th ANNUAL REPORT
2013-2014**

DAI-ICHI KARKARIA LIMITED

[CIN: L24100MH1960PLC011681]

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Annual General Meeting

Date & Time:

Friday, 8th August 2014 at 11.30 a.m.

Venue:

M. C. Ghia Hall,
Bhogilal Hargovindas Building,
4th Floor, 18/20 Kaikhushru Marg,
Mumbai 400 001

Book Closure Dates

1st August, 2014 to 8th August, 2014

Dividend Payment Date

22nd August, 2014

BOARD OF DIRECTORS:

Mrs. S. F. Vakil

*Chairperson &
Managing Director*

Mr. J. H. C. Jehangir

Mr. A. H. Jehangir

Dr. K. R. Bharucha

(resigned w.e.f. 31.12.2013)

Mr. K. D. Patel

Dr. A. M. Naik

Mr. K. M. Elavia

Financial Comptroller:

Mr. Nitin Nimkar

Company Secretary:

Mrs. Kavita Thadeshwar

Bankers:

Bank of India

HDFC Bank Ltd.

Auditors:

Deloitte Haskins & Sells LLP,
Chartered Accountants, Mumbai

Solicitors:

Bharucha & Partners

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai – 400 020.
Tel: 2201 7130/2201 5895
email: investor@dai-ichiindia.com
website: www.dai-ichiindia.com

Works:

- 105th Milestone, Mumbai-Pune Marg,
P.O. Kasarwadi, Pune – 411034.
- Kurkumbh Industrial Area, Plot No. D-13,
Village Kurkumbh, Tal. Daund, Dist. Pune.

Registrars and Transfer Agents:

Sharex Dynamic (India) Private Ltd.
Unit 1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072
Tel: 2851 5606/2851 5644
email: sharexindia@vsnl.com
website: www.sharexindia.com



NOTICE

NOTICE is hereby given that Fifty-Fourth Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Friday, the 8th day of August 2014 at 11:30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2014 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To declare a dividend for the year ended 31st March, 2014.
3. To appoint a Director in place of Mr. J. H. C Jehangir (DIN:00001451), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm's Registration No. 117366W/W-100018) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 57th Annual General Meeting, (subject to ratification of their appointment at every AGM) at such remuneration as shall be fixed by the Board of Directors of the Company.

Special Business

5. To appoint Mr. K. M. Elavia (DIN: 00003940) as an Independent Director of the Company and in this regard 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with schedule IV to the Companies Act, 2013, Mr. Keki Elavia (DIN: 00003940), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."
6. To appoint Mr. K. D. Patel (DIN: 00002634) as an Independent Director of the Company and in this regard 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with schedule IV to the Companies Act, 2013, Mr. Kavas Patel (DIN: 00002634), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019."
7. To appoint Dr. A. M. Naik (DIN: 00002670) as an Independent Director of the Company and in this regard 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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or

re-enactment thereof for the time being in force), read with schedule IV to the Companies Act, 2013, Dr. Anil Naik (DIN: 00002670), Director of the Company whose period of office was liable to determination by retirement of directors by rotation under the erstwhile Companies Act, 1956, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as Independent Director of the Company to hold office for five consecutive years for a term upto 31st March, 2019.”

By Order of the Board
For Dai-ichi Karkaria Ltd.

Kavita Thadeshwar
Company Secretary

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

Place : Mumbai

Date : July 2, 2014

NOTES:

- (1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on a poll instead of himself and proxy need not be a member. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. A member holding more than 10% 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 shareholder. The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.**
- (2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- (3) An Explanatory statement pursuant to section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed.
- (4) The Register of Members and Share Transfer Books of the Company will remain closed from 1st August, 2014 to 8th August, 2014 (both days inclusive) in connection with the Annual General Meeting.
- (5) Dividend as recommended by the Directors if declared at the meeting, will be payable to those Members whose names appear on the Register of Members as on 8th August, 2014. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd and Central Depository Services (I) Ltd. for this purpose as on 1st August 2014. Date of payment will be 22nd August, 2014.
- (6) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. Members are therefore requested to update their NECS / Bank details with the Depositories / Share Registrar of the Company.



- (7) Pursuant to the provisions of sub-section (5) of Section 124 of the Companies Act, 2013 dividend for the financial year ended 31st March 2007 and thereafter which remains unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013. The Shareholders who have not claimed or encashed their dividend warrants for the financial year 2007 and subsequent years are therefore requested to approach the Company in writing with their folio numbers to facilitate payment.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. The Company has uploaded the information on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company viz. www.dai-ichiindia.com.

- (8) Members whose shareholding is in physical mode are requested to immediately notify any change in their addresses to M/s. Sharex Dynamic (India) Pvt. Ltd. at Unit – 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 and members whose shareholding is in electronic mode are requested to direct change of their address notification to their respective Depository Participants.
- (9) The Shareholders desiring any information as regards Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- (10) Members/proxies are requested to bring duly filled Attendance Slips and their copies of Annual Report along with them as copies of the Report will not be distributed at the meeting.
- (11) The Ministry of Corporate Affairs (MCA) has taken a “Green Initiative in Corporate Governance” (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/documents such as General Meeting Notices (including AGM), Audited Financial Statements, Directors’ Report, Auditors’ Report, ECS credits etc to its shareholders through electronic mode to the registered e-mail addresses of shareholders. We therefore request you to register your email-id for implementation of the initiative.
- (12) All documents referred to in the Notice & Explanatory Statement are open for inspection to the members at the Registered Office of the Company between 11 a.m. to 1 p.m. on all working days, except Saturday till the date of this Annual General Meeting.
- (13) In terms of clause 49 of the listing agreement entered into with Stock Exchange, the information relating to directors retiring by rotation and seeking re-appointment / appointment is as under:

Mr. J. H. C. Jehangir

Brief resume and nature of expertise:

Mr. J. H. C. Jehangir, age 60 years, is an Arts Graduate and one of the promoter and Director of the Company. He is also a committee member of Share Transfer Committee. Mr. Jehangir has experience of more than 20 years in investment business.

Mr. J. H. C Jehangir holds 100 shares in the Company. He is on the Board of Directors of the following other companies:

Sr. No.	Name of the Company	Designation
1.	Cannadel Services & Trading Company	Chairman
2.	Cowasjee Jehangir Trading Company	Chairman
3.	Jehangir Clinical Development Centre Pvt. Ltd.	Chairman
4.	Wild Flower Trading Company	Chairman
5.	Amerado Trading Company	Director
6.	Ananta Lifestyles Pvt. Ltd.	Director

7.	Andhra Pradesh Tanneries Ltd.	Director
8.	Chowgule Industries Pvt. Ltd.	Director
9.	Cowhill Trading Company	Director
10.	Goodearth Trading Company	Director
11.	Hindustan Hardy Spicer Ltd.	Director
12.	Lavgan Dockyard Pvt. Ltd.	Director
13.	Principal Healthcare & Wellness Pvt. Ltd.	Director
14.	Jehangir Brand Management Pvt. Ltd	Director

Mr. Jehangir is Chairman of Jehangir Hospital, Pune.

Mr. K. M. Elavia:

Brief resume and nature of expertise:

Mr. K. M. Elavia, age 68 years, is a Bachelor of Commerce and a fellow member of the Institute of Chartered Accountants of India.

Mr. Elavia possesses more than 4 decades of post qualification experience. He has been a partner of M/s. Kalyaniwalla & Mistry, Chartered Accountants from the year 1974 to 2009.

Mr. Elavia does not hold any shares of the Company. He is on the Board of Directors of the following other companies:

Sr. no.	Name of the Company	Designation
1.	Uni VTL Precision Pvt. Ltd.	Chairman
2.	Allcargo Logistics Ltd.	Director
3.	DCB Bank Ltd.	Director
4.	Goa Carbon Ltd.	Director
5.	Godrej & Boyce Mfg. Co. Ltd.	Director
6.	Godrej Industries Ltd.	Director
7.	Grindwell Norton Ltd.	Director
8.	Uni Abex Alloy Products Ltd.	Director
9.	Wonder Space Properties Pvt. Ltd.	Director
10.	Tata Asset Management Ltd.	Director

He is a member of the following Board Committees:

Sr. No.	Name of the Company	Committee	Designation
1.	Allcargo Logistics Ltd.	Audit Committee	Chairman
		Compensation/Remuneration Committee	Member
		CSR Committee	Member
		Finance / Investment Committee	Member
2.	Development Credit Bank Limited	Audit Committee	Chairman
		Risk Management Committee	Chairman
		Fraud Reporting & Monitoring Committee	Chairman
		Capital Raising Committee	Member
		Nomination & Remuneration Committee	Member
		CSR Committee	Member



Sr. No.	Name of the Company	Committee	Designation
3.	Goa Carbon Ltd.	Audit Committee	Member
		Remuneration Committee	Chairman
		Corporate Governance Committee	Member
		Project Committee	Member
		Resource Raising Committee	Member
4.	Godrej & Boyce Mfg. Co. Ltd.	Audit Committee	Chairman
		Remuneration Committee	Member
		CSR Committee	Member
		Stakeholders' Committee	Member
5.	Grindwell Norton Ltd.	Audit Committee	Chairman
6.	Uni Abex Alloy Products Ltd.	Remuneration committee	Chairman

Mr. K. D. Patel

Brief resume and nature of expertise:

Mr. K. D. Patel, age 67 years, is a Bachelor of Commerce from the University of Bombay and in 1972 became a Member of the Institute of Chartered Accountants in England and Wales.

His professional career started with Turquands Barton Mayhew, a U.K. firm of Chartered Accountants in their Milan, Italy office.

He joined Polaroid Italia Spa. in 1974 followed by various international assignments for Polaroid over a 21 year career including Director of Finance for the Asia Pacific Region based in Tokyo and Country Director for India.

Mr. Patel does not hold any shares of the Company. He is on the Board of Directors of the following companies:

Sr. No.	Name of the Company	Designation
1.	Champion Dai-ichi Technologies India Ltd	Director
2.	Indian Oxides and Chemicals Limited	Director
3.	Phil Corporation Limited	Director
4.	Tasty Bite Eatables Ltd.	Director
5.	Uni Klinger Limited	Director
6.	Zinnia Properties Pvt. Limited	Director

He is a member of the following Board Committees:

Sr. No.	Name of the Company	Committee	Designation
1.	Phil Corporation Limited	Audit Committee	Chairman
		Shareholders' Grievance Committee	Chairman
		Remuneration Committee	Chairman
2.	Tasty Bite Eatables Ltd.	Audit Committee	Member
		Shareholders' Grievance Committee	Member
		Remuneration Committee	Member
3.	Uni Klinger Limited	Audit Committee	Chairman

Dr. A. M. Naik:

Brief resume and nature of expertise:

Dr. A. M. Naik, age 71 years, is a Gold Medalist from IIM, Calcutta and Ph.D from Mumbai University in Strategic Management. He has more than 25 yrs. of experience at Senior Level in Indian Corporate Sector and for the last 25 yrs., he has been management consultant and educator. He was awarded S.S. Nadkarni fellowship at the University of Bombay in 2001 and was adjudged Best Management Teacher by Bombay Management Association in the year 2003.

As management consultancy area in the field of turn-around and organizational restructure, he has completed consultancy assignment of the companies such as Asian Paints (I) Ltd., Jindal Iron & Steel Co. Limited, CRISIL and Knight Frank India Limited.

Dr. A. M. Naik does not hold any shares of the Company. He is on the Board of Directors of the following other companies:

Sr. no.	Name of the Company	Designation
1.	Grey Cells Education Pvt. Ltd.	Director
2.	Indoco Remedies Ltd.	Director
3.	Neterson Technology Pvt. Ltd.	Director
4.	Oil Field Instrumentation (India) Pvt. Ltd.	Director

14. **Voting through Electronic means:** In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their voting rights at the 54th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Ltd. (CDSL).

(A) **The instructions for members for voting electronically are as under:-**

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “**DAI-ICHI KARKARIA LIMITED**” from the drop down menu and click on “SUBMIT”
- (iv) 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.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) 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) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company name i.e. **DAI-ICHI KARKARIA LIMITED** on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (B) The voting period begins on **August 01, 2014 at 10 a.m.** and ends on **August 03, 2014 at 6.00 p.m.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **July 11, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (D) M/s Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 3 (three) working days from the conclusion of the e-voting period unblock the votes in the presence of atleast 2 (two) witnesses not in the employment of the Company and make a Scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairperson of the Company.
- (E) The Results declared at the AGM of the Company along with the Scrutinizer’s report shall be placed on the Company’s website www.dai-ichiindia.com and on the website of CDSL within 2 (two) working days of the passing of the resolutions at the AGM of the Company and communicated to the Stock Exchange.

ANNEXURE TO THE NOTICE

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

Item 5 to 7:

Brief Profile of the Independent Directors proposed to be appointed is provided under the notes to the notice. The Directors' period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, the Directors being eligible, have offered themselves for appointment and are proposed to be appointed as Independent Directors for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing their candidature for the office of Director of the Company.

In the opinion of the Board, the Directors fulfill the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as an Independent Director of the Company and are independent of the management. Copy of draft letter of appointment of the Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considers that the continued association of the Directors would be of immense benefit to the Company. Accordingly, the Board recommends the resolutions in relation to the appointment of Independent Directors, for the approval by the shareholders of the Company.

Except the Independent Directors to be appointed, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item Nos. 5 to 7.

By Order of the Board
For Dai-ichi Karkaria Ltd.

Kavita Thadeshwar
Company Secretary

Registered Office:

Liberty Building, Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

Place : Mumbai

Date : July 2, 2014



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty-Fourth Annual Report together with the audited accounts for the year ended March 31, 2014.

FINANCIAL RESULTS:

Operational Performance	2014 (₹ in millions)	2013 (₹ in millions)
Gross Revenue from operations	1175.22	888.72
Less: Excise duty	97.48	80.93
Net Revenue from operations	1077.74	807.79
PBDIT (before exceptional item)	110.21	71.54
PBDIT (after exceptional item)	170.36	71.54
EPS (₹)	16.79	5.89
Book Value of Shares (₹)	99.29	85.45

PERFORMANCE REVIEW:

The Company has achieved a top line growth of 32%, registering total revenues of approx. ₹ 1175 million against ₹ 889 million last year. EBIDTA (before exceptional item) has increased close to 55%, by closely monitoring manufacturing costs and operational efficiencies. This against a fairly challenging environment for growth in the past twelve months.

Profit before Tax has increased to ₹ 153.71 million from ₹ 56.50 million in 2012-13.

DIVIDEND:

The Directors have recommended a dividend of ₹ 2.00 per equity share and a special dividend of ₹ 0.50 per equity share aggregating to ₹ 2.50 per equity share of ₹ 10 each for the year ended 31st March, 2014. The dividend payout will aggregate to ₹ 18.63 million and the tax on distributable profits payable by the Company would amount to ₹ 3.17 million.

The Company proposes to transfer ₹ 12.52 million to General Reserves.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY STRUCTURE & DEVELOPMENT: OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The current size of the Indian Chemical Industry is US\$ 108 billion and accounts for 7% of the Indian GDP.

The Indian Specialty Chemical Industry has the potential to quadruple in size from US\$ 20 billion to US\$ 80 billion over the decade.

The Industry is expected to grow at 10% to 12% in 2017 on the back of increasing demand from growth of Urban population and infrastructure.

Studies have shown that the per capita consumption of specialty chemicals in India is far below world standards. India's demographics together with its expanding middle class with expanding per capita incomes will automatically lead to consumption led growth. Higher growth expectations and improved environmental standards could lead to double digit growth within certain segments.

Indian markets have great potential for growth in several end-use industries. In addition, Indian companies have the capability of occupying a dominant share in the growing global market. All this translates to higher growth potential for companies who are willing to look at new opportunities for innovative specialty chemicals in applications as diverse as paints, automotives, textiles and construction. Political stability will ensure these opportunities emerge as substantial game changers, in what now looks like a stagnant and sluggish market. Also a positive economic environment will provide a thrust to construction activity and its associated demands.

The Company continues to focus on the specialty niche areas, where it can leverage its expertise. However, the focus has expanded to performance products that are used in larger volumes in the Oil Field and Construction Chemical Sectors, to maintain the integrity of its pipe lines.

SECTORWISE PERFORMANCE:

The Indian Economy continues to struggle at growth levels under 5%.

The Company however has shown a year on year growth of over 15% for the past 2 years, and surpassed its targets for the year.

The Company has had a good year, mainly due to exports, which to some extent was facilitated by the weakening of the Rupee. The Company's focus on Oil Field Chemicals and the Oil Sector in general, has allowed it to survive the lackluster environment in some of the other areas of operation.

The Company's capabilities in complex synthesis, and its ability to meet exacting delivery schedules, has opened up a new opportunity with its JV partner Nalco Champion.

Products are jointly developed by the two partnering companies. This Joint Venture attitude of two production partners, enables innovative new applications to be developed with chemicals from renewable or other sources.

Every month new products are being added to the portfolio, based on cost performance, compatibility and stability. Synergistic blends of both companies' products are catering to some effective performance solutions whilst remaining in the competitive space.

Successfully developing and commercializing new production chemicals will therefore cover not only cost performance and environmental issues, but also compatibility and stability issues.

Stimulus responsive chemicals and combination products are the innovations that will be the new way forward in this area.

In addition, the Company's foray into Construction chemicals, specifically additives for concrete, has been fairly successful, showing significant growth in this year.

In the Company's traditional businesses, in spite of the challenging business environment the Company has shown decent growth in its offerings to the Rayon, Textile Sizing, and Paint Industries.

Areas that showed poor performance were for Spin Finishes, and some of the Company's newer offerings in Polymerisable Surfactants, where market acceptances to price were a serious challenge.

The Company continues to re-evaluate the products it manufactures and those under development.

Our Company's focus on safety and environment issues has moved it towards greener chemistries and cleaner processes that have proved economically beneficial for the Company. The Company exited products that were economically non-viable. Products with greener footprints and higher value addition are being developed as substitutes. We are focusing on ecologically sustainable solutions in all our key market segments including emulsifiers for emulsion, polymerization, metal cleaning, bio-pesticides, textiles, etc. The Company has developed APEO free equivalents for some of its standard products, which are slowly gaining momentum as export markets open up for our customers.

The Company's focus on innovative application based Chemistry continues to support its sustainability model through the years.

Innovation is essential for the Company to remain competitive and maintain its pioneering position. The new focus will be on sustainable chemistry, and a continued re-evaluation of energy use, water consumption, use of renewable feedstock, whilst optimizing processes.

This strategy brings its own challenges, as well as opportunities.

New chemistries with improved performance characteristics and the use of natural products like fatty acid derivatives will be the future trend.

The recent policy paralysis, in the past year has considerably delayed the Company's plans for expansion.

The Company's expansion plans at Dahej have been stalled for want of environmental clearances, due to the present political stalemate.

Decisions of expansions and reorientation of business have been put on hold for several months partly because of the prevailing uncertainties in the economic system and mainly due to delay in environmental clearances at our new site.

The Company has therefore moved ahead with debottlenecking its present plant in Pune, in order to achieve higher capacities required immediately.



The Company is moving forward with replacing its older reactors in Pune with newer more efficient reactors which will enhance capacities in the interim.

The Company has gradually switched over to automation of its processes, for all its new reactors. Automation brings with it enormous potential for effective utilization of manpower whilst standardizing batches to highly precise levels. It is a very effective tool in ensuring standard specifications batch after batch, whilst avoiding human error and dependence on the skill, judgment and experience of the chemist and whilst promoting all round safety.

WORKING CAPITAL MANAGEMENT:

The significant ratios of the Company such as Ratio of Inventory to Sales is 9.70%, Receivable to Sales is 18.72%, and Net Working Capital to Sales is 19.64%.

The working capital was rotated 5 times in the year, showing effective working capital management. Surplus generated from operations is invested in business by increasing capacity of plant to cater additional business of the Company.

JOINT VENTURE/SUBSIDIARY COMPANIES:

Joint Venture Company – Champion Dai-ichi Technologies India Ltd.:

The Company has a Joint Venture with CTI Chemicals Asia Pacific Pte. Ltd., in the ratio of 50:50.

Key Performance Indicators for the year under review, of the Joint Venture Company are as under:

Turnover	₹ 91,97,86,197/-
Profit Before Tax	₹ 11,40,35,063/-
Net Profit	₹ 7,50,31,999/-
Earning per share	₹ 33.35

Annual report of subsidiary company:

As on 31st March 2014, the Company has only one subsidiary, Dai-ichi Gosei Chemicals (India) Limited. The Company continues to be a dormant company.

The Annual accounts of the subsidiary company are placed at the website of the Company and will be provided to investors on request.

Statement containing salient features of the financial statement of subsidiary company is attached to the financials.

CONSOLIDATED FINANCIAL STATEMENTS:

As per the Listing Agreement and applicable Accounting Standards, the Consolidated Financial Statements of the Company with its Joint Venture Company, Champion Dai-ichi Technologies India Ltd and Subsidiary Company, Dai-ichi Gosei Chemicals (India) Ltd., duly audited by the Statutory Auditors are provided in the Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

1. in the preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards have been followed;
2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014, and of the profit of the Company for the period April 1, 2013 to March 31, 2014;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis.

DIRECTORS:

The Company has received requisite notices in writing from members proposing appointment of Mr. K. D. Patel, Dr. A. M. Naik & Mr. K. M. Elavia as Independent Directors of the Company.

Pursuant to Section 149(6) of the Companies Act, 2013 & Clause 49 of the listing agreement with Stock Exchange, declaration from the aforesaid Directors confirming their Independent status is received.

Mr. J. H. C. Jehangir retires from the Board of Directors by rotation, in pursuance of the provisions of the Companies Act, 2013 and Articles of Association of the Company. Being eligible for re-appointment, he has offered himself for re-appointment.

The information required to be furnished under Clause 49 of the Listing Agreement is given in the Notice of the 54th Annual General meeting.

MATERIAL DEVELOPMENTS ON HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company's Human Resource Policy over the years has resulted in a very low attrition ratio of less than 1% per annum. All manpower requirements are assessed and filled in a timely manner. The Company has a sound knowledge pool of experienced employees, which helps it to maintain consistency in performance across all disciplines. It has built a team of dedicated employees, who work with commitment and a sense of belonging towards the growth of the Company.

Following areas are given special attention to enhance performance of the employees.

- Identification of Training & development needs and upgrade job specific skills.
- Compensation, recognition & rewards.
- Career growth plan through annual assessment.

As on 31st March, 2014, the total number of employees on the payrolls of the company at all the locations are 239.

HEALTH, SAFETY & ENVIRONMENT:

The Company's commitment to Health, Safety and Environment is continued to be maintained through both Internal & External Standards.

Regular mock drills, periodic employee health checkups, regular training in safe practices are some of the controls through which the Company ensures sustainable performance in this area.

Being a signatory to the Responsible Care Initiative, the Company is voluntarily working towards a safer and cleaner environment.

INDUSTRIAL RELATIONS:

The wage agreement with the workers of the Company expired on 30th November, 2008. As Conciliation proceedings before the Labour Commissioner, Pune for arriving at a settlement were not conclusive, the matter was referred to the Industrial Court, Pune for adjudication. The said reference is rejected by the Hon'ble Industrial Court for want of prosecution by the recognized union. The decision of the Industrial Court was challenged before the Mumbai High Court, the Court has upheld the decision of the Industrial Court. The matter is further challenged and is now pending before the Supreme Court.

Internal Control Systems and Their Adequacy

The Company has an adequate system of internal controls in all business spheres of its activities which are commensurate with the size and the nature of its business. It ensures adequate protection of the Company's resources, provision of accurate and speedy financial statements and reports, and compliance with the Company policies and procedures and other statutory and legal obligations. The internal control is supplemented by effective and independent internal audit. The Management regularly reviews the findings of the Internal Auditors and effective steps to implement any suggestions/observations of the Internal Auditors are taken and monitored regularly. In addition, the Audit Committee of the Board regularly addresses significant issues raised by the Internal and the Statutory Auditors.

AUDITORS:

M/s. Deloitte Haskins & Sells LLP, the Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and being eligible are recommended for re-appointment. In accordance with Section 139(1) of the Companies Act, 2013 read with rules framed thereunder it is proposed to appoint Deloitte Haskins & Sells LLP, as Statutory Auditors of the Company for a term of three consecutive years.

**COST AUDITORS:**

The Company has appointed Mr. S. G. Jog, Cost Accountant, (Membership no. 5599), Mumbai as Cost Auditor of the Company for the financial year 2013-14. Due date of filing Cost Audit Report was 30th September, 2013, actual date of filing the report was 24th September, 2013.

CORPORATE GOVERNANCE:

The Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance as prescribed under the amended Listing Agreement of the Bombay Stock Exchange Limited with which the Company is listed, are complied with. A separate report on Corporate Governance is attached as a part of the Annual Report along with the Auditors' statement on its compliance.

RELATED PARTY DISCLOSURES:

The Company has made disclosures in compliance with the Accounting Standard on Related Party Disclosures as required by clause 32 of the Listing Agreement of The Bombay Stock Exchange Ltd.

FIXED DEPOSITS:

The Company has discontinued its fixed deposit scheme during the financial year 2007-2008. The Company has repaid all the outstanding Fixed Deposits by the year 2009-10. The only deposits that are outstanding as on 31st March, 2014 are the matured but unclaimed deposits which amount to ₹ 0.045 millions.

LISTING

The Equity Shares of your company are presently listed on The Bombay Stock Exchange Ltd. and the Company has paid the annual listing fees for the financial year 2014-2015.

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:

- (a) There are no employees other than the Managing Director covered under the purview of Section 217(2A) of the Companies Act, 1956 and the rules framed there under.
- (b) The particulars as prescribed under sub section (1) (e) of Section 217 of the Companies Act, 1956 read with Companies (Disclosure of particulars in respect of Board of Directors) Rules 1988 are given in Annexure 'A' to this report.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation of the contribution made by the employees of the Company. The Directors wish to convey their appreciation to the Banks, dealers and other business associates and the shareholders for their continuous trust and support.

CAUTIONARY NOTE:

Certain statements in the Director's Report and Management & Discussion Analysis Section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

For and on behalf of the Board

Mrs. S. F. Vakil

Chairperson & Managing Director

Place : Mumbai
Date: May 2, 2014

ANNEXURE 'A' TO THE DIRECTORS' REPORT

INFORMATION REQUIRED AS PER SECTION 217(1)(E) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014.

Form A & B Report:

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

The particulars as prescribed under sub-section (1) (e) of section 217 of the Companies Act 1956 read with Companies (Disclosure of particulars in respect of Board of Directors) Rules 1988 are given in Annexure 'A' to this report.

INFORMATION REQUIRED AS PER SECTION 217(1)(E) OF THE COMPANIES ACT 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2014.

I. Conservation of Energy:

(a) ENERGY CONSERVATION MEASURES TAKEN:

- (i) VFD is installed on 8kl Phosphate reactor due to which energy saving is achieved.
- (ii) Use of Bio mass briquettes in boiler due to which savings of fossil fuel is achieved.
- (iii) Maximum possible rebate on energy bill by maintaining power as unity throughout the year.
- (iv) Water/Energy audit carried out from INDESCO for process plants for conservation of utilities.
- (v) Few Batch processes scaled up / modified for saving of process energy and time.

(b) ADDITIONAL INVESTMENT PROPOSAL IF ANY, BEING IMPLEMENTED FOR REDUCTION OF ENERGY:

- (i) Hurricane Turbo ventilators for natural ventilation.
- (ii) Auto dispensing mass flow meters for packing of FG and intermediates transfer to be installed which will result in saving in manpower and packing time.
- (iii) VFDs are to be provided for process cooling water supply pumps.
- (iv) Natural draft jet cooling tower to be installed instead of forced draft cooling tower to save energy.
- (v) ETP Plant upgradation to make it more effective and reduce water consumption.
- (vi) Use of Triplex dosing pumps to reduce water consumption.

(c) IMPACT OF THE MEASURES AT (a) & (b) ABOVE FOR REDUCTION OF ENERGY CONSERVATION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.

The above measures will result in energy, manpower, water saving and consequent reduction in the cost of production.



(d) TOTAL ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A:

Sr. No	Description	2013-14	2012-13
A.	Power and fuel consumption		
1.	ELECTRICITY		
	(a) Purchased		
	Units (KWH)	25,12,966	25,09,071
	Purchased cost of units (₹)	1,74,34,333	1,81,64,184
	Rate per unit purchased	6.94	7.24
	(b) Own generation		
	(i) Through Diesel Generator		
	No of units Generated (KWH)	16,125	10,439
	Diesel Oil consumed (KL)	6.03	3.62
	Cost of Diesel Oil consumed (₹)	3,05,063	1,70,995
	Cost of Diesel/Unit generated (₹)	18.92	16.38
	(ii) Through Steam Turbine Generator	Nil	Nil
2.	COAL		
	No of Units consumed (KG)	Nil	Nil
	Purchase cost (₹)	Nil	Nil
	Average rate (₹/KG)	Nil	Nil
3.	FURNACE OIL		
	Furnace oil consumed (KL)	113.48	127.87
	Cost of Furnace oil consumed (₹)	47,17,045	51,15,746
	Average rate (₹/lt.)	41.57	40.01
4.	BIO-FUEL BRIQUETTES		
	1. Bio-fuel briquettes consumed (MT)	2838.38	2570.78
	2. Cost of B.F briquettes consumed (₹)	1,74,54,867	1,46,99,935
	3. Average rate (₹/KG)	6.15	5.72
B.	Consumption per unit of production in MT		
	Electricity-KWH/Ton	213.33	235.43
	Furnace Oil - (Lt./ Ton)	269.46	269.76
	Briquettes - (Ton/Ton)	4.03	3.98

FORM 'B' FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION**II. Research & Development**

1. Specific areas in which research & development activities were carried out by the Company:
 - (i) New Products development were taken up for products like, new range of pour point depressants, corrosion inhibitor for oil field application, emulsifier for silicone oils, APEO free anionic emulsifier for paint industry, APEO free surfactant for pigment manufacturing industry, Glucose based surfactants, Mud thinner for oil field application, Starch based thickeners.
 - (ii) Process modification and performance improvement of existing products.
2. Benefits derived from these research and development projects:
 - (i) New range of value added products are introduced into the export market.
 - (ii) Development of cost effective products lead to good volume of export.
 - (iii) More APEO free surfactants were added into the current range.
3. The future plan for research & development activities :
R&D would continue to work towards development of more green chemistry based value added products, versatile performance based pour point depressants, new products for cement industry in addition to efforts on process modification and product quality improvement of existing products.
4. Expenditure on R&D during the year

Capital	– ₹ 2,93,682/-
Recurring	– ₹ 1,05,97,064/-
Total R&D expenditure as a percentage of turnover : 0.93%	

III. Technology Absorption, Adaptation and Innovation:

- (i) 11 new products have been developed.
- (ii) 9 new products have been scaled up at the pilot plant and 4 in the production level.
- (iii) During last 5 years no technology was imported.

IV. Foreign Exchange Earning and Outgo:

Foreign Exchange Earned	₹ 251.40 millions
Foreign Exchange used for imports and other remittance	₹ 152.09 millions



CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2013-14.

CORPORATE GOVERNANCE DISCLOSURE

In compliance with clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice as followed by Company:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Since its inception, the Company has been founded on moral and ethical codes that strongly emphasize total transparency and complete value based governance. The Company understands that corporate governance is a combination of voluntary practices and full compliance with laws and regulations leading to effective control and management of the organization. Good corporate governance leads to long term shareholder value and enhances interest of stake holders. The Company continues to place uncompromising emphasis on integrity and regulatory compliances. The Company is committed to providing high quality products and services to its customers and stakeholders.

2. BOARD OF DIRECTORS:

The Board of Directors consists of 6 (six) Directors. The Board comprises of a Managing Director and five Non-Executive Directors. Out of five Non-Executive Directors, three members are Independent Directors. The Board's composition is in conformity with the provisions of Companies Act, 1956 as well as clause 49 of the Listing Agreement with the Stock Exchange.

During the financial year under review six Board Meetings were held on 28th May, 2013, 24th June, 2013, 31st July, 2013, 02nd September, 2013, 25th October, 2013 and 29th January, 2014.

Attendance of each Director at the Board meetings and last Annual General Meeting and number of other Directorships and Chairmanships/ Memberships of Committee of each Director in various companies:

Name of Director	Category**	Designation	Board Meetings Attended	Attendance at last AGM	No. of Directorships in other Boards#	No. of Chairmanship/ Membership in other Board Committees\$
Mrs. S. F. Vakil (Promoter)	E.D.	Chairperson & Managing Director	6	Yes	4	None
Mr. J. H. C. Jehangir (Promoter)	N.E.D.	Director	Nil	No	2	None
Mr. A. H. Jehangir (Promoter)	N.E.D.	Director	1	Yes	None	None
Dr. K. R. Bharucha*	I.& N.E.D.	Director	Nil	No	None	None
Mr. K. D. Patel	I.& N.E.D.	Director	5	Yes	5	3/2
Dr. A. M. Naik	I.& N.E.D.	Director	5	Yes	1	None
Mr. K. M. Elavia	I.& N.E.D.	Director	6	Yes	8	4/2

* Dr. K. R. Bharucha, Independent and Non Executive Director resigned w.e.f. 31st December, 2013.

** E.D. – Executive Director, N.E.D. – Non – Executive Director, I. – Independent

The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

\$ In accordance with clause 49, Memberships / Chairmanships of only Audit Committees and Shareholders' / Investors' Grievance Committees of all other public limited companies have been considered.

Mr. J. H. C. Jehangir and Mr. A. H. Jehangir are related being brothers.

3. BOARD COMMITTEES:

The Company follows procedures & practices in conformity with the code of Corporate Governance. In keeping with the spirit of the code, the Board had constituted the following committees:

(i) **Audit Committee:**

The terms of reference cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956.

The Audit Committee comprises of Mr. K. D. Patel as Chairman, Dr. A. M. Naik, Mr. A. H. Jehangir and Mr. K. M. Elavia as members.

During the financial year under review, five Audit Committee meetings were held on 28th May 2013, 31st July, 2013, 02nd September 2013, 25th October 2013 and 29th January, 2014.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings attended
1. Mr. K. D. Patel	4
2. Dr. A. M. Naik	4
3. Mr. A. H. Jehangir	1
4. Mr. K. M. Elavia	5
5. Dr. K. R. Bharucha*	Nil

* Dr. K. R. Bharucha has resigned with effect from 31st December, 2013.

The statutory auditors and the internal auditors of the Company are invited to join the audit committee meetings.

(ii) **Share Transfer & Shareholders/ Investor's Grievances Committee:**

The Company has a Share Transfer & Shareholders/Investors' Grievance Committee. It comprises of Mr. A. H. Jehangir as Chairman, Mr. J. H. C. Jehangir and Mrs. S. F. Vakil as members. The Committee approves share transfers, transmissions, issue of duplicate share certificates, consolidation/ split of share certificates, approval of demat position and matters related to Investors Grievances as and when received. During the year, 3 complaints were received from the shareholders. There are no pending complaints or share transfers at the end of the year under review. The Committee holds fortnightly meetings.

(iii) **Remuneration Committee:**

The remuneration committee comprises of Mr. K. D. Patel as Chairman, Dr. A. M. Naik and Mr. K. M. Elavia as Members. The terms of reference cover the matters specified for Remuneration Committee under the Listing Agreement and the Companies Act, 1956. No meeting of the committee was held during the financial year under review.

4. REMUNERATION PAID TO DIRECTORS OF THE COMPANY:

(a) **Executive Directors:**

There is only one Executive Director on the Board, i.e Chairperson and Managing Director – Mrs. S. F. Vakil. Remuneration paid during the year includes Salary amounting to ₹ 34,90,000/-, perquisites amounting to ₹ 25,22,541/- and performance incentive amounting to ₹ 18,50,000/-. The remuneration excludes, provision for gratuity and leave encashment, which are done based on actuarial value for Company as a whole.



(b) **Non-Executive Directors:**

The sitting fees paid to the Directors during the year under review are as under:

Name of Directors	Fees for Board meeting (₹)	Fees for Audit committee (₹)
Mr. J. H. C. Jehangir	Nil	N.A
Mr. A. H. Jehangir	15,000/-	7,500/-
Mr. K. D. Patel	75,000/-	30,000/-
Dr. A. M. Naik	75,000/-	30,000/-
Mr. K. M. Elavia	90,000/-	37,500/-
Dr. K. R. Bharucha*	Nil	Nil

* Dr. K. R. Bharucha has resigned with effect from 31st December 2013.

5. **GENERAL BODY MEETINGS:**

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2010-2011	21.7.2011	11.30 a.m.	M. C. Ghia Hall, Mumbai
2011-2012	10.8.2012	11.30 a.m.	M. C. Ghia Hall, Mumbai
2012-2013	31.7.2013	11.30 a.m.	M. C. Ghia Hall, Mumbai

Special resolution passed at the last three Annual General Meeting:

Date of AGM	Purpose
10.8.2012	Appointment of Ms. Meher Vakil as Representative for Export Promotion of the Company's products in United States.
31.7.2013	Re-appointment of Mrs. S. F. Vakil as Chairperson and Managing Director.

Postal ballot: No resolution was required to be passed by means of postal ballot during the financial year under review.

6. **DISCLOSURES:**

1. There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company.
2. There were no instances of non-compliance nor have any penalties, strictures been imposed by stock exchange or SEBI or any other statutory authority during the last three years on any matter related to the capital markets.
3. The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures including risk mitigation mechanisms, which are periodically reviewed and reported to the Board of Directors by senior executives.

7. CODE OF CONDUCT:

During the financial year under review, the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The Code has also been posted on the Company's website www.dai-ichiindia.com. The said Code has been communicated to the Directors and the Members of the Senior Management and they have also affirmed the compliance thereto.

Sd/-
Chairperson and
Managing Director

8. MEANS OF COMMUNICATION:

- (a) Quarterly results are taken on record by the Board of Directors and submitted to the stock exchange in terms of the requirements of Clause 41 of the Listing agreement.
- (b) Quarterly results have been published in Free Press Journal and Nav Shakti.
- (c) Website of the Company is – www.dai-ichiindia.com
- (d) Exclusive e-mail id for investor complaint is investor@dai-ichiindia.com
- (e) No presentations have been made to institutional investors or to analysts.
- (f) The Management Discussion and Analysis Report forms part of Directors Report.

9. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting:

Date, Time and Venue:	8 th August, 2014 at 11.30 a.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 th floor, 18/20 Kaikhushru Dubash Marg, Mumbai-400 023.
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B. Financial Calendar (tentative):

Financial Year	1 st April, 2014 to 31 st March, 2015
First Quarter Results	Second week of August, 2014
Half Yearly Results	Second week of November, 2014
Third Quarter Results	Second week of February, 2015
Audited Results for the year ending 31 st March, 2015	Third week of May, 2015

C. Dates of Book Closure

1st August, 2014 to 8th August, 2014

D. Dividend Payment Date

22nd August, 2014

E. Listing on Stock Exchanges

The Bombay Stock Exchange Ltd.

F. Stock Code -

DAI ICH KARK

Demat ISIN Number for NSDL & CDSL

INE928C01010

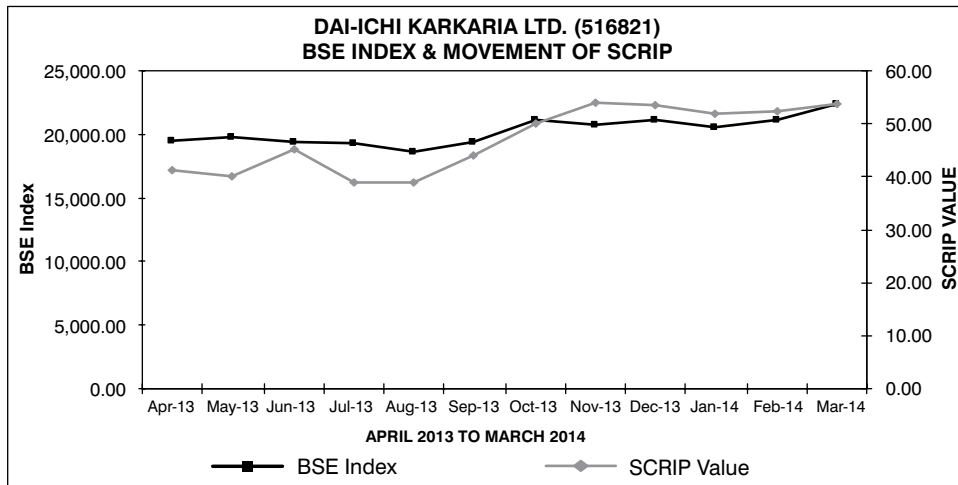


G. Market Price Data:

High/Low Share price of the Company during the last financial year on The Bombay Stock Exchange Ltd. (BSE) (Face Value ₹ 10)

Sr. No.	Month	High (₹)	Low (₹)
1.	April 2013	45.00	36.10
2.	May 2013	45.00	37.50
3.	June 2013	48.00	39.55
4.	July 2013	47.00	38.50
5.	August 2013	40.95	34.30
6.	September 2013	44.00	36.40
7.	October 2013	50.00	39.05
8.	November 2013	55.70	45.50
9.	December 2013	54.90	46.50
10.	January 2014	55.00	47.00
11.	February 2014	52.50	47.55
12.	March 2014	54.95	49.00

H. Stock Performance:



I. Registrar and Share Transfer Agents:

Registrars & Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.
Unit-1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai - 400 072.

Persons to contact

Mr. Adi Patel/Mr. Sasikumar

Telephone No.

28515606/28515644

E-mail address:

sharexindia@vsnl.com

J. Share Transfer System:

The Company follows a fortnightly cycle for processing and updating share transfers. The share transfer register and demat reports are approved by share transfer committee. The same is then ratified by the Board at the next meeting.

K. Shareholding Pattern as on 31st March, 2014:

	Categories of Shareholders	No. of shares held	%
A.	Promoters Holding		
	Indian Promoters	40,62,922	54.53
	Foreign Promoters	Nil	Nil
	Persons acting in concert	6,86,717	9.22
	Sub Total	47,49,639	63.75
B.	Non-Promoters Holding		
	Institutional Investors:		
	(i) Mutual Funds and UTI	1,600	0.02
	(ii) Banks, Financial Institutions, Insurance Companies	Nil	Nil
	(iii) FIs	Nil	Nil
	Sub Total	1,600	0.02
	Others:		
	(i) Private Corporate Bodies	2,48,900	3.34
	(ii) Indian Public	23,49,390	31.53
	(iii) NRIs/OCBs	90,535	1.22
	(iv) Any other (clearing members)	11,165	0.15
	Sub Total	26,99,990	36.24
	GRAND TOTAL	74,51,229	100

L. Dematerialisation of shares:

As on 31st March, 2014, 71,98,519 equity shares representing 96.61% of the paid-up Share Capital is held in dematerialized form. Transaction in the equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

M. Plant locations

105th Milestone, Mumbai Pune Road,
P. O. Kasarwadi Pune - 411 034

Kurkumbh Industrial Area, Plot No. D13
Village Kurkumbh, Tal. Daund,
Dist. Pune



- N. Address for correspondence:** For information on share transactions in electronic form and physical form and general correspondence:
- Sharex Dynamic (India) Pvt. Ltd. at
Unit-1, Luthra Ind. Premises,
Andheri Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072.
Tel: 2851 5606/2851 5644
Fax: 2851 2885
E-mail: sharexindia@vsnl.com
Website: www.sharexindia.com
- Compliance Officer of the Company is Mrs. Kavita Thadeshwar
(Company Secretary)
- O. Auditor's certificate on Corporate Governance** The Company has obtained a certificate from the Auditors of the Company confirming compliances with conditions of corporate governance as stipulated in the listing agreement with stock exchange.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Dai-ichi Karkaria Ltd.

We have examined the compliance of conditions of Corporate Governance by Dai-ichi Karkaria Ltd., for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the certificate of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai
Date : May 2, 2014

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF
DAI-ICHI KARKARIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Dai-ichi Karkaria Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firms' Registration No. 117366W/W-100018

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai

Date : 2nd May, 2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

In our opinion and according to the information and explanation given to us, the nature of the Company's business/activities, during the year are such that clauses (x), (xii), (xiii), (xiv), (xv), (xviii), (xix), (xx) of the Order are not applicable to the Company. In respect of the other clauses, we report as under:

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets which are in the process of being updated in respect of one location.
 - (b) The company has a program of physical verification of its fixed assets, once in two years on a unit-wise basis, which in our opinion is reasonable. The unit fixed assets due for verification were not physically verified during the year by the management.
 - (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not been disposed off by the Company during the year.
- (ii) In respect of its inventories:
 - (a) As explained to us, inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans, secured or unsecured, granted or taken by the Company to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 according to the information and explanations given to us:

Loans granted

 - (a) The Company has not granted any loans during the year to parties covered under Section 301 of the Companies Act, 1956. At the year-end, there are no outstanding balances of such loans. The maximum amount involved during the year was Rs. 7,000,000 to one party.
 - (b) The rate of interest and other terms and conditions of such loans were, in our opinion, *prima facie* not prejudicial to the interest of the Company.
 - (c) The receipts of principal amounts and interest have been regular/as per stipulations.
 - (d) There were no overdue amounts exceeding Rs. 1 lakh remaining outstanding as at the year-end.



Loans taken

- (e) The Company has not taken any loans during the year from parties covered under Section 301 of Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services and during the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered into the Register, maintained under the said section have been so entered.
- (b) Where each of such transactions is in excess of Rs 5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2014, on account of disputes are given below :

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount (in ₹)
Income tax Act, 1961	Income Tax	A.Y. 2006-2007	CIT(A)	35.87 lakhs
Income tax Act, 1961	Income Tax	A.Y. 2007-2008	ITAT	2.48 lakhs
Income tax Act, 1961	Income Tax	A.Y. 2008-2009	ITAT	0.58 lakhs
Income tax Act, 1961	Income Tax	A.Y. 2009-2010	CIT(A)	220.40 lakhs
Income tax Act, 1961	Income Tax	A.Y. 2010-2011	CIT(A)	26.75 lakhs
Income tax Act, 1961	Income Tax	A.Y. 2011-2012	CIT(A)	18.84 lakhs
Maharashtra Value Added Tax Act, 2002	Value Added Tax	F.Y. 2008-09	CIT(A)	14.05 lakhs
Central Sales Tax Act, 1956	Central Sales Tax	F.Y. 2008-09	CIT(A)	58.38 lakhs
Service Tax	Service Tax	2008-09 to 2011-12	Comissioner of Central Excise & Customs	Rs. 108.89 lakhs

- (x) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions or debenture holders.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained
- (xii) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have, *prima facie*, not been used during the year for long-term investment.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
Firms' Registration No. 117366W/W-100018

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai

Date : 2nd May, 2014



Balance Sheet as at 31 March, 2014

Particulars	Note No.	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital.....	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus	4	70,07,79,322	59,78,85,821
		77,52,91,612	67,23,98,111
2. Non-current liabilities			
(a) Long-term borrowings.....	5	85,90,245	1,12,92,001
(b) Other long-term liabilities.....	6	80,49,132	80,49,132
(c) Long-term provisions.....	7	1,09,21,009	1,22,85,281
		2,75,60,386	3,16,26,414
3. Current liabilities			
(a) Trade payables	8	9,25,02,612	8,43,67,265
(b) Other current liabilities	9	5,90,99,937	3,86,67,874
(c) Short-term provisions	10	2,67,03,183	2,57,63,497
		17,83,05,732	14,87,98,636
TOTAL		98,11,57,730	85,28,23,161
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11A	15,33,44,748	15,87,17,938
(ii) Intangible assets.....	11B	1,09,582	1,82,637
(iii) Capital work-in-progress.....		6,79,73,318	5,74,36,818
(iv) Intangible assets under development		82,725	82,725
		22,15,10,373	21,64,20,118
(b) Non-current investments	12	2,93,46,038	2,93,46,038
(c) Deferred tax assets (net)	13	42,51,430	3,53,101
(d) Long-term loans and advances.....	14	5,32,45,098	5,19,59,600
		8,68,42,566	8,16,58,739
		30,83,52,939	29,80,78,857
2. Current assets			
(a) Current investments.....	15	28,28,27,525	17,02,45,759
(b) Inventories	16	10,44,99,925	10,49,35,536
(c) Trade receivables	17	20,17,12,968	14,91,12,755
(d) Cash and Bank Balances.....	18	5,60,05,023	9,92,85,783
(e) Short-term loans and advances.....	19	2,63,59,880	2,90,74,853
(f) Other current assets.....	20	13,99,470	20,89,618
		67,28,04,791	55,47,44,304
TOTAL		98,11,57,730	85,28,23,161

The accompanying notes are an integral part of the financial statements

In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Shyamak R Tata
Partner

Place : Mumbai
Date : 2nd May, 2014

For and on behalf of the Board

S. F. Vakil	Chairperson and Managing Director
Kavas Patel	Director
Keki Elavia	Director
Anil Naik	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	Note No.	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1. Revenue from operations (gross)	21	1,17,52,17,983	88,87,18,489
Less: Excise duty.....		9,74,81,256	8,09,34,297
Revenue from operations (net)		1,07,77,36,727	80,77,84,192
2. Other income	22	3,86,82,574	4,98,77,459
3. Total Revenue		1,11,64,19,301	85,76,61,651
4. Expenses			
(a) Cost of materials consumed	23	73,74,33,616	58,20,31,583
(b) Changes in inventories of finished goods, work-in-progress.....	24	1,29,83,035	(1,47,39,410)
(c) Employee benefits expenses	25	10,57,04,850	9,55,61,769
(d) Finance costs.....	26	9,71,724	2,28,237
(e) Depreciation and amortisation expenses	29	1,56,78,183	1,48,17,246
(f) Other expenses	27	15,00,90,391	12,32,65,926
Total Expenses		1,02,28,61,799	80,11,65,351
5. Profit before Tax and Exceptional item		9,35,57,502	5,64,96,300
6. Exceptional item:			
Profit on sale of long term investment		6,01,56,325	—
		15,37,13,827	5,64,96,300
7. Tax expense/(benefit):			
(a) Current Tax	28	3,25,00,000	1,49,00,000
(b) Deferred Tax.....	28	(38,98,330)	(23,00,021)
Net Tax Expenses		2,86,01,670	1,25,99,979
8. Profit for the year		12,51,12,157	4,38,96,321
Earning per Equity Share basic and diluted (of ₹10/- each).....		16.79	5.89

The accompanying notes are an integral part of the financial statements

In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Shyamak R Tata
Partner

Place : Mumbai
Date : 2nd May, 2014

For and on behalf of the Board

S. F. Vakil Chairperson and Managing Director
Kavas Patel Director
Keki Elavia Director
Anil Naik Director
Nitin Nimkar Financial Comptroller
Kavita Thadeshwar Company Secretary



Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before extraordinary items and tax	15,37,13,827	5,64,96,300
Adjustments for:		
Depreciation and amortisation expenses	1,56,78,183	1,48,17,246
Provision for doubtful debts.....	—	(2,10,345)
Interest income.....	(41,12,842)	(1,47,68,060)
Dividend income	(1,00,60,191)	(87,27,530)
Profit on sale of Fixed Assets.....	(1,22,969)	—
Profit on sale of investment	(7,00,21,640)	(90,50,920)
Rent income.....	(1,40,89,530)	(1,43,97,850)
Finance costs	9,71,724	2,28,237
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES.....	7,19,56,562	2,43,87,078
Changes in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	4,35,611	(1,31,22,155)
Trade receivables.....	(5,26,00,214)	(1,42,07,735)
Short-term loans and advances	27,14,973	(1,44,14,318)
Long-term loans and advances.....	(28,09,201)	1,15,36,877
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	81,35,348	5,70,041
Other current liabilities.....	1,97,23,323	(1,05,66,773)
Other long-term liabilities	—	80,49,132
Short-term provisions.....	7,95,784	40,416
Long-term provisions.....	(13,64,272)	30,54,482
	(2,49,68,648)	(2,90,60,033)
CASH GENERATED FROM/(USED IN) OPERATIONS.....	4,69,87,914	(46,72,955)
Net income tax paid.....	(3,07,24,131)	(1,62,93,855)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES (A)	1,62,63,783	(2,09,66,810)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to fixed assets.....	(2,17,34,029)	(7,79,19,931)
Sale proceeds of fixed assets	5,55,555	—
Movement in earmarked accounts.....	(11,81,181)	(10,20,016)
Bank balances not considered as cash and cash equivalents:		
— New deposits placed	—	4,00,00,000
— Proceeds of deposits.....	2,00,00,000	—
Current investments not considered as cash and cash equivalents:		
— Purchased	(38,37,25,056)	(7,97,58,441)
— Proceeds from sale	25,62,00,908	13,40,97,540
Purchase of long-term investments.....	—	(45,64,500)
Proceeds from sale of long-term investments.....	8,49,64,018	2,96,53,017
Interest received.....	48,02,993	1,46,73,547
Dividend received.....	1,00,60,191	87,27,530
Rent income.....	1,40,89,530	1,43,97,850
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES (B)	(1,59,67,071)	7,82,86,596

Cash Flow Statement for the year ended 31 March, 2014 (Contd.)

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sales tax deferral	(16,01,010)	(10,91,771)
Receipt of loan	7,65,000	25,49,000
Repayment of loan	(10,98,547)	(2,07,212)
Repayment of fixed deposits	(2,67,000)	(85,000)
Finance costs	(9,71,724)	(2,28,237)
Dividend paid	(1,84,19,532)	(1,46,82,912)
Tax on dividend	(31,65,841)	(24,17,551)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES (C)	(2,47,58,654)	(1,61,63,683)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,44,61,941)	4,11,56,103
CASH AND CASH EQUIVALENT (Opening Balance)	6,14,90,881	2,03,34,778
CASH AND CASH EQUIVALENT (Closing Balance)	3,70,28,940	6,14,90,881
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	(2,44,61,941)	4,11,56,103
	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
Cash and cash equivalents at the end of the year comprise		
(a) Cash on hand	15,207	26,727
(b) Balances with banks		
(i) In current accounts	3,70,13,733	2,14,64,154
(ii) In other deposit accounts	—	4,00,00,000
Total Cash and cash equivalents	3,70,28,940	6,14,90,881

Notes:

- (i) The accompanying notes are an integral part of the financial statements.
- (ii) The Cash Flow is prepared under the 'Indirect Method' as set in Accounting Standard 3 – Cash Flow Statement.

In terms of our report of even date
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Shyamak R Tata
Partner

Place : Mumbai
Date : 2nd May, 2014

For and on behalf of the Board

S. F. Vakil Chairperson and Managing Director
Kavas Patel Director
Keki Elavia Director
Anil Naik Director
Nitin Nimkar Financial Comptroller
Kavita Thadeshwar Company Secretary



Notes forming part of the Financial Statements

1. COMPANY OVERVIEW

Dai-ichi Karkaria Ltd. (DKL) was incorporated on 13 May, 1960 under the laws of the Republic of India and has its registered office at Mumbai (Maharashtra). DKL is engaged in manufacturing of Specialty Chemicals. The Company has joint venture with CTI Chemicals Asia Pacific Pte. Ltd., Singapore.

The activities of the Company are carried out at its plants located at Kasarwadi and Kurkumbh, Pune (Maharashtra).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) and applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act, 2013 Act, as applicable.

Estimates:

The preparation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities and other information as at the date of the financial statement and reported amounts of revenue and expenses during the recording period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

Fixed assets: (including research and development (R&D) assets)

i. Recognition:

Recognized at cost of acquisition/construction (inclusive of expenses (net) up to attainment of commercial production) except assets at Kasarwadi, Pune as at April 1, 1993, which is stated at revalued figures as on that date.

ii. Impairment:

The carrying amounts of tangible fixed assets are reviewed for impairment if events or changes in the circumstances indicate that the carrying value of the asset may not be recoverable. If there are indicators of impairment, an assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to statement of profit and loss.

iii. Depreciation and Amortisation:

Depreciation is provided at the rates prescribed in Schedule XIV to the Companies Act, 1956 on:

- written down value method for assets at Kasarwadi, Pune (including R & D assets). Incremental depreciation on revalued assets is adjusted to revaluation reserve.
- Straight line method for fixed assets at Kurkumbh, Pune.
- Leasehold assets are amortised over the life of the lease.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Research and development:

Capital expenditure is shown as fixed asset and accordingly depreciated. All revenue expenditure is charged to Statement of Profit and Loss.

Investments:

Investments are stated at cost and classified as long term or current. Provision is made for diminution, other than temporary, if any, in respect of a long term investments. Current investments are valued at lower of cost and fair value.

Inventory:

Inventories are valued at lower of cost and net realizable value, on the weighted average basis. Work in progress, Semi finished goods and Finished goods are valued on absorption costing basis. Due allowance is made for slow moving and obsolete stocks.

Notes forming part of the Financial Statements

Sundry Trade Receivables/loans and advances:

Sundry Trade Receivables and loans and advances are stated after making adequate provision for doubtful debts/advances, if any.

Revenue recognition:

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

Excise:

Excise duty is recognized on goods manufactured.

Employee benefits:

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

The Company's contributions to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Provision for compensated absences is made on the basis of actuarial valuation carried out as at the Balance Sheet date.

Foreign currency transactions:

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Year end balance of monetary items is restated at closing rates. Exchange difference arising on restatement or settlement is charged to Statement of Profit and Loss.

Premium/discount in respect of forward cover contract is amortized over period of contract.

Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

Taxation:

Provision for current tax is made after taking into account rebate and relief available under Income Tax Act, 1961.

Deferred tax is recognized subject to consideration of prudence, on timing differences between taxable and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is a virtual/reasonable certainty of realization.

Dividend:

Provision is made for proposed dividend, including corporate dividend tax thereon, subject to approval of members.

Contingent Liabilities:

Contingent liabilities are disclosed after careful evaluation of the facts and legal aspects of the issues involved.



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
NOTE 3 : SHARE CAPITAL				
(A) Authorised				
Equity shares of ₹10/- each	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
(B) Issued, Subscribed and fully paid				
Equity shares of ₹10/- each	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Total	74,51,229	7,45,12,290	74,51,229	7,45,12,290

(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period. There is no change in the number of shares and amount outstanding as at the beginning and at the end of the reporting period.

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
Equity shares				
Opening balance	74,51,229	7,45,12,290	74,51,229	7,45,12,290
Add: Equity shares issued during the year	—	—	—	—
Closing balance	74,51,229	7,45,12,290	74,51,229	7,45,12,290

(D) Details of equity shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mr. Ashokumar Parmar	496,453	6.66	732,309	9.83
Mrs. S. F. Vakil	998,390	13.40	791,390	10.62
Mrs. S. F. Vakil jointly with Mr. F. D. Neterwala and Mr. P. R. Mehta	492,240	6.61	492,240	6.61
Mrs. P. R. Mehta jointly with Mrs. S. F. Vakil and Mr. F. D. Neterwala	1,687,500	22.65	1,687,500	22.65

(E) Aggregate number of equity shares bought back during the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As at 31 March, 2014	As at 31 March, 2013	As at 31 March, 2012	As at 31 March, 2011	As at 31 March, 2010
Equity Shares bought back...	—	—	—	—	1,55,171

(F) The Company has one class of equity shares having par value of ₹10/- per share. Each equity share holder is eligible for one vote per share held. Each equity share holder is entitled to dividend as and when the Company declares and pays dividend after obtaining share holders approval.

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 4 : RESERVES AND SURPLUS		
(a) Capital reserve		
Balance as at the beginning and end of the year.....	77,10,000	77,10,000
(b) Capital redemption reserve		
Balance as at the beginning and end of the year.....	15,51,710	15,51,710
(c) Securities premium account		
Balance as at the beginning and end of the year.....	25,94,37,591	25,94,37,591
(d) Revaluation reserve		
Balance as at the beginning of the year.....	3,57,06,147	3,60,18,192
Less: Utilised for set off against depreciation.....	2,80,840	3,12,045
Balance as at the end of the year.....	3,54,25,307	3,57,06,147
(e) General reserve		
Balance as at the beginning of the year.....	3,94,09,482	3,50,09,482
Add: Transferred from surplus in Statement of Profit and Loss.....	1,25,20,000	44,00,000
Balance as at the end of the year.....	5,19,29,482	3,94,09,482
(f) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year.....	25,40,70,891	23,62,24,582
Add: Profit for the year.....	12,51,12,157	4,38,96,321
	37,91,83,048	28,01,20,903
Less: Dividends proposed to be distributed to equity shareholders (₹2.50/- per share) (For the year ended 31 March, 2013 ₹2.50/- per share)	1,86,28,073	1,86,28,073
Tax on dividend.....	31,65,841	30,21,939
Tax on dividend pertaining to earlier year.....	1,43,902	—
Transferred to General reserve.....	1,25,20,000	44,00,000
	3,44,57,816	2,60,50,012
Balance as at the end of the year.....	34,47,25,232	25,40,70,891
Total	70,07,79,322	59,78,85,821



Notes forming part of the Financial Statements

Particulars

**As at
31 March, 2014**
₹

As at
31 March, 2013
₹

NOTE 5 : LONG-TERM BORROWINGS

(a) Term loans from banks – Secured (refer Note (i) below)	12,02,218	18,96,421
(b) Deferred sales tax liability (refer Note (ii) below) – Unsecured	73,88,027	93,95,580
Total	85,90,245	1,12,92,001

Note (i) The term loans are secured against hypothecation of the vehicles purchased under the loans and are payable in equated monthly installments (EMI) detailed as under :

Name of Lender	Loan amount ₹	Rate of Interest	EMI Amount ₹	Total Nos. of EMI	Outstanding EMI
HDFC Bank Ltd.	4,61,000	12.50%	10,268	60	31
State Bank of India	9,00,000	14.75%	31,251	36	18
State Bank of India	16,49,000	13.75%	57,259	36	24
ICICI Bank Ltd.	7,65,000	10.05%	24,496	36	23

Note (ii) Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 up-to an amount of ₹4,84,42,000/- for the Kurkumbh unit at Pune. The deferred amount is recognized as long term borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year 2011.

The deferred sales tax liability is payable in annual installments as below:

Year	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
2014	—	16,01,010
2015	20,07,553	20,07,553
2016	21,73,501	21,73,501
2017	19,11,793	19,11,793
2018	15,01,600	15,01,600
2019	9,92,361	9,92,361
2020	5,85,818	5,85,818
2021	2,22,954	2,22,954
Total	93,95,580	1,09,96,590

For the current maturities of long term borrowings, refer item (a) of Note-9 Other current liabilities.

Particulars

**As at
31 March, 2014**
₹

As at
31 March, 2013
₹

NOTE 6 : OTHER LONG-TERM LIABILITIES

Deposit for rented premises	80,49,132	80,49,132
Total	80,49,132	80,49,132

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 7 : LONG-TERM PROVISIONS		
Provision for employee benefits		
(i) Provision for gratuity.....	33,47,241	45,22,173
(ii) Provision for compensated absences.....	75,73,768	77,63,108
Total	1,09,21,009	1,22,85,281
NOTE 8 : TRADE PAYABLES		
Trade payables:		
(a) Acceptances	1,60,00,419	33,88,409
(b) Other than acceptances		
Related parties.....	2,812	2,99,247
Others (refer Note 1)	7,64,99,381	8,06,79,609
Total	9,25,02,612	8,43,67,265

Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by the auditors) is ₹1,91,202/- (2013: ₹61,643/-) including unpaid amounts of ₹ Nil (2013: ₹ Nil) outstanding for more than 45 days. No interest is due thereon.

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 9 : OTHER CURRENT LIABILITIES		
(a) Current maturities of long term borrowings (refer note (i) below):		
(i) Term loans.....	12,34,135	8,73,479
(ii) Deferred sales tax liabilities	20,07,553	16,01,010
(b) Unpaid dividends	14,70,443	12,61,902
(c) Unpaid matured deposits	45,000	3,12,000
(d) Security Deposits.....	4,21,225	3,46,225
(e) Other payables:		
(i) Statutory remittances	58,34,810	36,54,855
(ii) Payables on purchase of tangible fixed assets.....	17,81,898	7,65,000
(iii) Advances from customers.....	84,75,746	9,03,017
(iv) Other liabilities.....	3,78,29,127	2,89,50,386
Total	5,90,99,937	3,86,67,874

Note (i): Refer item (a) & (b) of Note 5 Long term borrowings for details of security.



Notes forming part of the Financial Statements

Particulars

As at
31 March, 2014

As at
31 March, 2013

₹

₹

NOTE 10 : SHORT-TERM PROVISIONS

(a) Provision for employee benefits:

(i) Provision for Compensated Absences.....	34,84,508	22,04,775
(ii) Provision for Gratuity	14,24,761	19,08,710

	49,09,269	41,13,485
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(b) Provision – Others:

(i) Provision for proposed equity dividend	1,86,28,073	1,86,28,073
(ii) Provision for tax on proposed dividend.....	31,65,841	30,21,939

	2,17,93,914	2,16,50,012
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Total	2,67,03,183	2,57,63,497
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NOTE 11 : FIXED ASSETS

Particulars	Gross block			As at 31 March, 2014	Accumulated depreciation/amortisation			Net Block		
	As at 1 April, 2013	Additions	Deductions		As at 1 April, 2013	For the period	Deductions	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
A. Tangible Assets										
(a) Leasehold Land - Kurkum	18,58,391 (18,58,391)	— (—)	— (—)	18,58,391 (18,58,391)	2,91,969 (2,71,320)	20,649 (20,649)	— (—)	3,12,618 (2,91,969)	15,45,773 (15,66,422)	15,66,422 (15,87,071)
(b) Freehold Land	5,36,30,801 (5,36,30,801)	— (—)	— (—)	5,36,30,801 (5,36,30,801)	— (—)	— (—)	— (—)	— (—)	5,36,30,801 (5,36,30,801)	5,36,30,801 (5,36,30,801)
(c) Buildings Residential	1,65,16,917 (1,65,16,917)	— (—)	— (—)	1,65,16,917 (1,65,16,917)	89,67,019 (85,69,657)	3,77,495 (3,97,362)	— (—)	93,44,514 (89,67,019)	71,72,403 (75,49,898)	75,49,898 (79,47,260)
(d) Buildings: Non-Residential										
Own lease	6,45,86,039 (6,45,86,039)	— (—)	— (—)	6,45,86,039 (6,45,86,039)	4,97,31,018 (4,83,10,049)	13,27,713 (14,20,969)	— (—)	5,10,58,731 (4,97,31,018)	1,35,27,308 (1,48,55,021)	1,48,55,021 (1,62,75,990)
Given under operating lease	2,90,84,465 (2,90,84,465)	— (—)	— (—)	2,90,84,465 (2,90,84,465)	91,57,766 (81,08,992)	9,96,335 (10,48,774)	— (—)	1,01,54,101 (91,57,766)	1,89,30,364 (1,99,26,699)	1,99,26,699 (2,09,75,473)
(e) Plant & Machinery	28,07,11,616 (26,70,49,530)	67,34,145 (1,36,62,086)	— (—)	28,74,45,761 (28,07,11,616)	24,64,21,467 (23,89,86,766)	85,74,312 (74,34,701)	— (—)	25,49,95,779 (24,64,21,467)	3,24,49,982 (3,42,90,149)	3,42,90,149 (2,80,62,764)
(f) Furniture & Fixtures	1,95,03,813 (1,94,85,813)	6,93,079 (18,000)	— (—)	2,01,96,892 (1,95,03,813)	95,14,341 (73,15,841)	18,54,494 (21,98,500)	— (—)	1,13,68,835 (95,14,341)	88,28,057 (99,89,472)	99,89,472 (1,21,69,972)
(g) Laboratory, Office and Factory Equipment and Air conditioners	2,69,27,612 (2,56,07,571)	6,50,540 (13,20,041)	— (—)	2,75,78,152 (2,69,27,612)	2,01,88,358 (1,90,91,453)	10,87,854 (10,96,905)	— (—)	2,12,76,212 (2,01,88,358)	63,01,940 (67,39,254)	67,39,254 (65,16,118)
(h) Vehicles	1,15,46,687 (70,74,945)	28,58,349 (44,71,742)	21,93,214 (—)	1,22,11,822 (1,15,46,687)	56,26,981 (48,72,290)	14,83,699 (7,54,691)	17,60,628 (—)	53,50,052 (56,26,981)	68,61,770 (59,19,706)	59,19,706 (22,02,655)
Scientific Research - Capital Expenditure :										
(a) Buildings – Non Resi. ...	14,20,149 (14,20,149)	— (—)	— (—)	14,20,149 (14,20,149)	13,57,398 (13,54,119)	3,279 (3,279)	— (—)	13,60,677 (13,57,398)	59,472 (62,751)	62,751 (66,030)
(b) Plant & Machinery	78,24,529 (78,24,529)	9,250 (—)	— (—)	78,33,779 (78,24,529)	60,17,058 (57,44,657)	1,03,229 (2,72,401)	— (—)	61,20,287 (60,17,058)	17,13,492 (18,07,471)	18,07,471 (20,79,872)
(c) Furniture & Fixtures	6,31,513 (6,31,513)	— (—)	— (—)	6,31,513 (6,31,513)	5,95,684 (5,87,765)	6,485 (7,919)	— (—)	6,02,169 (5,95,684)	29,344 (35,829)	35,829 (43,748)
(d) Laboratory, Office and Factory Equipment and Air conditioners	1,57,31,217 (1,56,46,717)	— (84,500)	— (—)	1,57,31,217 (1,57,31,217)	1,33,86,751 (1,30,28,461)	50,424 (3,58,290)	— (—)	1,34,37,175 (1,33,86,751)	22,94,042 (23,44,466)	23,44,466 (26,18,256)
Total Tangible Assets	52,99,73,749	1,09,45,363	2,193,214	53,87,25,898	37,12,55,810	1,58,85,968	17,60,628	38,53,81,150	15,33,44,748	15,87,17,938
Previous year	(51,04,17,380)	(1,95,56,369)	(—)	(52,99,73,749)	(35,62,41,370)	(1,50,14,441)	(—)	(37,12,55,810)	(15,87,17,938)	
B. Intangible Assets										
Computer Software	9,26,620 (9,16,025)	— (10,595)	— (—)	9,26,620 (9,26,620)	7,43,983 (6,29,133)	73,055 (1,14,850)	— (—)	8,17,038 (7,43,983)	1,09,582 (1,82,637)	1,82,637
Previous year										
Total	53,09,00,369	1,09,45,363	2,193,214	53,96,52,518	37,19,99,793	1,59,59,023	17,60,628	38,61,98,188	15,34,54,330	15,89,00,576
Previous year	(51,13,33,405)	(1,95,66,964)	(—)	(53,09,00,369)	(35,68,70,503)	(1,51,29,291)	(—)	(37,19,99,793)	(15,89,00,576)	
C. Capital Work-in-Progress									6,79,73,318	5,74,36,818
D. Intangible Assets under development									82,725	82,725

Figures in the bracket relate to the previous year

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 12 : NON-CURRENT INVESTMENTS		
Investments (at cost, unless otherwise stated)		
(A) Trade, in equity instruments		
(a) Unquoted:		
(i) of subsidiary company 48,500 shares of ₹10/- each fully paid up in Dai-ichi Gosei Chemicals (India) Limited.*	2,00,000	2,00,000
(ii) of joint venture company 11,25,000 shares of ₹10/- each fully paid up in Champion Dai-ichi Technologies India Limited.	67,50,000	67,50,000
(b) Quoted, in others 57,167 shares of ₹10/- each fully paid up in Clariant Chemicals (India) Limited	13,62,502	13,62,502
	83,12,502	83,12,502
* At cost less diminution other than temporary, aggregating ₹2,85,000/- (31 March, 2013: ₹2,85,000/-)		
(B) Other than trade, in equity instruments		
(a) Quoted:		
8,100 shares of ₹10/- each fully paid up in Bank of India.....	3,64,500	3,64,500
2,000 shares of ₹2/- each in Bharat Seats Limited.	2,000	2,000
(b) Unquoted:		
1,000 shares of ₹25/- each fully paid up of The Shamrao Vithal Co-operative Bank Limited	25,000	25,000
2,500 shares of ₹10/- each fully paid up of The Saraswat Co-operative Bank Limited	25,000	25,000
4,000 shares of ₹25/- each fully paid up of The Zoroastrian Co-operative Bank Limited	1,00,000	1,00,000
	5,16,500	5,16,500
(C) Other than trade, in debentures or Preference shares or bonds		
(a) Quoted:		
10 units of 11.40% Tata Power Perpetual Bonds of ₹10,00,000/- each	1,05,25,000	1,05,25,000
2,472 units of NHAJ Bonds (Tranche-I) of ₹1,000/- each	24,72,000	24,72,000
(b) Unquoted:		
45,645 Preference shares (31 March, 2013: 45,645) of L & T Finance Holdings Limited.	45,64,500	45,64,500
	1,75,61,500	1,75,61,500



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 12 : NON-CURRENT INVESTMENTS (Contd.)		
(D) Other than trade, in mutual funds		
Quoted:		
1580 Grams (31 March 2013 : 1580) of Benchmark MF Gold Bees	29,55,536	29,55,536
	29,55,536	29,55,536
Total non-current investments	2,93,46,038	2,93,46,038
Notes		
(1) Aggregate cost of quoted investments	1,76,81,538	1,76,81,538
(2) Aggregate market value of listed and quoted investments	5,58,64,870	4,09,65,271
(3) Aggregate cost of unquoted investments (net of provision)	1,16,64,500	1,16,64,500
NOTE 13 : DEFERRED TAX ASSETS (NET)		
Deferred tax asset/(liability)		
Deferred tax assets:		
On Employee benefits	53,80,711	53,21,400
On Provision for doubtful debts	5,05,395	4,76,098
On Commission	17,18,969	10,84,407
On Bonus.....	10,65,409	9,58,898
On Others	5,57,082	—
On difference in profit on sale of investments	9,83,749	—
	1,02,11,315	78,40,803
Less: Deferred tax liability		
On Tangible fixed assets	59,59,885	74,87,702
	59,59,885	74,87,702
Net deferred tax asset/(liability)	42,51,430	3,53,101
NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Capital advances	14,43,843	11,91,677
(b) Security deposits	1,61,27,553	1,40,25,294
(c) Loans and advances to employees.....	1,52,342	3,28,002
(d) Prepaid expenses.....	2,69,105	4,47,179
(e) VAT credit receivable.....	22,20,610	11,59,934
(f) Advance income tax (net)	3,30,31,645	3,48,07,514
Total	5,32,45,098	5,19,59,600

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 15 : CURRENT INVESTMENTS		
(A) Trade, in equity instruments (at cost)		
(a) Unquoted:		
9,87,500 (31 March 2013 : 26,00,000) shares of ₹10 each fully paid up in Inogent Laboratories Private Limited*	1,51,92,307	4,00,00,000
* Re-classified from Non-current Investments, pursuant to Agreement		
(B) Other than trade (Valued at cost or market value whichever is less)		
Unquoted Mutual Funds	26,76,35,218	13,02,45,759
Total	28,28,27,525	17,02,45,759

Investment in Mutual Funds (Current investments)

Name of Mutual Fund	Scheme of Mutual Fund	Face Value	As at 31 March, 2014		As at 31 March, 2013	
			No. of units	₹	No. of units	₹
Birla Sun Life	SL Dynamic Bond Fund (G)	10	5,59,519	1,00,00,000	5,59,519	1,00,00,000
Birla Sun Life	Short Term Fund	10	4,43,943	52,02,624	—	—
Birla Sun Life	Life Saving Fund	10	2,30,181	2,30,86,493	—	—
SBI	Short Term Debt Fund	10	4,95,020	50,32,363	—	—
SBI	Magnum Income Fund	10	3,38,404	1,00,00,000	—	—
DSP	Liquidity Fund MF	10	—	—	3,31,309	83,01,824
DSP	Blackro Top 100 Eqt. Fund	10	9,294	4,51,614	9,294	4,51,614
DSP	Blackro Top 100 Eqt. Fund	10	31,365	30,00,000	31,365	30,00,000
DWS	Dws Hybrid Fixed Term S1 (G)	10	—	—	10,00,000	1,00,00,000
DWS	Gilt Fund MF	10	7,58,627	1,00,00,000	—	—
DWS	Treasury Fund Crp Growth	10	83,308	1,09,43,500	—	—
Templeton	Ultra Short Bond Fund	10	10,53,918	1,05,65,461	—	—
Templeton	Corp. Bond Oppor. Fund	10	9,02,364	1,00,00,000	9,02,364	1,00,00,000
HDFC	Income Fund - Growth	10	—	—	1,90,389	45,99,800
HDFC	CMS Saving Plan – Ddr	10	—	—	9,81,355	1,04,38,082
ICICI	Prud. Interval Fund Qly II – Retl	10	—	—	9,97,416	99,99,993
ICICI	Prud. Flex, Income Rp Growth	10	60,606	1,38,72,989	—	—
ICICI	Prud. Flexible In Plan - Prem.	10	71,735	75,80,179	1,58,668	1,67,76,765
ICICI	Prud. Int. Fund Qly Int Plan - II Retail Growth	10	—	—	10,78,019	1,57,79,503
ICICI	Prud. Fmp Series 61 (18 M)	10	—	—	10,00,000	1,00,00,000
ICICI	Prud. Imt Fund II Qip C Rp (G)	10	1,17,82,482	11,78,99,995	—	—
IDFC	Money Manager TP	10	—	—	79,781	8,03,388
KOTAK	FMP Series 77 (Growth)	10	—	—	10,09,479	1,00,94,790
TATA	FMP Series 38 Scheme F	10	—	—	10,00,000	1,00,00,000
Sundaram	Flexible Fund Short Term Plan Regular – Growth	10	4,99,820	1,00,00,000	—	—
IDFC	Banking Debt Fund – Regular Plan - Growth	10	18,24,934	2,00,00,000	—	—
Total				26,76,35,218		13,02,45,759



Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 16 : INVENTORIES		
At lower of cost and net realizable value		
(a) Raw materials and packing materials.....	5,50,20,576	4,10,02,578
Goods-in-transit	—	20,81,835
	5,50,20,576	4,30,84,413
(b) Fuels	24,70,814	18,59,553
(c) Work-in-progress		
Textile	9,09,642	—
Anionic/Cationic	3,03,160	6,28,094
Non Ionic	14,38,530	6,95,860
Miscellaneous	6,97,101	—
	33,48,433	13,23,954
(d) Semi finished goods	1,30,74,665	1,78,74,764
(e) Finished goods	3,05,85,437	4,07,92,852
Total	10,44,99,925	10,49,35,536
NOTE 17 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good.....	4,62,072	2,08,177
Doubtful	14,86,892	14,61,977
	19,48,964	16,70,154
Less: Provision for doubtful debts trade receivables	14,86,892	14,61,977
	4,62,072	2,08,177
Other debts – Unsecured, considered good	20,12,50,896	14,89,04,578
Total	20,17,12,968	14,91,12,755

Notes forming part of the Financial Statements

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 18 : CASH AND BANK BALANCES		
(a) Cash on hand.....	15,207	26,727
(b) Balances with banks		
(i) In current accounts	3,70,13,733	2,14,64,154
(ii) In other deposit accounts:		
– Original maturity of 3 months or less	—	4,00,00,000
– Original maturity of more than 3 months*	1,00,00,000	3,00,00,000
* Includes ₹Nil (2013: ₹1,00,00,000/-) with a maturity of more than 12 months as at the Balance Sheet date		
(iii) In earmarked accounts		
– Unpaid dividend accounts	14,70,443	12,61,902
– Balances held as margin money against guarantees and other commitments	75,05,640	65,33,000
Total	5,60,05,023	9,92,85,783
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is	3,70,28,940	6,14,90,881
NOTE 19 : SHORT-TERM LOANS AND ADVANCES (Unsecured, considered good)		
(a) Loans and advances to employees.....	4,65,009	3,60,656
(b) Prepaid expenses.....	24,93,357	18,72,957
(c) Balances with government authorities	1,41,62,032	39,63,929
(d) Loans to related parties.....	—	70,00,000
(e) Others (advances to suppliers etc.)	92,39,482	1,58,77,311
Total	2,63,59,880	2,90,74,853
NOTE 20 : OTHER CURRENT ASSETS		
(a) Interest accrued on bank deposits.....	6,50,245	13,89,237
(b) Interest accrued on other deposits	7,49,225	7,00,381
Total	13,99,470	20,89,618



Notes forming part of the Financial Statements

Particulars

NOTE 21 : REVENUE FROM OPERATIONS

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
(a) Sale of products [Refer Note (i) below]	1,16,79,33,268	88,43,75,059
(b) Sale of services (Job work)	1,62,964	11,45,806
	1,16,80,96,232	88,55,20,865
(c) Less: Excise duty on revenue from operations	9,74,81,256	8,09,34,297
	1,07,06,14,976	80,45,86,568
(d) Other operating revenues [Refer Note (ii) below]	71,21,751	31,97,624
Total	1,07,77,36,727	80,77,84,192

Note

(i) Sale of products comprises:

Manufactured goods

Anionic/Cationic	15,62,07,869	15,35,60,782
Non Ionic	29,16,62,458	24,01,59,868
Textile	12,26,56,097	11,41,10,465
Oil Field	26,97,74,224	10,05,85,539
Flocculants	10,31,75,416	8,38,62,274
Others	22,21,48,454	19,20,96,131
Total – Sale of manufactured goods	1,16,56,24,518	88,43,75,059

Traded goods

Others	23,08,750	—
Total – Sale of traded goods	23,08,750	—
Total – Sale of products	1,16,79,33,268	88,43,75,059

(ii) Other operating revenues comprise:

Duty drawback	41,13,649	9,92,469
Commission	95,376	1,38,095
Dosage Compensation on Arbitration Settlement (Refer Note 33)	—	320,702
Scrap sale	29,12,726	17,46,358
Total – Other operating revenues	71,21,751	31,97,624

NOTE 22 : OTHER INCOME

(a) Interest income (Refer Note (i) below)	41,12,842	1,47,68,060
(b) Dividend income:		
from current investments	45,72,192	41,12,550
from long-term investments	54,87,999	46,14,980
(c) Net gain on sale of investments		
Current investments	98,65,315	61,89,075
Long-term investments	—	28,61,845
(d) Other non operating income		
Rental income from operating lease	1,40,89,530	1,43,97,850
Bad debts recovered	1,63,491	—
Provision for doubtful debts written back	—	2,10,345
On settlement of arbitration (Refer Note 33)	—	25,68,661
Profit on sale of assets	1,22,969	—
Sundry balances written back	78,893	8,412
Miscellaneous receipts	1,89,343	1,45,681
Total	3,86,82,574	4,98,77,459

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
Note:		
(i) Interest income comprises:		
Interest from banks on deposits	19,89,603	76,82,534
Interest on loans and advances	2,43,273	12,50,686
Interest income from long term investments	13,42,705	13,44,545
Other interest:		
Interest on settlement of arbitration (Refer Note 33)	—	42,06,170
Others	5,37,261	2,84,125
Total	41,12,842	1,47,68,060

NOTE 23 : COST OF MATERIALS CONSUMED

Raw Materials consumed comprise (Refer Note (i) below)

Ethylene Oxide	17,74,65,346	15,98,97,136
Fatty Alcohol, Phenol & Glycol	15,60,45,256	12,30,27,255
Oils & Fatty Acids	6,39,52,155	5,05,50,853
Acrylamide	3,18,90,710	2,55,71,537
Amines	4,30,54,091	2,81,81,575
Other items	26,50,26,058	19,48,03,227
Total	73,74,33,616	58,20,31,583

Note (i)

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
Raw material consumed:	%	₹	%	₹
Imported.....	21.48%	15,84,20,095	16.56%	9,64,08,500
Indigenous	78.52%	57,90,13,521	83.44%	48,56,23,083
Total	100%	73,74,33,616	100%	58,20,31,583

Particulars

**NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS**

Inventories at the end of the year

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
Finished goods	3,05,85,437	4,07,92,852
Semi finished goods.....	1,30,74,665	1,78,74,764
Work-in-progress:		
Textile	9,09,642	—
Anionic/Cationic	3,03,160	6,28,094
Non Ionic	14,38,530	6,95,860
Miscellaneous	6,97,101	—
	4,70,08,535	5,99,91,570



Notes forming part of the Financial Statements

Particulars

**For the year
ended
31 March, 2014**
₹

For the year
ended
31 March, 2013
₹

NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS (Contd.)

Inventories at the beginning of the year

Finished goods	4,07,92,852	3,33,57,065
Semi finished goods.....	1,78,74,764	1,06,79,876
Work-in-progress:		
Textile	—	2,78,318
Anionic / Cationic.....	6,28,094	3,95,177
Non Ionic.....	6,95,860	4,63,847
Sizing	—	77,877
	5,99,91,570	4,52,52,160
Net (increase)/decrease	1,29,83,035	(1,47,39,410)

NOTE 25 : EMPLOYEE BENEFITS EXPENSE

Salaries and wages	9,18,28,461	7,83,08,805
Contributions to provident and other funds	61,37,444	95,96,616
Staff welfare expenses.....	77,38,945	76,56,348
Total	10,57,04,850	9,55,61,769

NOTE 26 : FINANCE COSTS

Interest on term loan.....	3,71,607	1,60,769
Interest – Others.....	6,00,117	67,468
Total	9,71,724	2,28,237

NOTE 27 : OTHER EXPENSES

Consumption of stores and spare parts	39,26,240	61,22,327
Increase/(decrease) of Excise duty on inventories	(12,39,397)	7,61,235
Power and fuel	4,80,29,093	4,45,98,872
Rent	25,60,203	22,01,646
Repairs and maintenance:		
Buildings	14,09,206	5,54,274
Machinery	44,28,711	25,05,499
Others	45,31,876	26,90,667
Insurance.....	11,88,046	11,06,084
Rates and taxes.....	34,69,424	24,10,509
Freight Expenses.....	2,07,55,992	1,51,29,312
Commission on sales	1,67,19,349	1,10,48,645
Donations	15,00,000	10,39,048
Bank Charges.....	37,14,668	28,97,122
Telephone, telex and telegrams	17,64,246	18,54,056
Vehicle Expenses	13,07,551	11,07,904
Legal and professional	1,04,17,652	57,35,721
Travelling Expenses	28,67,015	31,77,276
Directors' Sitting Fees	3,60,000	4,78,500
Net loss/(gain) on foreign currency transactions and translation	1,34,985	(15,68,773)
Bad debts and advances written off	—	3,32,525
Payments to auditors (Refer Note (i) below)	25,03,008	25,34,637
Provision for doubtful trade and other receivables, loans and advance (net) ..	24,915	—
Miscellaneous expenses	1,97,17,608	1,65,48,840
Total	15,00,90,391	12,32,65,926

Notes forming part of the Financial Statements

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
Note: (i)		
Payments to the auditors comprises (net of service tax):		
To statutory auditors		
For audit	11,00,000	11,00,000
For tax audit	3,00,000	3,00,000
For limited review/consolidation	10,00,000	10,00,000
For certification	1,00,000	1,00,000
For out of pocket expenses	3,008	34,637
Total	<u>25,03,008</u>	<u>25,34,637</u>

NOTE 28 : TAX EXPENSE

(a) Current Tax		
for the year.....	3,25,00,000	1,49,00,000
(b) Deferred tax		
for the year.....	(38,98,330)	(23,00,021)
Total	<u>2,86,01,670</u>	<u>1,25,99,979</u>

NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSES

Depreciation and amortisation for the year on tangible assets as per Note 12 A ...	1,58,85,968	1,50,14,441
Amortisation for the year on intangible assets as per Note 12 B	73,055	1,14,850
Less: Utilised from revaluation reserve	2,80,840	3,12,045
Depreciation and amortisation relating to continuing operations	<u>1,56,78,183</u>	<u>1,48,17,246</u>



Notes forming part of the Financial Statements

	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
30. (a) Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(i) Guaranty issued to others by Bank secured by counter guarantee of the company and by charge on the fixed assets, inventories and book debts of the Company.	1,41,97,321	1,41,97,321
(ii) Customs duty bonds**	5,91,54,165	8,62,91,546

** Includes ₹3,35,42,831/- (31 March, 2013: ₹5,01,21,414/-) of Bonds, issued jointly in name of the Company and Champion Dai-ichi Technologies India Ltd.

	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,35,44,781	17,42,053

(b) Wage agreement at Kasarwadi Plant had expired on 30 November, 2008. Negotiations with employees are in progress. The Company does not expect any significant additional liability on this account.

(c) Claims against the company not acknowledged as debts relating to:-

	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(i) Octroi (wrong classification of raw materials)*	2,43,07,427	2,38,80,407
(ii) Labour matters (back wages and compensation under Workmen Compensation Act)	13,23,007	9,82,800
(iii) Disputed Income Tax liability.....	4,35,44,998	3,77,14,269
(iv) Disputed Sales Tax liability.....	77,33,073	—
(v) Service Tax (Dispute on mode of payment).....	1,10,89,554	—

* Includes ₹1,41,97,321/- (31 March, 2013: ₹1,41,97,321/-) for which bank guarantee has been given and shown under 30 (a) (i) above.

Future cash outflows in respect of the matters specified in a) (i) and c) are determinable only on receipt of judgments/decisions pending at various forums/authorities.

31. Employee Benefits:

(A) Defined Benefit Plans

The Company makes Provident Fund, Employee State Insurance Scheme and Maharashtra Labour Welfare Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹54,52,592 (Year ended 31 March, 2013 ₹50,88,208) for Provident Fund contributions, ₹5,81,025 (Year ended 31 March, 2013 ₹7,99,149) for Employee State Insurance Scheme contributions, ₹14,760 (Year ended 31 March, 2013 ₹15,408) for Maharashtra Labour Welfare Fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Notes forming part of the Financial Statements

31. Employee Benefits (Contd.)

- (i) The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days last drawn salary for each completed year of service.

Particulars	Gratuity (Funded)	
	31 March, 2014 ₹	31 March, 2013 ₹
I. Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows:		
1. Present Value of Defined Benefit Obligation at the beginning of the year	4,59,47,023	4,31,74,993
2. Current Service cost	12,64,491	10,92,670
3. Interest Cost	26,74,866	24,98,700
4. Losses (gains) on Curtailment	—	—
5. Liabilities extinguished on settlements	—	—
6. Plan amendments	—	—
7. Past Service cost	—	—
8. Actuarial (gains)/losses	(5,01,962)	34,71,072
9. Benefits paid	(31,73,996)	(42,90,412)
10. Present value of Defined Benefit Obligation as on Balance Sheet date	4,62,10,422	4,59,47,023
II. Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:		
1. Fair value of Plan assets as at the beginning of the year	3,95,16,140	3,84,45,154
2. Expected return on plan assets	34,37,904	33,83,174
3. Actuarial gains/(losses)	(84,835)	33,276
4. Actual contributions by employers	17,43,207	19,44,948
5. Benefits paid	(31,73,996)	(42,90,412)
6. Plan assets as on Balance Sheet Date	4,14,38,420	3,95,16,140
III. Analysis of Defined Benefit Obligation:		
1. Defined Benefit Obligation as at 31st March	4,62,10,422	4,59,47,023
2. Fair Value of Plan assets at the end of the year	4,14,38,420	3,95,16,140
3. Net Asset/(Liability) recognized in the Balance Sheet as on Balance Sheet Date	(47,72,002)	(64,30,883)
IV. Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet:		
1. Present value of Defined Benefit Obligation	4,62,10,422	4,59,47,023
2. Fair value of plan assets	4,14,38,420	3,95,16,140
3. Funded status [Surplus/(Deficit)]	(47,72,002)	(64,30,883)
4. Unrecognized Past Service Costs	—	—
5. Net Asset/(Liability) recognized in Balance Sheet	(47,72,002)	(64,30,883)



Notes forming part of the Financial Statements

31. Employee Benefits (Contd.)

Particulars	Gratuity (Funded)				
	31 March, 2014 ₹	31 March, 2013 ₹			
V. Components of employer expenses recognized in the statement of profit and loss:					
1. Current Service cost	12,64,491	10,92,670			
2. Interest cost	26,74,866	24,98,700			
3. Expected return on plan assets	(34,37,904)	(33,83,174)			
4. Curtailment cost/(credit)	—	—			
5. Settlement cost/(credit)	—	—			
6. Past Service cost	—	—			
7. Actuarial Losses/(Gains)	(4,17,127)	34,37,796			
8. Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds	84,326	36,45,992			
VI. The Category of Plan assets – 100% Qualifying insurance policy (Insurer managed fund)					
VII. Principal Actuarial Assumptions:					
1. Discount Rate (%)	9.03%	8.00%			
2. Expected Return on plan assets (%)	8.70%	8.70%			
3. Salary escalation (%)	5.00%	5.00%			
4. Medical cost inflation	N A	N A			
VIII. Experience History:					
	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
1. Experience adjustments on plan liabilities (Gain)/Loss.....	(5,01,962)	34,71,072	(1,09,582)	18,73,719	29,84,241
2. Experience adjustments on plan assets (Loss)/Gain.....	(84,835)	33,276	3,00,815	2,77,724	4,56,702
3. Defined Benefit Obligation at the end of the period.....	4,62,10,422	4,59,47,023	4,31,74,993	4,37,04,341	4,20,82,206
4. Plan Assets at the end of the period.....	4,14,38,420	3,95,16,140	3,84,45,154	3,80,10,966	3,79,74,818
5. Funded Status	(47,72,002)	(64,30,883)	(47,29,839)	(47,78,080)	(41,07,388)
IX. Contributions expected to be paid to the plan during the next financial year.....	20,00,000	10,00,000	10,00,000	10,00,000	1,50,000

- (a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- (b) Expected Rate of Return of Plan Assets: This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- (c) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Notes forming part of the Financial Statements

32. Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

- (i) Loans and advances in the nature of loans given to subsidiaries, associates, firms/companies in which directors are interested:

Name of the party	Relationship	Amount outstanding as at 31 March, 2014	Maximum balance outstanding during the year
Indian Oxides & Chemicals Limited	Associate	— (70,00,000)	70,00,000 (1,00,00,000)

Note: Figures in bracket relate to the previous year.

33. In the arbitration proceedings under order no. C/1438A & C/1438B of September 12, 1986, arbitration award was declared on September 25, 2006, pursuant to which ONGC was directed to pay ₹55,45,325/- along-with interest at 9% from the date of award till the date of payment.

The Company and ONGC had filed appeals against the award in the Mumbai High Court. Vide order dated December 6, 2012, the Court upheld the award. ONGC has paid a sum of ₹66,74,457/- to the company towards full and final settlement which has been accounted for in 2012-13.

34. Lease payable/ receivable under cancellable operating lease:

The Company has taken office under operating lease. The lease is not non cancellable. The lease payment recognized in the Statement of Profit and Loss, debited to rent account is ₹25,17,556/- (2013: ₹22,01,646/-)

The Company has given commercial premises under leave and license agreement for a period of 18 months. The said agreement is non-cancellable for the first 6 months, and the future minimum lease payments (all not later than one year) under the non-cancellable period is ₹12,06,660/- (2013: ₹11,71,170/-). The lease rental credited to the Statement of Profit and Loss is ₹1,40,89,530/- (2012: ₹1,43,97,850/-).

Particulars

	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
35. CIF value of imports:		
Raw and packing materials	14,88,33,549	8,08,52,331
Capital Goods.....	—	8,63,470
36. Expenditure in foreign currency:		
Travelling.....	4,93,738	6,32,768
Commission	11,06,903	8,14,156
Business Promotion Expenses	5,38,712	—
Registration and Application fees.....	6,216	—
Professional fees	7,39,102	5,37,616
Repairs & Maintenance Expenses	84,834	—
Membership & Subscription	2,82,824	2,61,885
37. Earnings in foreign exchange:		
Value of Export*	25,13,07,905	13,13,03,544
Other income, Commission	95,376	1,38,095
Legal & Prof. fees (Reimbursement)	3,405	—
* Includes ₹74,99,846/- (31 March, 2013: ₹42,31,998/-) for Freight & Insurance on Export		
38. Earnings per share:		
Profit after tax as per accounts (₹)	12,51,12,157	4,38,96,321
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share	74,51,229	74,51,229
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹).....	16.79	5.89



Notes forming part of the Financial Statements

39. Segment information:

The Company is principally engaged in single business segment – manufacturing of specialty chemicals and operates materially in one geographical segment as per Accounting Standard 17 on segment reporting.

40. During the year, management has reviewed the identification and classification of related party relationships. Based on this review the related party relationships identified and transactions with them are detailed below:

(A) Relationships:

(i) Related parties where the control exists

Dai-Ichi Gosei Chemicals (India) Limited (DGCIL) – a Subsidiary company

(ii) Other related parties with whom the company had transactions

(a) Jointly controlled entity:

Champion Dai-ichi Technologies India Ltd. (CDTIL).

(b) Key management personnel (KMP):

Mrs. S. F. Vakil – Managing Director (SFV)

(c) Relatives of key management personnel:

(i) Mr. D. M. Neterwala – Father of Managing Director (DMN)

(ii) Ms. Meher F. Vakil – Daughter of Managing Director (MFV)

(iii) Ms. P. R. Mehta – Sister of Managing Director (PRM)

(d) Other Related Parties:

(i) Indian Oxides & Chemicals Limited (IOCL)

(ii) Rose Investments Limited (RIL)

(iii) Inogen Laboratories Private Limited (ILPL)

(iv) SDN Company (SDNC)

(v) Uni Klinger Limited (UKL)

(vi) Anosh Finance & Investment Pvt. Ltd. (AFIPL)

(vii) Universal Ferro & Allied Chemicals Limited (UFACL)

(viii) General Pharmaceuticals Pvt. Ltd. (GPPL)

(ix) Netel India Limited (NIL)

(x) Neterwala Consulting & Corporate Services Limited (NCCS)

(xi) Chemicals and Ferro Alloys Private Limited (CFAPL)

Note: Related party relationship is as identified by the company and relied upon by the auditors.

(B) Transactions carried out with related parties referred in A above, in ordinary course of business:

Nature of transactions	Subsidiary	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total ₹
Purchase of Goods	—	—	—	—	18,32,135 IOCL 5,52,301 GPPL 10,70,956 UKL	34,55,392
	(—)	(—)	(—)	(—)	(35,13,971) IOCL (6,93,159) GPPL (2,99,947) UKL	(45,07,077)
		CDTIL				

Notes forming part of the Financial Statements

Nature of transactions	Subsidiary	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total ₹
Sales of Goods.....	—	11,67,73,790 CDTIL	—	—	78,28,784 IOCL 23,93,277 GPPL	12,69,95,851
	(—)	(4,22,71,295) CDTIL	(—)	(—)	(1,00,81,509) IOCL (27,99,089) GPPL	(5,51,51,893)
Compensation/Others ...	—	—	20,99,080 SFV	4,18,476 DMN	—	25,17,556
	(—)	(—)	(—)	(22,87,645) DMN	(—)	(22,87,645)
Reimbursement of expenses/Rendering of Services.....	1,100 DGCL	5,83,219 CDTIL	—	—	3,79,879 SDNC 25,039 ILPL	9,89,237
	(—)	(56,39,341) CDTIL	(—)	(—)	(4,14,060) SDNC (4,584) NCCS (47,942) ILPL (23,180) AFIPL	(61,29,107)
Reimbursement of Expenses/Receiving of Services.....	—	—	12,647 SFV	1,56,443 DMN	21,914 NIL 54,605 UFACL	2,45,609
	(—)	(—)	(—)	(1,54,693) DMN	(19,083) SDN (59,704) UFACL	(2,33,480)
Interest Received.....	—	—	—	—	2,33,972 IOCL	2,33,972
	(—)	(—)	(—)	(—)	(12,50,686) IOCL	(12,50,686)
Remuneration	—	—	78,62,541 SFV	—	—	78,62,541
	(—)	(—)	(56,06,194) SFV	(—)	(—)	(56,06,194)



Notes forming part of the Financial Statements

Nature of transactions	Subsidiary	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total ₹
Inter Corporate Deposits Placed	—	—	—	—	—	—
	(—)	(—)	(—)	(—)	IOCL (2,00,00,000)	(2,00,00,000)
					IOCL	
Directors' sitting fees	—	—	—	—	—	—
	(—)	(—)	(—)	(58,000)	(—)	(58,000)
				DMN DMN		
Dividend received	—	33,75,000	—	—	—	33,75,000
	(—)	(22,50,000)	(—)	(—)	(—)	(22,50,000)
		CDTIL CDTIL				
Dividend paid	—	—	32,09,075	4,16,250	6,57,000	93,44,180
	(—)	(—)	(25,67,260)	(3,33,000)	(5,25,600)	(74,32,028)
			SFV	DMN 1,99,145 FAV 42,18,750 PRM	RIL 1,460 GPPL 6,42,500 CFAPL	
				DMN (1,16,000) FAV (33,75,000) PRM	RIL 1,168 GPPL (5,14,000) CFAPL	
Consultancy Fees	—	—	—	7,39,102	—	7,39,102
	(—)	(—)	(—)	(5,37,616)	(—)	(5,37,616)
				MFV MFV		
Investments	2,00,000	67,50,000	—	—	1,51,92,307	2,21,42,307
	(2,00,000)	(67,50,000)	(—)	(—)	(4,00,00,000)	(4,69,50,000)
	DGCL	CDTIL			ILPL	
		CDTIL			ILPL	
Outstanding Trade Receivables.....	—	2,73,36,193	—	—	38,61,186	3,19,13,406
	(—)	(99,78,711)	(—)	(—)	(9,45,255)	(1,14,63,734)
		CDTIL CDTIL			IOCL 7,16,027 GPPL IOCL (5,39,768) GPPL	

Notes forming part of the Financial Statements

Nature of transactions	Subsidiary	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total ₹
Outstanding Receivables (Expenses) .	—	—	—	—	—	51,413
	(—)	(—)	(—)	(—)	SDNC (51,413) SDNC	(51,413)
Outstanding Payables....	—	—	—	—	2,813 NIL	2,813
	(—)	(—)	(—)	(—)	(2,99,947) UKL	(2,99,947)
Deposit outstanding.....	—	—	—	32,00,000	—	32,00,000
	(—)	(—)	(—)	DMN (32,00,000) DMN	(—)	(32,00,000)
Outstanding ICD placed	—	—	—	—	IOCL	—
	(—)	(—)	(—)	(—)	(70,00,000) IOCL	(70,00,000)

Note: Figures in bracket relate to previous year.

41. Financial and derivative instrument disclosure:

(a) The following is the outstanding forward exchange contract entered into by the Company

Currency	As at 31 March, 2014		Currency	As at 31 March, 2013	
	Amount	Buy/Sell		Amount	Buy/Sell
US Dollar	—	—	US Dollar	—	Buy
US Dollar	—	—	US Dollar	—	Sell

(b) All derivative and financial instruments acquired by the Company are for hedging purpose.

(c) Unhedged foreign currency exposure:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	USD	₹	USD	₹
Trade Receivables	5,05,886	2,99,99,030	3,39,952	1,83,84,582
Trade Payables	1,56,539	94,38,633	1,49,406	81,57,548

42. Interest in Joint Ventures:

The Company's Interest, as a venture, in jointly controlled entities (incorporated Joint Venture) is:

Name	Country of Incorporation	Percentage of ownership interest as at 31 March, 2014	Percentage of ownership interest as at 31 March, 2013
Champion Dai-ichi Technologies India Limited	India	50%	50%



Notes forming part of the Financial Statements

The Company's interest in this Joint Venture is reported as Non Current Investment (Note 13) and stated at cost. However, the company's share of each of the assets, liabilities, income & expenses, etc (each without elimination of the effect of transaction between the company & Joint Venture) related to its interest in these Joint Venture is:

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
I. ASSETS		
1. Fixed assets	1,50,55,862	1,19,30,529
2. Non-current investments	13,500	13,500
3. Deferred Tax Assets (Net).....	7,94,367	—
4. Long term loans & advances	4,67,76,992	3,37,39,793
5. Current investments	29,52,429	27,64,416
6. Inventories	3,72,19,076	1,29,41,509
7. Trade receivables	11,32,70,634	5,67,85,964
8. Cash and cash equivalents	1,81,11,591	94,22,741
9. Short term loans and advances	23,26,547	49,62,944
10. Other current assets.....	2,83,976	2,01,553
II. LIABILITIES		
1. Long term borrowings	2,65,087	—
2. Deferred tax liabilities	—	7,04,101
3. Long term provisions	9,19,322	7,55,725
4. Trade payables	12,53,44,240	5,07,72,934
5. Other current liabilities.....	20,26,635	20,64,431
6. Short term provisions	54,13,423	78,54,641
III. INCOME		
1. Revenue from operations.....	44,39,96,771	22,58,46,606
2. Other Income	14,92,577	9,72,820
IV. EXPENSES		
1. Materials	27,96,14,246	13,17,24,349
2. Employee benefits expenses	1,82,76,356	1,05,08,739
3. Other expenses.....	8,86,32,863	4,68,53,527
4. Finance costs.....	7,04,319	8,09,655
5. Depreciation & Amortization	12,44,033	10,13,046
6. Tax expense.....	1,95,01,532	1,18,59,272

Notes forming part of the Financial Statements

— Share of Contingent Liabilities in respect of Joint Ventures:

	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
(i) Contingent Liabilities		
(a) Bonds for availing duty exemption under Exemption Entitlement certificate Scheme	1,27,99,644	2,50,60,707

— Share of Capital Commitments in respect of Joint Ventures:

	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
(ii) Capital Commitments		
Tangible assets	22,55,899	—

43. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Signatures to notes '1' to '43'

For and on behalf of the Board

S. F. Vakil	Chairperson and Managing Director
Kavas Patel	Director
Keki Elavia	Director
Anil Naik	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Place : Mumbai

Date : 2nd May, 2014



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company	: Dai-ichi Gosei Chemicals (India) Ltd.
Financial Year of the Subsidiary Company	: 31 March, 2014
Total issued and paid-up share capital of the Subsidiary Company	: 50,000 Equity shares of ₹10/- each
Extent of interest of Dai-ichi Karkaria Limited in Dai-ichi Gosei Chemicals (India) Ltd. at the end of the financial year	: 48,500 Equity shares of ₹10/- each
Net aggregate amount of Profit/(Loss) of Dai-ichi Gosei Chemicals (India) Ltd.	: Dai-ichi Gosei Chemicals (India) Ltd. has made a Profit of ₹1,526/- (Previous Year Profit of ₹5,856/-). The total accumulated Loss carried to its Balance Sheet as on 31 March, 2014, amounted to ₹2,66,053/- (Previous Year Accumulated Loss ₹2,67,579/-).

No adjustment has been made in the accounts of the company in respect of the Profit/(Loss) incurred by Dai-ichi Gosei Chemicals (India) Ltd.

For and on behalf of the Board

S. F. Vakil	Chairperson and Managing Director
Kavas Patel	Director
Keki Elavia	Director
Anil Naik	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Place : Mumbai
Date : 2nd May, 2014

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF DIRECTORS OF DAI-ICHI KARKARIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Dai-ichi Karkaria Limited** (the "Company"), its subsidiary and jointly controlled entity (the Company, its subsidiary and jointly controlled entity constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 the reports of the other auditors on the financial statements of the subsidiary referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

We did not audit the financial statements of a subsidiary Dai-ichi Gosei Chemicals (India) Limited, whose financial statements reflect total assets (net) of ₹ 2,40,118 as at 31st March, 2014, total revenues of ₹ 15,750 and net cash outflow amounting to ₹ 454 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditors.

Our opinion is not qualified in respect of this matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai
Date : 2nd May, 2014



Consolidated Balance Sheet as at 31 March, 2014

Particulars	Note No.	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	7,45,12,290	7,45,12,290
(b) Reserves and surplus.....	4	79,87,71,470	66,55,21,807
		87,32,83,760	74,00,34,097
Minority interest.....		7,020	6,974
2. Non-current liabilities			
(a) Long-term borrowings	5	88,55,332	1,12,92,001
(b) Deferred tax liabilities (net).....	6A	—	7,04,101
(c) Other long-term liabilities	7	80,49,132	80,49,132
(d) Long-term provisions	8	1,18,40,330	1,30,41,006
		2,87,44,794	3,30,86,240
3. Current liabilities			
(a) Trade payables.....	9	20,41,84,925	13,01,57,015
(b) Other current liabilities.....	10	6,11,26,572	4,07,32,305
(c) Short-term provisions	11	2,68,51,830	2,96,95,629
		29,21,63,327	20,05,84,949
Total		1,19,41,98,901	97,37,12,260
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Tangible assets.....	12A	16,84,00,609	17,06,48,468
(ii) Intangible assets	12B	1,09,582	1,82,637
(iii) Capital work-in-progress.....		6,79,73,318	5,74,36,818
(iv) Intangible assets under development.....		82,725	82,725
		23,65,66,234	22,83,50,648
(b) Non-current investments.....	13	2,24,09,538	2,24,09,538
(c) Deferred tax assets (net).....	6B	50,45,797	3,53,101
(d) Long-term loans and advances	14	10,00,23,061	8,56,98,382
		12,74,78,396	10,84,61,021
		36,40,44,630	33,68,11,669
2. Current assets			
(a) Current investments	15	28,57,79,954	17,30,10,175
(b) Inventories	16	13,83,33,175	11,77,03,958
(c) Trade receivables	17	30,13,15,507	20,09,09,362
(d) Cash and bank balance	18	7,43,53,972	10,89,46,340
(e) Short-term loans and advances	19	2,86,86,427	3,40,37,795
(f) Other current assets.....	20	16,85,236	22,92,961
		83,01,54,271	63,69,00,591
Total		1,19,41,98,901	97,37,12,260

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai
Date : 2nd May, 2014

For and on behalf of the Board of Directors

S. F. Vakil

K. D. Patel

Keki Elavia

Anil Naik

Nitin Nimkar

Kavita Thadeshwar

Chairperson and Managing Director

Director

Director

Director

Financial Comptroller

Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March, 2014

Particulars	Note No.	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
1. Revenue from operations (gross)	21	1,58,11,09,126	1,10,04,32,936
Less: Excise duty		10,73,39,650	8,42,40,595
Revenue from operations (net)		1,47,37,69,476	1,01,61,92,341
2. Other income	22	3,68,15,901	4,86,18,569
3. Total revenue (1+2)		1,51,05,85,377	1,06,48,10,910
4. Expenses			
(a) Cost of materials consumed	23	97,58,45,631	69,45,53,749
(b) Changes in inventories of finished goods, work-in-progress	24	94,33,981	(1,30,44,209)
(c) Employee benefits expenses.....	25	12,39,81,206	10,60,70,508
(d) Finance costs	26	16,76,043	2,88,592
(e) Depreciation and amortisation expenses.....	29	1,69,22,217	1,58,30,292
(f) Other expenses.....	27	23,87,36,778	17,08,78,329
Total Expenses		1,36,65,95,856	97,45,77,261
5. Profit before Tax and Exceptional item		14,39,89,521	9,02,33,649
6. Exceptional item:			
Profit on sale of long term investments.....		6,01,56,325	—
		20,41,45,846	9,02,33,649
7. Tax expense/(benefit):			
(a) Current Tax	28	5,35,00,700	2,67,52,850
(b) Deferred Tax	28	(53,96,799)	(22,90,750)
Net tax expense.....		4,81,03,901	2,44,62,100
8. Profit for the year		15,60,41,945	6,57,71,549
Minority Interest.....		(46)	(176)
Net Profit		15,60,41,899	6,57,71,373
Earnings per Equity Share basic and diluted (of ₹ 10/- each)		20.94	8.83

The accompanying notes are an integral part of these financial statements

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai
Date : 2nd May, 2014

For and on behalf of the Board of Directors

S. F. Vakil
K. D. Patel
Keki Elavia
Anil Naik
Nitin Nimkar
Kavita Thadeshwar

Chairperson and Managing Director
Director
Director
Director
Financial Comptroller
Company Secretary



Consolidated Cash Flow Statement for the year ended 31 March, 2014

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extraordinary items and tax	20,41,45,846	9,02,33,649
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	1,69,22,217	1,58,30,292
Provision for Doubtful Debts.....	—	(2,10,345)
(Profit) on sale Fixed Assets	(1,22,969)	—
Interest income	(47,40,303)	(1,50,22,175)
Dividend income.....	(68,75,230)	(70,87,369)
Excess of cost or fair value of current MF investments	—	—
Profit on sale of investments.....	(7,00,21,640)	(90,56,813)
Rent income	(1,40,89,530)	(1,43,97,850)
Finance costs.....	16,76,043	9,70,424
Operating profit before working capital changes	12,68,94,434	6,12,59,813
<i>Changes in working capital:</i>		
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Inventories	(2,06,29,217)	(1,60,42,883)
Trade receivables	(10,04,06,144)	(5,59,21,983)
Short-term loans and advances.....	53,51,369	(77,44,168)
Long-term loans and advances.....	(1,07,36,612)	(2,81,38,817)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Trade payables	7,40,27,910	3,03,01,327
Other current liabilities	1,96,45,781	(90,06,609)
Other long-term liabilities.....	—	80,49,132
Short-term provisions	8,91,000	63,558
Long-term provisions	(12,00,676)	34,65,687
	(3,30,56,589)	(7,49,74,756)
Cash generated from operations	9,38,37,845	(1,37,14,943)
Net income tax (paid)/refunds.....	(5,87,49,328)	(2,50,16,683)
Net cash flow from/(used in) operating activities (A)	3,50,88,517	(3,87,31,626)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions to Fixed Assets.....	(2,80,69,359)	(7,22,07,334)
Sale proceeds of fixed assets	5,55,555	—
Movements in earmarked accounts	(11,81,181)	(45,26,806)
Bank balances not considered as Cash and cash equivalents:		
– New Deposits placed	(37,22,578)	—
– Proceeds of Deposits	2,00,00,000	4,00,00,000
Current investments not considered as Cash and cash equivalents		
– Purchased	(38,39,13,067)	(8,03,66,086)
– Proceeds from sale.....	25,62,00,910	14,90,97,540
Purchase of long-term investments	—	(45,64,500)
Proceeds from sale of long-term investments	8,49,64,018	2,96,53,017
Interest received	53,48,028	1,49,30,257
Dividend received	68,75,230	70,87,369
Rent income	1,40,89,530	1,43,97,850
Net cash flow from/(used in) investing activities (B).....	(2,88,52,914)	9,35,01,307

Consolidated Cash Flow Statement for the year ended 31 March, 2014 (Contd.)

Particulars	For the year ended 31 March, 2014 ₹	For the year ended 31 March, 2013 ₹
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of sales tax deferral	(16,01,017)	(10,91,771)
Receipt of Loan.....	11,41,386	25,49,000
Repayment of Loan	(11,70,101)	(2,83,834)
Repayment of Fixed Deposits.....	(2,67,000)	(85,000)
Finance costs	(16,76,043)	(9,70,424)
Dividends paid	(1,84,19,532)	(1,46,82,912)
Tax on dividend	(37,39,423)	(27,82,559)
Net cash flow from/(used in) financing activities (C)	(2,57,31,730)	(1,73,47,500)
Net increase/(decrease) in Cash and cash equivalents (A+B+C) ...	(1,94,96,127)	3,74,22,181
CASH AND CASH EQUIVALENTS (Opening Balance)	6,64,16,107	2,89,93,926
CASH AND CASH EQUIVALENTS (Closing Balance)	4,69,19,980	6,64,16,107
NET INCREASE/(DECREASE) IN CASH OR CASH EQUIVALENTS	(1,94,96,127)	3,74,22,181
	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Cash and Cash equivalents at the end of the year comprise		
(a) Cash on hand	18,412	31,238
(b) Balances with banks		
(i) in current accounts	4,67,26,568	2,62,09,869
(ii) in other deposit accounts	1,75,000	4,01,75,000
Total Cash and Cash equivalents.....	4,69,19,980	6,64,16,107

Notes:

- (i) The accompanying notes are an integral part of the financial statements
- (ii) The Cash flow is prepared under the 'Indirect Method' as set in Accounting Standard 3 - Cash flow Statement.

In terms of our report of even date attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants

Shyamak R Tata
Partner
Membership No. 38320

Place : Mumbai
Date : 2nd May, 2014

For and on behalf of the Board of Directors

S. F. Vakil
K. D. Patel
Keki Elavia
Anil Naik
Nitin Nimkar
Kavita Thadeshwar

Chairperson and Managing Director
Director
Director
Director
Financial Comptroller
Company Secretary



Notes forming part of Consolidated Financial Statements

1. COMPANY OVERVIEW

Dai-ichi Karkaria Limited (“the Company”) was incorporated on 13th May, 1960 under the laws of the Republic of India and has its registered office at Mumbai (Maharashtra). The Company has a Joint venture with CTI Chemicals Asia Pacific Pte. Ltd., Singapore. The Joint Venture Company is known as Champion Dai-ichi Technologies India Limited. (CDTIL). The Company and CDTIL are engaged in manufacture and sale of Specialty Chemicals.

The manufacturing activities of the Company are carried out at its plants located at Kasarwadi and Kurkumbh, Pune and CDTIL at Jejuri, Pune.

2. SIGNIFICANTS ACCOUNTING POLICIES

Principles of consolidation:

The Consolidated Financial Statements relate to Dai-ichi Karkaria Limited (“the Company”) and its subsidiary Dai-ichi Gosei Chemicals (India) Limited, where the holding company holds ninety seven percent of equity capital and a Joint Venture CDTIL where the holding company holds fifty percent of equity capital. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses as per Accounting Standard 21 – “Consolidated Financial Statements” notified under Section 211(3C) of the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956 Act/2013 Act, as applicable.

The financial statements of the subsidiary and joint venture, used in the consolidation are drawn up to the same reporting dates as that of the parent company i.e. March 31, 2014.

Minority interest in the net assets of the consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made and the minority share in the movement in equity since the date the parent subsidiary relationship came into existence. Where the losses applicable to the minority exceed the minority interest in the equity of subsidiary, the excess are adjusted against the majority interest to the extent that the minority has a binding obligation to, and is able to, make good the losses.

Interest in Joint Venture has been accounted by using the proportionate consolidation method as per Accounting Standard 27 – “Financial Reporting of Interests in Joint Ventures” notified under Section 211(3C) of the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable.

Basis of accounting and preparation of financial statements:

The consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) and applicable Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable; except in respect of the revaluation of fixed assets as stated in “Fixed Assets” below.

Estimates:

The preparation of financial statements require estimates and assumptions to be made that effect the reported amount of assets and liabilities and other information as at the date of the financial statement and reported amounts of revenue and expenses during the recording period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

Fixed assets: (including research and development (R&D) assets):

(i) Recognition:

Recognized at cost of acquisition/construction (inclusive of expenses (net) up to attainment of commercial production) except assets at Kasarwadi, Pune as at April 1, 1993, which is stated at revalued figures as on that date.

(ii) Impairment:

The carrying amounts of tangible fixed assets are reviewed for impairment if events or changes in the circumstances indicate that the carrying value of the asset may not be recoverable. If there are indicators of impairment, an

Notes forming part of Consolidated Financial Statements (Contd.)

assessment is made to determine whether the asset's carrying value exceeds its recoverable amount. Whenever the carrying value of an asset exceeds its recoverable amount, impairment is charged to Statement of Profit and Loss.

(iii) Depreciation & Amortisation:

Depreciation is provided at the rates prescribed in schedule XIV to the Companies Act, 1956 on:

- written down value method for assets at Kasarwadi, Pune (including R & D assets).
- incremental depreciation on revalued assets is adjusted to revaluation reserve.
- straight line method for fixed assets at Kurkumbh, Pune and at Jejuri.
- cost of leasehold land is amortized over the lease period.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Research and development:

Capital expenditure is shown as fixed asset and accordingly depreciated. All revenue expenditure is charged to Statement of Profit and Loss.

Investments:

Investments are stated at cost and classified as long term or current. Provision is made for diminution, other than temporary, if any, in respect of a long term investments. Current investments are valued at lower of cost and fair value.

Inventory:

Inventories are valued at lower of cost and net realizable value, on the weighted average basis, except in respect of inventory of a joint venture which is valued at First in First out (FIFO) and constitute ten percent of total inventory. Work in progress, Semi finished goods and Finished goods are valued on absorption costing basis. Due allowance is made for slow moving and obsolete stocks.

Sundry debtors/loans and advances:

Sundry debtors and loans and advances are stated after making adequate provision for doubtful debts/advances, if any.

Foreign Currency Transactions:

Transactions in foreign currency are accounted at exchange rates on date of transaction. Year end balances of monetary items are translated at closing rates. Exchange differences on settlement/translation are charged to Statement of Profit and Loss.

Employee benefits:

Employee benefits include provident fund, employee state insurance scheme, and gratuity fund and compensated absences.

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made.

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

Provision for compensated absences is made on the basis of actuarial valuation carried out as at the Balance Sheet date.

Revenue recognition:

Sale of goods:

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Other income:

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.



Notes forming part of Consolidated Financial Statements (Contd.)

Excise:

Excise duty is recognized on goods manufactured.

Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

Taxation:

Provision for current tax is made after taking into account rebate and relief available under Income Tax Act, 1961.

Deferred tax is recognized subject to consideration of prudence, on timing differences between taxable and accounting income that originated in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only if there is a virtual/reasonable certainty of realization.

Contingent Liabilities:

Contingent liabilities are disclosed after careful evaluation of the facts and legal aspects of the issues involved.

Dividend:

Provision is made for proposed dividend, including corporate dividend tax thereon, subject to approval of members.

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares	₹	Number of shares	₹
NOTE 3 : SHARE CAPITAL				
(A) Authorised				
Equity shares of ₹ 10/- each	<u>1,00,00,000</u>	<u>10,00,00,000</u>	<u>1,00,00,000</u>	<u>10,00,00,000</u>
(B) Issued, Subscribed and fully paid				
Equity shares of ₹ 10/- each	<u>74,51,229</u>	<u>7,45,12,290</u>	<u>74,51,229</u>	<u>7,45,12,290</u>
Total	<u>74,51,229</u>	<u>7,45,12,290</u>	<u>74,51,229</u>	<u>7,45,12,290</u>

(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period
There is no change in the number of shares and amount outstanding as at the beginning and at the end of reporting period.

(D) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March, 2014		As at 31 March, 2013	
	Number of shares held	% holding	Number of shares held	% holding
Equity shares with voting rights				
Mr. Ashokumar Parmar.....	4,96,453	6.66	7,32,309	9.83
Mrs. S. F. Vakil.....	9,98,390	13.40	7,91,390	10.62
Mrs. S. F. Vakil jointly with Mr. F. D. Neterwala and Mrs. P. R. Mehta.....	4,92,240	6.61	4,92,240	6.61
Mrs. P. R. Mehta jointly with Mrs. S. F. Vakil and Mr. F. D. Neterwala	16,87,500	22.65	16,87,500	22.65

(E) Aggregate number of equity shares bought back during the period of 5 years immediately preceding the Balance Sheet date:

Particulars	As at 31	As at 31	As at 31	As at 31
	March, 2014	March, 2013	March, 2012	March, 2011
Equity Shares bought back...	—	—	—	1,55,171

(F) The Company has one class of equity shares having a par value of ₹ 10/- per share. Each equity share holder is eligible for one vote per share held.

Each equity share holder is entitled to dividend as and when the Company declares and pays dividend after obtaining share holders approval.

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 4 : RESERVES AND SURPLUS		
(a) Capital reserve		
Balance as at the beginning and end of the year	77,10,000	77,10,000
(b) Capital redemption reserve		
Balance as at the beginning and end of the year	15,51,710	15,51,710
(c) Securities premium account		
Balance as at the beginning and end of the year	25,94,37,591	25,94,37,591
(d) Revaluation reserve		
Balance as at the beginning of the year	3,57,06,147	3,60,18,192
Less: Utilised for set off against depreciation	2,80,840	3,12,045
Balance as at the end of the year	3,54,25,307	3,57,06,147
(e) General reserve		
Balance as at the beginning of the year	3,94,09,482	3,50,09,482
Add: Transferred from surplus in Statement of Profit and Loss.....	1,25,20,000	44,00,000
Balance as at the end of the year	5,19,29,482	3,94,09,482
(f) Reserve arising on deemed disposal of subsidiary.....	1,19,55,472	1,19,55,472
(g) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	25,36,29,954	23,57,09,432
Add: Profit for the year.....	11,85,25,900	4,17,20,534
Less: Proposed dividend.....	1,86,28,073	1,86,28,073
Less: Dividend Distribution Tax on Proposed Dividend	31,65,841	30,21,939
Add: Dividend Received from Joint Venture	33,75,000	22,50,000
Less: Tax on dividend pertaining to earlier years.....	1,43,902	—
Less: Transferred to General Reserve.....	1,25,20,000	44,00,000
Balance as at the end of the year	34,10,73,038	25,36,29,954
(h) Share of Joint Venture		
Balance as at the beginning of the year	5,61,21,451	3,46,85,619
Add: Profit for the year.....	3,75,16,000	2,40,50,839
Less: Dividend paid.....	33,75,000	22,50,000
Less: Dividend Distribution Tax Paid.....	5,47,510	3,65,007
Less: Tax on dividend pertaining to earlier year.....	26,072	—
Balance as at the end of the year	8,96,88,869	5,61,21,451
Total	79,87,71,470	66,55,21,807

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 5 : LONG-TERM BORROWINGS		
(a) Term loans		
From banks Secured (refer Note(i) below).....	12,02,218	18,96,421
(b) Deferred sales tax liability (refer Note (ii) below) – Unsecured	73,88,027	93,95,580
Total	85,90,245	1,12,92,001
Share of Joint Venture – Refer Note 34	2,65,087	—
Total	88,55,332	1,12,92,001



Notes forming part of Consolidated Financial Statements (Contd.)

Note (i) The term loans are secured against hypothecation of the vehicles purchased under the loans and are payable in equated monthly installments (EMI) details as under:

Name of lender	Loan Amount ₹	Rate of Interest	EMI Amount ₹	Total Nos. of EMI	Outstanding EMI
HDFC Bank Ltd	4,61,000	12.50%	10,268	60	31
State Bank of India	9,00,000	14.75%	31,251	36	18
State Bank of India	16,49,000	13.75%	57,259	36	24
ICICI Bank	7,65,000	10.05%	24,496	36	23
Bank of India (Joint Venture)	8,92,500	10.70%	22,938	48	39

Note (ii) Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing August 1, 2000 up-to an amount of ₹ 4,84,42,000 for the Kurkumbh unit at Pune. The deferred amount is recognized as long term borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal installments which commence from year 2011.

The deferred sales tax liability is payable in annual installments as below:

Year	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
2014	—	16,01,010
2015	20,07,553	20,07,553
2016	21,73,501	21,73,501
2017	19,11,793	19,11,793
2018	15,01,600	15,01,600
2019	9,92,361	9,92,361
2020	5,85,818	5,85,818
2021	2,22,954	2,22,954
Total	93,95,580	1,09,96,590

For the current maturities of long term borrowings, refer item(a) of Note-10 Other current liabilities

Particulars

	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 6A : DEFERRED TAX LIABILITIES (NET)		
Deferred tax liability/(asset)		
Deferred tax liability.....	—	—
	—	—
Less: Deferred tax assets:	—	—
	—	—
Net deferred tax liability/(asset)	—	—
Share of joint venture – Refer Note 34.....	—	7,04,101
Net deferred tax liability/(asset)	—	7,04,101

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 6B : DEFERRED TAX ASSETS (NET)		
Deferred tax liability/(asset)		
Deferred tax liability		
On Tangible fixed assets	59,59,885	74,87,702
	<u>59,59,885</u>	<u>74,87,702</u>
Less: Deferred tax assets :		
On Employee benefits	53,80,711	53,21,400
On State and Central taxes etc.	—	—
On Provision for Doubtful Debts	5,05,395	4,76,098
On Commission	17,18,969	10,84,407
On Bonus.....	10,65,409	9,58,898
On difference in profit on sale of investment.....	9,83,749	—
On others.....	5,57,082	—
	<u>1,02,11,315</u>	<u>78,40,803</u>
Net deferred tax liability/(asset)	(42,51,430)	(3,53,101)
Share of Joint Venture – Refer Note 34	(7,94,367)	—
Grand Total	(50,45,797)	(3,53,101)
NOTE 7 : OTHER LONG-TERM LIABILITIES		
(i) Deposit for rented premises	80,49,132	80,49,132
Total	80,49,132	80,49,132
Share of joint venture – Refer Note 34.....	—	—
Grand Total	80,49,132	80,49,132
NOTE 8 : LONG-TERM PROVISIONS		
Provision for employee benefits:		
(i) Provision for gratuity	33,47,241	45,22,173
(ii) Provision for compensated absences	75,73,768	77,63,108
Total	1,09,21,009	1,22,85,281
Share of joint venture – Refer Note 34.....	9,19,321	7,55,725
Grand Total	1,18,40,330	1,30,41,006
NOTE 9 : TRADE PAYABLES		
Trade payables:		
Acceptances	1,60,00,419	33,88,409
Other than acceptances		
Related parties.....	2,812	2,99,247
Others (refer note no 1)	7,65,05,552	8,06,85,780
Total	9,25,08,783	8,43,73,436
Share of joint venture – Refer Note 34.....	11,16,76,142	4,57,83,579
Grand Total	20,41,84,925	13,01,57,015

Note no 1. Principal amount payable to Micro and Small Enterprises (to the extent identified by the Company from available information and relied upon by the auditors) is ₹ 1,91,202 (2013: ₹ 61,643/-) including unpaid amounts of ₹ Nil (2013: ₹ Nil) outstanding for more than 45 days. No interest is due thereon.



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 10 : OTHER CURRENT LIABILITIES		
(a) Current maturities of long term borrowings (refer note (i) below):		
(i) Term loan	12,34,135	8,73,479
(ii) Deferred sales tax liability	20,07,553	16,01,010
(b) Unpaid dividends.....	14,70,443	12,61,902
(c) Unpaid matured deposits.....	45,000	3,12,000
(d) Security Deposits	4,21,225	3,46,225
(e) Other payables:	—	—
(i) Statutory remittances.....	58,34,810	36,54,855
(ii) Payables on purchase of tangible fixed assets	17,81,898	7,65,000
(iii) Advances from customers	84,75,746	9,03,017
(iv) Others liabilities	3,78,29,127	2,89,50,386
Total	5,90,99,937	3,86,67,874
Share of joint venture – Refer Note 34.....	20,26,635	20,64,431
Grand Total	6,11,26,572	4,07,32,305

Note (i) : Refer item (a) & (b) of Note 5 Long term borrowings for details of security.

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 11 : SHORT-TERM PROVISIONS		
(a) Provision for employee benefits:		
(i) Provision for Compensated Absences	34,84,508	22,04,775
(ii) Provision Gratuity	14,24,761	19,08,710
	49,09,269	41,13,485
(b) Provision – Others:		
(i) Provision for proposed equity dividend	1,86,28,073	1,86,28,073
(ii) Provision for tax on proposed dividends	31,65,841	30,21,939
	2,17,93,914	2,16,50,012
Total	2,67,03,183	2,57,63,497
Share of joint venture – Refer Note 34.....	1,48,647	39,32,132
Grand Total	2,68,51,830	2,96,95,629

Notes forming part of Consolidated Financial Statements (Contd.)

NOTE 12 : FIXED ASSETS

₹

Particulars	Gross block at cost			Depreciation				Net Block		
	As at 1 April, 2013	Additions	Deductions	As at 31 March, 2014	As at 1 April, 2013	For the year	Deductions	As at 31 March, 2014	As at 31 March, 2014	As at 31 March, 2013
A. Tangible Assets										
(a) Leasehold Land- Kurkumbh	18,58,391 (18,58,391)	—	—	18,58,391 (18,58,391)	2,91,969 (2,71,320)	20,649 (20,649)	—	3,12,618 (2,91,969)	15,45,773 (15,66,422)	15,66,422 (15,87,071)
(b) Freehold Land	5,36,30,801 (5,36,30,801)	—	—	5,36,30,801 (5,36,30,801)	—	—	—	5,36,30,801 (5,36,30,801)	5,36,30,801 (5,36,30,801)	5,36,30,801 (5,36,30,801)
(c) Buildings - Residential ...	1,65,16,917 (1,65,16,917)	—	—	1,65,16,917 (1,65,16,917)	89,67,019 (85,69,657)	3,77,495 (3,97,362)	—	93,44,514 (89,67,019)	71,72,403 (75,49,898)	75,49,898 (79,47,260)
(d) Buildings - Non Residential										
Own lease	6,45,86,039 (6,45,86,039)	—	—	6,45,86,039 (6,45,86,039)	4,97,31,018 (4,83,10,049)	13,27,713 (14,20,969)	—	5,10,58,731 (4,97,31,018)	1,35,27,308 (1,48,55,021)	1,48,55,021 (1,62,75,990)
Given under operating lease	2,90,84,465 (2,90,84,465)	—	—	2,90,84,465 (2,90,84,465)	91,57,766 (81,08,992)	9,96,335 (10,48,774)	—	1,01,54,101 (91,57,766)	1,89,30,364 (1,99,26,699)	1,99,26,699 (2,09,75,473)
(e) Plant & Machinery	28,07,11,616 (26,70,49,530)	67,34,146 (1,36,62,086)	—	28,74,45,762 (28,07,11,616)	24,64,21,467 (23,89,86,766)	85,74,313 (74,34,701)	—	25,49,95,780 (24,64,21,467)	3,24,49,982 (3,42,90,148)	3,42,90,149 (2,80,62,764)
(f) Furniture & Fixtures	1,95,03,813 (1,94,85,813)	6,93,079 (18,000)	—	2,01,96,892 (1,95,03,813)	95,14,341 (73,15,841)	18,54,494 (21,98,500)	—	1,13,68,835 (95,14,341)	88,28,057 (99,89,472)	99,89,472 (1,21,69,972)
(g) Laboratory, Office and Factory Equipment and Air conditioners	2,69,27,612 (2,56,07,571)	6,50,540 (13,20,041)	—	2,75,78,152 (2,69,27,612)	2,01,88,358 (1,90,91,453)	10,87,854 (10,96,905)	—	2,12,76,212 (2,01,88,358)	63,01,940 (67,39,254)	67,39,254 (65,16,118)
(h) Vehicles	1,15,46,687 (70,74,945)	28,58,349 (44,71,742)	21,93,214 —	1,22,11,822 (1,15,46,687)	56,26,981 (48,72,290)	14,83,699 (7,54,691)	17,60,628 —	53,50,052 (56,26,981)	68,61,770 (59,19,706)	59,19,706 (22,02,655)
Scientific Research – Capital Expenditure :										
(a) Building – Non Residential	14,20,149 (14,20,149)	—	—	14,20,149 (14,20,149)	13,57,398 (13,54,119)	3,279 (3,279)	—	13,60,677 (13,57,398)	59,472 (62,751)	62,751 (66,030)
(b) Plant & Machinery	78,24,529 (78,24,529)	9,250 —	—	78,33,779 (78,24,529)	60,17,058 (57,44,657)	1,03,229 (2,72,401)	—	61,20,287 (60,17,058)	17,13,492 (18,07,471)	18,07,471 (20,79,872)
(c) Furniture & Fixtures	6,31,513 (6,31,513)	—	—	6,31,513 (6,31,513)	5,95,684 (5,87,765)	6,485 (7,919)	—	6,02,169 (5,95,684)	29,344 (35,829)	35,829 (43,748)
(d) Laboratory, Office and Factory Equipment & Air-conditioners	1,57,31,217 (1,56,46,717)	—	—	1,57,31,217 (1,57,31,217)	1,33,86,751 (1,30,28,461)	50,424 (3,58,290)	—	1,34,37,175 (1,33,86,751)	22,94,042 (23,44,466)	23,44,466 (26,18,256)
Total Tangible Assets	52,99,73,749 (51,04,17,380)	1,09,45,364 (1,95,56,369)	21,93,214 —	53,87,25,899 (52,99,73,749)	37,12,55,810 (35,62,41,370)	1,58,85,969 (1,50,14,441)	17,60,628 —	38,53,81,151 (37,12,55,810)	15,33,44,748 (15,87,17,939)	15,87,17,939 —
Previous year	(51,04,17,380)	(1,95,56,369)	—	(52,99,73,749)	(35,62,41,370)	(1,50,14,441)	—	(37,12,55,810)	(15,87,17,939)	—
Add: Share of Joint Venture – Note No. 34	2,43,41,588 (1,87,36,420)	43,69,365 (56,05,168)	—	2,87,10,953 (2,43,41,588)	1,24,11,059 (1,13,98,013)	12,44,033 (10,13,046)	—	1,36,55,092 (1,24,11,059)	1,50,55,861 (1,19,30,529)	1,19,30,529 —
Previous year	(52,91,53,800)	(2,51,61,537)	—	(55,43,15,337)	(36,76,39,383)	(1,60,27,486)	—	(38,36,66,869)	(17,06,48,468)	—
B. Intangible Assets										
Computer Software	9,26,620 —	—	—	9,26,620 —	7,43,983 —	73,055 —	—	8,17,038 —	1,09,582 —	1,82,637 —
Add: Share of Joint Venture – Note No. 34	—	—	—	—	—	—	—	—	—	—
Previous year	(9,16,025)	(10,595)	—	(9,26,620)	(6,29,133)	(1,14,850)	—	(7,43,983)	(1,82,637)	—
C. Capital Work-in-Progress :									6,79,73,318	5,74,36,818
D. Intangible Assets under development									82,725	82,725

Figures in the bracket relate to the previous year



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 13 : NON-CURRENT INVESTMENTS		
Investments (at cost, unless otherwise stated)		
(A) Trade, in equity instruments		
(a) Quoted, in others		
57,167 shares of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited.....	13,62,502	13,62,502
	13,62,502	13,62,502
(B) Other than trade, in equity instruments		
(a) Quoted:		
8,100 shares of ₹ 10 each fully paid up in Bank of India	3,64,500	3,64,500
2,000 shares of ₹ 10 each in Bharat Seats Limited	2,000	2,000
(b) Unquoted:		
1,000 shares of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited	25,000	25,000
2,500 shares of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited	25,000	25,000
400 shares of ₹ 25 each fully paid up of The Zoroastrian Co-operative Bank Limited	1,00,000	1,00,000
	5,16,500	5,16,500
(C) Other than trade, in debentures or preference shares or bonds		
(a) Quoted:		
10 units of 11.40% Tata Power Perpetual Bonds of ₹ 10,00,000 each	1,05,25,000	1,05,25,000
2,472 units of NHAI Bond (Tranche-I) of ₹ 1,000 each.....	24,72,000	24,72,000
(b) Unquoted:		
45,645 Preference shares of L&T Finance Holdings Limited	45,64,500	45,64,500
	1,75,61,500	1,75,61,500
(D) Other than trade, in mutual funds		
(a) Quoted:		
1,580 Grams in Benchmark MF Gold Bees.....	29,55,536	29,55,536
	29,55,536	29,55,536
Total Non-Current Investments	2,23,96,038	2,23,96,038
Share of joint venture – Refer Note 34.....	13,500	13,500
Grand Total	2,24,09,538	2,24,09,538
Notes		
(1) Aggregate cost of quoted investments	1,76,81,538	1,76,81,538
(2) Aggregate market value of listed and quoted investments	5,58,64,871	4,00,79,708
(3) Aggregate cost of unquoted investments (net of provision)	47,28,000	47,28,000

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 14 : LONG-TERM LOANS AND ADVANCES		
Unsecured considered good		
(a) Capital Advances	14,43,843	11,91,677
(b) Security deposits	1,61,27,553	1,40,25,294
(c) Loans and advances to employees.....	1,52,342	3,28,002
(d) Prepaid expenses	2,69,105	4,47,179
(e) VAT credit receivable.....	22,20,610	11,59,934
(f) Advance income tax (net)	3,30,32,616	3,48,06,504
Total	5,32,46,069	5,19,58,590
Share of joint venture – Refer Note 34.....	4,67,76,992	3,37,39,792
Grand Total	10,00,23,061	8,56,98,382
NOTE 15 : CURRENT INVESTMENTS		
(A) Trade, in equity instruments (at cost)	—	—
(a) Unquoted		
(i) of associate company		
9,87,500 (31 March 2013: 26,00,000) shares of ₹ 10 each fully paid up in Inogent Laboratories *	1,51,92,307	4,00,00,000
* Re-classified from Non-current Investments, pursuant to Agreement		
(B) Other than trade (Valued at cost or market value whichever is less)		
(a) Unquoted Mutual funds.....	26,76,35,218	13,02,45,759
Total	28,28,27,525	17,02,45,759
Share of joint venture – Refer Note 34	29,52,429	27,64,416
Grand Total	28,57,79,954	17,30,10,175



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 16 : INVENTORIES		
At lower of cost and net realizable value		
(a) Raw materials & Packing Materials.....	5,50,20,576	4,10,02,578
Goods-in-transit	—	20,81,835
	5,50,20,576	4,30,84,413
(b) Fuels	24,70,814	18,59,553
(c) Work-in-progress		
Textile.....	9,09,642	—
Anionic/Cationic.....	3,03,160	6,28,094
Non Ionic	14,38,530	6,95,860
Miscellaneous.....	6,97,101	—
	33,48,433	13,23,954
(d) Semi Finished Goods	1,30,74,665	1,78,74,764
(e) Finished goods	3,05,85,437	4,07,92,853
Total	10,44,99,925	10,49,35,537
Share of joint venture – Refer Note 34.....	3,38,33,250	1,27,68,421
Grand Total	13,83,33,175	11,77,03,958
NOTE 17 : TRADE RECEIVABLES		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered Good.....	4,62,072	2,08,177
Doubtful.....	14,86,892	14,61,977
	19,48,964	16,70,154
Less: Provision for doubtful debts.....	14,86,892	14,61,977
	4,62,072	2,08,177
Other debts – Unsecured considered good	20,12,50,897	14,89,04,577
Total	20,17,12,969	14,91,12,754
Share of joint venture – Refer Note 34.....	9,96,02,538	5,17,96,608
Grand Total	30,13,15,507	20,09,09,362

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
NOTE 18 : CASH AND BANK BALANCE		
(a) Cash on hand.....	16,117	27,351
(b) Balances with banks		
(i) In current accounts.....	3,70,75,181	2,15,26,346
(ii) In other deposit accounts		
— Original maturity of 3 months or less.....	1,75,000	4,00,00,000
— Original maturity of more than 3 months*.....	1,00,00,000	3,01,75,000
* Includes ₹ Nil (2013: 1,00,00,000) with a maturity of more than 12 months as at the Balance Sheet date		
(iii) In earmarked accounts		
— Unpaid dividend accounts	14,70,443	12,61,902
— Balances held as margin money against guarantees and other commitments.....	75,05,640	65,33,000
Total	5,62,42,381	9,95,23,599
Share of joint venture – Refer Note 34.....	1,81,11,591	94,22,741
Grand Total	7,43,53,972	10,89,46,340
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is.....	4,69,19,980	6,64,16,107
NOTE 19 : SHORT-TERM LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)		
Security Deposits		
(a) Loans and advances to employees.....	4,65,009	3,60,656
(b) Prepaid expenses.....	24,93,357	18,72,957
(c) Balances with government authorities.....	1,41,62,032	39,63,929
(d) Loans to related parties (Refer Note).....	—	70,00,000
(e) Advances to Suppliers	92,39,482	1,58,77,311
Total	2,63,59,880	2,90,74,853
Share of joint venture – Refer Note 34.....	23,26,547	49,62,942
Grand Total	2,86,86,427	3,40,37,795
NOTE 20 : OTHER CURRENT ASSETS		
(a) Interest accrued on bank deposits.....	6,52,035	13,91,027
(b) Interest accrued on other deposits	7,49,225	7,00,381
Total	14,01,260	20,91,408
Share of joint venture – Refer Note 34.....	2,83,976	2,01,553
Grand Total	16,85,236	22,92,961



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
NOTE 21 : REVENUE FROM OPERATIONS		
(a) Sale of products (Gross) (Refer Note (i) below).....	1,16,79,33,268	88,43,75,059
(b) Sale of services	1,62,964	11,45,806
	1,16,80,96,232	88,55,20,865
(c) Add: Share of Joint Venture – Refer Note 34.....	40,58,91,143	21,17,14,447
(d) Less: Excise duty on revenue from operations	10,73,39,650	8,42,40,595
	1,46,66,47,725	1,01,29,94,717
(e) Other operating revenues (Refer Note (ii) below)	71,21,751	31,97,624
Grand Total	1,47,37,69,476	1,01,61,92,341
Notes:		
(i) Sale of products comprises:		
<u>Manufactured goods</u>		
Anionic/Cationic.....	15,62,07,869	15,35,60,782
Non Ionic.....	29,16,62,458	24,01,59,868
Textile.....	12,26,56,097	11,41,10,465
Oil Field.....	26,97,74,224	10,05,85,539
Flocculants.....	10,31,75,416	8,38,62,274
Others	22,21,48,454	19,20,96,131
Total – Sale of manufactured goods	1,16,56,24,518	88,43,75,059
<u>Traded goods</u>		
Others	23,08,750	—
Total - Sale of traded goods	23,08,750	—
Total - Sale of products	1,16,79,33,268	88,43,75,059
(ii) Other operating revenues comprise:		
Duty drawback.....	41,13,649	9,92,469
Commission	95,376	1,38,095
Dosage Compensation on Arbitration Settlement (Note 32).....	—	3,20,702
Scrap sale.....	29,12,726	17,46,358
Total – Other operating revenues	71,21,751	31,97,624

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
NOTE 22 : OTHER INCOME		
(a) Interest income (Refer Note (i) below)	41,28,592	1,47,86,350
(b) Dividend income:		
from current investments	45,72,192	41,12,550
from long-term investments.....	21,12,999	23,64,980
(c) Net gain on sale of investments		
Current Investments	98,65,315	61,89,075
long term investments	—	28,61,845
(d) Other non operating income		
Rental income from operating lease	1,40,89,530	1,43,97,850
Profit on sale of fixed assets.....	1,22,969	—
Bad debts recovered.....	1,63,491	—
Provision for doubtful debts written back.....	—	2,10,345
On Settlement of arbitration (Note 32)	—	25,68,661
Sundry balances written back	78,893	8,412
Miscellaneous receipts	1,89,343	1,45,681
Total	3,53,23,324	4,76,45,749
Share of joint venture – Refer Note 34	14,92,577	9,72,820
Grand Total	3,68,15,901	4,86,18,569
Note:		
(i) Interest income comprises:		
Interest from banks on deposits	20,05,353	77,00,824
Interest on loans and advances	2,43,273	12,50,686
Interest income from long term investments	13,42,705	13,44,545
Interest on settlement of arbitration (Note 32)	—	42,06,170
Others	5,37,261	2,84,125
Total	41,28,592	1,47,86,350



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
NOTE 23 : COST OF MATERIALS CONSUMED		
Raw Materials consumed comprise		
Ethylene Oxide.....	17,74,65,346	15,98,97,136
Fatty Alcohol, Phenol & Glycol	15,60,45,257	12,30,27,255
Oils & Fatty Acids	6,39,52,155	5,05,50,853
Acrylamide	3,18,90,711	2,55,71,537
Amines	4,30,54,091	2,81,81,575
Other items	26,50,26,055	19,48,03,227
Total	73,74,33,615	58,20,31,583
Share of joint venture – Refer Note 34	23,84,12,016	11,25,22,166
Grand Total	97,58,45,631	69,45,53,749
NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS		
<u>Inventories at the end of the year</u>		
Finished goods	3,05,85,437	4,07,92,852
Semi Finished Goods.....	1,30,74,665	1,78,74,764
Work-in-progress		
Textile	9,09,642	—
Anionic/Cationic.....	3,03,160	6,28,094
Non Ionic	14,38,530	6,95,860
Miscellaneous	6,97,101	—
	4,70,08,535	5,99,91,570
<u>Inventories at the beginning of the year</u>		
Finished goods	4,07,92,852	3,33,57,065
Semi Finished Goods.....	1,78,74,764	1,06,79,876
Work-in-progress		
Textile	—	2,78,318
Anionic/Cationic.....	6,28,094	3,95,177
Non Ionic	6,95,860	4,63,847
Sizing	—	77,877
	5,99,91,570	4,52,52,160
Net (increase)/decrease	1,29,83,035	(1,47,39,410)
Share of joint venture – Refer Note 34	(35,49,054)	16,95,201
Grand Total	94,33,981	(1,30,44,209)
NOTE 25 : EMPLOYEE BENEFITS EXPENSES		
Salaries and wages	9,18,28,461	7,83,08,805
Contributions to provident and other funds	61,37,444	95,96,616
Staff welfare expenses.....	77,38,945	76,56,348
Total	10,57,04,850	9,55,61,769
Share of joint venture – Refer Note 34	1,82,76,356	1,05,08,739
Grand Total	12,39,81,206	10,60,70,508

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
NOTE 26 : FINANCE COSTS		
Interest on term loans	3,71,607	1,60,768
Others.....	6,00,117	67,468
Total	9,71,724	2,28,236
Share of joint venture – Refer Note 34	7,04,319	60,356
Grand Total	16,76,043	2,88,592
NOTE 27 : OTHER EXPENSES		
Consumption of stores and spare parts	39,26,240	61,22,327
Increase/(decrease) of Excise duty on inventories	(12,39,397)	7,61,235
Power and fuel	4,80,29,093	4,45,98,872
Rent	25,60,203	22,01,646
Repairs and maintenance		
Buildings	14,09,206	5,54,274
Machinery.....	44,28,711	25,05,499
Others	45,31,876	26,90,667
Insurance.....	11,88,046	11,06,084
Rates and taxes.....	34,70,142	24,11,127
Freight Expenses.....	2,07,55,992	1,51,29,312
Commission on sales	1,67,19,349	1,10,48,645
Donations	15,00,000	10,39,048
Bank Charges.....	37,14,668	28,97,372
Telephone, telex and telegrams	17,64,246	18,54,056
Vehicle Expenses	13,07,551	11,07,904
Legal and professional	1,04,21,338	57,37,907
Travelling Expenses	28,67,015	31,77,276
Directors Siting Fees	3,60,000	4,78,500
Net loss/(gain) on foreign currency transactions and translation	1,34,985	(15,68,773)
Bad debts and advances written off	—	3,32,525
Payments to auditors (Refer note (i) below)	25,08,008	25,39,637
Provision for doubtful trade and other receivables, loans and advances (net)	24,915	—
Miscellaneous expenses	1,97,21,728	1,65,50,363
Total	15,01,03,915	12,32,75,503
Share of joint venture – Refer Note 34	8,86,32,863	4,76,02,826
Grand Total	23,87,36,778	17,08,78,329
Note (i)		
Payments to the auditors comprises (net of service tax input credit, where applicable):		
Audit fees	11,05,000	11,05,000
Tax audit.....	3,00,000	3,00,000
Limited review/ Consolidation	10,00,000	10,00,000
Certification.....	1,00,000	1,00,000
Out of pocket expenses	3,008	34,367
Total	25,08,008	25,39,367



Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
NOTE 28 : TAX EXPENSE		
(a) Current Tax for the year.....	3,25,00,700	1,49,02,850
Total	3,25,00,700	1,49,02,850
Share of joint venture – Refer Note 34	2,10,00,000	1,18,50,000
Grand Total	5,35,00,700	2,67,52,850
(b) Deferred Tax for the year.....	(38,98,330)	(23,00,021)
Total	(38,98,330)	(23,00,021)
Share of joint venture – Refer Note 34	(14,98,469)	9,271
Grand Total	(53,96,799)	(22,90,750)
	4,81,03,901	2,44,62,100
NOTE 29 : DEPRECIATION AND AMORTISATION EXPENSES		
Depreciation and amortisation for the year on tangible assets as per Note 12 A.....	1,58,85,969	1,50,14,441
Amortisation for the year on intangible assets as per Note 12 B	73,055	1,14,850
Less: Utilised from revaluation reserve.....	2,80,840	3,12,045
	1,56,78,184	1,48,17,246
on intangible assets	—	—
Total	1,56,78,184	1,48,17,246
Share of joint venture – Refer Note 34	12,44,033	10,13,046
Grand Total	1,69,22,217	1,58,30,292
30 (a) Contingent liabilities and commitments (to the extent not provided for)		
(i) Contingent Liabilities		
(a) Guarantees issued to others by Bank secured by counter guarantee of the company and by charge on the fixed assets, inventories and book debts of the company.	1,41,97,321	1,41,97,321
(b) Customs duty bonds**.....	5,91,54,165	8,62,91,546
** Includes ₹ 3,35,42,831/- (31 March, 2013 : ₹ 5,01,21,414/-) of Bonds, issued jointly in name of the Company and Champion Dai-ichi Technologies India Ltd.		
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,35,44,781	17,42,053
(b) Share of Joint Venture	22,55,899	—
(b) Wage agreement at Kasarwadi Plant was expired on 30 th November, 2008. Negotiations with employees are in progress. The Company does not expect any significant additional liability on this account.		

Notes forming part of Consolidated Financial Statements (Contd.)

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
(c) Claims against the Company not acknowledged as debts relating to:		
(i) Octroi (wrong classification of raw materials)*	2,43,07,427	2,38,80,407
(ii) Labour matters (back wages and compensation under Workmen Compensation Act)	13,23,007	9,82,800
(iii) Disputed Income Tax liability	4,35,44,998	3,77,14,269
(iv) Disputed Sales Tax liability	77,33,073	—
(v) Service Tax (Dispute on mode of payment)	1,10,89,554	—

* Includes ₹ **1,41,97,321/-** (31 March, 2013 : ₹ 1,41,97,321/-) for which bank guarantee has been given and shown under 30 (a) (i) above.

Future cash outflows in respect of the matters specified in a) (i) and c) are determinable only on receipt of judgments/decisions pending at various forums/authorities.

31 Employee Benefits:

A. Defined contribution plans

The Company makes Provident Fund, Employee State Insurance Scheme and Maharashtra Labour Welfare Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 59,89,190 (Year ended 31 March, 2013 ₹ 57,07,408) for Provident Fund contributions, ₹ 5,81,025 (Year ended 31 March, 2013 ₹ 7,99,149) for Employee State Insurance Scheme contributions, ₹ 16,848 (Year ended 31 March, 2013 ₹ 17,856) for Maharashtra Labour Welfare Fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

B. Defined Benefit Plan

(i) The Defined Benefit Plans comprise of Gratuity. Gratuity is a benefit to an employee based on 15 days of last drawn salary for each completed year of service.

Amount in ₹

Particulars	Gratuity (Funded)	
I. Changes in the present value of defined obligation representing reconciliation of opening and closing balances thereof are as follows:	31st March, 2014	31st March, 2013
1. Present Value of Defined Benefit Obligation at the beginning of the year	4,63,91,355	4,33,42,593
2. Current Service cost	13,28,715	11,17,300
3. Interest Cost	27,16,822	25,13,703
4. Past Service cost	—	—
5. Actuarial (gains)/losses	(5,69,905)	37,49,709
6. Benefits paid	(31,73,996)	(43,31,950)
7. Less: Transfer of defined obligations on deemed disposal of subsidiary	—	—
8. Present value of Defined Benefit Obligation as on Balance Sheet date.....	4,66,92,991	4,63,91,355
II. Changes in the fair value of plan assets representing reconciliation of opening and closing balances thereof are as follows:		
1. Fair value of Plan assets as at the beginning of the year	3,95,16,140	3,84,45,154
2. Expected return on plan assets	34,37,904	33,83,174
3. Actuarial gains/(losses)	(84,835)	33,276
4. Actual contributions by employers	17,43,207	19,44,948
5. Benefits paid	(31,73,996)	(42,90,412)
6. Plan assets as on Balance Sheet Date	4,14,38,420	3,95,16,140



Notes forming part of Consolidated Financial Statements (Contd.)

Amount in ₹

Particulars	Gratuity (Funded)	
	31st March, 2014	31st March, 2013
III. Analysis of Defined Benefit Obligation:		
1. Defined Benefit Obligation as at 31st March.....	4,66,92,991	4,63,91,355
2. Fair Value of Plan assets at the end of the year.....	4,14,38,420	3,95,16,140
3. Net Asset/(Liability) recognized in the Balance Sheet as on Balance Sheet Date.....	(52,54,571)	(68,75,215)
IV. Reconciliation of Present Value of Defined Benefit Obligation and fair value of plan assets showing amount recognized in the Balance Sheet:		
1. Present value of Defined Benefit Obligation.....	4,66,92,991	4,63,91,355
2. Fair value of plan assets.....	4,14,38,420	3,95,16,140
3. Funded status [Surplus/(Deficit)]	(52,54,571)	(68,75,215)
4. Unrecognized Past Service Costs.....	—	—
5. Net Asset/(Liability) recognized in Balance Sheet.....	(52,54,571)	(68,75,215)
V. Components of employer expenses recognized in the statement of profit and loss:		
1. Current Service cost.....	13,28,715	11,17,300
2. Interest cost.....	27,16,822	25,13,703
3. Expected return on plan assets.....	(34,37,904)	(33,83,174)
4. Curtailment cost/(credit).....	—	—
5. Settlement cost/(credit).....	—	—
6. Past Service cost.....	—	—
7. Actuarial Losses/(Gains).....	(4,85,070)	37,16,433
8. Total expense recognised in the Statement of Profit & Loss under Contribution to Provident Fund and other Funds.....	1,22,563	39,64,262
VI. The Category of Plan assets – 100% Qualifying insurance policy (Insurer managed fund):		
VII. Principal Actuarial Assumptions:		
1. Discount Rate (%).....	9.03%	8.00%
2. Expected Return on plan assets (%).....	8.70%	8.70%
3. Salary escalation (%).....	5.00%	5.00%
4. Medical cost inflation.....	N A	N A
5. Withdrawal Rate (%).....	2.00%	0.00%

VIII. Experience History:	31st March, 2014	31st March, 2013	31st March, 2012	31st March, 2011	31st March, 2010
1. Experience adjustments on plan liabilities (Gain)/ Loss.....	(5,69,905)	37,49,709	(1,09,582)	18,80,595	28,53,781
2. Experience adjustments on plan assets (Loss)/ Gain.....	(84,835)	33,276	3,00,815	2,77,724	4,56,702
3. Defined Benefit Obligation at the end of the period.....	4,66,92,991	4,63,91,355	4,33,42,593	4,38,20,292	4,22,74,805
4. Plan Assets at the end of the period.....	4,14,38,420	3,95,16,140	3,84,45,154	3,80,10,966	3,79,74,818
5. Funded Status.....	(52,54,571)	(68,75,215)	(47,29,839)	(47,78,080)	(42,99,987)
IX. Contributions expected to be paid to the plan during the next financial year.....	20,00,000	10,00,000	10,00,000	10,00,000	1,50,000
(a) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.					
(b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.					
(c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.					

Notes forming part of Consolidated Financial Statements (Contd.)

- 32** In the arbitration proceedings under order no. C/1438A & C/1438B of September 12, 1986, arbitration award was declared on September 25, 2006, pursuant to which ONGC was directed to pay ₹ 55,45,325/- along-with interest at 9% from the date of award till the date of payment.

The Company and ONGC had filed appeals against the award in the Mumbai High Court. Vide order dated December 6, 2012, the Court upheld the award. ONGC has paid a sum of ₹ 66,74,457/- to the company towards full and final settlement which has been accounted in 2012-13.

- 33** Lease payable/ receivable under cancellable operating lease:

The Company has taken office under operating lease. The lease is not non cancellable. The lease payment recognized in the Statement of Profit and Loss, debited to rent account is ₹ **25,17,556/-** (2013: ₹ 22,01,646/-)

The Company has given commercial premises under leave and license agreement for a period of 18 months. The said agreement is non-cancellable for the first 6 months, and the future minimum lease payments (all not later than one year) under the non-cancellable period is ₹ **12,06,660/-** (2013: ₹ 11,71,170/-). The lease rental credited to the Statement of Profit and Loss is ₹ **1,40,89,530/-** (2013: ₹ 1,43,97,850/-).

- 34** Interest in Joint Venture:

The Group's interest in jointly controlled entity (incorporated Joint Venture) is:

Name	Country of Incorporation	Percentage of ownership interest	
		As at 31 March, 2014	As at 31 March, 2013
Champion Dai-ichi Technologies India Limited	India	50	50

- 35** Earnings per share:

Particulars	As at 31 March, 2014 ₹	As at 31 March, 2013 ₹
Profit after tax as per accounts (₹).....	15,60,41,899	6,57,71,373
Weighted average number of shares used as denominator for calculating basic and diluted earnings per share.....	74,51,229	74,51,229
Nominal value per share (₹)	10	10
Basic and diluted earnings per share (₹)	20.94	8.83

- 36** Segment information:

The Company is principally engaged in single business segment – manufacturing of specialty chemicals and operates materially in one geographical segment as per Accounting Standard 17 on segment reporting.

- 37** During the year, management has reviewed the identification and classification of related party relationships. Based on this review the related party relationships identified and transactions with them are detailed below:

A. Relationships:

- (i) Other related parties with whom the company had transactions

- (a) Jointly controlled entity:

Champion Dai-ichi Technologies India Ltd. (CDTIL).

- (b) Key management personnel (KMP):

Mrs. S.F. Vakil - Managing director (SFV)

- (c) Relatives of key management personnel

(i) Mr. D. M. Neterwala – Father of Managing Director (DMN)

(ii) Ms. Meher F. Vakil - Daughter of Managing Director (MFV)

(iii) Ms. P. R. Mehta – Sister of Managing Director (PRM)



Notes forming part of Consolidated Financial Statements (Contd.)

- (d) Other Related Parties
- (i) Indian Oxides & Chemicals Limited (IOCL),
 - (ii) Rose Investments Limited (RIL),
 - (iii) Inogen Laboratories Private Limited (ILPL),
 - (iv) SDN Company (SDNC),
 - (v) Uni Klinger Limited (UKL),
 - (vi) Anosh Finance & Investment Pvt. Ltd. (AFIPL),
 - (vii) Universal Ferro & Allied Chemicals Limited (UFACL),
 - (viii) General Pharmaceuticals Pvt. Ltd. (GPPL),
 - (ix) Netal India Limited (NIL),
 - (x) Neterwala Consulting & Corporate Services Limited (NCCS)
 - (xi) Chemicals and Ferro Alloys Private Limited (CFAPL)

Note: Related party relationship is as identified by the company and relied upon by the auditors

B. Transactions carried out with related parties referred in A above, in ordinary course of business:

(₹)					
Nature of transactions	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Purchase of Goods	—	—	—	18,32,135 IOCL 5,52,301 GPPL 10,70,956 UKL	34,55,392
	(—) <i>CDTIL</i>	(—)	(—)	(35,13,971) <i>IOCL</i> (6,93,159) <i>GPPL</i> (2,99,947) <i>UKL</i>	(45,07,077)
Sales of Goods.....	11,67,73,790 CDTIL	—	—	78,28,784 IOCL 23,93,277 GPPL	12,69,95,851
	(4,22,71,295) <i>CDTIL</i>	(—)	(—)	(1,00,81,509) <i>IOCL</i> (27,99,089) <i>GPPL</i>	(5,51,51,893)
Compensation/Others	—	20,99,080 SFV	4,18,476 DMN	—	25,17,556
	(—)	(—)	(22,87,645) <i>DMN</i>	(—)	(22,87,645)
Reimbursement of Expenses/Rendering of Services.....	5,83,219 CDTIL	—	—	3,79,879 SDNC 25,039 ILPL	9,88,137
	(56,39,341) <i>CDTIL</i>	(—)	(—)	(4,14,060) <i>SDNC</i> (4,584) <i>NCCS</i> (47,942) <i>ILPL</i> (23,180) <i>AFIPL</i>	(61,29,107)

Notes forming part of Consolidated Financial Statements (Contd.)

(₹)					
Nature of transactions	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	Total
Reimbursement of Expenses/Receiving of Services.....	—	12,647 SFV -	1,56,443 DMN	21,914 NIL 54,605 UFACL	2,45,609
	(—)	(—)	(1,54,693) DMN	(19,083) SDN (59,704) UFACL	(2,33,480)
Interest Received.....	—	—	—	2,33,972 IOCL	2,33,972
	(—)	(—)	(—)	(12,50,686) IOCL	(12,50,686)
Remuneration.....	—	78,62,541 SFV	—	—	78,62,541
	(—)	(56,06,194) SFV	(—)	(—)	(56,06,194)
Inter Corporate Deposits Placed.....	—	—	—	— IOCL	—
	(—)	(—)	(—)	(2,00,00,000) IOCL	(2,00,00,000)
Directors' sitting fees.....	—	—	— DMN	—	—
	(—)	(—)	(58,000) DMN	(—)	(58,000)
Dividend received.....	33,75,000 CDTIL	—	—	—	33,75,000
	(22,50,000) CDTIL	(—)	(—)	(—)	(22,50,000)
Dividend paid.....	—	32,09,075 SFV	4,16,250 DMN 1,99,145 FAV 42,18,750 PRM	6,57,000 RIL 1,460 GPPL 6,42,500 CFAPL	93,44,180
	(—)	(25,67,260) SFV	(3,33,000) DMN (1,16,000) FAV (33,75,000) PRM	(5,25,600) RIL (1,168) GPPL (5,14,000) CFAPL	(74,32,028)
Consultancy Fees.....	—	—	7,39,102 MFV	—	7,39,102
	(—)	(—)	(5,37,616) MFV	(—)	(5,37,616)



Notes forming part of Consolidated Financial Statements (Contd.)

Nature of transactions	Joint Venture	Key management personnel	Relatives of key management personnel	Other Related Parties	(₹)
					Total
Investments	67,50,000 CDTIL	—	—	1,51,92,307 ILPL	2,19,42,307
	(67,50,000) CDTIL	(—)	(—)	(4,00,00,000) ILPL	(4,67,50,000)
Outstanding Trade Receivables.....	2,73,36,193 CDTIL	—	—	38,61,186 IOCL 7,16,027 GPPL	3,19,13,406
	(99,78,711) CDTIL	(—)	(—)	(9,45,255) IOCL (5,39,768) GPPL	(1,14,63,734)
Outstanding Receivables (Expenses).....	—	—	—	— SDNC	51,413
	(—)	(—)	(—)	(51,413) SDNC	(51,413)
Outstanding Payables.....	—	—	—	2,813 NIL	2,813
	(—)	(—)	(—)	(2,99,947) UKL	(2,99,947)
Deposit outstanding.....	—	—	32,00,000 DMN	—	32,00,000
	(—)	(—)	(32,00,000) DMN	(—)	(32,00,000)
Outstanding ICD placed.....	—	—	—	— IOCL	—
	(—)	(—)	(—)	(70,00,000) IOCL	(70,00,000)

Note: Figures in bracket relate to previous year.

38 Financial and derivative instrument disclosure:

- There are no outstanding forward exchange contracts.
- All derivative and financial instruments acquired by the Company are for hedging purpose.
- Un-hedged foreign currency exposure:

Particulars	As at 31 March, 2014		As at 31 March, 2013	
	USD	Rupee	USD	Rupee
Trade Receivables	5,05,886	2,99,99,030	3,63,352	1,96,57,292
Trade Payables	5,54,119	3,34,53,302	3,27,415	1,78,39,438

Notes forming part of Consolidated Financial Statements (Contd.)

39 Details of Subsidiary Company for the year 2013-14

Sr. No	Name of Subsidiary Company	Dai-ichi Gosei Chemicals (India) Ltd.
1	Capital	5,00,000
2	Reserves	(2,66,053)
3	Total Assets	2,40,118
4	Total Liabilities	2,40,118
5	Details of Investment	—
6	Turnover (includes other income)	15,750
7	Profit before Taxation	2,226
8	Provision for Taxation	700
9	Profit after Taxation	1,586
10	Proposed Dividend	—

40 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

S. F. Vakil	Chairperson and Managing Director
K. D. Patel	Director
Keki Elavia	Director
Anil Naik	Director
Nitin Nimkar	Financial Comptroller
Kavita Thadeshwar	Company Secretary

Place : Mumbai
Date : 2nd May, 2014



DAI-ICHI KARKARIA LIMITED

CIN: L24100MH1960PLC011681

Registered Office: Liberty Building, 3rd Floor Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai - 400 020.
E-mail: investor@dai-ichiindia.com • Tel.: 2201 7130/2201 5895 • Fax: 022-2209 6976

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

54th ANNUAL GENERAL MEETING — Friday, 8th AUGUST, 2014

I hereby record my presence at the 54th Annual General Meeting of the Company held at M. C. Ghia Hall, Bhogilal Hargovindas,, 4th Floor, 18/20, Kaikhushru Dubash Marg, Mumbai – 400 001 on Friday, the 8th day of August, 2014 at 11.30 a.m.

Name of Member / Proxy (in BLOCK LETTERS)

For Physical Holding	For Electronic Form (Demat) NSDL / CDSL		No. of shares
LF No.	DP ID	CLIENT ID	

Signature of the Member / Proxy

PLEASE BRING YOUR COPY OF ANNUAL REPORT AT THE TIME OF ATTENDING THE MEETING



DAI-ICHI KARKARIA LIMITED

CIN: L24100MH1960PLC011681

Registered Office: Liberty Building, 3rd Floor Sir Vithaldas Thackersey Marg, Marine Lines, Mumbai - 400 020.
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PROXY FORM

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

54th ANNUAL GENERAL MEETING ON AUGUST 8, 2014

Name of Member (s)	E-mail Id
Registered Address	Folio No./ *Client Id *DP Id

I/We, being the Member (s) holding shares of the above named Company, hereby appoint:

- (1) Name:
Address:
..... E-mail Id: or failing him
- (2) Name:
Address:
..... E-mail Id: or failing him
- (3) Name:
Address:
..... E-mail Id: or failing him

----- ✂ -----

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 54th Annual General meeting of the Company, to be held on Friday, August 8, 2014, at 11.30 a.m. at M.C. Ghia Hall, Bhogjlal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions:

1	Receive, consider and adopt the Audited Profit and loss Account for the year ended 31 st March, 2014 and the Balance Sheet as at that date together with the Directors' Report and Auditors Report thereon.
2	Declaration of final dividend for the year ended 31 st March, 2014.
3	Re-appointment of Mr. J. H. C Jehangir (DIN:00001451), who retires by rotation
4	Appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, (Firms' Registration No. 117366W / W-100018) as Statutory Auditors of the Company and to fix their remuneration.
5	Appointment of Mr. K. M. Elavia (DIN: 00003940) as an Independent Director of the Company
6	Appointment of Mr. K. D. Patel (DIN: 00002634) as an Independent Director of the Company
7	Appointment of Dr. A. M. Naik (DIN: 00002670) as an Independent Director of the Company

Signed this day of 2014

Signature of shareholder

Signature of Proxy holder(s)

Affix
15 Paise
Revenue
Stamp

*Applicable for investors holding shares in electronic form.

NOTES:

- (1) **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- (2) **A proxy need not be a member of the Company.**
- (3) A person can act a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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 shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

SPEED POST

If undelivered please return to:
DAI-ICHI KARKARIA LIMITED
Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.