

Indokem Limited

(CIN NO.: L31300MH1964PLC013088)

Registered Office :

"KHATAU HOUSE", Ground Floor,
Mogul Lane, Mahim (West),
Mumbai - 400 016.

Phone : 61236767

Fax : 61236718

Website : www.indokem.co.in

September 28, 2018

To,
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

Dear Sir/Ma'am,

Scrip Code: 504092

Subject: Submission of Annual Report in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2017-2018

Please find enclosed herewith Copy of Annual Report of the 52nd Annual General meeting held on 28th September, 2018. Kindly consider this as compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year 2017-2018.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully

For INDOKEM LIMITED



Rajesh D. Pisal

Company Secretary and Compliance Officer



Encl: as above



INDOKEM LIMITED

52nd ANNUAL REPORT



2017-18

APPEAL TO SHAREHOLDERS

In order to save trees and environment by cutting down the consumption of costly paper habits, the Ministry of Corporate affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies through electronic mode including service of notice/documents including Annual Report can be sent by email to its members. In accordance with the circular no. 17/2011 dated 21/04/2011 and circular no. 18/2011 dated 29/04/2011 issued by the Ministry, Companies had started the practice of sending various notices and documents, including documents for Annual General Meeting and Annual Report, to its shareholders through electronic mode, whose e- mail addresses are registered with the Company. In such case, the company is required to obtain email addresses of its members for sending the notice / documents through email by giving an opportunity to every member to register their email address and changes therein, if any, from time to time with the Company. To be a part of Green Initiative in the Corporate Governance, Indokem Limited has started to send documents like the notices for convening the General Meeting and Annual Reports in electronic form, to the email addresses of those members which are available in the Register of Members of the Company. **To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concern Depository Participants. Members who hold shares in physical form are requested to register their email addresses to the Company or its Registrar and Share Transfer Agents (RTA).**

You are kindly requested to send an email to sharexindia@vsnl.com or/and iklsecretarial@gmail.com in order to register your email ID with Name of first holder, Folio No. /DP ID and Client ID. Members are further requested to provide copy of their PAN Card, Aadhar Card, bank details, contact number and address with proof, if there is any change.

On registration, all the communication will be sent to the email ID registered in the Folio/DP ID and Client ID to save time and to save trees.

We are sure you would appreciate the "Green Initiative" taken by MCA and as a responsible citizen you will whole heartedly support this initiative.

This move by the Ministry will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. It will also ensure prompt receipt of communication and avoid loss in postal transit. We are sure that you would appreciate the "Green Initiative" taken by MCA and Indokem's desire to participate in such initiatives. Please contact the followings:

REGISTRAR & SHARE TRANSFER AGENT:	SECRETARIAL DEPT.
Sharex Dynamic (India) Pvt. Ltd. Unit No. 1, Luthra Industrial Estate, Andheri-Kurla Road, Safed Pool, Andheri (East), Mumbai - 400 072. Email: sharexindia@vsnl.com	INDOKEM LIMITED Plot No: 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016. Tel No.: +91-22- 6123 6711 / 6123 6767 Email: iklsecretarial@gmail.com Website: www.indokem.co.in

INDOKEM LIMITED

BOARD OF DIRECTORS:

Shri Mahendra K. Khatau
Mr. Manish M. Khatau
Smt. Asha M. Khatau
Shri Kailash Pershad
Shri S. Rajagopalan
Shri Bhalchandra Sontakke

Chairman & Managing Director
Whole - Time Director
Non-executive Director
Non-executive Independent Director
Non-executive Independent Director
Non-executive Independent Director

KEY MANAGERIAL PERSONNEL:

Shri Mukund R. Nagpurkar

Chief Financial Officer
(Resigned w.e.f 8th August, 2017)

Ms. Rupal B. Parikh

Chief Financial Officer
(Appointed w.e.f 8th August, 2017)

Mr. Bhavik. B. Parekh

Company Secretary & Compliance Officer
(Resigned w.e.f 19th June, 2017)

Mr. Rajesh D. Pisal

Company Secretary & Compliance Officer
(Appointed w.e.f 8th June, 2017)

AUDITORS:

CNK & Associates, LLP

BANKERS:

HDFC Bank Ltd.
Axis Bank Ltd.
Bank Of India
Indian Overseas Bank

REGISTRAR & SHARE TRANSFER AGENT:

Sharex Dynamic (India) Pvt. Ltd.
Unit No. 1, Luthra Industrial Estate,
Andheri-Kurla Road, Safed Pool,
Andheri (East), Mumbai - 400 072.

Email: sharexindia@vsnl.com

Website: www.sharexindia.com

REGISTERED OFFICE:

Plot No: 410/411, Khatau House,
Mogul Lane, Mahim (West)
Mumbai - 400 016.
Tel No.: +91-22- 6123 6767 / 6123 6711

Email: iklsecretarial@gmail.com

Website: www.indokem.co.in

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52nd Annual General Meeting (AGM)

Day, Date & Time: Friday, 28th September, 2018 at 3:00 P.M.

Venue: Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016

Indokem Limited

(CIN: L31300MH1964PLC013088)

Regd. Office: Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016.**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the **FIFTY SECOND Annual General Meeting** of the members of the Company will be held on Friday, 28th September, 2018 at 3:00 P.M. at the Registered Office of the Company situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31st March, 2018 including the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss and the Cash Flow Statement as on that date together with the Directors' and Auditors' Report thereon.
2. To appoint a Director in the place of Smt. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation at this Annual General Meeting and being eligible has offered herself for reappointment.

SPECIAL BUSINESS:

3. **Approval for revision in remuneration of Mr. Manish M. Khatau, Whole-Time Director and in this regard under the provisions of Companies Act, 2013:**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the 50th Annual General Meeting of the Company held on 30th September, 2016, approval of the Company be and is hereby accorded for revision in the remuneration payable to Mr. Manish M. Khatau (DIN: 02952828), Whole-Time Director of the Company with effect from 1st October, 2018 for the remaining period of his tenure as set out in the explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution".

4. **Approval for Transactions with the Related Parties under Section 188 of Companies Act, 2013:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force), consent of the Members of the Company be and is hereby accorded for entering into related party transactions with the parties and upto the limits as stated herein below:

Maximum value of contract/ transaction (per annum) (₹ In Crores)				
Sr. No.	Name of related parties	Transaction defined u/s 188 of Companies Act, 2013		
		Sale, purchase or supply of any goods, material	Leasing of property of any kind	Availing or rendering of any services or appointment of any agent for purchase or sale of goods, materials, services or property
On actual basis, exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the Company)				
1.	Samudra Dye-Chem Private Limited	3	0.25	5
2.	Spiweld Chemtrade Private Limited	3	0.25	5
3.	Textomax Chemicals Private Limited	3	0.25	5
4.	Formost Chemicals Private Limited	3	0.25	5
5.	Chemron Texchem Private Limited	3	0.25	5
6.	Priyamvada Holdings Limited	3	0.25	5
7.	Asha Marine Products Private Limited	1	0.25	1
8.	Emerald Capital Services Private Limited	1	0.25	1
9.	Vindhyapriya Holdings Private Limited	1	0.25	1
10.	Khatau Leasing & Finance Company Private Limited	1	0.25	1
11.	Prism Plantations Private Limited	1	0.25	1
12.	Khatau Holding & Trading Company Private Limited	1	0.25	1
13.	Prerana Leasing & Finvest Private Limited	1	0.25	1
14.	MKK Holdings Private Limited	1	0.25	1
15.	Priyanilgiri Holdings Private Limited	1	0.25	1
16.	Refnol Resins & Chemicals Limited	10	0.25	1

PARTNERSHIP FIRMS:

1.	Orchard Acres	10	0.25	1
Directors/ KMPs/ Relatives of Directors & KMPs/ Other Firms & Companies in which Directors have some interest as per the provisions of Section 2 (76) of the Companies Act, 2013.				
1.	Shri Mahendra K. Khatau	-	0.25	10
2.	Smt. Asha M. Khatau	-	0.25	3
3.	Mr. Manish M. Khatau	-	0.25	5
4.	Ms. Priya M. Khatau	-	0.25	5
5.	*Chief Financial Officer	-	-	0.50
6.	*Company Secretary	-	-	0.50
7.	*Managing Director	-	-	2

*Any Contract between the Company & person appointed / designated as Company Secretary, Chief Financial Officer and Managing Director

Any contract or transaction with all the above parties for selling or otherwise disposing of, or buying property of any kind to be on marker value and on arm's length relationship basis.

RESOLVED FURTHER THAT all the Directors and Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts deeds and things, including but not limiting to filing of the necessary forms and documents with the Registrar of Companies and other regulatory authorities, and to do all such acts deeds and things as may be necessary to give effect to the foregoing resolutions.”

5. Approval for reappointment of Shri Kailash Pershad, Independent Director for a second term of 5 consecutive years, whose existing term expires on 31st March, 2019:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Kailash Pershad (DIN: 00503603), Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby reappointed as an Independent Non-executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 upto 31st March, 2024.”

6. Approval for reappointment of Shri Bhalchandra Sontakke, Independent Director for a second term of 5 consecutive years, whose existing term expires on 31st March, 2019:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Bhalchandra Sontakke (DIN: 01225753), Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby reappointed as an Independent Non-executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 upto 31st March, 2024.”

7. Approval for reappointment of Shri Rajagopalan Sesha, Independent Director for a second term of 5 consecutive years, whose existing term expires on 31st March, 2019:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Rajagopalan Sesha (DIN: 00289643), Independent Non-executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby reappointed as an Independent Non-executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 upto 31st March, 2024 .”

8. To consider and determine the fees for delivery of any document through a specific mode of delivery to a member:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and other applicable provisions, if any, of the said Act and relevant rules prescribed thereunder (including any statutory modifications or re-enactment thereof for the time being in force), whereby a document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his office address or by such electronic or other mode as may be prescribed, the consent of the Company be and is hereby accorded to charge from the member in advance ₹ 100/- (Rupees One Hundred only) per document/equivalent to the estimated actual expenses of delivery of the documents pursuant to any request made by the shareholder for delivery of such document to him through a particular mode of services mentioned above provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of the document by the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds and things as may be necessary, proper or desirable or expedient to give effect to the above resolution.”

**For Indokem Limited
By order of the Board**

Sd/-

**Rajesh D. Pisal
Company Secretary**

Place: Mumbai

Date: 14th August, 2018

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting ‘AGM’ is entitled to appoint a proxy to attend and to vote on a poll instead of himself/herself and the proxy need not be a member of the Company.**
2. **A person can act as a proxy on behalf of members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder the instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty eight hours before the commencement of the AGM. Members may please note that a proxy does not have the right to speak at the meeting and can vote only on poll.**

During the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days written notice is given to the Company.

3. **Corporate members are requested to send in advance, duly certified copy of the Board Resolution/ Power of Attorney authorizing their representative to attend the AGM.**
4. **The Register of Members and Share Transfer Books of the Company will remain closed from 21st September, 2018 to 28th September, 2018 (both days inclusive) for the purpose of AGM.**

5. Only registered members of the Company or any proxy appointed by such registered member may attend the AGM as provided under the provisions of the Companies Act, 2013.
6. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 forms part of the Notice.
7. All documents referred to in the Notice and the Explanatory Statement annexed hereto, are open for inspection upto two days prior to the said meeting, at the Registered Office of the Company between 11:00 a.m. and 1:00 p.m. on all working days of the Company (except Saturdays, Sundays and Government Holidays).
8. Members are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote.
9. With a view to help us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
10. Members, who still hold share certificates in physical form, are advised to dematerialize their shareholding to avail the numerous benefits of dematerialization, which includes easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
11. Alteration, if any, made in the Proxy Form should be initialed.
12. To support the Green Initiative of the Government, Electronic copy of the Annual Report for the year ended 31st March, 2018 will be sent to members whose mail IDs are available with the Depository Participant(s). Members who have not registered their email address, physical copy of the Annual Report will be sent in the permitted mode. Accordingly by virtue of the above we request the members of the Company to kindly register/ update their email address with their respective Depository Participants, where shares are held in electronic form. If, however, shares are held in physical form, members are advised to register/update their e-mail address with our Share Transfer Agent at shareindia@vsnl.com
13. The Company has been maintaining, inter alia, the following Statutory Registers at its registered office which are open for inspection in terms of the applicable provisions of the Companies Act, 2013 by members and others specified below:
 - i) Registers of contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013, on all working days during business hours. The said Registers shall also be produced at the commencement of AGM of the Company and shall remain open and accessible during the continuance of the meeting to a person having the right to attend the meeting.
 - ii) Registers of Directors and Key Managerial Personnel (KMP) and their shareholding under Section 170 of the Companies Act, 2013, on all working days during business hours. The said Registers shall be kept open for inspection at the AGM of the Company and shall be made accessible to a person attending the meeting.
14. Members/ Proxies are requested to bring their attendance slip duly filled and signed for attending the meeting along with their copy of Annual Report to the meeting. Proxies are requested to bring their identity proof at the meeting for the purpose of identification.
15. The Securities and Exchange Board of India (SEBI) has made it mandatory for every participant in the securities/ capital market to furnish Income Tax Permanent Account Number (PAN) for transactions involving transfer of shares. Therefore members holding shares in physical form are requested to furnish their PAN along with self- attested photocopy of PAN Card to our Share Transfer Agent. Members holding shares in Demat form are requested to register the details of their PAN with their Depository Participant (DP).
16. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company's share transfer agent. In respect of shares held in electronic/Demat form, the members may please contact their respective Depository Participant.

Members may note that the Notice of the 52nd AGM and the Annual Report for 2017-18 will also be available on the website of the Company at www.indokem.co.in. Physical copies of the aforesaid notice will also be

available at the registered office of the Company situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai- 400 016 for inspection between 11:00 a.m. and 1:00 p.m. on all working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post for free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: iklsecretarial@gmail.com.

17. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) rules, 2014 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations, 2015), the Company is pleased to provide the members to exercise their rights to vote at the 52nd AGM of the Company by electronic means through remote e-voting facility provided by National Securities Depository Limited) 'NSDL'.
18. The facility for voting through Ballot Paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
19. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
20. Route map for directions to the venue of the meeting is provided in the Annual Report.

INSTRUCTIONS FOR SHAREHOLDERS VOTING ELECTRONICALLY ARE AS UNDER:

- (i) The voting period begins on Tuesday, 25th September, 2018 at 9:00 a.m. till Thursday, 27th September, 2018 at 5:00 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 (record date) of 21st September, 2018 may cast their votes electronically.
- (ii) The e-voting module shall be disabled by NSDL for voting thereafter.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue. The shareholders should log on to the e-voting website at www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) 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.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participants are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence 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 Rajesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

<div> <div>Dividend Bank Details</div> <div>or</div> <div>Date of Birth (DOB)</div> </div>	<div>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</div> <ul style="list-style-type: none"> If both the details are not recorded with the Depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).
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- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through NSDL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a Demat account holder has forgotten the login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using NSDL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to evoting@nsdl.co.in.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be emailed to evoting@nsdl.co.in and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

Please Note that:

1. The voting period begins on Tuesday, 25th September, 2018 at 9:00 a.m. and ends on Thursday, 27th September, 2018 at 5:00 p.m. During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date which is Friday, 21st September, 2018, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on this cut-off date. The e-voting module shall be disabled by NSDL for voting after 5:00 p.m. on 27th September, 2018.

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 evoting@nsdl.co.in

2. Mrs. Samita Tanksale, Company Secretary in Practice (Membership No. 26044) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward her report of the votes cast in favour or against, to the Chairman or to any Director or officer who may be authorized by the Chairman for this purpose.

The Results shall be declared on or after the AGM. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.indokem.co.in and on the website of NSDL within two days of passing of Resolutions at the AGM of the Company and shall also be communicated to the Stock Exchange. The Resolution shall be deemed to be passed at the AGM of the Company scheduled to be held on Friday, 28th September, 2018.

**For Indokem Limited
By order of the Board**

Sd/-

**Place: Mumbai
Date: 14th August, 2018**

**Rajesh D. Pisal
Company Secretary**

Registered Office:

Plot No. 410/411, Khatau House,
Mogul Lane, Mahim (West),
Mumbai – 400 016.

Explanatory Statement u/s. 102 of the Companies Act, 2013:
Item No. 3:

The shareholders will recall the reappointment of Mr. Manish M. Khatau as a Whole-Time Director of the Company w.e.f. 1st March, 2016 for a period of five years at the Annual General Meeting (AGM) held on 30th September, 2016.

As you all are aware, the Company is aggressively exploring opportunities both in India and Export market abroad. Consequently, the responsibilities of the managerial personnel have increased substantially with the growth of the Company.

The Board of Directors considered the contribution of the above managerial personnel to the overall progress of the Company and after taking into consideration the complexities of the responsibilities handled by him and industry remuneration benchmarks, have at their meeting held on 14th August, 2018, based on the recommendation of the Nomination and Remuneration Committee, approved the proposal to revise remuneration payable to Mr. Manish M. Khatau from the current ₹ 25,15,200/- per annum to ₹36,00,000/- per annum subject to approval of the shareholders.

The revised terms of remuneration payable to Mr. Manish M. Khatau w.e.f. 1st October, 2018 are as follows:

Particulars	(Amount in ₹ Per annum)
Salary	13,20,000
House Rent Allowances	10,20,000
City Compensatory Allowances	8,94,240
Medical Allowances	72,000
LTA	72,000
Gratuity	63,360
Provident Fund	1,58,400
Total	36,00,000

As the terms of revised remuneration proposed are in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V of the Act, approval of Central Government is not required for above revision in remuneration.

The details of remuneration paid to Mr. Manish M. Khatau for the year 2017-18 is provided in the Corporate Governance Report forming part of the Annual Report.

General Information:

Mr. Manish M. Khatau, aged 31 years has completed his graduation in BBA (Bachelor in Business Administration) from American Intercontinental University of London and has approximately 9 years of experience with the Company and in the Industry. He is very much informed about the working environment and norms of this industry. During his tenure he expanded business of the Company by introducing new clients and new products and utilized his knowledge and experience in the operations of the Company.

Mr. Manish M. Khatau is a promoter of the Company, holding 35592 (0.15%) equity shares in the paid-up capital of the Company. During the last financial year, Mr. Manish M. Khatau attended all the four Board meetings of the Company.

Details of his Directorships and Committee positions are stated below.

Directorship:

1. Indokem Limited – Whole-Time Director

Committees Position

Sr. No.	Name of the Company	Name of the Committee	Chairman/ Member
1.	Indokem Limited	Committee of Board of Directors	Member
2.	Indokem Limited	Share Transfer Committee	Member
3.	Indokem Limited	Risk Management Committee	Member

Keeping in view the type of industry, size of the Company, the responsibilities and profile of Mr. Manish M. Khatau, the proposed remuneration is competitive with the remuneration paid by other Companies in similar line of business to such managerial personnel.

Mr. Manish M. Khatau and his father Shri Mahendra K. Khatau, Chairman and Managing Director (Father) and Smt. Asha M. Khatau, Director (Mother) may be deemed to be concerned or interested in the above resolution. None of the other Directors or Key Managerial Personnel and their relatives are concerned or interested in the above resolution.

The resolution is being proposed as an ordinary resolution in view of the relevant provisions of Schedule V of the Companies Act, 2013 requiring an ordinary resolution for payment of remuneration in the event of loss or inadequacy of profits. The proposed remuneration is in accordance with the Remuneration Policy of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the shareholders.

Item No. 4:

Transactions with Related Parties u/s 188 of the Companies Act, 2013

The provisions of Section 188(1) of the Companies Act, 2013 governs Related Party Transactions and require a Company to obtain prior approval of the Board of Directors and in case paid up share capital or transactions as may be prescribed from time to time are more, then prior approval of shareholders by way of Special Resolution is required.

Further, third proviso to Section 188(1) provides that nothing shall apply to any transaction entered into by the Company in its ordinary course of business other than transactions which are not on Arm's Length Basis.

Though the Company is not coming under the purview of Section 188(1) and all transactions are on Arm's Length Basis /Ordinary Course of Business, however as a good Corporate Governance, Company is seeking approval of the members.

The provisions of Section 188 (3) also provide that any contract or arrangement entered into under Section 188 (1) may be ratified by the Board, or as the case may be, by the Shareholders at a meeting within three months from the date on which such contract or arrangement was entered into.

In light of the provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limits that your Company may enter into with its Related Parties (as defined under the Companies Act, 2013) for the financial year 2018-19 in the Board Meeting held on 09th May, 2018.

All prescribed disclosures as required to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are given herein below in a tabular format for kind perusal of the members.

Maximum value of contract/ transaction (per annum)				(₹ In Crores)
Sr. No.	Name of related parties	Transaction defined u/s 188 of Companies Act, 2013		
		Sale, purchase or supply of any goods, material	Leasing of property of any kind	Availing or rendering of any services or appointment of any agent for purchase or sale of goods, materials, services or property
On actual basis, exempted being in the ordinary course of business and on arm's length basis. (Subject to a maximum of amount p.a. as mentioned against the name of the Company)				
1.	Samudra Dye-Chem Private Limited	3	0.25	5
2.	Spiweld Chemtrade Private Limited	3	0.25	5
3.	Textomax Chemicals Private Limited	3	0.25	5
4.	Formost Chemicals Private Limited	3	0.25	5

5.	Chemron Texchem Private Limited	3	0.25	5
6.	Priyamvada Holdings Limited	3	0.25	5
7.	Asha Marine Products Private Limited	1	0.25	1
8.	Emerald Capital Services Private Limited	1	0.25	1
9.	Vindhyapriya Holdings Private Limited	1	0.25	1
10.	Khatau Leasing & Finance Company Private Limited	1	0.25	1
11.	Prism Plantations Private Limited	1	0.25	1
12.	Khatau Holding & Trading Company Private Limited	1	0.25	1
13.	Prerana Leasing & Finvest Private Limited	1	0.25	1
14.	MKK Holdings Private Limited	1	0.25	1
15.	Priyanilgiri Holdings Private Limited	1	0.25	1
16.	Refinol Resins & Chemicals Limited	10	0.25	1

PARTNERSHIP FIRMS:

1.	Orchard Acres	10	0.25	1
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Directors/ KMPs/ Relatives of Directors & KMPs/ Other Firms & Companies in which Director have some interest as per the provisions of Section 2(76) of the Companies Act, 2013

1.	Shri Mahendra K. Khatau	-	0.25	10
2.	Smt. Asha M. Khatau	-	0.25	3
3.	Mr. Manish M. Khatau	-	0.25	5
4.	Ms. Priya M. Khatau	-	0.25	5
5.	*Chief Financial Officer	-	-	0.50
6.	*Company Secretary	-	-	0.50
7.	*Managing Director	-	-	2

*Any Contract between the Company & person appointed / designated as the Company Secretary, Chief Financial Officer and Managing Director

Any contract or transaction with all the above parties for selling or otherwise disposing of, or buying property of any kind to be on market value and on arm's length relationship basis.

Members are hereby informed that pursuant to second proviso of Section 188 (1) of the Companies Act, 2013, no member of the Company shall vote on such Special Resolution to approve any contract or arrangement which may be entered into by the Company, if such member is a related party.

The Board of Directors of your Company has approved this item in the Board Meeting held on 09th May, 2018. The Board of Directors is of the opinion that the transactions are on arm length basis and are in the ordinary course of business and recommends the Resolution as set out in the accompanying Notice for the approval of members of the Company as a Special Resolution.

Item No. 5-7:

Shri Kailash Pershad aged 78 years, Shri Bhalchandra Sontakke aged 74 years and Shri Rajagopalan Sesha aged 79 years are Independent Non-executive Directors of the Company. Pursuant to the Act, they were appointed as Independent Non-executive Directors to hold office for five consecutive years for a term upto 31st March, 2019, by the Members of the Company at the 48th Annual General Meeting (AGM) held on 30th September, 2014.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing a Special Resolution by the

Company for another term of upto five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Shri Kailash Pershad, Shri Bhalchandra Sontakke and Shri Rajagopalan Sesha, being eligible for reappointment as Independent Directors offer themselves for reappointment, are proposed to be reappointed as Independent Directors for another term of five consecutive years from 1st April, 2019 upto 31st March, 2024.

The performance of Independent Directors was evaluated on the following criteria:

- Exercise of independent judgement in the best interest of Company;
- Ability to contribute to and monitor Corporate Governance practice;
- Adherence to the code of conduct for Independent Directors

In the opinion of the Board, Shri Kailash Pershad, Shri Bhalchandra Sontakke, and Shri Rajagopalan Sesha fulfil the conditions specified under the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 for their reappointment as Independent Non-executive Director of the Company and are independent of the management. Copy of the draft letter for reappointment of Shri Kailash Pershad, Shri Bhalchandra Sontakke and Shri Rajagopalan Sesha as Independent Non-executive Directors setting out terms and conditions would be available for inspection without any fee by the members at the registered office of the Company during office hours on all working days except public holidays between 11:00 a.m. and 1:00 p.m. upto the date of the AGM.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Kailash Pershad, Shri Bhalchandra Sontakke and Shri Rajagopalan Sesha as Independent Directors of the Company.

Accordingly, the Board recommends the Special Resolutions set out at Item Nos. 5 to 7 with respect to eligibility and reappointment of Shri Kailash Pershad, Shri Bhalchandra Sontakke and Shri Rajagopalan Sesha as Independent Directors of the Company for another term of five consecutive years with effect from 1st April, 2019 upto 31st March, 2024, for the approval of Members. None of the Directors or Key Managerial Personnel of the Company and their relatives, other than Independent Directors for their respective appointment, are concerned or interested, financially or otherwise, in these Resolutions.

Item No. 8:

As per the provisions of Section 20 of the Companies Act, 2013 a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting. Therefore, to enable the members to avail of this facility, it is desirable to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. Since the Companies Act, 2013 requires the fees to be determined in the Annual General Meeting, the Directors accordingly recommend the Ordinary Resolution at Item No. 8 of the accompanying Notice, for the approval of the members of the Company. None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out in Item No. 8 of the accompanying Notice.

**For Indokem Limited
By order of the Board**

Sd/-

**Rajesh D. Pisal
Company Secretary**

**Place: Mumbai
Date: 14th August, 2018**

ANNEXURE - A

Profile of the Directors seeking reappointment at the ensuing Annual General Meeting pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I.

Name	Smt. Asha Mahendra Khatau
DIN	00063944
Expertise in functional areas	Smt. Asha Khatau is a B.A. Graduate and has an experience of over 20 years in the fields of General Management as a Consultant and Advisor.
Disclosure of relationship between directors inter-se	Smt. Asha M. Khatau is a close relative (Spouse) of Shri Mahendra K. Khatau, and (Mother) of Mr. Manish M. Khatau.
Name of listed entities in which the person also holds the directorship, chairmanship and the membership of Committees of the Board;	1. Refnol Resins & Chemicals Limited Stakeholders Relationship Committee - Chairmanship
Number of shares held in Indokem Limited	45243

II.

Name	Shri Kailash Pershad
DIN	00503603
Expertise in functional areas	More than 42 years experience in the fields of Finance, General Management in Marketing as a Consultant and Advisor.
Disclosure of relationship between dDirectors inter-se	None
Name of listed entities in which the person also holds the directorship and the membership of Committees of the Board;	None
Number of shares held in Indokem Limited	NIL

III.

Name	Shri Bhalchandra Sontakke
DIN	01225753
Expertise in functional areas	Experience of 32 years in the areas of Human Resource, Administration and Liaison with various government authorities.
Disclosure of relationship between directors inter-se	None
Name of listed entities in which the person also holds the directorship and the membership of Committees of the Board;	1. Refnol Resins & Chemicals Limited Audit Committee - Chairmanship
Number of shares held in Indokem Limited	100

IV.

Name	Shri Rajagopalan Sesha
DIN	00289643
Expertise in functional areas	Over 39 years of experience with leading manufacturing companies in the areas of Accounts, Finance & Audit
Disclosure of relationship between directors inter-se	None
Name of listed entities in which the person also holds the directorship and the membership of Committees of the Board;	1. Refnol Resins & Chemicals Limited Audit Committee - Membership
Number of shares held in Indokem Limited	NIL

DIRECTORS' REPORT

To,

The Members of Indokem Limited,

Your Directors have pleasure in presenting the **Fifty Second Annual Report** together with the Audited Accounts for the financial year ended **31st March, 2018**.

1. Financial Results:

(₹ in Lakhs)

Particulars	For the financial year ended 31.03.2018	For the financial year ended 31.03.2017
A – Income from Continuing Operations	7967.29	7652.21
Profit/(Loss) Before Interest, Depreciation & Taxes	(6.12)	189.23
Less: Interest	77.14	57.49
Depreciation	82.17	74.00
Profit/(Loss) Before Tax	(165.43)	57.74
Less: Provision for Tax	-	-
Profit/ (Loss) After Taxes	(165.43)	57.74
B – Income from Discontinuing Operations	(6.89)	1326.65
Profit / (Loss) for the year	(172.32)	1384.39
Total other comprehensive income	(36.14)	1.16
Total comprehensive income / (loss) for the year	(208.46)	1385.55
Profit/(Loss) Brought Forward from last year	(1412.61)	(2798.16)
Surplus/Deficit carried to Reserves	(1621.07)	(1412.61)

2. Dividend:

Considering the accumulated losses, the Board of Directors of your Company does not consider it appropriate to recommend any Dividend for the financial year ended 31st March, 2018.

3. Operational Performance:

Revenue from operations for F. Y. 2017-18 at ₹7967.29 lakhs was higher by 4.12% over previous year ₹7652.21 lakhs. EBITDA at ₹(6.12) lakhs registered a decline over EBITDA of ₹189.23 lakhs in F.Y. 2016-17. PAT for the year was ₹(165.43 lakhs) registering a decline over the PAT of ₹57.74 lakhs in F.Y. 2016-17.

4. Transfer to Reserves:

In view of inadequate profits for the year under review, no amount has been transferred to the reserves.

5. Directors and Key Managerial Personnel:

Pursuant to the provisions of Section 149 of the Act, Shri Kailash Pershad (DIN: 00503603), Shri Rajagopalan Sessa (DIN: 00289643) and Shri Bhalchandra Sontakke (DIN: 01225753) were appointed as Independent Directors of the Company at the AGM convened on 30th September, 2014. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

Smt. Asha M. Khatau retires by rotation and being eligible has offered herself for reappointment.

During the year, the Non-executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Shri Mahendra K. Khatau as Chairman and Managing Director, Mr. Manish M. Khatau as Whole Time Director, Ms. Rupal B. Parikh as Chief Financial Officer and Mr. Rajesh D. Pisal as Company Secretary.

6. Appointment of Director:

Smt. Asha M. Khatau, Non-executive Director of your Company, retires by rotation and being eligible, offers herself for re-appointment. The details regarding Smt. Asha M. Khatau as required under Regulation 17 of SEBI Listing Regulations, 2015 are disclosed in the notice of the Annual General Meeting. None of the other Directors are related inter se except Shri Mahendra K. Khatau and Mr. Manish M. Khatau who are related to each other.

7. Remuneration of Directors and Key Managerial Personnel:

Pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration of Directors and Key Managerial Personnel are as furnished in **Annexure A**.

8. Training and Familiarization Programme for Directors:

The Company has provided information and made the Independent Directors aware about the major developments in legal and regulatory areas, particularly regarding Companies Act, 2013 and Regulation 25 (7) of SEBI Listing Regulations, 2015. The details of Familiarization Programme for the Independent Directors are available on the website of the Company at www.indokem.co.in

9. Statement on declaration given by Independent Directors:

The Independent Directors of the Company have submitted their Declaration of Independence as required under the provisions of Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of Independence as provided in Section 149 (6) of the Act.

10. Particulars of Employees:

None of the employees of the Company fall under the limits laid down in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

11. Directors' Responsibility Statement:

Pursuant to Section 134(3)(c) of the Companies Act, 2013, your Directors hereby confirm that:

- (i) In the preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) Appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- (iii) Proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Annual Accounts had been prepared on a going concern basis;
- (v) The Internal Financial Controls had been laid down to be followed by the Company and the such internal financial controls are adequate and are operating effectively; and
- (vi) In order to ensure compliance with the provisions of all applicable laws, proper systems had been devised and that such systems were adequate and operating effectively.

12. Statutory Auditors:

Pursuant to the provisions of Section 139 of the Companies Act, 2013, CNK & Associates LLP, Chartered Accountants, Mumbai, were appointed as the Statutory Auditors of the Company on 29th September, 2017 for a period of five years to hold office until the conclusion of the 56th Annual General Meeting. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

13. Secretarial Audit Report:

Pursuant to the Provisions of Section 204 of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Ragini Chokshi & Co.,

Company Secretaries, Mumbai to undertake Secretarial Audit of the Company for the financial year ended 31st March, 2018. The Secretarial Audit Report issued by Ragini Chokshi & Co. (Company Secretaries) in the prescribed **Form MR-3** forms part of the Annual Report.

There are no qualifications, reservations or adverse remarks in the Report.

14. Disclosures:

As required under Regulation 34(2) read with Schedule V of SEBI Listing Regulations, 2015, the **Management Discussion and Analysis** is enclosed as a part of the Annual Report.

The Company has taken necessary steps to adhere to all the requirements of SEBI Listing Regulations, 2015. **A report on Corporate Governance** together with the Certificate of the Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V of SEBI Listing Regulations, 2015 is included as a part of the Annual Report.

15. Extract of Annual Return:

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the extract of Annual Return in the prescribed **Form MGT-9** is attached herewith and marked as **Annexure D**.

16. Number of meetings of the Board:

Five meetings of the Board were held during the financial year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

17. Performance Evaluation of the Board:

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed under SEBI Listing Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contributions of the individual. Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairman was also evaluated on the key aspects of his role.

A separate meeting of Independent Directors was convened in the month of March, 2018, to discuss the following:

- (i) Review the performance of Non- Independent Directors and the Board as a whole;
- (ii) Review the performance of the Chairman of the Company, taking in to account the views of Executive Directors and Non-executive Directors;
- (iii) Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present at the Meeting and discussed the above and expressed their satisfaction.

18. Policy on Directors' Appointment and Remuneration and other details:

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this report.

19. Internal Financial Control Systems and their Adequacy:

Company has established Internal Financial Control over financial reporting in the financial year 2016-17.

The details in respect of Internal Financial Control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

20. Audit Committee:

The details pertaining to composition of Audit Committee are included in the Corporate Governance Report, which forms part of this report.

21. Particulars of Loans, Guarantees or Investments:

Pursuant to Section 186 of the Companies Act, 2013, the details of loans given, investments made or guarantees given are given in Note No. 31 to the financial statements for the financial year 2017-18.

The loans, investments, guarantees and securities provided by the Company during the financial year ended 31st March, 2018, together with the existing loans, investments, guarantees and securities do not exceed the limits prescribed under Section 186(2).

22. Transactions with Parties:

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are stated in **Annexure B** in **Form AOC-2** which forms part of this report.

23. Insurance:

All the properties and insurable interests of the Company including the buildings, plant and machineries and stocks have been adequately insured.

24. Material Changes and Commitments:

In financial year 2016-17, the Company had entered into Memorandum of Understanding (MOU) with a seller for acquisition of Plot of Land at MIDC, Ambarnath together with factory building standing thereon and machineries installed therein. The said transaction has been completed successfully during the year.

25. State of Company's Affairs:

There is no change in the nature of business during the year under review. No order has been passed by any Regulatory Court or Tribunal, which can impact the going concern status of the Company and its operations in future.

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

Your Company is engaged in the continuous process of energy conservation by way of improved operational and maintenance practices:

A. Conservation of Energy:
(a) Energy Conservation measures taken:
(i) Electrical Energy:

- Regular preventive / predictive maintenance of electrical system is carried out to ensure minimum loss of energy / power supply.
- Regular up gradation in electrical system is done so as to minimize consumption of electrical power supply.

(ii) Furnace Oil / LDO Consumption:

Considering the above issue there are no major consumption of Furnace Oil / Light Diesel Oil. However, there are some processing activities carried out limiting the consumption of energy.

(b) Additional investments and proposals if any, being implemented for reduction of consumption of energy:

Apart from the above mentioned strategies your Company is in the process to upgrade and install new machineries which will altogether result in energy saving and will add to operational efficiency in coming years.

(c) Impact of the measures at (a) and (b) for reduction of consumption of energy and consequent impact on the cost of production:

There is no such special impact for the same.

(d) Energy consumption and energy consumption per unit of production:

As per **Form – A** forming part of **Annexure C**

B. Technology Absorption:

Your Company has taken positive efforts for technology absorption and its upgradation;

- (a) Modification in air conditioning system to improve process conditions.
- (b) Modification in existing machines for high value and new products developments including process simplification.
- (c) The Company focused its Research and Development efforts on process and process development of new products and formulations, trouble shooting.

Due to above factors and measures been considered there are various benefits resulted as such;

- (i) Cost reduction
- (ii) Improvement in quality
- (iii) Improvement in operating performance
- (iv) New product developments

C. Foreign Exchange Earnings and Outgo:

(₹ In Lakhs)

PARTICULARS	31.03.2018	31.03.2017
I. Foreign Exchange Earned		
F. O. B. Value of Export	1359.56	1253.69
II. Foreign Exchange Outgo		
C. I. F. Value of Imports of Raw Materials	64.12	21.50
Expenses in Foreign Currency	46.31	13.33
TOTAL	110.43	34.83

27. Committees of Directors and Key Managerial Personnel:

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship/Grievance Committee of Directors, number of meetings held of each Committee during the financial year 2017-2018 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report forming part of the report.

28. Corporate Social Responsibility (CSR):

Your Company does not fall under the criteria of Corporate Social Responsibility as laid down under Section 135 of the Companies Act, 2013 and by virtue of above your Company has not initiated any initiative for the same.

29. Cost Audit:

Your Company does not fall under the eligibility criteria to conduct Cost Audit and to maintain Cost Records as required under Section 148 of the Companies Act, 2013 during the financial year 2017-18.

30. Appreciation:

The Board of Directors is thankful to the employees, customers, vendors, investors of the Company for their continuous support and is grateful for the confidence and faith shown by them. Your Directors take this opportunity to place on record their sincere gratitude to the Banks, Central and State Government Departments and the Local Authorities for their guidance and support.

For and on behalf of the Board

Sd/-

Shri Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794

Place: Mumbai

Date: 14th August, 2018

ANNEXURE A

[Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- i. The ratio of the remuneration of each executive director to the median remuneration of the employees of the Company for the financial year:

(₹ in Lakhs)

Sr. No.	Particulars	Remuneration for the financial year ended 31 st March, 2018	Ratio of Remuneration to median remuneration of employees
1.	Shri Mahendra K. Khatau Chairman & Managing Director	40.48	9.27
2.	Shri Manish M. Khatau, Whole Time Director	24.12	15.56

Note: The Non-executive Non Independent Directors of the Company are not paid any remuneration by the Company. The Independent Directors of the Company are entitled to sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Independent Directors are provided in the Corporate Governance Report.

- ii. The percentage increase in remuneration of each Executive Director, Chief Financial Officer, Company Secretary in the financial year is given below:

Executive Directors, Chief Financial Officer and Company Secretary	% increase / (decrease) in remuneration in the financial year
Shri Mahendra K. Khatau - Chairman and Managing Director	04.62%
Mr. Manish M. Khatau – Whole-Time Director	NIL
Ms. Rupal B. Parikh – Chief Financial Officer	16.98%
Mr. Rajesh D. Pisal – Company Secretary	N. A.

- iii. The percentage increase in the median remuneration of employees in the financial year: 14%
- iv. The number of permanent employees on the rolls of Company as on 31st March, 2018: 101
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there any exceptional circumstances for increase in the managerial remuneration:
- Average Percentile Increase for other than managerial personnel: 23%
- Average Percentile Increase for managerial personnel: 07%
- vi. It is affirmed that the remuneration paid during the period under review is as per the remuneration policy of the Company.

ANNEXURE B
FORM NO. AOC – 2

[Pursuant to Section 134(3)(h) of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto.

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

No such transactions were entered during the financial year 2017-2018.

2. Details of material contracts or arrangement or transactions at arm's length basis:

The contracts or arrangements or transactions entered with the related parties during the financial year 2017-18 under review, were not material and the same were disclosed in the notes to accounts forming part of the Financial Statements for the year ended 31st March, 2018.

For and on behalf of the Company

Sd/-

Mahendra K. Khatau

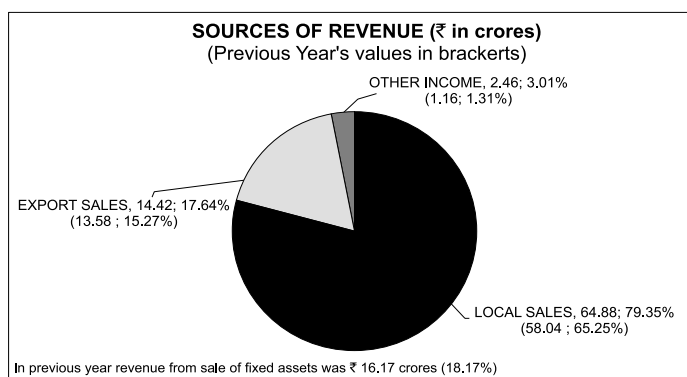
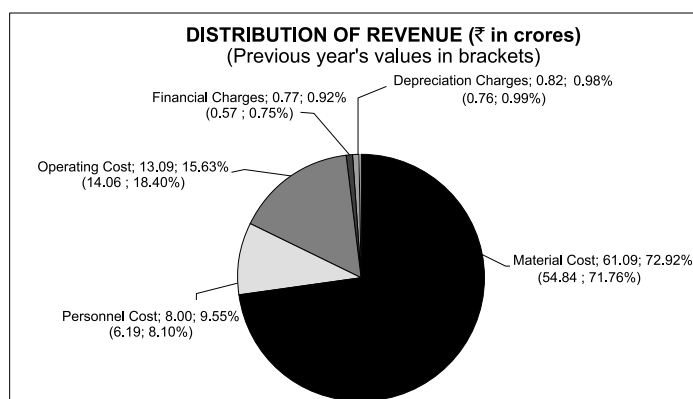
Chairman & Managing Director

DIN: 00062794

Place: Mumbai

Date: 14th August, 2018

FINANCIAL HIGHLIGHTS F. Y. - 2017-18



ANNEXURE C
FORM A

[Statement showing particulars as per Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars with respect to Conservation of Energy:

Particulars		For the financial year ended 31.03.2018	For the financial year ended 31.03.2017
A. Power and Fuel Consumption			
1. Electricity			
(a) Purchased Units (₹ in Lakhs)		372	299
Total Amount		33.75	28.07
Cost ₹/Unit		9.06	9.39
(a) Own Generation			
(i) Through Diesel Generator Set:			
Units generated/Lakhs		N.A.	N.A.
Units Per Ltr. of Diesel Oil			
Cost – ₹/Unit			
(ii) Through Steam Turbine/Generator			
2. Coal (specify quality and where used)		N.A.	N.A.
3. Furnace Oil Quantity – Ltrs.		44151	42667
Total Amount – ₹ In Lakhs		19.06	18.67
Average Rate – ₹/Unit		43.19	43.77
1. Others/internal generation			
Gas - (000 NM ³)		N.A.	N.A.
Total Amount – (₹ in Lakhs)			
Average Rate – (₹/ NM ³)			
B. Production / Consumption of:		For the financial year ended 31.03.2018	For the financial year ended 31.03.2017
Products			
Dyes	MT	536.431	538.450
Sizing Chemicals	MT	6821.432	5360.721
Auxiliaries	MT	1107.537	1392.842
Capacitors	Units	154	524

ANNEXURE D
FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
As on financial year ended 31-03-2018
**[Pursuant to Section 92(3) of the Companies act, 2013 read with
The Companies (Management and Administration) Rules, 2014]**
A. REGISTRATION AND OTHER DETAILS:

CIN:-	L31300MH1964PLC013088
Registration Date:	22 nd December, 1964
Name of the Company:	INDOKEM LIMITED
Category / Sub-Category of the Company	Company Limited by Shares/ Non - Government Company Public Limited Company
Address of the Registered office and contact details:	Plot No. 410/411, Khatau House, Mogul Lane, Mahim - West, Mumbai - 400 016. Tel: 6123 6767 / 711
Whether listed Company	Yes, listed at the Bombay Stock Exchange Limited
Name, Address and contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt.Ltd. Unit no.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072 Tel: 2851 5606 / 5644 / 6338.

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the Company
a.	Manufacture of basic Chemicals	2011	100%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
	N/A			

D. SHARE HOLDING PATTERN:
i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S:									
(1) INDIAN									
(a) Individual	1924091	0	1924091	7.910	1902647	0	1902647	7.820	-0.09
(b) Central Govt./ State Govt.		0				0			0
(c) Banks / FI.		0				0			0
(d) Any Other									
Bodies Corp.	15350164	0	15350164	63.11	15350164	0	15350164	63.11	0
Sub-total (A) (1):-	17274255	0	17274255	71.01	17252811	0	17252811	70.93	-0.08
(2) FOREIGN									
(a) Individual NRI / For Ind		0				0			0
(b) Government		0				0			0
(c) Institutions		0				0			0
(d) Foreign Portfolio		0				0			0
(f) Any Other Specify									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	17274255	0	17274255	71.01	17252811	0	17252811	70.92	-0.09

Category of Shareholders	No. of Shares held at the beginning of the year 01-04-2017				No. of Shares held at the end of the year 31-03-2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B) (1) PUBLIC SHAREHOLDING									
(1) Institutions									
(a) Mutual Funds	0	35650	35650	0.15	0	27500	27500	0.11	-0.04
(b) Venture Capital Funds		0				0			0
(c) Alternate Investments Funds		0				0			0
(d) Foreign Venture Capital Funds		0				0			0
(e) Foreign Portfolio Investors		0				0			0
(f) Financial Institutions / Banks	400	1675	2075	0.01	400	1675	2075	0.01	0
(g) Insurance Companies	5000	16050	21050	0.09	5000	24200	29200	0.12	0.03
(h) Central / State Government / President Of India		0				0			0
(i) Provident Funds / Pension Funds		0				0			0
(j) Others (specify)									
Sub-total (B)(1):-	5400	53375	58775	0.24	5400	53375	58775	0.24	0
2. Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	2007829	3138802	5146631	21.16	2329625	3074498	5404123	22.22	1.06
(ii) Individual shareholders holding nominal share capital in excess of ₹2 lakhs	1293655	26250	1319905	5.43	1110990	26250	1137240	4.68	-0.75
(b) NBFCs registered with RBI		0			4089	0	4089	0.02	0.02
(c) Employee Trusts		0				0			0
(d) Overseas depositories		0				0			0
(c) Others (specify)									
Non Resident Indians (NRI)	17975	2800	20775	0.09	21482	2800	24282	0.1	0.01
Clearing Members	95511		95511	0.39	111865		111865	0.46	
HUF	136467		138027	0.57					
Bodies Corporate	176919		271721	1.12	237838		332415	1.36	
Sub-total (B)(2):-	3728356	3167852	6992570	28.75	3815889	3103548	7014014	28.840	0.09
Total Public Shareholding (B) = (B)(1)+ (B)(2)	3733756	3221227	7051345	28.99	3821289	3156923	7072789	29.08	0.09
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	21008011	3221227	24325600	100	21074100	3156923	24325600	100	0

(ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changes in share holding during the year
		No. of Shares	% of total Shares of the Company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares pledged/ encumbered to total shares	
1	VINDHYAPRIYA HOLDINGS PVT. LTD.	5365296	22.056	11.511	5365296	22.056	11.511	0
2	PRIYANILGIRI HOLDINGS PVT. LTD.	4896929	20.131	0	4896929	20.131	0	0
3	MKK HOLDINGS PVT. LTD.	3777877	15.53	0.822	3777877	15.53	0.822	0
4	MAHENDRA KISHORE KHATAU	1658310	6.817	3.083	1636866	6.729	3.083	-0.088
5	KHATAU HOLDINGS AND TRADING CO. PVT. LTD.	847705	3.485	0	847705	3.485	0	0
6	EMERALD CAPITAL SERVICES PVT. LTD.	388920	1.599	0	388920	1.599	0	0
7	LEELABAI KISHORE KHATAU	80883	0.333	0	80883	0.333	0	0
8	ASHA MARINE PRODUCTS PVT. LTD.	52700	0.217	0	52700	0.217	0	0
9	ASHA MAHENDRA KHATAU	45243	0.186	0	45243	0.186	0	0
10	ANIL KISHORE KHATAU	42393	0.174	0	42393	0.174	0	0
11	PRIYA MAHENDRA KHATAU	38920	0.16	0	38920	0.16	0	0
12	MANISH MAHENDRA KHATAU	35592	0.146	0	35592	0.146	0	0
13	PRISM PLANTATIONS PVT. LTD.	20737	0.085	0	20737	0.085	0	0
14	NEOMY ANIL KHATAU	12500	0.051	0	12500	0.051	0	0
15	ILESHA ANIL KHATAU	5250	0.022	0	5250	0.022	0	0
16	SHREYA S. SINGHANIA	5000	0.021	0	5000	0.021	0	0

(iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr.No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the Company
		No. of Shares at the beginning / end of the year	% of the Shares of the Company	Date	Increase/ Decrease in shareholding	Reason	No. Of shares	
1	MAHENDRA KISHORE KHATAU	1658310	6.817	01-04-2017				
				07-07-2017	-2532	Sold	1655778	6.807
				14-07-2017	-2000	Sold	1653778	6.799
				28-07-2017	-500	Sold	1653278	6.796
				22-09-2017	-16412	Sold	1636866	6.729
	-Closing Balance			31-03-2018			1636866	6.729

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

Sr.No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the Company
		No.of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing/ Decreasing in share-holding	Reason	No.Of shares	
1	SUBRAMANIAN P.	507000	2.084	01-04-2017				
				05-05-2017	-3325	Sold	503675	2.071
				15-09-2017	-1315	Sold	502360	2.065
	-Closing Balance			31-03-2018			502360	2.065
2	VIJAY KUMAR JAIN	60000	0.247	01-04-2017				
				21-07-2017	-11000	Sold	49000	0.201
				16-03-2018	53000	Buy	102000	0.419
	-Closing Balance			31-03-2018			102000	0.419
3	TANVI JIGNESH MEHTA	128053	0.526	01-04-2017				
				12-05-2017	-2000	Sold	126053	0.518
				19-05-2017	-5000	Sold	121053	0.498
				18-08-2017	-4000	Sold	117053	0.481
				01-09-2017	-6841	Sold	110212	0.453
				08-09-2017	-6200	Sold	104012	0.428
				15-09-2017	-4012	Sold	100000	0.411
				10-11-2017	-361	Sold	99639	0.41
				01-12-2017	-800	Sold	98839	0.406
				22-12-2017	-323	Sold	98516	0.405
				29-12-2017	-2400	Sold	96116	0.395
				12-01-2018	-5762	Sold	90354	0.371
	-Closing Balance			31-03-2018			90354	0.371
4	DATTA SATISH DOSHI	100000	0.411	01-04-2017				
				21-04-2017	10000	Buy	110000	0.452
				03-11-2017	-10000	Sold	100000	0.411
				10-11-2017	-6000	Sold	94000	0.386
				17-11-2017	-4000	Sold	90000	0.37
				05-01-2018	-8000	Sold	82000	0.337
				02-02-2018	-2000	Sold	80000	0.329
	-Closing Balance			31-03-2018			80000	0.329
5	LSC SECURITIES LIMITED	48810	0.201	01-04-2017				
				21-04-2017	2300	Buy	51110	0.21
				28-04-2017	10500	Buy	61610	0.253
				05-05-2017	-300	Sold	61310	0.252
				12-05-2017	-8810	Sold	52500	0.216
				19-05-2017	53250	Buy	105750	0.435
				26-05-2017	3583	Buy	109333	0.449
				02-06-2017	2517	Buy	111850	0.46
				09-06-2017	9	Buy	111859	0.46
				16-06-2017	-900	Sold	110959	0.456
				30-06-2017	489	Buy	111448	0.458
				07-07-2017	1140	Buy	112588	0.463
				14-07-2017	2060	Buy	114648	0.471
				21-07-2017	-690	Sold	113958	0.468

Sr.No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the Company
		No.of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing/ Decreasing in share-holding	Reason	No.Of shares	
				22-09-2017	-34401	Sold	79557	0.327
				30-09-2017	-100	Sold	79457	0.327
				16-02-2018	-1444	Sold	78013	0.321
				23-02-2018	-5481	Sold	72532	0.298
	-Closing Balance			31-03-2018			72532	0.298
6	YOGESH LAXMIDAS BHATIA	60200	0.247	01-04-2017				
	-Closing Balance			31-03-2018		No Change	60200	0.247
7	MAHENDRA GIRDHARILAL	58151	0.239	01-04-2017				
	-Closing Balance			31-03-2018		No Change	58151	0.239
8	SANTOSH MURARILAL GUPTA	59000	0.243	01-04-2017				
				14-04-2017	-2000	Sold	57000	0.234
				05-05-2017	-2293	Sold	54707	0.225
				12-05-2017	-500	Sold	54207	0.223
				23-06-2017	-707	Sold	53500	0.22
				28-07-2017	-500	Sold	53000	0.218
				22-09-2017	-1500	Sold	51500	0.212
				12-01-2018	-500	Sold	51000	0.21
	-Closing Balance			31-03-2018			51000	0.21
9	HINDUSTAN TRADECOM PRIVATE LIMITED	6750	0.028	01-04-2017				
				21-04-2017	2500	Buy	9250	0.038
				28-04-2017	2500	Buy	11750	0.048
				05-05-2017	21050	Buy	32800	0.135
				19-05-2017	2000	Buy	34800	0.143
				26-05-2017	-1750	Sold	33050	0.136
				02-06-2017	500	Buy	33550	0.138
				09-06-2017	1250	Buy	34800	0.143
				16-06-2017	1000	Buy	35800	0.147
				23-06-2017	-500	Sold	35300	0.145
				30-06-2017	-9400	Sold	25900	0.106
				14-07-2017	250	Buy	26150	0.107
				21-07-2017	500	Buy	26650	0.11
				11-08-2017	-12500	Sold	14150	0.058
				25-08-2017	3000	Buy	17150	0.071
				01-09-2017	17000	Buy	34150	0.14
				08-09-2017	-26150	Sold	8000	0.033
				22-09-2017	21755	Buy	29755	0.122
				30-09-2017	6450	Buy	36205	0.149
				06-10-2017	1500	Buy	37705	0.155
				20-10-2017	500	Buy	38205	0.157
				27-10-2017	-1705	Sold	36500	0.15

Sr.No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			% of total Shares of the Company
		No.of Shares at the beginning / end of the Year	% of the Shares of the Company	Date	Increasing/ Decreasing in share-holding	Reason	No.Of shares	
				03-11-2017	5000	Buy	41500	0.171
				10-11-2017	2000	Buy	43500	0.179
				01-12-2017	1000	Buy	44500	0.183
				08-12-2017	30	Buy	44530	0.183
				15-12-2017	3000	Buy	47530	0.195
				22-12-2017	1000	Buy	48530	0.2
				05-01-2018	2500	Buy	51030	0.21
				12-01-2018	19900	Buy	70930	0.292
				19-01-2018	5000	Buy	75930	0.312
				26-01-2018	-20000	Sold	55930	0.23
				02-02-2018	250	Buy	56180	0.231
				09-02-2018	-4250	Sold	51930	0.213
				16-02-2018	-48180	Sold	3750	0.015
				23-02-2018	-250	Sold	3500	0.014
				02-03-2018	-500	Sold	3000	0.012
				16-03-2018	-2500	Sold	500	0.002
				23-03-2018	49750	Buy	50250	0.207
	-Closing Balance			31-03-2018			50250	0.207
10	MURLI N. BAHETI	0	0	01-04-2017				
				23-03-2018		Buy	42000	0.173
	-Closing Balance			31-03-2018			42000	0.173
11	SATISH JAGDISH DOSHI	40000	0.164	01-04-2017				
				02-02-2018	200	DEMAT	40200	0.165
	-Closing Balance			31-03-2018			40200	0.165
12	MAYUR MANGALDAS KOTHARI	165549	0.681	01-04-2017				
				14-04-2017	-29667	Sold	135882	0.559
				30-06-2017	-16204	Sold	119678	0.492
				07-07-2017	-5000	Sold	114678	0.471
				14-07-2017	-24706	Sold	89972	0.37
				22-09-2017	-40210	Sold	49762	0.205
				06-10-2017	-1416	Sold	48346	0.199
				15-12-2017	-8735	Sold	39611	0.163
				05-01-2018	-17350	Sold	22261	0.092
				12-01-2018	-10000	Sold	12261	0.05
	-Closing Balance			31-03-2018			12261	0.05

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Shareholding at the beginning of the year			Increase/ Decrease in sharehold- ing	Reason	Cumulative Shareholding at the end of the year	
		No.of Shares at the beginning (01.04.2017 / end of the year 31.03.2018)	% of the Shares of the Company	Date of Debit/ Credit			No. of shares	% of total Shares of the Company
1	Shri. Mahendra K. Khatau - Chairman and Managing Director							
		1658310	6.817	01-04-2017		Sold		
				07-07-2017	-2532		1655778	6.807
				14-07-2017	-2000		1653778	6.799
				28-07-2017	-500		1653278	6.796
				22-09-2017	-16412		1636866	6.729
		1636866	6.729	31-03-2018			1636866	6.729
2	Mr. Manish M. Khatau - Whole-Time Director							
		35592	0.146	No change during the year			35592	0.133
3	Asha M. Khatau - Non-executive Director							
		45243	0.186	No change during the year			45243	0.186
4	Shri Bhalchandra Sontakke - Non-executive Independent Director							
		100	0	No change during the year			100	0
5	Shri Kailash Pershad - Non- executive Independent Director							
		0	0	No change during the year			0	0
6	Shri Rajagopalan Sesha - Non-executive Independent Director							
		0	0	No change during the year			0	0
7	Ms. Rupal B. Parikh - Chief Financial Officer							
		1000	0.004	01.04.2017		Buy		
				28.07.2017	4100			
				04.08.2017	1590			
				18.08.2017	500			
		7190	0.029	31.03.2018			7190	0.03
8	Mr. Rajesh D. Pisal - Company Secretary							
		0	0	No change during the year			0	0

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,13,01,959	1,81,51,025	1,98,99,722	4,93,52,706
ii) Interest due but not paid	0	2,22,110	0	2,22,110
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,13,01,959	1,83,73,135	1,98,99,722	4,95,74,816
Change in Indebtedness during the financial year				
• Addition	94,00,000	1,28,95,732	62,03,568	2,84,99,300
• Reduction	33,12,166	59,78,606	54,39,875	1,47,30,647
Net Change	60,87,834	69,17,126	7,63,693	1,37,68,653
Indebtedness at the end of the financial year				
i) Principal Amount	1,73,89,793	2,47,56,025	2,06,63,415	6,28,09,233
ii) Interest due but not paid	0	5,34,236	0	5,34,236
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1,73,89,793	2,52,90,261	2,06,63,415	6,33,43,469

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. (i) Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Amount in ₹)

Sr.No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total
	Name	Shri. Mahendra Kishore Khatau (01/04/2017 - 31/03/2018)	
	Designation	Chairman & Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,08,000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,39,600	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	40,47,600
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	40,47,600	40,47,600
	Ceiling as per the Act	As per Companies Act, 2013	

*The above figure do not include provision for encashment leave, gratuity, provident fund and premium paid for the group health insurance/ mediclaim.

A. (ii) Remuneration to Managing Director, Whole-time Directors and/or Manager:
(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD	Total
	Name	Mr. Manish Mahendra Khatau (01/04/2017 - 31/03/2018)	
	Designation	Whole Time Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,72,000	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	24,11,600
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	24,11,600	24,11,600
	Ceiling as per the Act	As per Companies Act, 2013	

B. Remuneration to other Directors:
(Amount in ₹)

Sr.No.	Particulars of Remuneration	Name of Directors Manager	Total
(A) Independent Directors			
1	Name	Shri Kailash Pershad	
	•Fee for attending Board / Committee meetings	35,000	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	35,000	35,000
2	Name	Shri Bhalachandra. G. Sontakke	
	•Fee for attending Board / Committee meetings	55,000	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	55,000	55,000
3	Name	Shri Rajagopalan Sessa	
	•Fee for attending Board / Committee meetings	35,000	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	35,000	35,000
	Total (A)	1,25,000	1,25,000
(B) Other Non-executive Directors (Amount in ₹)			
1	Name	Smt. Asha M. Khatau	
	•Fee for attending Board / Committee meetings	20,000	
	• Commission	-	
	• Others, please specify	-	
	Sub Total	20,000	20,000
	Total (B)	20,000	20,000
	Total (C)=(A+B) Total Managerial Remuneration	1,45,000	1,45,000
	Overall Ceiling as per the Act	As per Companies Act, 2013	

(C) (i) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sr No.	Particulars of Remuneration	Key Managerial Personnel- Chief Financial Officer		
		Mukund R. Nagpurkar (01.04.2017 - 31.07.2017)	Rupal B. Parikh (08.08.2017 - 31.03.2018)	Total Amount (in ₹)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,25,468	14,85,580	19,11,048
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	4,25,468	14,85,580	19,11,048
	Overall Ceiling as per the Act	As per Company's Policy		

(C) (ii) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Sr No.	Particulars of Remuneration	Key Managerial Personnel- Company Secretary		
		Bhavik B. Parekh (01.04.2017 - 19.06.2017)	Rajesh D. Pisal (08.06.2017 - 31.03.2018)	Total Amount (in ₹)
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,34,356	8,52,064	9,86,420
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	1,34,356	8,52,064	9,86,420
	Overall Ceiling as per the Act	As per Company's Policy		

G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Authority [RD / NCLT/ COURT]
No instances of Penalties/ Punishments/ Compounding of Offence or other Officers in default.					

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF COMPANY:-

Indokem Limited is one of the leading manufacturing Company of Textiles Dyes and Chemicals and Exporter of related products. The manufacturing Index of the Company remained broadly positive after the temporarily weakened due to reduction in demand for a short period amid uncertainty relating to the implementation of the Goods and Service Tax (GST); Company has again kept pace with the changes and there is a lot of scope for growth in future.

- We are glad to inform that during the F. Y. 2017-18, your Company achieved a turnover of ₹79.67 Crores, which is an increase of 4% as compared to last year.
- In this year, Company has successfully acquired new manufacturing plant at Chikhloli MIDC, Ambarnath in Dist. Thane which may boost our production and fetch good business in near future.
- Your Company has adopted Indian Accounting Standards (Ind AS) w.e.f. 1st April, 2017 pursuant to the notification of the Ministry of Corporate Affairs in Companies Rules, 2015. The Company has modified accounting and reporting systems to facilitate the changes. Company has also successfully implemented new regime in taxation i.e. GST by training its staff for proper compliances.
- Company has also invested on new HANA server for its SAP System. IT system and infrastructure is being continuously monitored and enhanced with any required upgrades.
- Our major product has received Global Organic Textile Standard (GOTS) certification. The GOTS is the worldwide leading textile processing standard for organic fibers, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.
- Customers have shown great trust in our Reactive Dyes range of products and now we are focusing on Pigment emulsions range for which there is less competition.
- Company is continuously investing on Quality Control machinery in Laboratory and has qualified staff to meet global standards.
- Company is regularly investing in new and attractive Packing Material for our products which has shown better effects.
- Company is continuously investing on the registration and renewal of Trademarks to safeguard Intellectual Property Rights.
- New Corporate clients have shown faith in our products since last couple of years.

OVERVIEW OF ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS:

A new dawn is transforming the economic activity around the world as the zeal of this activity has shifted to Asia with India and China in the forefront. According to the World Bank, India's GDP growth rate is expected to be at 7.3 percent in the F.Y. 2018 while China is expected to be moderate at 6.4 percent in 2018 from 6.8 percent in 2017.

Globally the textile dyes industry has seen an impressive growth. Initially the industry's production bases were mostly in the west, but in the last few years, they have been shifting to the east. The size of the World's Dyestuff industry is estimated at US\$ 5.6 bn. and is growing at about 3.5%. China is the largest manufacturer of dyes, followed by India. The world market for high performance pigments is estimated at US\$ 4.7 bn. and is growing at about 3.8%.

The Indian growth story continues to be propelled by demand from the domestic market which thrives mainly on strong private consumption and public infrastructure spending. Textile Dyes sector is one of the core chemical industries in India. It is also the second highest export segment in chemical industry. To achieve global standards the industry needs to put efforts in critical areas so as to adopt aggressive growth and focus on exports, R&D, co-marketing alliances, up-gradation of manufacturing facility, contract manufacturing with companies having established markets, identification of areas of core competence, consolidation, collaboration by cluster development, outsourcing, environmental consciousness, cost reduction etc.

Due to increasing environmental consciousness in China and after the REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation and stringent effluent discharge norms, costs of handling effluents have increased. As a result, a large number of Companies have begun to relocate their operations to India.

OPPORTUNITIES AND CHALLENGES:

- The world market for textiles is growing and, therefore, the demand for dyes will continue to grow in future.
- Pollution and effluent problems have become the single biggest factor in restricting the growth of the textiles dyes industry in the developed nations. Tighter rules and regulations, strict laws and high standard for treatment of the effluents have forced these countries to look for better opportunities without sacrificing their interest. If India has to capitalize on these opportunities, then there seems to be no harm in encouraging this industry in the country provided proper measures are taken for effluent treatment.
- Shutdown of capacities in China due to the environmental issues is likely to continue in the near term. Most of the raw material for textile dye stuffs is coming from China; due to the ongoing strict environment standards in place; there is acute shortage of raw material, leading to huge increase in prices. Main products affected are VAT Dyes, Disperse Dyes, Direct Dyes, Pigment Emulsions and Reactive Dyes etc...
- As per 13th five year plan (2016-2020) of Government of China, higher environment standards have been made top priority wherein they will expand environmental inspections to more cities and regions in a fresh round of checks as part of a three year anti-pollution plan. This has raised major concerns for us and impacted the rate of most of the products which has gone up steeply, mainly due to production disruptions as a result of the environment controls. Cost of few of the raw material used in manufacturing of VAT, Pigment, Disperse and Basic Dyes have gone up abnormally as given below:

Name of Raw Material	Increase in prices	Name of Raw Material	Increase in prices
Anthra Quinine (AQ)	28%	1 Chloro AQ	47%
1 Amino AQ	47%	Quinizarine	65%

- This increase in prices and shortage of Raw material is impacting production and thereby leading to abnormal increase in prices and disruption in raw material supply of VAT, Pigment and Disperse Dyes which viciously again leads to increase in prices and shortage of raw materials. Fluctuations in foreign exchange and availability of raw materials may impact sales realizations.

FUTURE OUTLOOK:

The Company is in the business of Dyes, Auxiliaries & Sizing Chemicals for the Textile Industry. The market has been witnessing accelerated demand for Indian Products having an edge over those of China on account of various socio economic and environmental factors. Many multinational and Chinese chemical companies are trying to collaborate with Indian manufacturers and now India is a major manufacturer and supplier of textile dyes and chemicals. During the year under review, the Company faced turbulence in the market and the same has been reflected in the results of the Company. The Company is taking all corrective measures to strengthen itself against the volatility and we hope that our commitment will continue to drive the Company, as we move forward.

RISKS AND CONCERNS:

- Chemicals industry is a highly regulated industry with stringent environmental norms. Any change in policy by the government may have an adverse impact on the performance of the industry. However, Indokem Limited follows best in class process controls and systems, and hence we are always ready to adapt to any changes in the government regulations.
- Shutdown of capacities in China due to the environmental issues leads to increase in price of input materials, which impacts Company's profitability to the extent that the same are not absorbed by the market through price increases and / or could have a negative impact on the demand in the market. The Company has started concentrating on supply chain management system with focus on inventory management to mitigate impact of fluctuation in the raw material prices.
- In F. Y. 2017-18, huge fluctuation in the foreign exchange rates had an adverse impact on the Company's import and export transactions which finally impacted financials of the Company. In the month of January, 2018, exchange rate of US \$ against Indian Rupee was ₹63.50 which has ₹70 today. Further weakness of Indian Rupee may increase import cost.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. In order to supplement the internal control process, the Company has engaged Internal Auditor who is authorised by the Audit Committee to assess the adequacy and compliance of internal control process and provide their report covering observations and recommendations. Based on the report of internal audit function, the Company undertakes corrective actions in their respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

QUALITY MANAGEMENT SYSTEM:

Your Company maintains its quality systems from lower level management to higher level management by imparting ethical standards in its approach and behavior and implementing the same in day to day business practices. The Company is complying with ISO certification for its manufacturing units.

HUMAN RESOURCE MANAGEMENT:

Your Company has maintained good and cordial relations with all employees and continues to invest in the training and development of all. The Board gives guidance to the management ensuring that the implications of safety and sustainability are addressed properly in all the strategic initiatives. Company considers its committed and talented workforce as one of its most critical assets and key to driving sustainable performance, growth and developing competitive advantage. The number of employees (as on 31st March, 2018) increased by 9 from 92 to 101.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations or forecast may be forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability and prices, changes in Government regulations, tax laws, economic developments with the country and other factors such as litigations and industrial relations.

CONCLUSION:

We will continue to preserve the environment and work alongside our communities, improving our performance. Your Company expects turn-around in its performance in coming year on account of several initiatives taken by the Company by acquisition of new plant, new product developments, focus on Research and Development, Corporate Governance and consistent disclosures. We have come a long way from where we had begun and we continue to set new benchmarks for ourselves in order to constantly improve our performance. To summarize, your Company is optimistic about the growth in the medium term in revenues as well as operating margins. We look forward to yet another exciting year full of opportunities.

For and on behalf of the Company

Sd/-

Mahendra K. Khatau
Chairman & Managing Director
DIN: 00062794

Place: Mumbai

Date: 14th August, 2018

CORPORATE GOVERNANCE REPORT

COMPLIANCE REPORT FOR THE FINANCIAL YEAR 2017-2018:

The Company is committed towards following the best governance practices and maintaining a culture within the organization which promotes an overall development and not just a materialistic approach. This report is prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (SEBI Listing Regulations, 2015), and the Company has complied with the spirit of the Regulations:

I. COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY:

The Company continues to lay great importance on the adoption of best compliance practices and maintenance of transparency at all levels of the hierarchy. At Indokem Limited, it is imperative that our Company affairs are managed in a fair and transparent manner.

We, at Indokem, ensure that we evolve and follow the Corporate Governance guidelines and best practices. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance of the Company.

II. BOARD OF DIRECTORS:

- i. As on 31st March, 2018, the Company has six Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations, 2015 read with Section 149 of the Companies Act, 2013.
- ii. None of the Directors on the Board holds Directorship in more than ten Public Companies. Further none of them is a member in more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he is a Director. Necessary disclosures regarding Committee positions in other Public Companies as on 31st March, 2018 have been made by the Directors. None of the Directors are related to each other except Shri Mahendra K. Khatau, Smt. Asha M. Khatau and Mr. Manish M. Khatau.
- iii. Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149 (6) of the Companies Act, 2013. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 read with Section 149 (6) of the Companies Act, 2013.
- iv. Five Board Meetings were held during the financial year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held: 10th May, 2017, 08th August, 2017, 14th September, 2017, 06th December, 2017 and 14th February, 2018.
- v. The Board periodically reviews the compliance reports of all laws applicable to the Company, prepared by the Company.
- vi. During the Audit and Board Meetings, the Chairman and Company Secretary give extensive briefings to the Board members on the business of the Company and on various financial, legal & compliance issues.
- vii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorship and Committee Chairmanships/ Memberships held by them in other Public Limited Companies as on 31st March, 2018 are given herein below:

Name and Category of the Director		Attendance particulars		Number of directorship(s) held in Indian public limited Companies (including Indokem Ltd.)	Committee(s) position (including Indokem Ltd.)	
		Board Meeting	Last AGM		M	C
1	Shri Mahendra K. Khatau Chairman & Managing Director – Promoter	5	Yes	2	1	3+2
2	Mr. Manish M. Khatau Whole -Time Director – Promoter	5	Yes	1	3	-
3	Smt. Asha M. Khatau Non-executive Director – Promoter	4	Yes	3	2+2	0+2
4	Shri Kailash Pershad Non-executive Independent Director	3	Yes	2	2	1
5	Shri S. Rajagopalan Non-executive Independent Director	3	No	2	3+2	-
6	Shri Bhalchandra Sontakke Non-executive Independent Director	5	Yes	2	3+2	1+2

* Excludes Directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

- viii. Details of Equity Shares of the Company held by Non-executive Directors as on 31st March, 2018 are given below:

Name of the directors	Category	Number of equity Shares
Smt. Asha M. Khatau	Non-executive Director	45,243
Shri Kailash Pershad	Non-executive Independent Director	NIL
Shri S. Rajagopalan	Non-executive Independent Director	NIL
Shri Bhalchandra Sontakke	Non-executive Independent Director	100

The Company has not issued any convertible instruments to any of the Non-executive Directors.

Details of Directors seeking appointment / reappointment at the forthcoming Annual General Meeting:

Smt. Asha Mahendra Khatau, Non-executive Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment.

Profile of Smt. Asha Mahendra Khatau as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Companies Act, 2013 is given as Annexure to the Notice of the AGM to be held on 28th September, 2018.

Shri Kailash Pershad (DIN: 00503603), Shri Bhalchandra Sontakke (DIN: 01225753) and Shri Rajagopalan Sesha (DIN: 00289643), Independent Non-executive Directors of the Company who has submitted a declaration that they have met the criteria for Independence as provided in Section 149(6) of the Act and who are eligible for reappointment, as an Independent Non-executive Director of the Company to hold office for another term of five consecutive years with effect from 1st April, 2019 upto 31st March, 2024.

Profile of Shri Kailash Pershad, Shri Bhalchandra Sontakke and Shri Rajagopalan Sesha as required under Regulation 36(3) of the SEBI Listing Regulations, 2015 and Companies Act, 2013 is given as Annexure to the Notice of the AGM to be held on 28th September, 2018.

III. COMMITTEES OF THE BOARD:

There are six Board Committees which comprise of four Statutory Committees and two other Committees that have been formed considering the needs of the Company and best practices in Corporate Governance as on 31st March, 2018, which are as follows:

1. AUDIT COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
<p>The Audit Committee of the Board is constituted in line with the provisions of Regulation 17 of SEBI Listing Regulations, 2015 and Section 177 of the Companies Act, 2013.</p> <ul style="list-style-type: none"> ➤ Oversight of financial reporting process. ➤ Review the audit of Company's financial statements. ➤ Evaluation of internal financial controls and risk management systems. ➤ Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company. ➤ The Company's risk management policies. ➤ To review and monitor the functioning of Vigil Mechanism and actions taken in respect thereof. 	Shri Kailash Pershad	Chairman (Non-Executive/ Independent Director)	3
	Shri Rajagopalan Sesha	Member (Non-Executive / Independent Director)	3
	Shri Bhalchandra Sontakke	Member (Non-Executive / Independent Director)	5
	Shri Mahendra K. Khatau	Member (Chairman & Managing Director)	5

The Company Secretary acts as the Secretary to the Committee.

No. of meetings held - Five meetings of Audit Committee of the Board of Directors were held during the financial year ended 31st March, 2018.

Dates: 10th May, 2017, 08th August, 2017, 14th September, 2017, 06th December, 2017 and 14th February, 2018.

2. NOMINATION AND REMUNERATION COMMITTEE:

In compliance with the provisions of Regulation 19 of the SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013 the Company has adopted a policy which deals with the manner of Nomination, Remuneration and Evaluation of the Board of Directors, Key Managerial Personnel and employees in Senior Management. The policy has been posted on the Company's website at www.indokem.co.in

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
<p>The Nomination & Remuneration Committee of the Board is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, 2015 and Section 178 of the Act.</p> <ul style="list-style-type: none"> ➤ Recommend to the Board the setup and composition of the Board and its Committees. ➤ Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel. ➤ Recommend to the Board the Remuneration Policy for Directors, Executives, Key Managerial Personnel and senior management employees. ➤ Oversee familiarization programmes for the Directors. 	Shri B. G. Sontakke	Chairman (Non-Executive/ Independent)	1
	Shri Kailash Pershad	Member (Non-Executive / Independent)	1
	Shri Rajagopalan Sessa	Member (Non-Executive / Independent)	1

No. of meetings held - One meeting of Nomination and Remuneration Committee of the Board of Directors was held on 8th August, 2018 during the financial year ended 31st March, 2018.

POLICY ON NOMINATION, REMUNERATION AND EVALUATION:

A. Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of the Audit Committee and Nomination and Remuneration Committee. A structured questionnaire was prepared, after taking into consideration inputs received from the Directors, covering various aspects of the board's functioning such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligation and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

B. Familiarization Program For Independent Directors:

In compliance with Regulation 25 (7) of SEBI Listing Regulations, 2015 and Schedule IV of Companies Act, 2013, the Board of Directors has approved a Policy "Familiarization Program for Independent Directors". The Policy has been posted on the website of the Company at www.indokem.co.in

In compliance with the provisions of Schedule II (D) of the SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013, the Company has adopted a policy which deals with the manner of Nomination, Remuneration and Evaluation of the Board of Directors, Key Managerial Personnel and employees in Senior Management. The policy has been posted on the website of the Company at www.indokem.co.in

C. Criteria for Appointment of Director, Key Managerial Personnel (KMP) and Senior Management:

- i. Criteria for qualifications, positive attributes and independence of Directors, KMP & Senior Management Personnel.
- ii. Identifying candidates who are qualified to become Directors, KMP & Senior Management Personnel.

D. Remuneration of Directors:
i. Remuneration to Executive Directors:

Remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Details of remuneration paid / payable to the Executive Directors for the year ended 31st March, 2018 are given below:

(Amount in ₹)			
Sr. No.	Particulars	Shri Mahendra K. Khatau (Chairman and Managing Director)	Mr. Manish M. Khatau (Whole - Time Director)
1	Salary	1,80,000/-	75,000/-
2	House Rent Allowance	55,000/-	60,000/-
3	House Maintenance Allowance	30,000/-	50,000/-
4	Reimbursement of Gas Electricity and other utility	25,000/-	NIL
5	Medical Reimbursement	24,000/-	6,000/-
6	Leave Travel Concession	10,000/-	6,000/-
7	Provident Fund	21,600/-	9,000/-
8	Gratuity @ 4.8 % of basic	8,640/-	3,600/-
	Total	3,54,240/- pm.	2,09,600/- pm.
1	Service Contract	5 Years	5 Years
2	Notice Period	3 months	3 months

ii. Sitting Fees paid to Non-executive Directors and Independent Directors:

During the year 2017-18 the Company paid fees of ₹5,000/- per meeting to its Non-executive Directors and Independent Directors for attending meetings of Board and meetings of Committees of the Board.

Details of total sitting fees paid / payable to the Non-executive Directors and Independent Directors for the year ended 31st March, 2018 are given below:

Name of Director	Sitting Fees Paid ₹		
	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee
Non-executive Director			
Smt. Asha M. Khatau	20,000	-	-
Non-executive Independent Directors			
Shri Kailash Pershad	15,000	15,000	5,000
Shri Rajagopalan Sesha	15,000	15,000	5,000
Shri Bhalchandra Sontakke	25,000	25,000	5,000

Note: None of the Non-executive Directors have any pecuniary relationship or transaction vis-à-vis the Company. Shri Mahendra K. Khatau and Smt. Asha M. Khatau are related to each other as husband and wife and Smt. Asha M. Khatau and Mr. Manish M. Khatau are related to each other as mother and son.

The Non-executive Directors do not get any Remuneration from the Company except the sitting fees as approved by the Board from time to time. All Independent Directors are experts in their respective fields and their services are beneficial to the Company.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Stakeholders Relationship Committee of the Board is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations, 2015 and Section 178 of the Companies Act, 2013. ➤ Consider and resolve the grievances of security holders. ➤ Consider and approve issue of share certificates, transfer and transmission of securities, etc.	Shri Bhalchandra Sontakke	Chairman (Non-executive/ Independent)	4
	Shri Kailash Pershad	Member (Non-executive / Independent)	3
	Shri Rajagopalan Sessa	Member (Non-executive/ Independent)	2

The Company Secretary acts as the Secretary to the Committee.

No. of meetings held- Four meetings of Stakeholders Relationship Committee of the Board of Directors were held during the financial year ended 31st March, 2018.

Dates: 10th May, 2017, 08th August, 2017, 06th December, 2017 and 14th February, 2018.

A. Name, designation and address of Compliance Officer:

Mr. Rajesh D. Pisal

Dy. G. M. Legal & Company Secretary

Indokem Limited

Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016.

Telephone: 91 22 6123 6711 Email: iklsecretarial@gmail.com

B. Details of investors complaints received during the year 2017 – 18 are as follows:

No. of complaints received at the beginning of the year	0
No. of complaints received during the year	4
No. of complaints resolved during the year	4
No. of complaints pending at the end of the year	0

4. RISK MANAGEMENT COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Risk Management Committee of the Board is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations, 2015. ➤ Frame implement and monitor the risk management plan for the Company.	Shri Mahendra K. Khatau	Chairman (Chairman & Managing Director)	-
	Mr. Manish M. Khatau	Member (Whole – Time Director)	-
	Smt. Asha M. Khatau	Member (Non-executive Director)	-

No. of meetings held- NIL

5. SHARE TRANSFER COMMITTEE:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
<p>➤ The Committee looks into the issues relating to Shareholders, including transfer, transmission and transposition of shares, issue of duplicate share certificates and other related matters.</p> <p>➤ The Committee meets to approve the share transfers and transmissions from time to time in accordance with request received from our members with the help of our Registrar and Share Transfer Agent (RTA), Sharex Dynamic (India) Private Limited</p>	Shri Mahendra K. Khatau	Chairman (Chairman & Managing Director)	41
	Mr. Manish M. Khatau	Member (Whole – Time Director)	41
	Shri Bhalchandra Sontakke	Member (Non-executive / Independent)	41

No. of meetings held- 41

Dates: 06th April, 2017, 17th April, 2017, 03rd May, 2017, 12th May, 2017, 16th May, 2017, 26th May, 2017, 08th June, 2017, 12th June, 2017, 26th June, 2017, 04th July, 2017, 12th July, 2017, 17th July, 2017, 24th July, 2017, 03rd August, 2017, 09th August, 2017, 14th August, 2017, 25th August, 2017, 04th September, 2017, 07th September, 2017, 12th September, 2017, 10th October, 2017, 19th October, 2017, 26th October, 2017, 09th November, 2017, 14th November, 2017, 21st November, 2017, 04th December, 2017, 18th December, 2017, 26th December, 2017, 27th December, 2017, 03rd January, 2018, 23rd January, 2018, 30th January, 2018, 1st February, 2018, 08th February, 2018, 16th February, 2018, 26th February, 2018, 01st March, 2018, 13th March, 2018, 22nd March, 2018 and 26th March, 2018.

6. COMMITTEE OF BOARD OF DIRECTORS:

The terms of reference, category and composition of the Committee and meetings and attendance details of the members are given below:

Extract of terms of reference	Category and Composition		No. of meetings attended
	Name	Category	
The Committee of Board of Directors is constituted to look after such matters as may be delegated by the Board from time to time.	Shri Mahendra K. Khatau	Chairman (Chairman & Managing Director)	13
	Mr. Manish M. Khatau	Member (Whole – Time Director)	13
	Smt. Asha M. Khatau	Member (Non-executive Director)	13

No. of meetings held - 13

Dates: 05th April, 2017, 06th June, 2017, 12th July, 2017, 22nd August, 2017, 06th October, 2017, 07th November, 2017, 10th November, 2017, 30th November, 2017, 22nd December, 2017, 10th January, 2018, 08th February, 2018, 09th February, 2018 and 14th March, 2018.

IV. GENERAL BODY MEETINGS:
A. Details of Annual General Meetings held during the preceding 3 years and Special Resolution passed thereat are given below :

Annual General Meeting (AGM)	Date and Time	Venue	Details of Special Resolution passed
51 st AGM	29 th September, 2017 at 4.00 P.M.	City Banquets Hall, 4 th Floor, Ashford Chambers, Citylight Cinema, L.J. Road, Mahim (West), Mumbai – 400 016	1. Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.
50 th AGM	30 th September, 2016 at 4.00 P.M.	Plot No. 410/411, Khatau House, Mogul lane, Mahim (West), Mumbai – 400 016	1. Resolution for Appointment of Whole-Time Director of The Company under the provisions of Section 196, 197, 203 of the Companies Act, 2013 read with the Schedule V of the Companies Act, 2013 2. Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.
49 th AGM	21 st December, 2015 at 4:00 P.M.	The Matunga Mitra Mandal Hall, The Karnataka Housing Co-op. Society Ltd., Mahim (West), Mumbai – 400 016	1. Resolution for Reappointment of Managing Director of The Company under the provisions of Section 196, 197, 203 of the Companies Act, 2013 read with the Schedule V of the Companies Act, 2013 2. Resolution to alter the Articles of Association of the Company, pursuant to the provisions of Section 5 and Section 14 of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014. 3. Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.

B. Postal Ballot:
1. Resolutions passed through Postal Ballot:

There were no resolutions passed through postal ballot during the financial year ended 31st March, 2018.

2. Whether any special resolution is proposed to be conducted through postal ballot:

No special resolution is proposed to be conducted through postal ballot.

3. Procedure for postal ballot:

No special resolution is proposed through postal ballot; hence the details of procedure are not given.

C. E-voting facility:

E-voting facility was offered to all the members to enable them to cast their votes electronically, instead of dispatching the Ballot Form by post.

V. COMPANY POLICIES:

All the below stated policies are available on the website of the Company at www.indokem.co.in

1. Whistle Blower Policy:

The Company has adopted The Whistle Blower Policy, as part of Vigil Mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the Management to any issue which is perceived to be in violation of or in conflict. The Whistle Blower Policy aims to encourage all employees to inform the Company regarding any kind of misuse of Company property, mismanagement or wrongful conduct prevailing in the Company and no personnel has been denied access thereto. The disclosure would be sent to the Chairman of the Audit Committee / the 'Ombudsman' who would investigate and recommend to the Management of the Company to take such disciplinary or corrective action as may be deemed fit. Proper measures are taken to ensure the confidentiality of the whistle blower.

2. Policy dealing with Related Party Transactions:

The Board of Directors of the Company has adopted the policy and procedures with regard to Related Party Transactions. This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and/ or entered in the ordinary course of business and are at Arm's Length.

3. Policy for preservation of documents:

The Policy for preservation of documents has been framed under Regulation 9 of Chapter III Schedule II (D) of the SEBI Listing Regulations, 2015, The Company is required to preserve documents of the Company. The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the statutory requirements and to ensure that the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy is also for the purpose of aiding employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable statutory and regulatory requirement.

4. Archival Policy For Any Material Event / Information Disclosed To The Stock Exchange:

The Board of Directors of the Company has adopted the following Archival Policy with regard to any Material Events or Information in terms of Regulation 30 of the SEBI Listing Regulations, 2015 which are disclosed to the Stock Exchange in terms of the Company's Policy for Determination of Materiality of any event and information. The purpose of this Policy is to archive any of the material events or information which is disclosed by the Company to the Stock Exchange for a period of five years. Any disclosure of events or information which has been submitted by the Company to the Stock Exchange under Regulation 30 of the SEBI Listing Regulations, 2015 and Policy of the Company (Disclosed Information) will be available on the website of the Company for a period of five years from the date of its disclosure. Disclosed Information which is over five years old will be archived from the Website of the Company. Anyone intending to review this disclosed information may write to the Compliance Officer of the Company.

5. Policy on Prevention of Sexual Harassment at Workplace:

The policy on Prevention of Sexual Harassment at Workplace applies to all categories of employees of the Company, including permanent management and workmen, temporaries, trainees and employees on contract at their workplace or at client sites. The Company will not tolerate sexual harassment, if engaged in by clients or by suppliers or any other business associates. In conclusion, the Company reiterates its commitment to providing its employees, a workplace free from harassment/ discrimination and where every employee is treated with dignity and respect.

6. Policy For Determination Of Materiality:

The Board of Directors of the Company has adopted the following policy and procedures with regard to

disclosure of events/information (Material) of the Company. This policy is framed keeping in view the requirement of Regulation 30 of SEBI Listing Regulations, 2015. The Company is required to make disclosures of any events or information which, in the opinion of the Board of Directors of the Listed Company, is material to the Company. The purpose of this Policy is to determine Materiality of Events and Information based on criteria specified under Regulation 30(4)(i) of the SEBI Listing Regulations 2015 and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the SEBI Listing Regulations, 2015 to the Stock Exchange.

VI. DISCLOSURES:

1. Related Party Transactions:

- i. All transactions entered into with Related Parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations, 2015 during the financial year 2017-18 were undertaken in compliance with the aforesaid regulatory provision;
- ii. There were no materially significant transactions with related parties during the financial year 2017-18 which were in conflict with the interest of the Company;

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company and can be accessed at www.indokem.co.in

- iii. For related party transactions, refer Note No. 31 of Notes to Accounts annexed to the Financial Statements.

2. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all Board Members and Members of the Senior Management of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The declaration by the Chairman and Managing Director to that effect forms part of this Report. The said Code is also placed on the website of the Company at www.indokem.co.in.

3. Vigil Mechanism:

The Company has established a Vigil Mechanism which includes Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism/ Whistle Blower Policy are posted on the website of the Company at www.indokem.co.in No Director/Employee has been denied access to the Audit Committee.

VII. DISCLOSURES ON WEBSITE:

Company's official website www.indokem.co.in provides comprehensive information about Company's business. The website has entire section dedicated to Company's profile, its core values, Corporate Governance, etc. which enables shareholders to access information at their convenience.

The Annual Report of the Company, quarterly/ half yearly and the annual results and the press release and other documents of the Company are placed on the official website of the Company at www.indokem.co.in and can be downloaded from the website.

Following information has been disseminated on the Website of the Company at www.indokem.co.in

1. Details of business of Company
2. Terms and Conditions of appointment of Independent Directors.
3. Composition of various Committees of Board of Directors
4. Code of conduct for Board of Directors and Senior Management Personnel.
5. Details of establishment of Vigil Mechanism/ Whistle Blower Policy.
6. Policy on dealing with Related Party Transactions.

7. Details of Familiarization Programmes imparted to Independent Directors.
8. Policy for determining Materiality of Events.
9. Policy for Preservation of Documents.
10. Prevention of Insider Trading Rules, 2015
11. Policy on Nomination, Remuneration & Evaluation.
12. Board Performance and Evaluation Policy.
13. Policy on Prevention of Sexual Harassment at Workplace
14. Archival Policy for any Material Event / Information Disclosed to the Stock Exchange.

COMPLIANCE WITH MANDATORY / NON – MANDATORY REQUIREMENTS:

1. Mandatory Requirements:

The Company has complied with the applicable mandatory requirements of the SEBI Listing Regulations, 2015.

2. Non-mandatory Requirements:

i. The Board:

The Company presently has an Executive Chairman.

ii. Shareholder Rights:

The quarterly / half yearly and yearly financial results were published in one regional language (Marathi) newspaper and one english newspaper. These were not sent individually to the shareholders.

iii. Modified Opinion(s) in audit report:

There is no audit modification in the financial statements of the Company for the financial year ended 31st March, 2018.

iv. Separate post of Chairman and CEO:

The Company has same person as Chairman and Managing Director.

v. Reporting of Internal Auditor:

Internal Auditors are invited to the meetings of the Audit Committee wherein they report directly to the Committee.

IX. MEANS OF COMMUNICATION:

The quarterly, half yearly and annual financial results of the Company are sent out to the BSE Ltd. where the securities of the Company are listed, immediately after they are approved by the Board. The results are thereby published in leading newspapers in India which includes Tarun Bharat (Marathi edition) and Business Standard (English Edition). The results are simultaneously posted on the website of the Company at www.indokem.co.in. The official news releases of the Company are displayed on the website of the Company and on the website of BSE Ltd.

The Company has designated email id - iklsecretarial@gmail.com exclusively for investor servicing and the contact details with respect to Investor Grievance has been provided on the website of the Company at www.indokem.co.in

Management Discussion and Analysis Report is a part of the Company's Annual Report.

X. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting for F. Y. 2017-18 :

Date : 28th September, 2018

Time : 3:00 P.M.

Venue : Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016

2. Financial Calendar:

Financial Year	1 st April, 2017 to 31 st March, 2018
Date of AGM:	28 th September, 2018
Date of Book Closure	Friday, 21 st September, 2018 to Friday, 28 th September, 2018
Dividend payment Date	The Company has not declared any dividend during last three years.

3. Listing on Stock Exchanges:

The Equity Shares of the Company are listed on The BSE Limited

The BSE Limited,
25th Floor, P. J. Towers,
Dalal Street, Mumbai – 400 001

4. Stock Code:

BSE Limited: 504092

5. ISIN for Equity Shares: INE716F01012
6. Market Price Data:

Month wise high/low prices during last year at BSE are as under:

Month	High (₹)	Low (₹)
April, 2017	27.10	18.15
May, 2017	38.90	26.00
June, 2017	36.40	28.40
July, 2017	42.00	32.10
August, 2017	38.00	24.65
September, 2017	43.90	28.00
October, 2017	39.25	32.45
November, 2017	38.00	32.15
December, 2017	33.90	26.00
January, 2018	38.90	28.90
February, 2018	32.00	24.35
March, 2018	27.85	18.55

7. Performance of the share price of the Company in comparison to the BSE Sensex:


8. Registrar and Transfer Agents:

Name and Address : Sharex Dynamic (India) Private Limited
Unit No.1, Luthra Industrial Premises, Andheri - Kurla Road,
Safed Pool, Andheri (East), Mumbai – 400 072.
Telephone : 2851 5606 / 2851 5644.
Email : sharexindia@vsnl.com
Website : www.sharexindia.com

9. Address for acceptance of documents:

- i. Share Transfer in Physical Form and other communication in that regard including share certificates, dividend and change of address etc., may be addressed to our Registrar and Share Transfer Agents at the address mentioned above.
- ii. Shareholders may also contact Compliance Officer, Indokem Limited, Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai – 400 016.

10. Share Transfer System:

Securities lodged for transfer at the Registrar's office are normally processed within 15 days from the date of lodgment, if the documents are proper in all respect. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Any queries in respect of share transfer and transmission are dealt with by the Share Transfer Committee and the Shareholder's Grievances Committee.

11. Shareholding pattern as on 31st March, 2018:

Sr. No.	Category	No. of Shares held	(%) of Shareholding
1.	Promoters and Promoter group	17252811	70.925
2.	Banks / Financial Institutions and Insurance Cos.	58775	0.242
3.	Private Corporate Bodies	336504	1.383
4.	Indian Public /HUF/Clearing Members	6653228	27.351
5.	NRIs / OCBs / Foreign Nationals	24282	0.099
6.	Others	--	--
Total		24325600	100.00

12. Distribution of Shareholding as on 31st March, 2018:

Shares of Nominal Value	No. of Shareholders	(%) of Shareholders	No. of Shares	(%) of Shares
Up to – 5,000	24521	94.06	3074676	12.64
5,001 – 10,000	903	3.46	718538	2.95
10,001 – 20,000	329	1.26	497410	2.04
20,001 – 30,000	114	0.44	2919680	1.20
30,001 – 40,000	38	0.15	135350	0.56
40,001 – 50,000	43	0.16	205930	0.85
50,001 – 1,00,000	62	0.24	427503	1.76
100,001 and above	60	0.23	189742250	78.00
Total	26070	100.00	24325600	100.00

13. Dematerialisation of Shares as on 31st March, 2018:

Dematerialised Form	Equity Shares of ₹ 10 each	
	Number of Shares	% of total
NSDL	6893536	28.339
CDSL	14176900	58.280
Physical Form	3255164	13.381
Total	24325600	100.000

14. Company has not issued any Gdrs / Adrs / Share Warrants or any convertible instruments.
15. Address for Correspondence:

Indokem Limited

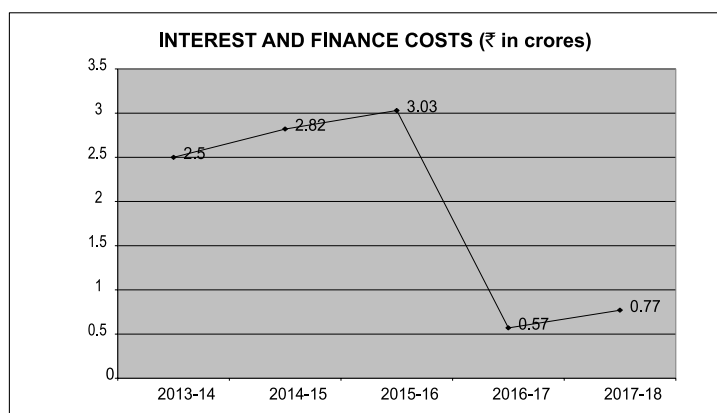
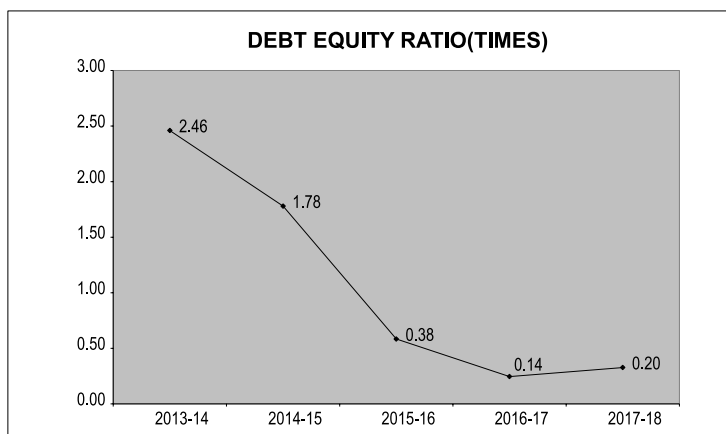
Plot No. 410/411, Khatau House, Mogul Lane,

Mahim (W), Mumbai – 400 016.

Telephone: 6123 6767

Designated e-mail address for Investor Services: iklsecretarial@gmail.com Website: www.indokem.co.in

FINANCIAL HIGHLIGHTS F. Y. - 2017-18



**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for all the members of the Board and Senior Management of the Company. It is further confirmed that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company as on 31st March, 2018.

Sd/-**Mahendra K. Khatau****Chairman and Managing Director****DIN: 00062794****Place: Mumbai****Date: 14th August, 2018****CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR AND CHIEF FINANCIAL
OFFICER TO THE BOARD**

To,

**The Members of
Indokem Limited,**

We hereby certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement for the Financial year ended 31st March, 2018 and that to the best of our knowledge and belief :
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit committee:
 - a. Significant changes in internal control over financial reporting during the year;
 - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-**Mahendra K. Khatau****Chairman and Managing Director****DIN: 00062794****Sd/-****Rupal B. Parikh****Chief Financial Officer****Place: Mumbai****Date: 14th August, 2018**

Independent Auditors' Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of Indokem Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated October 31, 2017.
2. We have examined the compliance of conditions of Corporate Governance by Indokem Limited ("the Company"), for the year ended March 31, 2018, as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.
5. Pursuant to the requirements of the listing Regulations, it is our responsibility to provide a reasonable assurance whether the company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2018.
6. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
7. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

9. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
10. 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.

Restriction on Use

11. This certificate is issued to the members of the company solely for the purpose to enable the company to comply with the requirement of the aforesaid regulation and may not be suitable for any other purpose. Accordingly we do not accept or assume any liability or any duty of care for any other purpose or any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For CNK & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/ W-100036

Sd/-

Manish Sampat

Membership No. 101684

Place: Mumbai

Date: 09th May, 2018

SECRETARIAL AUDIT REPORT**Form No. MR - 3****For the period 01/04/2017 to 31/03/2018*****[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]***

To,

The Members**INDOKEM LIMITED**

Plot No. 410/411, Khatau House Mogul lane Mahim (West), Mumbai - 400 016.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDOKEM LIMITED (CIN: L31300MH1964PLC013088)** hereinafter called ("the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering 1st April, 2017 to 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period 1st April, 2017 to 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not Applicable
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit Period);
 - d. The Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014 (Not applicable to the Company during the Audit Period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit Period);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
 - g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 (Not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998 (Not applicable to the Company during the Audit Period.)

(vi) We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the management has complied with the following laws specifically applicable to the Company:

1. Negotiable Instruments Act, 1881.
2. Competition Act, 2002.
3. Information Technology Act, 2000.
4. Water (Prevention and Control of pollution) Act, 1981.
5. Air (Prevention and Control of Pollution) Act, 1974.

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India.
- b. The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015. And the Listing Agreements entered into by the Company with Stock Exchanges.

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

We further report that:

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

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

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

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

We further report that during the audit period, the company had no specific events or actions which might have a bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Ragini Chokshi & Co.
(Company Secretaries)**

Sd/-

**Makarand Patwardhan
Partner**

C.P. No. 9031

Membership No. 11872

Place: Mumbai

Date: 02nd July, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Indokem Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

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

Opinion

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

Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these Ind AS financial statements are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 10, 2017 and May

12, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the '**Annexure A**', a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts;
 - (d) In our opinion the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 25 to the Ind AS financial statements;
 - ii. The Company does not have any material foreseeable losses for which a provision may be necessary; and
 - iii. There were no amounts that were required to be transferred to the Investor Education Protection Fund by the Company.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Sd/-

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai

Date : May 9, 2018

ANNEXURE - A 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)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets;
- (b) As explained to us, all fixed assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of the immovable properties, other than those disclosed below, are in the name of the Company.

Asset Class	No. of Cases	Gross Block (₹ in lakhs)	Net Block (₹ in lakhs)	Remarks
Building - Offices in Delhi	2	1,33.60	1,14.27	The Company became the owners of the premises by virtue of Scheme of Amalgamation of M/s. Manish Dyes and M/s. Ramakem Limited, with it. However, pending completion of relevant formalities, the asset continues to be in the name of the erstwhile amalgamated Company.

- (ii) As informed to us, the inventory has been physically verified by the Management at reasonable intervals during the year and no material discrepancies have been noticed on such verification.
- (iii) In our opinion and according to the information and explanations given to us and on the basis of documents verified by us, the Company has not granted any loans, secured or unsecured, during the year, to any party covered in the register maintained under Section 189 of the Companies Act 2013. Accordingly, clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not granted any loans, made any investments, or provided any guarantees or security and hence reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.
- (vi) According to the information and explanations given to us, the Company is not required to maintain cost records pursuant to the Companies (Cost Records and Audit) Amendment Rules, 2016, and prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013;
- (vii) (a) According to the information and explanation given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and other statutory dues as applicable except for dues of ₹ 15.88 lakhs towards provident fund damages, ₹ 8.43 lakhs towards Professional Tax and ₹ 0.03 lakhs towards Employer State Insurance Corporation which were outstanding for more than six months as on Balance Sheet date.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax and service tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (₹ In lakhs)	Period to which the amount relates	Forum where the matter is pending
Income Tax Act, 1961	Income Tax	30.13	2001-02	Commissioner of Income Tax (Appeals)
	Income Tax	28.06	2002-03	Commissioner of Income Tax (Appeals)
	Income Tax	32.51	2003-04	Commissioner of Income Tax (Appeals)
	Income Tax	30.60	2004-05	Commissioner of Income Tax (Appeals)
	Income Tax	42.17	2005-06	Commissioner of Income Tax (Appeals)
	Income Tax	41.68	2006-07	Commissioner of Income Tax (Appeals)
	Income Tax	11.92	2007-08	Commissioner of Income Tax (Appeals)
	Income Tax	22.18	2008-09	Commissioner of Income Tax (Appeals)
	Income Tax	28.73	2009-10	Commissioner of Income Tax (Appeals)
	Income Tax	2.09	2006-07	Commissioner of Income Tax (Appeals)
Sales Tax	Sales Tax	9.93	1990-91	Sales Tax Tribunal
Sales Tax	Sales Tax	11.54	1995-96	Sales Tax Tribunal
Sales Tax	Sales Tax	1.61	2004-05	Assistant Commissioner (Appeals)
Service Tax	Service Tax	2.78	2004-05	Service Tax and Excise Tribunal

- (viii) In our opinion, the Company has not defaulted in the repayment of loans or borrowings to financial institution, banks. The Company has not taken any loans or borrowings from any government and has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans availed by the Company have been applied for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013 (Also Refer Note 34 of the Ind AS financial statements).
- (xii) The Company is not a Nidhi Company and therefore the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- (xiii) According to the records of the Company examined by us and the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details thereof have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore clause 3(xiv) of the Order is not applicable to the Company.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Sd/-

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai

Date : May 9, 2018

ANNEXURE - B TO THE AUDITORS' REPORT

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, *except in case of inventory where preventive controls need to be strengthened although mitigating control exists*; the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Sd/-

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai

Date : May 9, 2018

BALANCE SHEET AS AT MARCH 31, 2018
₹ in lakhs

	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current Assets				
Property, plant and equipment	3	25,65	23,21	22,26
Capital work-in-progress	3	30	45	38
Intangible assets	4	81	79	75
Intangible assets under development	4	2	-	-
Financial assets				
Investments	5(a)	-	1	62
Loans	5(b)	14	-	-
Other financial assets	5(c)	21	30	37
Income tax assets (net)	6	26	23	21
Other non-current assets	7	2,50	2,41	2,23
Total Non-current Assets		29,89	27,40	26,82
Current Assets				
Inventories	8	8,31	10,04	8,71
Financial assets				
Investments	5(a)	1	-	80
Trade and other receivables	5(d)	24,53	22,01	19,15
Cash and cash equivalents	5(e)	47	64	69
Bank balance other than cash and cash equivalents	5(f)	4	4	4
Loans	5(b)	4	21	58
Other financial assets	5(c)	66	67	19
Other current assets	7	73	1,31	1,13
Assets held for sale	9	-	-	9,51
Total Current Assets		34,79	34,92	40,80
Total Assets		64,68	62,32	67,62
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	10(a)	24,33	24,33	24,33
Other equity	10(b)	5,10	7,18	(6,66)
Total Equity		29,43	31,51	17,67
LIABILITIES				
Non-current Liabilities				
Financial liabilities				
Borrowings	11(a)	6,00	4,69	7,16
Other financial liabilities	11(b)	2,03	1,91	1,90
Employee benefit obligations	12	1,37	98	84
Total Non-current Liabilities		9,40	7,58	9,90
Current Liabilities				
Financial liabilities				
Trade payables	11(c)	22,09	19,03	12,02
Other financial liabilities	11(b)	38	43	83
Employee benefit obligations	12	47	23	27
Other current liabilities	13	2,91	3,54	2,79
Liabilities directly associated with assets classified as held for sale	14	-	-	2,414
Total Current Liabilities		25,85	23,23	40,05
Total Liabilities		35,25	30,81	49,95
Total Equity and Liabilities		64,68	62,32	67,62

See accompanying notes 1 to 34 forming part of the Ind AS financial statements

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

Manish Sampat

Partner

Membership No.: 101684

Place : Mumbai
Date : May 9, 2018
For and on behalf of the Board of Directors
Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018
₹ in lakhs

	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
CONTINUING OPERATIONS			
Income			
Revenue from operations	15	79,67	76,53
Other income	16	2,08	47
Total Income		81,75	77,00
Expenses			
Cost of materials consumed	17	50,54	41,19
Purchase of stock in trade		10,54	14,36
Changes in inventories of finished goods and work-in- process	18	1	(71)
Employee benefits expenses	19	7,64	6,21
Excise duty		1,65	4,93
Finance cost	20	77	57
Depreciation/ amortisation	3 & 4	82	74
Other expenses	21	11,43	9,14
Total Expenses		83,40	76,43
Profit/ (loss) before tax from continuing operations		(1,65)	57
Current tax	22	-	-
Profit/ (loss) after tax from continuing operations		(1,65)	57
DISCONTINUED OPERATIONS			
Profit/ (loss) before tax from discontinued operations	23	(7)	13,27
Current tax		-	-
Profit/ (loss) after tax from discontinued operations		(7)	13,27
Profit / (loss) for the year		(1,72)	13,84
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit and loss account</i>			
Remeasurement of post employment benefit obligation		(36)	1
Total other comprehensive income/ (loss)		(36)	1
Total comprehensive income/ (loss) for the year		(2,08)	13,85
Earnings per equity share (Face value of ₹10 each) :			
Basic and diluted earnings per share from continuing operations (in ₹)	24	(0.68)	0.23
Basic and diluted earnings per share from discontinued operations (in ₹)	24	(0.03)	5.46
Total basic and diluted earnings per share (in ₹)	24	(0.71)	5.69

See accompanying notes 1 to 34 forming part of the Ind AS financial statements

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

For and on behalf of the Board of Directors
Manish Sampat

Partner

Membership No.: 101684

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date : May 9, 2018
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

₹ in lakhs

Particulars	Equity share capital	Other equity					Total equity attributable to equity holders of the Company
		Reserves and surplus				Other comprehensive income	
		Securities premium	Capital reserve	General reserve	Retained earnings		
Balance as at April 1, 2016	24,33	10,23	4,61	6,48	(27,98)	-	17,67
Additions during the year	-	-	-	-	-	-	-
Re-measurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	1	1
Profit/ (loss) for the year	-	-	-	-	13,84	-	13,84
Balance as at March 31, 2017	24,33	10,23	4,61	6,48	(14,15)	1	31,52
Re-measurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	-	-	(36)	(36)
Profit / (loss) for the year	-	-	-	-	(1,72)	-	(1,72)
Balance as at March 31, 2018	24,33	10,23	4,61	6,48	(15,87)	(35)	29,43

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

For and on behalf of the Board of Directors
Manish Sampat

Partner

Membership No.: 101684

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date : May 9, 2018
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018
₹ in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
I. CASH FLOW FROM CONTINUING OPERATIONS		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	(1,65)	57
Adjustments for :		
Depreciation	82	74
Finance costs	77	57
Interest income	(1)	-
Allowances for credit losses	1,90	1
(Gain)/ loss on sale/ scrapping of asset	4	-
Insurance claim (netted off against loss on sale of asset)	(6)	-
Profit on sale of current and non-current investments (net)	(1)	(1)
Gain on fair valuation of investments through profit and loss	-	-
Operating profit before working capital changes	1,80	1,88
Changes in working capital:		
(Increase)/ decrease in inventories	1,73	(1,33)
(Increase)/ decrease in trade receivables	(4,32)	20
(Increase)/ decrease in loans and advances	3	37
(Increase)/ decrease in other financial assets	10	(41)
(Increase)/ decrease in other assets	22	(21)
Increase/ (decrease) in trade payables	3,06	7,01
Increase/ (decrease) in other financial liabilities	8	(36)
Increase/ (decrease) in other liabilities	(91)	64
Increase/ (decrease) in employee benefit obligations	27	11
Cash generated from operations	2,06	7,90
Income taxes refunded/ (paid), net	(3)	(2)
Net cash (used in)/ generated from operating activities	2,03	7,88
B. CASH FLOW FROM INVESTING ACTIVITIES		
Expenditure on property, plant and equipment and capital advances	(2,93)	(1,85)
Proceeds from sale of plant and equipment	25	-
Proceeds from sale of non-current investments	-	61
Purchase of current investments (units of mutual funds)	(1,02)	(1,90)
Sale of current investments (units of mutual funds)	1,03	2,71
Redemption/ (investments in fixed deposits)	-	-
Interest received	-	-
Net cash (used in)/ generated from investing activities	(2,67)	(43)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from loans taken from banks and financial institutions	1,06	10
Repayment of loans taken from banks and financial institutions	(33)	(82)
Unsecured loans taken from directors	94	1,54
Unsecured loans repaid to directors	(40)	(3,28)
Finance costs paid	(73)	(61)
Net cash (used in)/ generated from financing activities	54	(3,07)
NET CASH (USED IN)/ GENERATED FROM CONTINUING OPERATIONS	(10)	4,38
II. CASH FLOW FROM DISCONTINUED OPERATIONS		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (loss) before tax	(7)	13,27
Adjustments for :		
Profit on sale of property held for disposal	-	(16,14)
Bad debts	-	(6,85)
Allowances for credit losses written back	-	3,78
Interest income	-	(10)
Operating profit before working capital changes	(7)	(6,04)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

₹ in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Changes in working capital:		
(Increase)/ decrease in other assets	-	42
Increase/ (decrease) in other liabilities	-	(39)
Net cash (used in)/ generated from operating activities	(7)	(6,01)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	-	1,48
Net cash (used in)/generated from investing activities	-	1,48
C. CASH FLOW FROM FINANCING ACTIVITIES		
Refund of interest paid	-	10
Net cash (used in)/ generated from financing activities	-	10
NET CASH (USED IN)/ GENERATED FROM DISCONTINUED OPERATIONS	(7)	(4,43)
INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	(17)	(5)
Cash and cash equivalents at the beginning of the year	64	69
Cash and cash equivalents at the end of the year (Refer Note 5(e))	47	64

Cash and cash equivalents comprise of (Refer Note 5(e))

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents as per Note 5(e)	47	64
Balance as per cash flow statement	47	64

Amendment to Ind AS 7

The amendment to Ind AS 7 Cash flow statements requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financial activities, to meet the disclosure requirement. This amendment has become effective from April 1, 2017 and the required disclosure is made below. There is no other impact on the financial statements due to this amendment.

₹ in lakhs

	As at March 31, 2017	Cash Flows	Non-cash changes		As at March 31,2018
			Fair Value Changes	Classification	
Borrowings - Non current	4,69	1,31	-	-	6,00

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

For and on behalf of the Board of Directors
Manish Sampat

Partner

Membership No.: 101684

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai
Date : May 9, 2018
Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
NOTE NO. 1
1) Corporate information

Indokem Limited (referred to as "the Company") deals in dyes, sizing chemicals and auxiliaries in textile industry. The Company also deals in electrical capacitors. It has its head office in Mahim, Mumbai and branch offices at Ahmedabad, Delhi and Coimbatore. Its manufacturing and warehousing facilities are located at Dahisar Mori and Ambarnath near Mumbai, Narol- Ahmedabad and Coimbatore locations. The Company is incorporated and domiciled in India and is listed on the Bombay Stock Exchange in India.

The financial statements for the year ended March 31, 2018 were authorised for issue in accordance with the resolution of the Board of Directors in its meeting held on May 9, 2018.

2) Significant accounting policies
a) Statement of compliance:

These financial statements are prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") notified under Section 133 of Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements for the year ended March 31, 2018 are the first financials with comparatives prepared under Ind AS. For all previous periods including the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounting Standards) Rules, 2014 (as amended) and other relevant provisions of the Act (referred to as "previous GAAP") used for its statutory reporting requirements in India.

In accordance with the date of notification, the date of transition to Ind AS is April 1, 2016. Accordingly, the Company has prepared an opening Ind AS Balance Sheet as on April 1, 2016 and comparative figures for the year ended March 31, 2017 are also in compliance with Ind AS. In accordance with Ind AS 101 First time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under previous GAAP to Ind AS in Note No. 32 for an explanation of how the transition has affected the financial position, financial performance and cash flows of the Company.

b) Basis of preparation and presentation:
1. Basis of preparation:

These financial statements have been prepared in accordance with historical cost basis except for the following assets and liabilities :

- i) Certain financial assets and liabilities are measured at fair value;
- ii) Assets held for sale are measured at the lower of carrying value and fair value less costs to sell; and
- iii) Defined benefit plans where plan assets are measured at fair value.

2) Functional and presentation currency:

The Company's presentation and functional currency is in Indian rupees. All amounts in these financial statements, except per share value and unless stated otherwise, have been rounded off and presented in lakhs.

3) Classification of assets and liabilities into current/ non-current:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. All the assets and liabilities have been classified as current/ non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
c) Use of estimates:

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/ materialised. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Critical estimates and judgements :

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are :

Estimation of defined benefit obligation - Refer Note 27

Estimation of current tax expenses - Refer Note 22

Useful lives of property, plant and equipment - Refer Note 2(g)

Fair valuation of financial and non-financial assets - Refer Note 26

Transition to Ind AS:

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

d) Principles of business combination:

The acquisition method of accounting under Ind AS is used to account for business combinations by the Company from the date of transition to Ind AS i.e. April 1, 2016. Prior to the date of transition to Ind AS, business acquisition has been accounted based on previous GAAP.

Transition to Ind AS:

In accordance with Ind AS-101 on provisions related to first time adoption, the Company has elected to apply Ind AS-103 on business combinations prospectively to business combinations after its transition date. As such previous GAAP balances relating to business combinations entered into before that date have been carried forward.

e) Property, plant and equipment ("PPE"):

The initial cost of an item of PPE comprises its purchase price net of any trade discounts and rebates and includes import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any other directly attributable expenditure incurred in making the asset ready for its intended use, including interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Material items such as spare parts, stand-by-equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 - Property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Transition to Ind AS:
Carrying value as deemed cost for plant and equipment:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the plant and equipment.

Fair valuation as deemed cost for property:

On transition to Ind AS, the Company has elected to fair value its property in accordance with stipulations laid down in Ind AS 101 with the resultant impact being accounted for in retained earnings. Such fair value shall be considered as the deemed cost of the property (Refer Note 3 of Balance Sheet).

f) Capital work in progress:

Capital work in progress is stated at cost, net of impairment losses, if any.

g) Depreciation:

The Company provides depreciation as per the useful life of PPE as per Schedule II to the Companies Act, 2013. Depreciation is provided on Straight Line Method on all PPE at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013, except in the case of following assets:

Nature of asset	Useful life
Leasehold land and building	Lease term
Temporary shed	Remaining lease term

Assets costing less than ₹ 5,000/- are fully depreciated in the year of capitalisation. Depreciation on additions/ deductions to PPE made during the year is provided on pro-rata basis from/ upto the date of such additions/ deductions, as the case may be.

h) Intangible assets:

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment, if any. The Company determines the amortisation period as the period over which the future economic benefits will flow to the Company after taking into account all relevant facts and circumstances. The estimated useful life and amortisation method are reviewed periodically, with the effect of any changes in estimate being accounted for on a prospective basis.

Nature of asset	Useful life
Computer software	3 years

Transition to Ind AS:
Carrying as deemed cost for intangible assets:

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

i) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
j) Assets held for sale:

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for sale in its present condition subject only to terms that are usual and customary for sale of such assets.

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment classified as held for sale are not depreciated.

k) Leases:
Finance lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such lease are capitalised at the inception of lease at the lower of fair value or present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between liability and the interest cost so as to obtain a constant periodic rate of interest on outstanding liability each year.

Operating lease

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with lessor are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in the statement of profit and loss, unless the lease arrangement explicitly states an increase on account of inflation.

l) Impairment of non-financial asset:

Non-financial assets other than inventories and non-current assets held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is higher of the asset's or cash generating units' (CGU) fair value less cost of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

m) Inventories:

Inventories are valued as follows:

- i) Raw materials and packing materials are valued at lower of cost and net realisable value (NRV). Cost is determined on FIFO basis. The cost of inventory comprises of its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.
- ii) Work-in-process is valued at lower of cost and net realisable value. Cost of finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads upto the relevant stage of production. Cost of inventories is computed on FIFO basis.
- iii) Stock in trade is valued at cost or net realisable value whichever is lower.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and/ or estimated costs necessary to make sale.

n) Foreign currency transactions:

The transactions in currencies other than the Company's functional currency are translated at the rates of exchange prevailing at the dates of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the year end exchange rates. Foreign exchange gains and losses arising from such translation are recognised in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Foreign exchange differences regarded as adjustments to borrowing costs are presented in the statement of profit and loss, within finance cost. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/ losses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate as on the date of initial recognition.

o) Revenue recognition:

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured.

Revenue from sale of goods is measured at the fair value of consideration received or receivable taking into account the amount of discounts, volume rebates, outgoing sales taxes/ goods and service tax and are recognised when all significant risks and rewards of ownership of goods sold are transferred to the buyer and there is no managerial involvement and effective control over goods.

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

Interest income is recognised on time proportion basis taking into account the amount outstanding on effective interest rate.

Insurance claims are accounted on accrual basis when the claims become due and payable.

Recoveries from group companies and third parties include recoveries towards common facilities/ resources and other support provided to such parties which is recognised as per terms of agreement and in the year in which such services are rendered.

p) Income taxes:

Current tax is the amount of tax payable on taxable income for the year determined in accordance with the applicable tax rates and provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred income tax is recognised on differences between the carrying amount of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all deductible temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised. Deferred tax assets and deferred tax liabilities are measured at applicable tax rates and offset and presented as net.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

q) Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the assets or transfer the liability takes place either:

- i) In the principal market for the asset or liability; or
- ii) In the absence of a principal market, in the most advantageous market which can be accessed by the Company for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Company uses

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

r) Financial assets:
Initial recognition and measurement:

Financial assets are recognised and measured in accordance with Ind AS 109 on financial instruments. Accordingly, the Company recognises financial asset only when it has a contractual right to receive cash or other financial assets from another entity.

Financial assets are initially recognised at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit or loss are expensed in the statement of profit and loss immediately.

Subsequent measurement:

Subsequent to initial recognition, financial assets are measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVPL). The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

1) Debt instruments:

There are three measurement categories into which the Company classifies its debt instruments:

At amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are accounted for at amortised cost using the effective interest method. This category comprises trade accounts receivable, loans, cash and cash equivalents, bank balances and other financial assets. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). The movements in carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Fair value through profit or loss (FVPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt instrument that is subsequently measured at FVPL and is not part of a hedging relationship is recognised in the statement of profit and loss and presented within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

2) Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the profit or loss.

Derecognition:

A financial asset is primarily derecognised when:

- i) The rights to receive cash flows from the asset have expired, or
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - 1) The Company has transferred substantially all the risks and rewards of the asset, or
 - 2) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition, any gains or losses on all debt instruments (other than debt instruments measured at FVOCI) and equity instruments (measured at FVPL) are recognised in the statement of profit and loss. Gains and losses in respect of debt instruments measured at FVOCI and that are accumulated in OCI are reclassified to profit or loss on de-recognition. Gains or losses on equity instruments measured at FVOCI that are recognised and accumulated in OCI are not reclassified to profit or loss on de-recognition.

Impairment of Financial Asset:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- 1) Financial assets that are debt instruments and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balance.
- 2) Financial assets measured at fair value through other comprehensive income.

In case of other assets (listed as 1 above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

s) Financial Liabilities:
Initial recognition and measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at amortized cost:

Financial liabilities classified and measured at amortised cost such as loans and borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption amount is recognised as profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the drawdown occurs. The borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any noncash asset transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for atleast 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for issue, not to demand payment as a consequence of the breach.

t) Employee benefits:

i) Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the period when the employee renders the services. These benefits include compensated absences such as paid annual leave and performance incentives.

ii) Long term employee benefits:

The Company provides post-employment benefits under defined contribution and / or defined benefit plans:

(i) Defined benefit plan:

For defined benefit plan, the cost of providing benefits is determined using projected unit credit method with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains or losses are

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

recognised in full in other comprehensive income for the period in which they occur. Past service costs both vested and unvested are recognised as an expense (a) when the plan amendment or curtailment occurs ; (b) when the entity recognises related restructuring cost or termination benefits, whichever is earlier. The retirement benefits obligation recognised in the Balance Sheet represents the present value of defined benefit obligations reduced by the fair value of plan assets.

(ii) Defined contribution plans:

Contribution to defined contribution plans are recognised as an expense when the employees have rendered services entitling them to such benefits.

u) Provisions, contingent liabilities and contingent assets:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

If the effect of the time value of money is material, provisions are discounted using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost.

Contingent liabilities are disclosed by way of a note to the financial statements when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or when there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in financial statements but disclosed when the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

v) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. These do not include bank balances earmarked/ restricted for specific purposes.

w) Cash flow statement:

Cash flows are reported using the indirect method, whereby profit/ loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments.

x) Earnings per share:

i) Basic earnings per share:

Basic earnings per share is calculated by dividing the profit/ (loss) after tax attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

ii) Diluted earnings per share:

Diluted earnings per share is calculated by dividing the profit/ (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
y) Recent accounting pronouncements

In March, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, Revenue from contract with customers, Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to certain other standards. These amendments are in line with recent amendments made by International Accounting Standards Board (IASB). These amendments are applicable to the Company from April 1, 2018. The Company will be adopting the amendments from their effective date.

I) Ind AS 115, Revenue from contract with customers:

Ind AS 115 supersedes Ind AS 11, Construction contracts and Ind AS 18, Revenue. Ind AS 115 requires an entity to report information regarding nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The principle of Ind AS 115 is that an entity should recognise revenue that demonstrates the transfer of promised goods and services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard can be applied either retrospectively to each prior reporting period presented or can be applied retrospectively with recognition of cumulative effect of contracts that are not completed contracts at the date of initial application of the standard. Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

II) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The Appendix clarifies that the date of the transaction for the purpose of determining the exchange rate to use initial recognition of the asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration towards such assets, expenses or income. If there are multiple payments or receipts in advance, then an entity must determine transaction date for each payment or receipts of advance consideration. Based on the preliminary assessment performed by the Company, the impact of application of the Standard is not expected to be material.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 3 : Property, plant and equipment

₹ in lakhs

Assets	Free-hold land	Lease-hold land	Buildings	Plant and machinery	Electrical fittings	Furniture and fixtures	Vehicles (Refer Note 2 below)	Office equipment	Total
Deemed cost as at April 1, 2016 (Refer Note 1 below)	2,64	9,74	6,21	1,35	7	30	1,83	12	22,26
Additions	-	-	45	82	4	15	10	10	1,66
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2017	2,64	9,74	6,66	2,17	11	45	1,93	22	23,92
Additions	-	96	56	1,87	-	2	-	3	3,44
Disposals	-	-	-	(7)	-	(1)	(50)	-*	(58)
As at March 31, 2018	2,64	10,70	7,22	3,97	11	46	1,43	25	26,78
Accumulated depreciation									
As at April 1, 2016	-	-	-	-	-	-	-	-	-
Charged during the year	-	1	19	13	1	6	24	6	70
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	1	19	13	1	6	24	6	70
Charged during the year	-	1	22	18	2	6	23	6	78
Disposals	-	-	-	(3)	-	-*	(32)	-*	(35)
As at March 31, 2018	-	2	41	28	3	12	15	12	1,13
Net Block									
As at April 1, 2016	2,64	9,74	6,21	1,35	7	30	1,83	12	22,26
As at March 31, 2017	2,64	9,73	6,47	2,03	10	39	1,69	16	23,21
As at March 31, 2018	2,64	10,68	6,81	3,69	8	34	1,28	13	25,65

Note 1: Deemed cost of property, plant and equipment
Carrying value as deemed cost for plant and equipment:

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

Fair valuation as deemed cost for property:

On transition to Ind AS, the Company has elected to fair value its property, in accordance with stipulations laid down under Ind AS 101 with the resultant impact being accounted for in retained earnings. Accordingly, the Company has fair valued the entire class of property i.e. land and building on the basis of the fair valuation carried out by an independent valuer. Such fair value is considered as the deemed cost of the property.

* Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 3 : Property, plant and equipment (Contd.)

₹ in lakhs

Assets	Free-hold land	Lease-hold land	Buildings	Plant and machinery	Electrical fittings	Furniture and fixtures	Vehicles	Office equipment	Total
Gross block as at March 31, 2016	1,26	4,64	3,01	1,61	14	69	2,27	50	14,12
Accumulated depreciation as on March 31, 2016	-	-	93	26	7	39	44	38	2,47
Net block as at March 31, 2016	1,26	4,64	2,08	1,35	7	30	1,83	12	11,65
Ind AS adjustments	1,38	5,10	4,13	-	-	-	-	-	10,61
Deemed cost as at April 1, 2016	2,64	9,74	6,21	1,35	7	30	1,83	12	22,26

Note 2: For vehicles hypothecated as security - Refer Note 11(a)(i)

Note 3: Capital work in progress

₹ in lakhs

Assets	Deemed cost as at April 1, 2016*	Gross carrying amount			
		As at March 31, 2017	Additions	Transfer/adjustment	As at March 31, 2018
Capital work-in-progress	38	45	70	85	30

Note 4 : Intangible assets

₹ in lakhs

Assets	Goodwill	Trade mark	Computer software	Total
Deemed cost as at April 1, 2016 (Refer Note 1 below)	71	-	4	75
Additions	-	-	8	8
Disposals	-	-	-	-
As at March 31, 2017	71	-	12	83
Additions	-	-	6	6
Disposals	-	-	-	-
As at March 31, 2018	71	-	18	89
Accumulated depreciation				
As at April 1, 2016	-	-	-	-
Charged during the year	-	-	4	4
Disposals	-	-	-	-
As at March 31, 2017	-	-	4	4
Charged during the year	-	-	4	4
Disposals	-	-	-	-
As at March 31, 2018	-	-	8	8
Net block				
As at April 1, 2016	71	-	4	75
As at March 31, 2017	71	-	8	79
As at March 31, 2018	71	-	10	81

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 4 : Intangible assets (Contd.)
Note 1: Deemed cost of intangible assets
Carrying value as deemed cost for intangible assets:

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

₹ in lakhs

Assets	Goodwill	Trade mark	Computer software	Total
Gross block as at March 31, 2016	2,62	77	19	3,58
Accumulated depreciation as at March 31, 2016	(1,91)	(77)	(15)	(2,83)
Net block as at March 31, 2016	71	-	4	75
Ind AS adjustments	-	-	-	-
Deemed cost as at April 1, 2016	71	-	4	75

Note 2: Intangible assets under development

₹ in lakhs

Assets	Deemed cost as at April 1, 2016*	Gross carrying amount			
		As at March 31, 2017	Additions	Transfer/ adjustment	As at March 31, 2018
Intangible assets under development	-	-	2	-	2

Note 5(a). Investments

₹ in lakhs

Particulars	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Investments carried at fair value through OCI	-	-	-	-	-	-
(b) Investments carried at amortised cost National saving certificates #	-	- *	- *	-	-	-
(c) Investments carried at fair value through profit or loss						
Investment in equity instruments, unquoted (fully paid-up)						
Nil Equity shares of ₹ 10 each, in Narmada Clean Tech Limited (As at March 31, 2017 - Nil. As at April 1, 2016 - 6,05,000)	-	-	61	-	-	-
Investment in equity instruments, quoted (fully paid-up)						
3,000 Equity shares of ₹ 10 each, in Suryakrupa Finance Limited (As at March 31, 2017 - 3,000. As at April 1, 2016 - 3,000)	-*	-*	-*	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 5(a). Investments (Contd.)
₹ in lakhs

Particulars	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other investments, unquoted 2,00,000 optionally convertible debentures of ₹ 100 each of Priyamvada Holdings Limited (As at March 31, 2017 - 2,00,000. As at April 1, 2016 - 2,00,000)	-	1	1	1	-	-
50,000 optionally convertible debentures of ₹ 100 each of Khatau Holding and Trading Company Private Limited (As at March 31, 2017 - 50,000. As at April 1, 2016 - 50,000)	-	-*	-*	-*	-	-
Mutual funds (unquoted) ## Nil units of ICICI Prudential Flexible Income - Regular plan growth (As at March 31, 2017 - Nil. As at April 1, 2016 - 15,487.377 units @ ₹ 279.368 each)	-	-	-	-	-	44
Nil units of Birla Sunlife Savings Fund - Regular plan growth (As at March 31, 2017 - Nil. As at April 1, 2016 - 12,305.916 units ₹ 284.827 each)	-	-	-	-	-	36
	- *	1	62	1	-	80
Total Investments	- *	1	62	1	-	80

Lodged with Sales tax and central excise authorities

As Mutual funds investments are not listed on stock exchange, it is considered as unquoted investments.

* Amount is below the rounding off limits followed by the Company's norms.

₹ in lakhs

Particulars	Non- current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate amount of unquoted investments	-	1	62	1	-	80
Aggregate amount of quoted investment	- *	- *	-	-	-	-
Aggregate amount of provision for diminution other than temporary in value of investments	-	-	-	-	-	-
Investments carried at fair value through other comprehensive income	-	-	-	-	-	-
Investments carried at amortised cost	-	- *	- *	-	-	-
Investments carried at fair value through profit or loss	- *	1	62	1	-	80

* Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
5(b). Loans and advances
₹ in lakhs

Particulars	Non- current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan to related parties (Refer Note 1 below)	-	-*	-*	-*	-	-
Loans to employees	14	-	-	2	6	-*
Other loans and advances (Refer Note 2 below)	-	-	-	2	15	58
Total loans	14	-	-	4	21	58

Note 1: During the financial year 2014-15, interest receivable/ loan receivable from a group Company amounting to ₹ 322 lakhs was reinstated by the Company upon determination of its realisability. The said amount was written off as "Nil" upon amalgamation/ merger of group companies in earlier years on fair value approach in accordance with scheme of amalgamation/ merger approved by the Honourable High Court of Judicature at Bombay. Based on the estimated realisability of the loan amounting to ₹ 271 lakhs as at March 31, 2016 and in accordance with the new Ind AS accounting standards notified by MCA, the Company has fair valued the loan to ₹ Nil and adjusted the difference against retained earnings as on the date of transition.

Note 2: Further, based on the estimated realisability of the loan given to a group Company amounting to ₹ 323 Lakhs as at March 31, 2016 and in accordance with the new Ind AS accounting standards notified by MCA, the Company has fair valued the loan to ₹ 58 Lakhs and adjusted the difference against retained earnings as on the date of transition.

Note 3: * Amount is below the rounding off limits followed by the Company's norms.

5(c). Other financial assets
₹ in lakhs

Particulars	Non- current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security deposits (Refer Note below)	21	30	37	66	67	19
Total other financial assets	21	30	37	66	67	19

Note: Security deposits as at March 31, 2018 and March 31, 2017 include an amount of ₹ 36 lakhs that pertains to discontinued operations and therefore disclosed as current .

5(d). Trade and other receivables
₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured, considered good	52	59	55
Unsecured, considered good	24,01	21,42	18,60
Unsecured, considered doubtful	-	1	3,78
Less : Allowances for credit losses	-	(1)	(3,78)
	-	-	-
Total trade and other receivables	24,53	22,01	19,15

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
5(e). Cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks in current accounts	41	62	66
Cash in hand	6	2	3
Total cash and cash equivalents	47	64	69

5(f). Bank balance other than cash and cash equivalents

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Fixed deposits with maturity less than 12 months	4	4	4
Total bank balance other than cash and cash equivalents	4	4	4

Note 6 : Income tax assets

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income tax assets	26	23	21
Total income tax assets (net)	26	23	21

Note 7: Other assets

₹ in lakhs

Particulars	Non- current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Considered good						
Indirect taxes recoverable	48	23	23	32	75	20
Advance for capital expenditure	2,00	2,15	2,00	-	-	-
Prepayments	2	2	-	17	20	18
Other receivables	-	-	-	5	2	1
Advances to suppliers	-	-*	-*	9	21	40
Advances to employees	-	-	-	5	2	7
Advances to related parties	-	-	-	-*	1	18
Export Incentives receivable	-	-	-	5	10	9
Considered doubtful						
Advances to suppliers	27	17	17	-	-	-
Less: Provision for doubtful advances	(27)	(17)	(17)	-	-	-
	-	-	-	-	-	-
Total other assets	2,50	2,41	2,23	73	1,31	1,13

Note: * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 8: Inventories

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At lower of cost and net realisable value			
(a) Raw materials and packing materials			
Raw materials	3,04	4,37	4,41
Goods-in-transit	12	66	12
Packing materials	51	37	25
(b) Work-in-process	40	-	-
(c) Finished goods			
Finished goods	2,84	69	29
Goods-in-transit	7	54	-
(d) Stock in trade	1,33	3,41	3,64
Total inventories	8,31	10,04	8,71

Note 9 : Assets held for sale

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Leasehold land (Refer Note below)	-	-	9,09
Other current assets (Refer Note 14)	-	-	42
Total assets held for sale	-	-	9,51

The Company in July 2009, discontinued its manufacturing operations at Ankleshwar, Gujarat and initiated an active program to locate a buyer for the leasehold land situated at Plot no.2900, GIDC, Ankleshwar, Gujarat - 396002. In financial year 2014-15, the Company had entered into a Memorandum of Understanding (MOU) with a buyer for sale/ transfer of the said leasehold land. The said transaction has been completed successfully in financial year 2016-17.

Note 10: Share capital and other equity
10 (a) Share capital

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised share capital:			
Equity shares of ₹ 10/- each	24,33	24,33	24,33
<i>(As at March 31, 2018 - 2,43,25,600, As at March 31, 2017 - 2,43,25,600 As at April 1, 2016 - 2,43,25,600)</i>			
Preference shares of ₹ 10/- each	2,10	2,10	2,10
<i>(As at March 31, 2018 - 21,00,000, As at March 31, 2017 - 21,00,000, As at April 1, 2016 - 21,00,000)</i>			
Issued, subscribed and fully paid up capital:			
Equity shares of ₹ 10/- each	24,33	24,33	24,33
<i>(As at March 31, 2018 - 2,43,25,600, As at March 31, 2017 - 2,43,25,600 As at April 1, 2016 - 2,43,25,600)</i>			
	24,33	24,33	24,33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 10: Share capital and other equity (Contd.)

(i) Reconciliation of number of shares and amount outstanding at the beginning and end of reporting period

Equity shares

₹ in lakhs

Particulars	31st March, 2018		31st March, 2017		April 1, 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
At the beginning of year	2,43,25,600	24,33	2,43,25,600	24,33	2,44,97,188	24,50
Increase during the year	-	-	-	-	-	-
Cancelled during the year*	-	-	-	-	1,71,588	17
At the end of reporting period	2,43,25,600	24,33	2,43,25,600	24,33	2,43,25,600	24,33

*Note : 1,71,588 shares cancelled out of shares held for disposal on merger in previous year.

(ii) Rights, preference and restrictions attached to shares:

Equity shares:

The Company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of the equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) The details of shareholders holding more than 5% of shares of the Company :

Particulars	31st March, 2018		31st March, 2017		April 1, 2016	
	Number	%	Number	%	Number	%
Equity shares:						
Priyamvada Holdings Ltd.	-	-	-	-	55,64,519	22.88%
Vindhyapriya Holdings Pvt. Ltd.	53,65,296	22.06%	53,65,296	22.06%	32,94,588	13.54%
Khatau Leasing and Finance Company Pvt. Ltd.	-	-	-	-	38,31,215	15.75%
Mahendra K. Khatau	16,36,866	6.73%	16,58,310	6.82%	16,51,029	6.79%
Priyanilgiri Holdings Pvt. Ltd.	48,96,929	20.13%	48,96,929	20.13%	10,51,971	4.32%
MKK Holdings Pvt. Ltd.	37,77,877	15.53%	37,77,877	15.53%	2,97,809	1.22%

(iv) Aggregate number of bonus shares issued, shares issued for consideration other than cash, cancelled and shares bought back during the period of five years immediately preceding the date of the Balance Sheet:

Particulars	Year (Aggregate no. of shares)					
	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Equity shares						
Shares cancelled out of shares held for disposal on merger	-	-	1,71,588	-	-	-

10(b) Other equity

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities premium	10,23	10,23	10,23
Capital reserve	4,61	4,61	4,61
General reserve	6,48	6,48	6,48
Retained earnings	(15,87)	(14,15)	(27,98)
Other comprehensive income	(35)	1	-
Total reserves and surplus	5,10	7,18	(6,66)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Nature and purpose of other reserves:
Securities premium

Securities premium reserve is used to record premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve includes amounts realised on forfeiture of shares and reserves acquired on previous amalgamations.

General reserve

General reserve consists of reserve created on account of the difference between the fair valuation of assets and liabilities acquired by Company vis-a-vis the share capital it issued on amalgamation with its subsidiary companies vide Amalgamation Scheme approved by the Honorable High Court of Bombay.

Note 11: (a). Long term borrowings
₹ in lakhs

Particulars	Non-current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured						
(a) Rupee term loans/ vehicle loans						
- from banks	7	15	15	9	8	5
- from financial institutions	45	65	90	19	25	27
Total secured loans [A]	52	80	105	28	33	32
Unsecured						
(a) 20,70,975 8% Non-cumulative redeemable preference shares of ₹ 10/- each	2,07	2,07	2,07	-	-	-
(b) Loans from financial institutions	94	-	-	-	-	-
(c) Loan from related parties	2,47	1,82	4,04	-	-	-
Total unsecured loans [B]	5,48	3,89	6,11	-	-	-
Total borrowings [A+B]	6,00	4,69	7,16	28	33	32

i) Repayment terms and securities of secured loans:
₹ in lakhs

Nature of security	Terms of repayment	Month in which last installment is due	Prevailing Interest rate per annum	Balance as at March 31, 2018	Balance as at March 31, 2017	Balance as at April 1, 2016
Secured rupee term loans/ vehicle loans from banks						
Secured against hypothecation of specific vehicle	Monthly instalments	September 5, 2019	10.85%	6	9	11
Secured against hypothecation of specific vehicle	Monthly instalments	September 5, 2019	10.85%	4	6	9
Secured against hypothecation of specific vehicle	Monthly instalments	June 5, 2020	11.46%	6	8	-
				16	23	20

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 11: (a). Long term borrowings (Contd.)
₹ in lakhs

Nature of security	Terms of repayment	Month in which last installment is due	Prevailing Interest rate per annum	Balance as at March 31, 2018	Balance as at March 31, 2017	Balance as at April 1, 2016
Secured rupee term loans/ vehicle loans from financial institutions						
Secured against hypothecation of specific vehicle	Monthly instalments	February 7, 2021	11.49%	64	82	98
Secured against hypothecation of specific vehicle	Monthly instalments	November 10, 2017	9.22%	-	8	19
				64	90	1,17

Unsecured preference shares

The 8% non- cumulative, redeemable preference shares amounting to ₹2,07 lakhs were allotted on February 11, 2016 and were redeemable on or before February 10, 2019. However, the terms of redemption have been further extended for a period of 3 years i.e to February 10, 2022.

Unsecured loans from financial institutions

Loans from financial institutions are secured against pledging of investments held by promoters in personal capacity. It carries a rate of interest of 9.25% and is repayable in a single instalment on February 19, 2023.

Unsecured loans from related parties

Unsecured loans from related parties are long term in nature.

i) Maturity profile of secured and unsecured loans:
₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Between one to five years	6,00	4,69	7,16
Over five years	-	-	-

11(b). Other financial liabilities
₹ in lakhs

Particulars	Non- current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturities of long term borrowings (Refer Note 11(a))	-	-	-	28	33	32
Security deposits from others	2,03	1,91	190	4	8	45
Interest accrued but not due on loans	-	-	-	1	-	-
Interest accrued and due on borrowings	-	-	-	5	2	6
Total other financial liabilities	2,03	1,91	1,90	38	43	83

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
11(c). Trade payables
₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables:			
- Dues to micro and small enterprises (Refer Note below)	-	-	-
- Other than micro and small enterprises	22,09	19,03	12,02
Total trade payables	22,09	19,03	12,02

Note: In absence of necessary information relating to the suppliers registered as micro, small and medium enterprises under the Micro, Small and Medium Enterprise Development Act, 2006, the Company has not been able to identify such suppliers and disclose the information required under the said Act relating to them.

Note 12 : Employee benefit obligations
₹ in lakhs

Particulars	Non- current			Current		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Gratuity (Refer Note 27)	94	65	56	35	16	19
Compensated absences (Refer Note 27)	36	26	21	12	7	8
Superannuation scheme	7	7	7	-	-	-
Total employee benefit obligations	1,37	98	84	47	23	27

Note 13 : Other current liabilities
₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory and other related dues	1,12	1,21	1,14
Creditors for capital expenditure	40	11	-
Employee benefit payable	70	46	43
Payable to others	44	1,05	55
Payable to related parties	11	6	-
Advance from customers	14	65	67
Total other current liabilities	2,91	3,54	2,79

Note 14 : Liabilities directly associated with assets held for sale
₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade payables (Refer Note 9)	-	-	16
Statutory liabilities (Refer Note 9)	-	-	23
Other current liabilities (Refer Note 9)	-	-	23,75
Total liabilities directly associated with assets classified as held for sale	-	-	24,14

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 15 : Revenue from operations

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty) (Refer Note below)		
Sales		
Finished goods	70,57	52,50
Stock in trade	8,73	23,50
Total sales	79,30	76,00
Other operating revenues		
Freight, octroi, insurance and handling charges recovered	5	12
Export incentives	19	21
Job work income	13	20
Total revenue from operations	79,67	76,53

Impact of implementation of Goods and Services Tax (GST) on the financial statements:

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, sales for the previous year ended March 31, 2017 and for the period April 1, 2017 to June 30, 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/ Sales Tax. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from July 1, 2017, VAT/ Sales Tax, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes. With the change in structure of indirect taxes, expenses are also being reported net of taxes. Accordingly, financial statements for the year ended March 31, 2018 and in particular, Sales, absolute expenses, elements of working capital (Inventories, trade payables, other current assets/ current liabilities etc.) and ratios in percentage of sales, are not comparable with the figures of the previous year.

Note 16 : Other income

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income		
- on fixed deposits with banks	- *	- *
- on others	8	7
Rental income	4	4
Recovery of office expenses	10	10
Gain on foreign exchange transactions (net)	1,79	-
Profit on sale of current and non-current investment (net)	1	1
Gain on fair valuation of investments through profit and loss	- *	- *
Sundry balances written back (net)	-	25
Insurance claim (netted off against the loss on sale of asset)	6	-
Total other income	2,08	47

Note: * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 17 : Cost of materials consumed

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock of raw materials	5,03	4,53
Add : Purchases	46,11	40,03
Less : Closing stock of raw materials	3,16	5,03
Cost of raw materials consumed	47,98	39,53
Opening stock of packing materials	37	25
Add : Purchases	2,70	7,78
Less : Closing stock of packing materials	51	37
Cost of packing materials consumed	2,56	1,66
Total cost of materials consumed	50,54	41,19

Note 18 : Changes in inventories of finished goods, work-in process and stock in trade

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock:		
Finished goods	1,23	29
Stock in trade	3,41	3,64
Less: Closing Stock:		
Finished goods	2,90	1,23
Stock in trade	1,33	3,41
Work in process	40	-
(Increase) / decrease in inventories	1	(71)

Note 19: Employee benefit expenses

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	6,99	5,84
Contribution to staff provident and other funds (Refer Note 27)	13	10
Staff welfare expenses	22	15
Gratuity expenses	30	12
Total employee benefit expenses	7,64	6,21

Note 20 : Finance costs

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense	77	57
Total finance costs	77	57

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 21: Other expenses

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rent	79	71
Power and fuel	66	62
Water charges	5	4
Repairs and maintenance - buildings	12	31
Repairs and maintenance - plant and machinery	20	20
Repairs and maintenance - equipments	25	34
Repairs and maintenance - others	20	7
Security charges	7	7
ETP expenses	.*	.*
Laboratory and testing expenses	22	11
Rates and taxes	8	5
Doubtful debts written off (net)	-	22
Less: Provision for doubtful debts	-	(22)
	-	-
Provision for doubtful debts/ advances	1,90	1
Loss on foreign exchange transactions (net)	-	15
Freight, forwarding and repacking	2,41	2,15
Legal and professional fees	1,26	1,29
Travelling and conveyance	1,07	75
Auditor's remuneration (Refer Note below)	5	3
Loss on sale/ scrapping of assets	4	-
Communication expenses	15	19
Printing, postage and courier	30	33
Insurance	16	14
Commission on sales	46	24
Advertisement and sales promotion	14	35
Directors sitting fees	1	1
Penalties and fines	.*	3
Sundry balances written off (net)	9	-
Other establishment expenses	76	95
Total other expenses	11,43	9,14

Note: Auditor's remuneration comprises (net of goods and service tax / service tax)

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As an auditor	4	2
Tax audit	1	1
Reimbursement of expenses	-	.*
For other services	.*	.*
Total auditor's remuneration	5	3

Note: * Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 22 : Income taxes

Income tax expense recognised in the Statement of Profit and loss comprises of:

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current income taxes	-	-
Deferred tax	-	-
Effective income tax rate (%)*	Nil	Nil

* Note: Due to the carried forward business and unabsorbed depreciation losses of past years, the taxable profit of the Company shall be set off against such losses. Hence, the effective tax rate is Nil.

Note 23 : Profit/ (loss) from discontinued operations

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Income:		
Profit on sale of property held for disposal	-	16,14
Refund of Interest paid	-	10
Less: Expenses		
Provisions no longer required written back	-	14
Sundry balances written off (net)	(1)	-*
Workers compensation	-	(2)
Property tax	-	(2)
Bad debts	-	(6,85)
Less: Provision for doubtful debts written back	-	3,78
		(3,07)
Penalties and fines	(6)	-
Total Profit/ (loss) from discontinued operations	(7)	13,27

Note: * Amount is below the rounding off limits followed by the Company's norms.

Note 24 : Earnings per share

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit/ (loss) after tax from continuing operations (₹ in lakhs)	(1,65)	57
Profit/ (loss) after tax from discontinued operations (₹ in lakhs)	(7)	13,27
Profit after tax attributable to owners of the Company (₹ in lakhs)	(1,72)	13,84
Weighted average equity shares for the purpose of calculating		
Basic earnings per share (nos.)	24,32,56,00	24,32,56,00
Diluted earnings per share (nos.)	24,32,56,00	24,32,56,00
Basic earnings per share		
From continuing operations attributable to owners (₹)	(0.68)	0.23
From discontinuing operations attributable to owners (₹)	(0.03)	5.46
Total basic earnings per share attributable to owners (₹)	(0.71)	5.69
Diluted earnings per share		
From continuing operations attributable to owners (₹)	(0.68)	0.23
From discontinuing operations attributable to owners (₹)	(0.03)	5.46
Total basic earnings per share attributable to owners (₹)	(0.71)	5.69

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 25 : Contingent liabilities and commitments
Contingent liabilities (to the extent not provided for)
₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Disputed income tax demand in appeal*	2,70	7,78	7,78
Sales tax demand	23	30	30
Interest demand on service tax	3	3	3
Claims against the Company not acknowledged as debts	74	74	74
Custom duty in the event of non-fulfilment of export obligations in respect of advance licenses availed	45	31	26
	4,15	9,17	9,12

* The above disclosure does not include a case, where the department has filed appeal before the High Court against the favourable order received by the Company from the tribunal.

Commitments
₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Commitments			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	-	-	-
Other commitments			
Export obligations in respect of advance licenses availed	-	-	-

Note 26 : Financial instruments
(i) Capital management

For the purpose of the Company's capital management, equity includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of debt which includes the borrowings, cash and cash equivalents including short term bank deposits, equity comprising issued capital, reserves and non-controlling interests. The gearing ratio for the year is as under:

₹ in lakhs

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Debt (including borrowings from related and unrelated parties)	6,28	5,02	7,48
Less: Cash and cash equivalents including short term deposits	(51)	(68)	(73)
Net debt (A)	5,77	4,34	6,75
Total equity (B)	29,43	31,51	17,67
Net debt to equity ratio (A/B)	0.20	0.14	0.38

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(ii) Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2018 is as follows:

₹ in lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets :					
Cash and cash equivalents	47	-	-	47	47
Bank balance other than cash and cash equivalents	4	-	-	4	4
Investments	-	1	-	1	1
Trade receivables	24,53	-	-	24,53	24,53
Loans	18	-	-	18	18
Other financial assets	87	-	-	87	87
Total	26,09	1	-	26,10	26,10
Financial Liabilities:					
Borrowings	6,00	-	-	6,00	6,00
Trade payables	22,09	-	-	22,09	22,09
Other financial liabilities	2,41	-	-	2,41	2,41
Total	30,50	-	-	30,50	30,50

The carrying value of financial instruments by categories as of March 31, 2017 is as follows:

₹ in lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets :					
Cash and cash equivalents	64	-	-	64	64
Bank balance other than cash and cash equivalents	4	-	-	4	4
Investments	-	1	-	1	1
Trade receivables	22,01	-	-	22,01	22,01
Loans	21	-	-	21	21
Other financial assets	97	-	-	97	97
Total	23,87	1	-	23,88	23,88
Financial Liabilities:					
Borrowings	4,69	-	-	4,69	4,69
Trade and other payables	19,03	-	-	1,903	19,03
Other financial liabilities	2,34	-	-	2,34	2,34
Total	26,06	-	-	26,06	26,06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The carrying value of financial instruments by categories as of April 1, 2016 is as follows:

₹ in lakhs

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
Financial Assets :					
Cash and cash equivalents	69	-	-	69	69
Bank balance other than cash and cash equivalents	4	-	-	4	4
Investments	-	1,42	-	1,42	1,42
Trade receivables	19,15	-	-	19,15	19,15
Loans	58	-	-	58	58
Other financial assets	56	-	-	56	56
Total	21,02	1,42	-	22,44	22,44
Financial Liabilities:					
Borrowings	7,16	-	-	7,16	7,16
Trade and other payables	12,02	-	-	12,02	12,02
Other financial liabilities	2,73	-	-	2,73	2,73
Total	21,91	-	-	21,91	21,91

Fair Value Hierarchy:

The fair value hierarchy is based on the inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices and the mutual funds are measured using the closing net asset value (NAV).

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs are required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3 – if one or more of the significant inputs is based on observable market data, the instrument is included in Level 3.

The fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2018 is as follows :

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets :				
At fair value through profit and loss				
Investment in equity shares	-*	-	-	-
Investment in optionally convertible debentures	-	-	1	1
Total	- *	-	1	1

The fair value hierarchy of assets and liabilities measured at fair value as of March 31, 2017 is as follows :

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets :				
At fair value through profit and loss				
Investment in equity shares	- *	-	-	-
Investment in optionally convertible debentures	-	-	1	1
Total	-*	-	1	1

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The fair value hierarchy of assets and liabilities measured at fair value as of April 1, 2016 is as follows :

₹ in lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets :				
At fair value through profit and loss				
Investment in equity shares	- *	-	61	61
Investment in mutual funds	80	-	-	80
Investment in optionally convertible debentures	-	-	1	1
Total	80	-	62	1,42

Note: * Amount is below the rounding off limits followed by the Company's norms.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and cash equivalents, other bank balances, trade and other receivables, trade and other payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.
- The fair value of Company's interest bearing borrowings are determined using amortised cost basis using a discount rate that reflects issuer's borrowing rate as at the end of reporting date.

(iii) Financial risk management objectives:

The Company's activities exposes it to a variety of financial risk viz. market risks, credit risks and liquidity risks. In order to manage the aforementioned risks, the Company has a risk management policy and a program that performs close monitoring of and responding to each risk factors.

1) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates and other market changes.

a) Foreign currency risk:

Foreign currency risk mainly arises from transactions undertaken by an operating unit in currencies other than its functional currency. The carrying amount of Company's financial assets and financial liabilities denominated in foreign currencies at the reporting date are as follows :

Particulars	USD	₹ in lakhs
As at March 31, 2018		
Financial Assets	13.99	9,10
Financial Liabilities	-	-

5% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹46 lakhs for the year ended March 31, 2018.

Particulars	USD	₹ in lakhs
As at March 31, 2017		
Financial Assets	12.83	8,32
Financial Liabilities	-	-

5% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹42 lakhs for the year ended March 31, 2017.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	USD	₹ in lakhs
As at April 1, 2016		
Financial Assets	18.95	12,57
Financial Liabilities	-	-

5% appreciation/ depreciation of the respective foreign currencies with respect to the functional currency of the Company would result in decrease/ increase in the Company's profit before tax by approximately ₹63 lakhs as on April 1, 2016.

b) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have significant floating interest rate borrowings during the year ended March 31, 2018, March 31, 2017 and as on April 1, 2016. Hence, the Company is not exposed to significant interest rate risk as at the respective reporting dates.

2) Credit risk:

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

3) Liquidity risk:

The responsibility for liquidity risk management rests with the Board of Directors, which has an appropriate liquidity risk management framework for the management of the Company's short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities by regularly monitoring forecast and actual cash flows.

The table below provides details regarding contractual maturities of significant financial liabilities as at March 31, 2018:

₹ in lakhs

Particulars	Within one year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	28	6,00	-	6,28
Trade and other payables	22,09	-	-	22,09
Other financial liabilities	10	2,03	-	2,13
Total financial liabilities	22,47	8,03	-	30,50

The table below provides details regarding contractual maturities of significant financial liabilities as at March 31, 2017:

₹ in lakhs

Particulars	Within one year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	33	4,69	-	5,02
Trade and other payables	19,03	-	-	19,03
Other financial liabilities	10	1,91	-	2,01
Total financial liabilities	19,46	6,60	-	26,06

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

The table below provides details regarding contractual maturities of significant financial liabilities as at April 1, 2016 :

₹ in lakhs

Particulars	Within one year	One to five years	More than five years	Total
Financial instruments:				
Borrowings	32	7,16	-	7,48
Trade and other payables	12,02	-	-	12,02
Other financial liabilities	51	1,90	-	2,41
Total financial liabilities	12,85	9,06	-	21,91

Note 27 : Disclosure under Ind AS 19 on Employee Benefits as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2015
I. Defined contribution plans:

The Company has recognised the following amounts in the income statement during the year under "Contribution to staff provident and other funds". (Refer Note 19)

₹ in lakhs

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employer's contribution to provident fund	13	10
Employer's contribution to labour welfare fund	-	-
Employer's contribution to employee state insurance corporation	-	-
Total	13	10

II. Defined benefit plans
a) Gratuity

The Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the plan, qualifying employees are entitled to gratuity depending upon the number of years of service rendered by them subject to minimum specified number of years of service and the salary at time of retirement/ resignation.

(A) Movements in present value of defined benefit obligation (DBO)

₹ in lakhs

Particulars	Gratuity March 31, 2018	Gratuity March 31, 2017
Obligations as at beginning of the year	81	75
Current service cost	9	7
Interest cost	5	5
Past service cost (Refer Note below)	16	-
Benefits paid	(7)	(6)
Actuarial (gain)/ loss on obligations	25	-
Present value of defined benefit obligation as at end of the year	1,29	81

Note: As per the Payment of Gratuity (Amendment) Bill, 2018, the Government of India has increased the ceiling limit on payment of gratuity to ₹ 20 lakhs. The Company has accordingly made necessary changes in its scheme and the impact of such amendment on the gratuity valuation is ₹ 13 lakhs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(B) Movements in the fair value of plan assets

₹ in lakhs

Particulars	Gratuity March 31, 2018	Gratuity March 31, 2017
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Return on plan assets excluding amounts included in interest income	-	-
Actuarial gain/ (loss) on plan assets	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets as at end of the year	-	-

(C) Amount recognised in the Balance Sheet

₹ in lakhs

Particulars	Gratuity March 31, 2018	Gratuity March 31, 2017
Present value of defined benefit obligation as at end of the year	1,29	81
Fair value of plan assets as at end of the year	-	-
Net liability recognised in the Balance Sheet	1,29	81

(D) Amounts recognised in the statement of profit and loss

₹ in lakhs

Particulars	Gratuity March 31, 2018	Gratuity March 31, 2017
Current service cost	9	7
Past service cost	16	-
Interest cost	5	5
Expected return on plan assets	-	-
Total amounts recognised in the statement of profit and loss	30	12

(E) Amounts recognised in other comprehensive income

₹ in lakhs

Particulars	Gratuity March 31, 2018	Gratuity March 31, 2017
Components of actuarial gain/losses on obligations:		
Due to change in financial assumptions	(2)	4
Due to change in demographic assumptions	-	-
Due to change in experience adjustments	27	(4)
Return on plan assets excluding amounts included in interest income	-	-
Total	25	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(F) Sensitivity analysis

₹ in lakhs

Particulars	Gratuity March 31, 2018	Gratuity March 31, 2017
DBO on base assumptions		
A. Discount Rate		
1. Effect due to 0.5% increase in discount rate	1,26	79
2. Effect due to 0.5% decrease in discount rate	1,33	84
B. Salary Escalation Rate		
1. Effect due to 0.5% increase in salary escalation rate	1,33	84
2. Effect due to 0.5% decrease in salary escalation rate	1,26	79
C. Withdrawal Rate		
1. Effect due to 30% increase in withdrawal rate	1,29	82
2. Effect due to 30% decrease in withdrawal rate	1,29	81

(G) Actuarial assumptions

Following are the principal actuarial assumptions used at Balance Sheet date:

₹ in lakhs

Particulars	Gratuity March 31, 2018	Gratuity March 31, 2017	Gratuity April 1, 2016
Discount rate (per annum)	7.30%	7.00%	7.90%
Expected return on plan assets	NA	NA	NA
Withdrawal rate	6.00%	6.00%	6.00%
Salary growth rate	7.00%	7.00%	7.90%
Mortality rates	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

b) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits for measurement purpose. The Company's liability is actuarially determined by an independent actuary using the projected unit credit method at the end of each year. Actuarial losses/ gains are recognised in the statement of profit and loss in the year in which they arise.

(A) Movements in present value of defined benefit obligation (DBO)

₹ in lakhs

Particulars	Compensated absences March 31, 2018	Compensated absences March 31, 2017
Obligations as at beginning of the year	33	29
Current service cost	5	4
Interest cost	2	2
Past service cost	1	-
Benefits paid	(5)	(1)
Actuarial (gain)/ loss on obligations	12	(1)
Present value of defined benefit obligation as at end of the year	48	33

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(B) Movements in the fair value of plan assets
₹ in lakhs

Particulars	Compensated absences March 31, 2018	Compensated absences March 31, 2017
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Return on plan assets excluding amounts included in interest income	-	-
Actuarial gain/ (loss) on plan assets	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Fair value of plan assets as at end of the year	-	-

(C) Amount recognised in the Balance Sheet
₹ in lakhs

Particulars	Compensated absences March 31, 2018	Compensated absences March 31, 2017
Present value of defined benefit obligation as at end of the year	48	33
Fair value of plan assets as at end of the year	-	-
Net Liability recognised in the Balance Sheet	48	33

(D) Amounts recognised in the statement of profit and loss
₹ in lakhs

Particulars	Compensated absences March 31, 2018	Compensated absences March 31, 2017
Current service cost	5	4
Past service cost	1	-
Interest cost	2	2
Expected return on plan assets	-	-
Total amounts recognised in the statement of profit and loss	8	6

(E) Amounts recognised in other comprehensive income
₹ in lakhs

Particulars	Compensated absences March 31, 2018	Compensated absences March 31, 2017
Components of actuarial gain/ losses on obligations:		
Due to change in financial assumptions	(1)	2
Due to change in demographic assumptions	1	-
Due to change in experience adjustments	12	(3)
Return on plan assets excluding amounts included in interest income	-	-
Total	12	(1)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
(F) Sensitivity analysis

Particulars	₹ in lakhs	
	Compensated absences March 31, 2018	Compensated absences March 31, 2017
DBO on base assumptions		
A. Discount Rate		
1. Effect due to 0.5% increase in discount rate	46	32
2. Effect due to 0.5% decrease in discount rate	49	34
B. Salary Escalation Rate		
1. Effect due to 0.5% increase in salary escalation rate	49	34
2. Effect due to 0.5% decrease in salary escalation rate	46	32
C. Withdrawal Rate		
1. Effect due to 30% increase in withdrawal rate	47	33
2. Effect due to 30% decrease in withdrawal rate	48	34

(G) Actuarial assumptions

Following are the principal actuarial assumptions used at Balance Sheet date:

Particulars	Compensated absences March 31, 2018	Compensated absences March 31, 2017	Compensated absences April 1, 2016
Discount rate (per annum)	7.30%	7.00%	7.90%
Expected return on plan assets	NA	NA	NA
Withdrawal rate	6.00%	6.00%	6.00%
Salary growth rate	7.00%	7.00%	7.90%
Mortality rates	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)
Leave avilment rate	1.25%	1.25%	1.25%
Leave encashment rate	0.00%	0.00%	0.00%

Note 28 : Operating leases

The Company has taken office, factory spaces and warehouses under cancellable operating leases for periods ranging from 11 months to 3 years. Lease arrangements are usually renewable on mutually agreed terms and are cancellable by written notice.

Particulars	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Future minimum lease payments are as follows:		
- not later than one year	67	80
- later than one year but not later than five years	26	92
- later than five years	-	-
Total	93	172

Note 29 : Segment reporting

The Company operates in two segment viz. textile dyes and chemicals and electrical capacitors, however the segment reporting for electrical capacitors is not disclosed separately, as the same does not qualify for separate disclosure as per Ind AS 108 on operating segments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 30 : Deferred tax

Deferred tax asset on carry forward of unused tax losses and unused tax credits has not been recognised because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Note 31: Related party relationships, transactions and balances: (as per Ind AS 24)
a) Enterprises significantly influenced by the Key Managerial Personnel or their relatives:

- i) Samudra Dye-chem Private Limited
- ii) Spiweld Chemtrade Private Limited
- iii) Textomax Chemicals Private Limited
- iv) Formost Chemicals Private Limited
- v) Chemron Texchem Private Limited
- vi) Asha Marine Products Private Limited
- vii) Emerald Capital Services Private Limited
- viii) Vindhyapriya Holdings Private Limited
- ix) Khatau Leasing and Finance Company Private Limited
- x) Prism Plantations Private Limited
- xi) Khatau Holding and Trading Company Private Limited
- xii) Prerana Leasing and Finvest Private Limited
- xiii) MKK Holdings Private Limited
- xiv) Priyanilgiri Holdings Private Limited
- xv) Refnol Resins and Chemicals Limited
- xvi) Priyamvada Holdings Limited (w.e.f April 1, 2017) (Associate till March 31, 2017)
- xvii) Orchard Acres

b) Key Managerial Personnel and their relatives:

- i) Mr. Mahendra K. Khatau (Chairman and Managing Director)
- ii) Mrs. Asha M. Khatau (Non-Executive Director and wife of Chairman)
- iii) Mr. Kailash Pershad (Non-Executive Independent Director)
- iv) Mr. Bhalachandra G. Sontakke (Non-Executive Independent Director)
- v) Mr. Rajagopalan Sessa (Non-Executive Independent Director)
- vi) Mr. Manish M. Khatau (Whole -Time Director and son of Chairman)
- vii) Ms. Rupal B. Parikh (Chief Financial Officer)
- viii) Mr. Rajesh D. Pisal (Company Secretary)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
c) Details of transactions with related parties during the year
₹ in lakhs

Nature of transactions	Significantly influenced		Key managerial personnel and their relatives		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Revenue from operations:						
Orchard Acres	12	42	-	-	12	42
Samudra Dye-chem Private Limited	-*	6	-	-	-*	6
Refnol Resins and Chemicals Limited	1	1	-	-	1	1
Spiweld Chemtrade Private Limited	-	1	-	-	-	1
Formost Chemicals Private Limited	-	-*	-	-	-	-*
Total	13	50	-	-	13	50
Purchase of goods:						
Orchard Acres	4,69	4,93	-	-	4,69	4,93
Samudra Dye-chem Private Limited	6	-	-	-	6	-
Refnol Resins and Chemicals Limited	3,88	3,37	-	-	3,88	3,37
Textomax Chemicals Private Limited	1	1	-	-	1	1
Total	8,64	8,31	-	-	8,64	8,31
Income:						
Rent received - Orchard Acres	1	1	-	-	1	1
Job work -Textomax Chemicals Private Limited	-	7	-	-	-	7
Total	1	8	-	-	1	8
Directors' Sitting Fees:						
Mrs. Asha M. Khatau	-	-	-*	-*	-*	-*
Mr. Kailash Pershad	-	-	-*	-*	-*	-*
Mr. B. G. Sontakke	-	-	1	-*	1	-*
Mr. S. Rajagopalan	-	-	-*	-*	-*	-*
Total	-	-	1	-*	1	-*
Managerial remuneration: #						
Mr. Mahendra K. Khatau	-	-	43	42	43	42
Mr. Manish M. Khatau	-	-	25	25	25	25
Total	-	-	68	67	68	67
Expenses:						
Orchard Acres	14	1	-	-	14	1
Total	14	1	-	-	14	1

Does not include the amount payable towards gratuity and compensated absences by the Company, as the same is calculated for the Company as a whole on actuarial basis.

* Amount is below the rounding off limits followed by the Company's norms.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
d) Details of transactions with related parties during the year

₹ in lakhs

Nature of transactions	Significantly influenced		Key managerial personnel and their relatives		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Interest on borrowings:						
Prism Plantations Private Limited	- *	-	-	-	- *	-
Mr. Mahendra K. Khatau	-	-	24	16	24	16
Mrs. Asha M. Khatau	-	-	2	2	2	2
Total	- *	-	26	18	26	18
Loans taken during the year:						
Prism Plantations Private Limited	12	-	-	-	12	-
Mr. Mahendra K. Khatau	-	-	94	1,50	94	1,50
Total	12	-	94	1,50	1,06	1,50
Loans repaid during the year:						
Mr. Mahendra K. Khatau	-	-	40	3,24	40	3,24
Mrs. Asha M. Khatau	-	-	-	48	-	48
Total	-	-	40	3,72	40	3,72
Interest payable on delayed payment:						
Orchard Acres	14	-	-	-	14	-
Total	14	-	-	-	14	-

Note: * Amount is below the rounding off limits followed by the Company's norms.

e) Outstanding balances with related parties:

₹ in lakhs

Nature of transactions	Significantly influenced		Key managerial personnel and their relatives		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Trade receivables:						
Spiweld Chemtrade Private Limited	24	24	-	-	24	24
Formost Chemicals Private Limited	10	10	-	-	10	10
Orchard Acres	14	29	-	-	14	29
Refnol Resins and Chemicals Limited	2	1	-	-	2	1
Samudra Dye-chem Private Limited	- *	27	-	-	- *	27
Total	50	91	-	-	50	91
Borrowings:						
Prism Plantations Private Limited	12	-	-	-	12	-
Mr. Mahendra K. Khatau	-	-	2,24	1,70	2,24	1,70
Mrs. Asha M. Khatau	-	-	11	6	11	6
Total	12	-	2,35	1,76	2,47	1,76
Interest accrued and due on borrowings:						
Prism Plantations Private Limited	- *	-	-	-	- *	-
Mr. Mahendra K. Khatau	-	-	5	2	5	2
Mrs. Asha M. Khatau	-	-	1	- *	1	- *
Total	- *	-	6	2	6	2

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
₹ in lakhs

Nature of transactions	Significantly influenced		Key managerial personnel and their relatives		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Investments in optionally convertible debentures:						
Khatau Holding and Trading Company Private Limited	- *	- *	-	-	- *	- *
Priyamvada Holdings Limited	1	1	-	-	1	1
Total	1	1	-	-	1	1
Other payables:						
Mr. Mahendra K. Khatau	-	-	4	4	4	4
Mr. Manish M. Khatau	-	-	2	2	2	2
Orchard Acres	-	- *	-	-	-	- *
Total	-	- *	6	6	6	6

* Amount is below the rounding off limits followed by the Company's norms.

f) Outstanding balances with related parties:
₹ in lakhs

Nature of transactions	Significantly influenced		Key managerial personnel and their relatives		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Loans given:						
Asha Marine Products Private Limited	- *	- *	-	-	- *	- *
Spiweld Chemtrade Private Limited	-	- *	-	-	-	- *
Total	- *	- *	-	-	- *	- *
Trade payables:						
Refnol Resins and Chemicals Limited	3,07	2,76	-	-	3,07	2,76
Textomax Chemicals Private Limited	1	1	-	-	1	1
Orchard Acres	2,46	2,18	-	-	2,46	2,18
Total	5,54	4,95	-	-	5,54	4,95
Advances given:						
Orchard Acres	-	-	-	-	-	-
Samudra Dye-chem Private Limited	-	1	-	-	-	1
Total	-	1	-	-	-	1
Advance received:						
Orchard Acres	- *	-	-	-	- *	-
Samudra Dye-chem Private Limited	5	-	-	-	5	-
Total	5	2	-	-	5	2
Guarantees taken:						
Mr. Mahendra K. Khatau	-	-	94	-	94	-
Total	-	-	94	-	94	-

* Amount is below the rounding off limits followed by the Company's norms.

Note32 : Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from April 1, 2017, with a transition date of April 1, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended March 31, 2018 for the Company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the Assets and Liabilities as at the transition date between the Ind AS and previous GAAP have been recognised directly in equity (retained earnings or other appropriate category of equity).

A: Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first – time adopter to elect to fair value its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

The Company has elected to fair value its property in accordance with stipulations laid down of Ind AS 101 with the resultant impact being accounted for in retained earnings. Accordingly, the Company has fair valued the entire class of property i.e. land and building on the basis of the fair valuation carried out by an independent valuer. Such fair value shall be considered as the deemed cost of the property.

With respect to its plant and equipment and intangible assets, the Company has elected to continue with the carrying value of the assets as recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the plant and equipment and intangible assets.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- i) Impairment of financial assets based on expected credit loss model.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first – time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first – time adopter to apply the de – recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
B: Reconciliation between previous GAAP and Ind AS

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

₹ in lakhs

Reconciliation of Equity as at date of transition (April 1, 2016)				
Particulars	Note to first time adoption	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current Assets				
Property, plant and equipment	1	11,66	10,60	22,26
Capital work-in-progress		37	1	38
Intangible assets	1&2	75	-	75
Intangible assets under development		-	-	-
Financial assets				
Investments	4	62	-	62
Loans	3	5,36	(5,36)	-
Other financial assets		37	-	37
Income tax assets (net)		21	-	21
Other non-current assets	5	2,56	(33)	2,23
Total non-current Assets		21,90	4,92	26,82
Current Assets				
Inventories		8,71	-	8,71
Financial assets				
Investments	4	78	2	80
Trade and other receivables		19,15	-	19,15
Cash and cash equivalents		69	-	69
Bank balance other than cash and cash equivalents		4	-	4
Loans		58	-	58
Other financial assets		19	-	19
Other current assets		1,13	-	1,13
Assets held for sale		9,51	-	9,51
Total current assets		40,78	2	40,80
Total Assets		62,68	4,94	67,62
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	6	26,40	(2,07)	24,33
Other equity	8	(11,59)	4,93	(6,66)
Total Equity		14,81	2,86	17,67

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in lakhs

Reconciliation of Equity as at date of transition (April 1, 2016)				
Particulars	Note to first time adoption	Previous GAAP *	Adjustments	Ind AS
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	6	5,09	2,07	7,16
Other financial liabilities		1,90	-	1,90
Employee benefit obligations		84	-	84
Total non-current liabilities		7,83	2,07	9,90
Current liabilities				
Financial liabilities				
Trade payables		12,02	-	12,02
Other financial liabilities		83	-	83
Employee benefit obligations		27	-	27
Other current liabilities		2,79	-	2,79
Liabilities directly associated with assets classified as held for sale		24,13	1	24,14
Total current liabilities		40,04	1	40,05
Total liabilities		47,87	2,08	49,95
Total equity and liabilities		62,68	4,94	67,62

*The previous GAAP figures have been classified to conform to Ind AS presentation requirements for the purpose of this note.

₹ in lakhs

Reconciliation of Equity as at March 31, 2017				
Particulars	Note to first time adoption	Previous GAAP *	Adjustments	Ind AS
ASSETS				
Non-current Assets				
Property, plant and equipment	1	12,75	10,46	23,21
Capital work-in-progress		45	-	45
Intangible assets	1&2	55	24	79
Intangible assets under development			-	-
Financial assets			-	-
Investments	4	1	-	1
Loans	3	5,36	(5,36)	-
Other financial assets		30	-	30
Income tax assets (net)		23	-	23
Other non-current assets	5	2,64	(23)	2,41
Total non-current Assets		22,29	5,11	27,40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in lakhs

Reconciliation of Equity as at March 31, 2017				
Particulars	Note to first time adoption	Previous GAAP *	Adjustments	Ind AS
Current Assets				
Inventories		10,04	-	10,04
Financial assets			-	-
Investments		-	-	-
Trade and other receivables		22,01	-	22,01
Cash and cash equivalents		64	-	64
Bank balance other than cash and cash equivalents		5	(1)	4
Loans		21	-	21
Other financial assets		67	-	67
Other current assets		1,31	-	1,31
Assets held for sale		-	-	-
Total current assets		34,93	(1)	34,92
Total Assets		57,22	510	62,32
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	6	26,40	(2,07)	24,33
Other equity	8	2,08	5,10	7,18
Total Equity		28,48	3,03	31,51
LIABILITIES				
Non-current liabilities				
Financial liabilities				
Borrowings	6	2,61	2,08	4,69
Other financial liabilities		1,91	-	1,91
Employee benefit obligations		99	(1)	98
Total non-current liabilities		5,51	2,07	7,58
Current liabilities				
Financial liabilities				
Trade payables		19,03	-	19,03
Other financial liabilities		43	-	43
Employee benefit obligations		23	-	23
Other current liabilities		3,54	-	3,54
Liabilities directly associated with assets classified as held for sale		-	-	-
Total current liabilities		23,23	-	23,23
Total liabilities		28,74	2,07	30,81
Total equity and liabilities		57,22	5,10	62,32

*The previous GAAP figures have been classified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in lakhs

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017				
Particulars	Note to first time adoption	Previous GAAP *	Adjustments	Ind AS
CONTINUING OPERATIONS				
Income				
Revenue from operations		76,53	-	76,53
Other income		52	(5)	47
Total income		77,05	(5)	77,00
Expenses				
Cost of materials consumed		41,19	-	41,19
Purchase of stock-in-trade		14,36	-	14,36
Changes in inventories of finished goods and work-in-process		(70)	(1)	(71)
Employee benefits expenses	7 & 9	6,20	1	6,21
Excise duty		4,93	-	4,93
Finance cost		57	-	57
Depreciation / amortisation	1 & 2	62	12	74
Other expenses	5	9,45	(31)	9,14
Total Expenses		76,62	(19)	76,43
Profit/ (loss) before tax from continuing operations		43	14	57
Current tax		-		-
Profit/ (loss) after tax from continuing operations		43	14	57
DISCONTINUED OPERATIONS				
Profit/ (loss) before tax from discontinued operations		13,24	3	13,27
Current tax		-		-
Profit/ (loss) after tax from discontinued operations		13,24	3	13,27
Profit/ (loss) for the year		13,67	17	13,84
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit and loss account</i>				
Remeasurement of post employment benefit obligation	7 & 9	-	1	1
Total other comprehensive income / (loss)		-	1	1
Total comprehensive income / (loss) for the year		13,67	18	13,85

*The previous GAAP figures have been classified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Notes to first time adoption

The following explains the material adjustments made during transition from previous GAAP to Ind AS:

Note 1: Deemed cost of property, plant and equipment and intangible assets

Carrying value as deemed cost for plant and equipment:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the plant and equipment.

Fair valuation as deemed cost for property:

On transition to Ind AS, the Company has elected to fair value its property, in accordance with stipulations laid down in Ind AS 101 with the resultant impact being accounted for in retained earnings. Accordingly, the Company has fair valued the entire class of property i.e. land and building on the basis of the fair valuation carried out by an independent valuer. Such fair value is considered as the deemed cost of the property.

Carrying value as deemed cost for intangible assets:

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

Note 2: Goodwill arising from business combinations

In accordance with Ind AS 101 on Provisions related to First time adoption, the Company has elected to apply Ind AS 103 on business combinations prospectively to business combinations after its transition date. As such previous GAAP balances relating to business combinations entered into before that date have been carried forward.

Accordingly, the Goodwill created on acquisition of Indokem Exports Limited and Khatau Capacitors Private Limited vide Scheme of Arrangement sanctioned by the Honorable High Court of Judicature at Bombay dated September 4, 2015 will not be amortised but only tested for impairment. Therefore, the amount of Goodwill amortised in financial year 2016-17 has been reversed.

Note 3: Fair valuation of loans

During the financial year 2014-15, interest receivable/ loan receivable from a group Company amounting to ₹ 322 lakhs was reinstated by the Company upon determination of its realisability. The said amount was written off as "Nil" upon amalgamation/ merger of group companies in earlier years on fair value approach in accordance with scheme of amalgamation/ merger approved by the Honourable High Court of Judicature at Bombay. Based on the estimated realisability of the loan amounting to ₹ 271 lakhs as at March 31, 2016 and in accordance with the new Ind AS accounting standards notified by MCA, the Company has fair valued the loan to ₹ Nil and adjusted the difference against retained earnings as on the date of transition.

Further, based on the estimated realisability of the loan/ advance given to a group Company amounting to ₹ 323 lakhs as at March 31, 2016 and in accordance with the new Ind AS accounting standards notified by MCA, the Company has fair valued the loan to ₹ 58 lakhs and adjusted the difference against retained earnings as on the date of transition.

Note 4: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for diminution other than temporary, in the value of such investments. Current investments were carried at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ending March 31, 2017. This has resulted in an increase in the retained earnings.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018
Note 5: Transaction costs on account of amalgamation

Under Ind AS 103, costs incurred in the process of amalgamation are generally to be expensed in the period in which the services are received. Accordingly, the expenses incurred on amalgamation were written off with a corresponding impact on retained earnings.

Note 6: Reclassification of redeemable preference shares from equity to non-current liability

In accordance with requirements of Ind AS, redeemable preference shares have been reclassified as non-current liability from equity.

Note 7: Actuarial gain/ loss on defined benefit plans

Remeasurement cost of net defined benefit liability: The remeasurement cost arising primarily due to change in actuarial assumptions has been recognised in other comprehensive income (OCI) under Ind AS instead of statement of profit and loss under previous GAAP.

Note 8: Retained earnings.

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 9: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 10: Impact on statement of cash flows

The Ind AS adjustments are non cash adjustments. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2017 as compared with the previous GAAP.

33. Expenditure on Corporate Social Responsibility (CSR)

In accordance with provisions of Section 135 read with Section 198 of the Companies Act, 2013 the Company is not required to incur any expenditure towards corporate social responsibility.

34. Managerial remuneration

In view of loss for the year 2017-18 the total remuneration paid by the Company to its Directors including Managing Director (MD) was in accordance with the limits prescribed under section 197 read with Schedule V of the Companies Act, 2013.

As per our attached report of even date

For C N K & Associates LLP

Chartered Accountants

Firm Registration No.: 101961 W/ W - 100036

For and on behalf of the Board of Directors

Manish Sampat

Partner

Membership No.: 101684

Mahendra K. Khatau

Chairman & Managing Director

DIN : 00062794

Manish M. Khatau

Director

DIN : 02952828

Place : Mumbai

Date : May 9, 2018

Rupal B. Parikh

Chief Financial Officer

Rajesh D. Pisal

Company Secretary

FORM NO. MGT-11**PROXY FORM**

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

CIN	L31300MH1964PLC013088
Name of the Company	Indokem Limited
Registered office	Plot No. 410/411, Khatau House, Mogul Lane, Mahim (W), Mumbai - 400 016

Name of the Members(s)	
Registered Address	
E-mail ID	
Folio No./ *Client ID No.	
*DP ID. No. (*Applicable for Members holding Shares in electronic form)	

I/We, being the holder(s) of ____ Share of the above mentioned Company, hereby appoint:

1. Name of the Person: _____ Address: _____
 _____ Email id: _____
 Signature: _____ or failing him/her.
2. Name of the Person: _____ Address: _____
 _____ Email id: _____
 Signature: _____ or failing him/her.
3. Name of the Person: _____ Address: _____
 _____ Email id: _____
 Signature: _____ or failing him/her.

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 52nd Annual General Meeting of the Company, to be held on Friday, 28th September, 2018 at 3.00 P.M. at the registered office of the Company situated at Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016 and at any adjournment thereof in respect of such resolution as is indicated below:

Resolution No.	Matter of	For	Against
1	To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 31 st March, 2018, together with the Reports of the Board of Directors and the Auditors thereon.		
2	To appoint a Director in place of Smt. Asha Mahendra Khatau, who retires by rotation at this Annual General Meeting and being eligible has offered herself for reappointment.		
3	Approval for revision in remuneration of Mr. Manish M. Khatau, Whole-Time Director.		
4	Approval for entering into Related Party Transactions.		
5	Approval of reappointment of Shri Kailash Pershad, Independent Director.		
6	Approval of reappointment of Shri Bhalchandra Sontakke, Independent Director.		
7	Approval of reappointment of Shri Rajagopalan Sesha, Independent Director.		
8	To consider and determine the fees for delivery of any document through a specific mode of delivery to a member.		

Signed this _____ day of _____, 2018

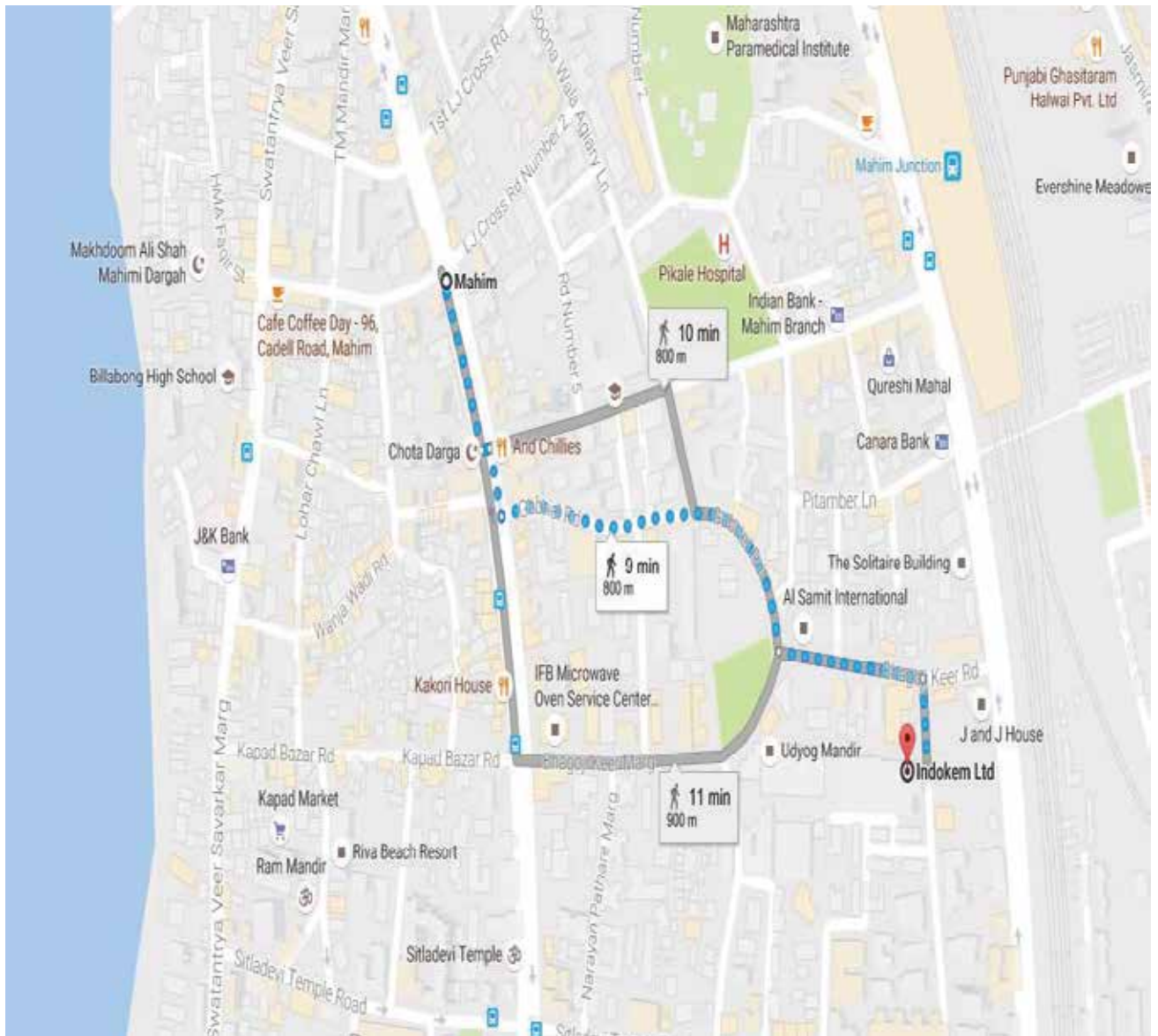
Signature of Shareholder(s): _____

Signature of Proxy Holder(s): _____

Affix
Revenue
Stamp of
Re 1/-

Note: 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.

AGM VENUE ROUTE MAP



Address :
Plot No. 410/411,
Khatau House, Mogul Lane,
Mahim (West), Mumbai - 400 016



If undelivered please return to

Indokem Limited

Khatau House, Plot No.410/411, Mogul Lane, Mahim,
Mumbai - 400 016.