



**INDOKEM LIMITED**

**51<sup>st</sup>**  
**Annual Report**  

---

**2016-17**  

---



## 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](mailto:sharexindia@vsnl.com) or/and [iklsecretarial@gmail.com](mailto: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:**

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](mailto:sharexindia@vsnl.com)

**SECRETARIAL DEPT.****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](mailto:iklsecretarial@gmail.com)

Website: [www.indokem.co.in](http://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. B. G. 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  
 Ms. Rupal B. Parikh  
 Mr. Bhavik. B. Parekh

Chief Financial Officer (Resigned w.e.f. 31<sup>st</sup> July, 2017)  
 Chief Financial Officer (Appointed w.e.f. 8<sup>th</sup> Aug., 2017)  
 Company Secretary & Compliance Officer  
 (Resigned w.e.f. 19<sup>th</sup> June, 2017)  
 Company Secretary & Compliance Officer  
 (Appointed w.e.f. 8<sup>th</sup> June, 2017)

Mr. Rajesh D. Pisal

**AUDITORS:**

M/s. Sheth Doctor and Associates

**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](mailto:sharexindia@vsnl.Com)

**Website:** [www.sharexindia.Com](http://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](mailto:iklsecretarial@gmail.com)

**Website:** [www.indokem.co.in](http://www.indokem.co.in)

CONTENTS	PAGES
Notice of Annual General Meeting	2-12
Directors' Report	13-31
Management Discussion and Analysis Report	32-35
Corporate Governance Report	36-50
Secretarial Audit Report	51-52
Independent Auditor's Report	53-59
Balance Sheet	60-60
Statement of Profit and Loss	61-61
Cash Flow Statement	62-63
Notes to the Financial Statement	64-83

**Annual General Meeting (AGM)**

**Day, Date & Time:** Friday, 29<sup>th</sup> September, 2017 at 4:00 P.M.

**Venue:** Citylight Banquets Hall, 4<sup>th</sup> Floor, Ashford Chambers, Citylight Cinema, L. J. Road, Mahim (West), Mumbai – 400 016.

**Indokem Limited**

(CIN : L31300MH1965PLC013088)

**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 FIRST Annual General Meeting** of the members of the Company will be held on Friday, 29<sup>th</sup> September, 2017 at 4.00 P.M. at Citylight Banquets Hall, 4<sup>th</sup> Floor, Ashford Chambers, Citylight Cinema, L. J. Road, 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 31<sup>st</sup> March, 2017 including the Balance Sheet as at 31<sup>st</sup> March, 2017 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 place of Smt. Asha Mahendra Khatau (DIN: 00063944), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
3. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s) as an **ORDINARY RESOLUTION:**

**“RESOLVED THAT** in accordance with the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to Articles of Association, CNK & Associates LLP, Chartered Accountants, Mumbai (Firm Registration Number - 101961W/W100036) be and is hereby appointed as the Statutory Auditors of the Company to hold office for five consecutive years from the conclusion of the 51<sup>st</sup> Annual General Meeting till the conclusion of the 56<sup>th</sup> Annual General Meeting of the Company (subject to ratification of the appointment at every Annual General Meeting, if required by law) and the Board of Directors of the Company be and is hereby authorised to fix their remuneration.”

**SPECIAL BUSINESS:**

4. Approval for revision in remuneration of Chairman and Managing Director and in this regard, 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 49<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> December, 2015, approval of the Company be and is hereby accorded for revision in the remuneration payable to Shri. Mahendra K. Khatau (DIN: 00062794), Chairman and Managing Director of the Company with effect from 1<sup>st</sup> October, 2017 for the remaining period of his tenure as set out in the explanatory statement annexed to the Notice.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri. Mahendra K. Khatau, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by the resolution and the Companies Act, 2013.

**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”.

5. Approval for Transactions with the Related Parties under Section 188 of Companies Act, 2013, and in this regard, to consider and if thought fit, to pass the following resolution with or without modification(s) as an **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 arms length relationship basis.

**RESOLVED FURTHER THAT** all the Directors and Key Managerial Personnel of the Company be and are hereby severally authorised 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.”

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

**Place: Mumbai  
Date: 08<sup>th</sup> August, 2017**

**Sd/-  
Rajesh D. Pisal  
Company Secretary**

**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 (48) 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 24 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 Annual General Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2017 to 29<sup>th</sup> September, 2017 (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 Form of Proxy should be initialed.

To support the Green Initiative of the Government, Electronic copy of the Annual Report for the year ended 31<sup>st</sup> March, 2017 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](mailto:shareindia@vsnl.com)

12. 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 Annual General Meeting of the Company and shall be made accessible to a person attending the meeting.

13. 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.

14. 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 the Share Transfer Agent. Members holding shares in Demat form are requested to register the details of their PAN with their Depository Participant (DP).

15. 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 51<sup>st</sup> AGM and the Annual Report for 2016-17 will also be available on the website of the Company at [www.indokem.co.in](http://www.indokem.co.in). Physical copies of the aforesaid documents will also be available at the Registered Office 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](mailto:iklsecretarial@gmail.com).

16. 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, the Company is pleased to provide the members to exercise their rights to vote at the 51<sup>st</sup> AGM of the Company by electronic means through remote e-voting facility provided by Central Depository Services (India) Limited) "CDSL".

17. 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.

18. 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.

19. 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 26<sup>th</sup> September, 2017 (9.00 a.m.) till 28<sup>th</sup> September, 2017 (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 22<sup>nd</sup> September, 2017 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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 Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company please enter the</li> <li>• member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (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 CDSL 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 CDSL'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 [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - 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 [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Please Note that:**

1. The voting period begins on Tuesday, 26<sup>th</sup> September, 2017 at 9.00 a.m. and ends on Thursday, 28<sup>th</sup> September, 2017 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, 22<sup>nd</sup> September, 2017, 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 CDSL for voting after 5.00 p.m. on 28<sup>th</sup> September, 2017.

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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

2. Mrs. Samita Tanksale, Practicing Company Secretary (Membership No. CP10763) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
3. The Scrutinizers 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](http://www.indokem.co.in) and on the website of CDSL 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 29<sup>th</sup> September, 2017.

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

**Sd/-  
Rajesh D. Pisal  
Company Secretary**

**Place: Mumbai  
Date: 08<sup>th</sup> August, 2017**

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

**Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:****Item No. 3:**

As regards appointment of Statutory Auditors referred to in Item No. 3 of the Notice, the following disclosures are made for the information of the shareholders:

The current auditors, viz M/s- Sheth Doctor and Associates, Chartered Accountants, Mumbai (Firm Registration Number- 124822W) were last re-appointed by the Members at their Annual General Meeting held on 30<sup>th</sup> September, 2014 to hold the office of auditor from the conclusion of the 48<sup>th</sup> Annual General Meeting till the conclusion of 51<sup>st</sup> Annual General Meeting.

As per the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, no listed Company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided additional transition period of three years from the commencement of the Act i.e. 1<sup>st</sup> April, 2014. The current auditors, M/s- Sheth Doctor and Associates, had completed a period of ten years at the commencement of the said Act. Hence, on their completing the additional transition period of three years provided under the Act, their term expires at the conclusion of the ensuing Annual General Meeting.

The Board of Directors at its meeting held on 08<sup>th</sup> August, 2017 based on the recommendation of the Audit Committee has recommended the appointment of CNK & Associates LLP, Chartered Accountants (Firm Registration Number - 101961W/W100036), as the statutory auditors of the Company for approval by the members.

CNK & Associates LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors in terms of Section 143 of the Act.

CNK & Associates LLP, Chartered Accountants, will be appointed as the statutory auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 56<sup>th</sup> Annual General Meeting, Subject to ratification of their appointment by the members at every intervening Annual General Meeting on such terms and conditions as may be mutually agreed.

**Item No. 4:**

The shareholders will recall the re-appointment of Shri. Mahendra K. Khatau as Chairman and Managing Director of the Company with effect from 1<sup>st</sup> April, 2015 for a period of five years at the Annual General Meeting held on 21<sup>st</sup> December, 2015.

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 8<sup>th</sup> August, 2017, based on the recommendation of the Nomination and Remuneration Committee, approved the proposal to revise remuneration payable to Shri. Mahendra K. Khatau from the present ₹ 42,50,880/- per annum to ₹ 72,64,800/- per annum subject to approval of the shareholders.

The revised terms of remuneration payable to Shri. Mahendra K. Khatau with effect from 1<sup>st</sup> October, 2017 are as follows:

- (i) Salary: ₹ 3,00,000/- per month with annual increment of such amount as may be decided by the Board.
- (ii) Rent Free furnished Accommodation owned or leased/rented. In case the Company does not provide any accommodation, Shri. Mahendra K. Khatau shall receive House Rent Allowance of ₹ 1,50,000/- per month.
- (iii) Housing Maintenance Allowance: ₹ 80,000/- per month.
- (iv) Reimbursement of gas, electricity, water charges & furnishings up to ₹ 15,000/- per month.
- (v) Medical Reimbursement: Reimbursement of expenses incurred by Shri. Mahendra K. Khatau for himself and his family subject to ceiling of ₹ 5,000/- per month.
- (vi) Leave Travel Allowance for himself and his family is ₹ 5,000/- per month once in a year in accordance with rules of the Company.

- (vii) In accordance with the rules of the Company, premium on Personal Accident Insurance / Medclaim Policies shall be paid.
- (viii) Club Fees: Fees of Clubs subject to two Clubs. No admission and life membership fees shall be paid.
- i(x) Car with Driver and Telephone: The Company will provide a car with driver and telephone at the residence of Shri. Mahendra K. Khatau. The provision of car for use for Company's business and telephone at residence will not be considered as perquisite.
- (x) Earned Leave: On full pay and allowance and perquisite as per the rules of the Company, Encashment of leave for a maximum of 60 days at the end of the tenure will be permissible, which shall not be included in the computation of minimum remuneration.
- (xi) Company's contribution towards Provident Fund to the extent it is not taxable under Income Tax Act, 1961.
- (xii) Gratuity not exceeding half a month's salary for each completed year of service. The aforesaid perquisites stated shall not be included in the computation of minimum remuneration specified in Schedule V of the Companies Act, 2013 or any amendment thereto.

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 Shri. Mahendra K. Khatau for the year 2016-17 is provided in the Corporate Governance Report forming part of the Annual Report.

**General Information:**

Shri. Mahendra K. Khatau aged 62 years is on the Board of the Company since 28<sup>th</sup> January, 1986. He is a Commerce Graduate and has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time.

Shri. Mahendra K. Khatau is a promoter of the Company and holding 6.82% equity shares in the paid-up capital of the Company. During the last financial year, Shri. Mahendra K. Khatau attended all the 4 Board meetings of the Company.

Details of his directorships and committee positions are stated below.

**Directorship:**

1. Indokem Limited - Chairman and Managing Director
2. Refnol Resins and Chemicals Limited - Chairman
3. Priyamvada Holdings Limited
4. Khatau Holdings and Trading Company Private Limited
5. Khatau Leasing and Finvest Company Private Limited
6. Prerana Leasing and Finvest Company Private Limited
7. Vindhyapriya Holdings Private Limited
8. MKK Holdings Private Limited
9. Priyanilgiri Holdings Private Limited
10. Prism Plantations Private Limited
11. Chemron Texchem Private Limited
12. Mulraj Khatau and Sons Limited
13. Khatau Makanji and Company Private Limited

**Committees Positions:**

<b>Sr. No.</b>	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Chairman/ Member</b>
1.	Indokem Limited	Audit Committee	Member
2.	Indokem Limited	Committee of Board of Directors	Chairman
3.	Indokem Limited	Share Transfer Committee	Chairman
4.	Indokem Limited	Risk Management Committee	Chairman
5.	Refnol Resins and Chemicals Limited	Stakeholders' Relationship Committee	Member
6.	Refnol Resins and Chemicals Limited	Committee of Board of Directors	Chairman

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

Shri. Mahendra K. Khatau and his spouse Smt. Asha M. Khatau, Director and Mr. Manish M. Khatau, Whole – Time Director (Son) may be deemed to be concerned or interested in the above resolution. None of the other Directors or Key Managerial Personnel and their relatives is 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 to the Companies Act, 2013 requiring an ordinary resolution for payment of remuneration in the event of loss or adequacy 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. 4 of the Notice for approval by the shareholders.

**Item No. 5:**
**Transactions with Related Parties u/s 188 of the Companies Act, 2013**

The provisions of Section 188(1) of the Companies Act, 2013 govern Related Party Transactions and require a Company to obtain prior approval of the Board of Directors and in case Paid up Share Capital or Transaction 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 transaction 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 u/s. 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 2016-17 in the Board Meeting held on 10<sup>th</sup> May, 2017.

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, materials	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
<b>PARTNERSHIP FIRMS:</b>				
1.	Orchard Acres	10	0.25	1
<b>Directors/ KMPs/ Relatives of Directors &amp; KMPs/ Other Firms &amp; Companies in which Director have some interest as per the provisions of section 2(76) of the Companies Act, 2013.</b>				
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 market value and on arms 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 10<sup>th</sup> May, 2017. 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.

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

**Place: Mumbai  
Date: 08<sup>th</sup> August, 2017**

**Sd/-  
Rajesh D. Pisal  
Company Secretary**

**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:

<b>Name</b>	Smt. Asha Mahendra Khatau
<b>Age</b>	59
<b>Date of Appointment</b>	30 <sup>th</sup> October, 2010
<b>Expertise in functional Areas</b>	Industrialist
<b>Qualification</b>	B.A.
<b>Names of the Companies in which he she holds Directorships and Memberships of Committee of the Board</b>	<b>Directorship:</b> 1. Refnol Resins and Chemicals Limited 2. Priyamvada Holdings Private Limited 3. Prism Plantations Private Limited 4. Asha Marine Products Private Limited 5. Emerald Capital Services Private Limited 6. Chemron Texchem Private Limited
<b>Number of Shares held in the Company</b>	45243

**DIRECTORS' REPORT**

To,  
The Members of Indokem Limited,

Your Directors have pleasure in presenting the **Fifty First Annual Report** together with the Audited Accounts for the financial year ended **31<sup>st</sup> of March, 2017**.

**1. Financial Results:**

(₹ In Lakhs)

PARTICULARS	For the financial year ended 31.03.2017	For the financial year ended 31.03.2016
A – Income from Continuing Operation	7278.32	6003.63
Profit/(Loss) Before Interest, Depreciation & Taxes	184.27	371.29
<b>Less:</b> Interest	72.46	303.22
Depreciation	64.82	48.85
<b>Profit/(Loss) Before Tax</b>	<b>46.99</b>	<b>19.22</b>
<b>Less:</b> Short Provision for Tax in respect of earlier year	-	6.14
Profit/ (Loss) After Taxes	46.99	13.08
B – Income from Discontinuing Operations	<b>1319.44</b>	<b>(49.19)</b>
<b>Profit / (Loss) for the year</b>	<b>1366.43</b>	<b>(36.11)</b>
<b>Profit/(Loss) Brought Forward from last year</b>	<b>(3291.34)</b>	<b>(3255.23)</b>
<b>Depreciation of earlier years</b>	-	-
<b>Surplus/Deficit carried to Reserves</b>	<b>(1924.91)</b>	<b>(3291.34)</b>

**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 31<sup>st</sup> March, 2017.

**3. Operational Performance:**

Revenue from operations for F.Y. 2016-17 at ₹ 7278.32 lakhs was higher by 21.23% over previous year 6003.63 lakhs. EBITDA at ₹ 184.27 lakhs registered a decline over the EBITDA of ₹ 371.29 lakhs in F.Y. 2015-16. PAT for the year including income from discontinued operations was ₹ 1366.43 lakhs compared to the PAT of ₹ (36.11) lakhs in F.Y. 2015-16. The Income from discontinued operations is due to profit on sale of land at Ankleshwar, Gujarat.

**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 ratified as Independent Directors of the Company at the Annual General Meeting convened on 30<sup>th</sup> 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 re-appointment.

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, Shri Mukund Nagpurkar as Chief Financial Officer and Mr. Bhavik B. Parekh as Company Secretary.

Mr. Bhavik B. Parekh resigned from the position of the Company Secretary and Compliance Officer of the Company w.e.f. 19<sup>th</sup> June, 2017 and Mr. Rajesh D. Pisal was appointed at the same position of Company Secretary and Compliance Officer of the Company.

Shri. Mukund R. Nagpurkar resigned from the position of the Chief Financial Officer of the Company w.e.f. 31<sup>st</sup> July, 2017 and Ms. Rupal B. Parikh was appointed at the same position of Chief Financial Officer of the Company w.e.f. 08<sup>th</sup> August, 2017.

**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 C**.

**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 [www.indokem.co.in](http://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 were 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:**

M/s. Sheth Doctor & Associates, Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the conclusion of the 51<sup>st</sup> Annual General Meeting. They are not eligible for re-appointment as the period of 3 years available to them under third proviso to Section 139 (2) of the Companies Act, 2013 read with Rule 6 (1) of the Companies (Audit and Auditors) Rules, 2014 ("Rules") will be exhausted at the conclusion of the 51<sup>st</sup> Annual General Meeting to be held on 29<sup>th</sup> September, 2017.



The Board places on record its deep appreciation of the valuable contributions made by M/s. Sheth Doctor & Associates, Statutory Auditors of the Company.

In accordance with the provisions of Section 139 (2) of the Companies Act, 2013 which provides for rotation of Auditors, the Audit Committee and the Board at their respective meetings, have unanimously recommended to the Shareholders appointment of CNK & Associates LLP, Chartered Accountants (Firm Registration Number - 101961W / W100036) as the Statutory Auditors of the Company to hold office for five consecutive years from the conclusion of the 51<sup>st</sup> Annual General Meeting scheduled to be held on 29<sup>th</sup> September, 2017 till the conclusion of the 56<sup>th</sup> Annual General Meeting to be held in the year 2022. This is subject to ratification by Shareholders at every Annual General Meeting.

CNK & Associates LLP has given a written consent to the Company for appointment as Auditors. CNK & Associates LLP has also given a certificate that they satisfy the criteria prescribed in Section 141 of the Companies Act, 2013 and their appointment, if made, shall be in accordance with the conditions laid down under the Act and Rules.

### 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 Secretary in Whole-Time Practice, Mumbai to undertake Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2017. The Secretarial Audit Report issued by M/s Ragini Chokshi & Co. 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:

Four 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 contribution 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, 2017, 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 current 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. 28 to the financial statements for the financial year 2016-17.

The loans, investments, guarantees and securities provided by the Company during the financial year ended 31<sup>st</sup> March, 2017, together with the existing loans, investments, guarantees and securities do not exceed the limits prescribed under sub-section (2) of Section 186.

**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** and the same 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 2014-15, the Company had entered into Memorandum of Understanding (MOU) with a buyer for sale/transfer of its asset at Ankleshwar, Gujarat. The said transaction has been completed successfully during the year.

In previous year, Company has entered into MOU for acquisition of Plot of Land at MIDC, Ambarnath together with factory building standing thereon and machineries installed therein. Documentation for effecting transfer of rights is under process and will be concluded shortly.

**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) Total energy consumption and energy consumption per unit of production:**

As per Form – A forming part of Annexure A.

**B. Technology Absorption:**

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

- Modification in air conditioning system to improve process conditions.
- Modification in existing machines for high value and new products developments including process simplification.
- 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;

- Cost reduction
- Improvement in quality
- Improvement in operating performance
- New product developments

**C. Foreign Exchange Earnings and Outgo:**

(₹ in '000)

PARTICULARS	31.03.2017	31.03.2016
<b>I. Expenditure in Foreign Exchange Currency</b>		
Value of Imports on C.I.F. on the basis of Raw Materials	21,50	55,10
Travelling	10,95	12,54
Foreign Bank Charges	1,06	1,89
Consultancy charges	1,32	4,06
<b>TOTAL</b>	<b>34,83</b>	<b>73,59</b>
<b>II. Earnings in Foreign Exchange</b>		
F.O.B. Value of Exports	<b>12,53,69</b>	<b>7,98,31</b>
1. <b>Foreign exchange earned</b> Export of goods on FOB basis	12,53,69	7,98,31
2. <b>Outgo of Foreign exchange</b> CIF value of Imports	21,50	55,10
3. <b>Expenditure in Foreign Currencies</b>	13,33	18,49

**27. Risk Management:**

Your Company has a robust risk management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risk trend, exposure and potential impact analysis at a Company level as also separately for business segments. The key business risks identified by the Company and its mitigation plans are included in Management Discussion and Analysis Report.

**28. Subsidiary Company, Associate Company and Joint Venture Company:**

Your Company does not have any Subsidiaries or Associates or Joint Venture Companies.

**29. Deposits:**

Your Company has not accepted any deposits from public.

**30. Internal Financial Control:**

Company has established Internal Financial Control over Financial Reporting in current financial year 2016-2017.

**31. 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 2016-2017 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.

**32. 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.

**33. Cost Audit:**

You 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 2016-2017.

**34. Appreciation:**

The Board of Directors thank the Company's employees, customers, vendors, investors for their continuous support and is grateful for the confidence and faith shown in 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 & on behalf of the Board**

**Sd/-**

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

**Place: Mumbai  
Date : 08<sup>th</sup> August, 2017**

**ANNEXURE A**
**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 31.03.2017	For the financial year ended 31.03.2016
<b>A. Power and Fuel Consumption</b>			
1. Electricity			
(a) Purchased Units (₹ 000 Unit)		299	246
Total Amount (₹ 000)		2807	2256
Cost Per Unit		9.39	9.17
(b) Own Generation			
(i) Through Diesel Generator Set:		N.A.	N.A.
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 Quality – Ltrs.		42667	34450
Total Amount – ₹ In Lakhs		18.67	14.13
Average Rate – ₹/Unit		43.77	41.02
4. Others/internal generation		N.A.	N.A.
Gas - (000 NM <sup>3</sup> )			
Total Amount – (₹ 000)			
Average Rate – (₹/ NM <sup>3</sup> )			
<b>B. Production / Consumption of:</b>		<b>For the financial year ended 31.03.2017</b>	<b>For the financial year ended 31.03.2016</b>
<b>Products</b>			
Dyes	MT	538.450	324.790
Sizing Chemicals	MT	5360.721	3495.568
Auxiliaries	MT	1392.842	514.134
Capacitors	Units	524	534

**ANNEXURE B****FORM AOC – 2**

***[Pursuant to clause (h) of sub-section (3) of Section 134 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 sub-section (1) of Section 188 of the Companies Act, 2013 including certain Arms 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 2016-17.

**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 2016-17 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 31<sup>st</sup> March, 2017.

**For & on behalf of the Board**

**Sd/-**

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

**Place: Mumbai  
Date : 08<sup>th</sup> August, 2017**

**ANNEXURE C**

**[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 <sup>st</sup> March, 2017	Ratio of Remuneration to median remuneration of employees
1.	Shri Mahendra K. Khatau Chairman & Managing Director	38.69	8.57
2.	Mr. Manish M. Khatau, Whole Time Director	24.07	13.77

**Note:** The Non Executive and 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 Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Executive Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase / (decrease) in remuneration in the financial year
Shri Mahendra K. Khatau - Chairman and Managing Director	NIL
Shri Manish Mahendra Khatau – Whole Time Director	NIL
Shri Mukund R. Nagpurkar – Chief Financial Officer	NIL
Shri Bhavik B. Parekh – Company Secretary	NIL

- (iii) The percentage increase in the median remuneration of employees in the financial year: NIL
- (iv) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2017: 92
- (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: NIL
- Average Percentile Increase for managerial personnel: NIL
- (vi) It is affirmed that the remuneration paid during the period under review is as per the remuneration policy of the Company.

**ANNEXURE D**
**FORM MGT - 9**
**EXTRACT OF ANNUAL RETURN**
**As on financial year ended 31-03-2017**
**[Pursuant to Section 92(3) of the Companies act, 2013 read with  
The Companies (Management and Administration) Rules, 2014**
**A. REGISTRATION AND OTHER DETAILS:**

<b>CIN:</b>	L31300MH1964PLC013088
<b>Registration Date:</b>	22 <sup>nd</sup> December, 1964
<b>Name of the Company:</b>	<b>INDOKEM LIMITED</b>
<b>Category / Sub-Category of the Company</b>	Company Limited by Shares/ Non - Government Company Public Limited Company
<b>Address of the Registered office and contact details:</b>	Plot No. 410/411, Khatau House, Mogul Lane, Mahim (West), Mumbai - 400 016.
<b>Whether listed Company</b>	Yes, listed at the Bombay Stock Exchange Limited
<b>Name, Address and contact details of Registrar and Transfer Agent, if any</b>	Sharex Dynamic (India) Pvt.Ltd. Unit No.1, Luthra Ind.Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400 072 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 01-04-2016				No. of Shares held at the end of the year 31-03-2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S:</b>									
<b>(1) INDIAN</b>									
(a) Individual	1905282	0	1905282	7.832	1924091	0	1924091	7.910	0.078
(b) Central Govt.		0				0			0
(c) State Govt. (s)		0				0			0
(d) Bodies Corp.	15347267	0	15347267	63.091	15350164	0	15350164	63.103	0.012
(e) Banks / FI.		0				0			0
(f) Any Other		0				0			0
<b>Sub-total (A) (1):-</b>	<b>17252549</b>	<b>0</b>	<b>17252549</b>	<b>70.923</b>	<b>17274255</b>	<b>0</b>	<b>17274255</b>	<b>71.013</b>	<b>0.09</b>
<b>(2) FOREIGN</b>									
(a) NRIs - Individual		0				0			0



(b) Other Individuals		0				0			0
(c) Bodies Corp.		0				0			0
(d) Banks / FI.		0				0			0
(e) Qualified Foreign Investor		0				0			0
(f) Any Other Specify		0				0			0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	17252549	0	17252549	70.923	17274255	0	17274255	71.013	0.09
<b>(B) (1) PUBLIC SHAREHOLDING:</b>									
(a) Mutual Funds	0	35650	35650	0.147	0	35650	35650	0.147	0.000
(b) Banks / FI.	400	1675	2075	0.009	400	1675	2075	0.009	0.000
(c) Central Govt.		0				0			0.000
(d) State Govt.	0	15950	15950	0.066	5000	15950	20950	0.086	0.020
(e) Venture Capital Funds		0				0			0.000
(f) Insurance Companies	5000	100	5100	0.021	0	100	100	0.000	-0.021
(g) FIs		0				0			0.000
(h) Foreign Venture Capital Funds		0				0			0.000
(i) Others (specify)		0				0			0.000
Sub-total (B)(1):-	5400	53375	58775	0.243	5400	53375	58775	0.242	-0.001

<b>2. NON-INSTITUTIONS:</b>									
<b>(a) BODIES CORP.:</b>									
(i) Indian	165607	95927	261534	1.075	176919	94577	271496	1.116	0.041
(ii) Overseas		0				0			0.000
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1777243	3141823	4919066	20.222	1912153	3117937	5030090	20.678	0.456
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1743613	79100	1822713	7.493	1525798	48900	1574698	6.473	-1.020
<b>(c) Others (specify)</b>									
Non Resident Indians	7163	3300	10463	0.043	17975	2800	20775	0.085	0.042
Overseas Corporate Bodies		0				0			0
Foreign Nationals		0				0			0
Clearing Members	500	0	500	0.002	95511	0	95511	0.393	0.391
Trusts		0				0			0
Foreign Bodies - DR		0				0			0
Sub-total (B)(2):-	3694126	3320150	7014276	28.835	3728356	3264214	6992570	28.745	-0.09
Total Public Shareholding (B)=(B)(1)+ (B)(2)	3699526	3373525	7073051	29.078	3733756	3317589	7051345	28.987	-0.091
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
		0				0			0.000
Grand Total (A+B+C)	20952075	3373525	24325600	100.00	21008011	3317589	24325600	100.00	0.00

**(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	PRIYAMVADA HOLDINGS LIMITED	5564519	22.875	4.111	0	0.000	0.000	-22.875
2	VINDHYAPRIYA HOLDINGS PRIVATE LIMITED	3294588	13.544	1.233	5365296	22.056	11.511	8.512
3	PRIYANILGIRI HOLDINGS PRIVATE LIMITED	1051971	4.325	0.000	4896929	20.131	0.000	15.806
4	KHATAU LEASING AND FINANCE COMPANY PRIVATE LIMITED	3831215	15.750	8.588	0	0.000	0.000	-15.750
5	MKK HOLDINGS PRIVATE LIMITED	297809	1.224	0.822	3777877	15.530	0.822	14.306
6	MAHENDRA KISHORE KHATAU	1651029	6.787	0.000	1658310	6.817	3.083	0.030
7	KHATAU HOLDINGS AND TRADING COMPANY PRIVATE LIMITED	847705	3.485	0.000	847705	3.485	0.000	0.000
8	EMERALD CAPITAL SERVICES PRIVATE LIMITED	388920	1.599	0.000	388920	1.599	0.000	0.000
9	LEELABAI KISHORE KHATAU	80883	0.333	0.000	80883	0.333	0.000	0.000
10	ASHA MARINE PRODUCTS PRIVATE LIMITED	52700	0.217	0.000	52700	0.217	0.000	0.000
11	ASHA MAHENDRA KHATAU	40197	0.165	0.000	45243	0.186	0.000	0.021
12	ANIL KISHORE KHATAU	42393	0.174	0.000	42393	0.174	0.000	0.000
13	PRIYA MAHENDRA KHATAU	35630	0.146	0.000	38920	0.160	0.000	0.014
14	MANISH MAHENDRA KHATAU	32400	0.133	0.000	35592	0.146	0.000	0.013
15	PRISM PLANTATIONS PRIVATE LIMITED	17840	0.073	0.000	20737	0.085	0.000	0.012
16	NEOMY ANIL KHATAU	12500	0.051	0.000	12500	0.051	0.000	0.000
17	ILESHA ANIL KHATAU	5250	0.022	0.000	5250	0.022	0.000	0.000
18	SHREYA S. SINGHANIA	5000	0.021	0.000	5000	0.021	0.000	0.000

**(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	Increasing/ Decreasing in shareholding	Reason	No. Of shares	
1	VINDHYAPRIYA HOLDINGS PRIVATE LIMITED	3294588	13.544	01-04-2016				
		-Closing Balance			31-03-2017	2070708	Transfer	5365296
2	PRIYANILGIRI HOLDINGS PRIVATE LIMITED	1051971	4.325	01-04-2016				
		-Closing Balance			31-03-2017	3844958	Transfer	4896929
3	MKK HOLDINGS PRIVATE LIMITED	297809	1.224	01-04-2016				
		-Closing Balance			31-03-2017	3480068	Transfer	3777877
4	MAHENDRA KISHORE KHATAU	1651029	6.787	01-04-2016				
				15-04-2016	700	Purchase	1651729	6.79
				22-04-2016	1000	Purchase	1652729	6.794
				29-04-2016	4000	Purchase	1656729	6.811
				06-05-2016	1525	Purchase	1658254	6.817
				16-12-2016	56	Purchase	1658310	6.817
-Closing Balance			31-03-2017			1658310	6.817	
5	ASHA MAHENDRA KHATAU	40197	0.165	01-04-2016				
				22-04-2016	1000	Purchase	41197	0.169
				29-04-2016	3146	Purchase	44343	0.182
				06-05-2016	900	Purchase	45243	0.186
-Closing Balance			31-03-2017			45243	0.186	
6	PRIYA MAHENDRA KHATAU	35630	0.146	01-04-2016				
				22-04-2016	700	Purchase	36330	0.149
				29-04-2016	2590	Purchase	38920	0.16
-Closing Balance			31-03-2017			38920	0.16	
7	MANISH MAHENDRA KHATAU	32400	0.133	01-04-2016				
				22-04-2016	1000	Purchase	33400	0.137
				29-04-2016	2192	Purchase	35592	0.146
-Closing Balance			31-03-2017			35592	0.146	
8	PRISM PLANTATIONS PVT LTD	17840	0.073	01-04-2016				
				22-04-2016	1000	Purchase	18840	0.077
				29-04-2016	1897	Purchase	20737	0.085
-Closing Balance			31-03-2017			20737	0.085	
9	PRIYAMVADA HOLDINGS LIMITED	5564519	22.875	01-04-2016				
				-Closing Balance			29-03-2017	-5564519
10	KHATAU LEASING AND FINANCE COMPANY PRIVATE LIMITED	3831215	15.75	01-04-2016				
				-Closing Balance			29-03-2017	-3831215

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

Sr. No.	Name	No. of Shares at the beginning / end of the year	% of the Shares of the Company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the Company
1	SUBRAMANIAN P	5000	0.021	01-04-2016				
				14-10-2016	506030	Purchase	511030	2.101
				11-11-2016	-4030	Sold	507000	2.084
	-Closing Balance			31-03-2017			507000	2.084
2	MAYUR MANGALDAS KOTHARI	397049	1.632	01-04-2016				
				23-09-2016	-5000	Sold	392049	1.612
				07-10-2016	-20000	Sold	372049	1.529
				14-10-2016	-50000	Sold	322049	1.324
				21-10-2016	-60000	Sold	262049	1.077
				11-11-2016	-41500	Sold	220549	0.907
				09-12-2016	-45000	Sold	175549	0.722
				06-01-2017	-10000	Sold	165549	0.681
	-Closing Balance			31-03-2017			165549	0.681
3	JIGNESH MADHUKANT MEHTA	21699	0.089	23-09-2016				
				07-10-2016	4994	Purchase	26693	0.11
				14-10-2016	20000	Purchase	46693	0.192
				21-10-2016	29289	Purchase	75982	0.312
				11-11-2016	47500	Purchase	123482	0.508
				24-03-2017	4571	Purchase	Purchase	0.526
	-Closing Balance			31-03-2017			128053	0.526
4	DATTA SATISH DOSHI	3584	0.015	23-09-2016				
				07-10-2016	10000	Purchase	13584	0.056
				14-10-2016	26416	Purchase	40000	0.164
				11-11-2016	20000	Purchase	60000	0.247
				25-11-2016	9089	Purchase	69089	0.284
				09-12-2016	30911	Purchase	100000	0.411
	-Closing Balance			31-03-2017			100000	0.411
5	YOGESH LAXMIDAS BHATIA	60200	0.247	01-04-2016				
	-Closing Balance			31-03-2017		No Change	60200	0.247
6	VIJAY KUMAR JAIN	66000	0.271	01-04-2016				
				24-06-2016	1000	Purchase	67000	0.275
				12-08-2016	-7000	Sold	60000	0.247
				09-09-2016	-10000	Sold	50000	0.206
				23-09-2016	15000	Purchase	65000	0.267
				02-12-2016	-5000	Sold	60000	0.247
	-Closing Balance			31-03-2017			60000	0.247
7	SANTOSH MURARILAL GUPTA	117000	0.481	01-04-2016				
				01-07-2016	-500	Sold	116500	0.479
				15-07-2016	-8986	Sold	107514	0.442
				12-08-2016	-950	Sold	106564	0.438
				26-08-2016	-600	Sold	105964	0.436
				02-09-2016	-2500	Sold	103464	0.425
				16-09-2016	-2500	Sold	100964	0.415
				23-09-2016	-7464	Sold	93500	0.384

Sr. No.	Name	No. of Shares at the beginning / end of the year	% of the Shares of the Company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the Company
				30-09-2016	-2500	Sold	91000	0.374
				07-10-2016	-11000	Sold	80000	0.329
				14-10-2016	-4807	Sold	75193	0.309
				04-11-2016	-2500	Sold	72693	0.299
				11-11-2016	-2500	Sold	70193	0.289
				18-11-2016	-4000	Sold	66193	0.272
				02-12-2016	-2193	Sold	64000	0.263
				09-12-2016	-2000	Sold	62000	0.255
				23-12-2016	-1000	Sold	61000	0.251
				17-03-2017	-2000	Sold	59000	0.243
	-Closing Balance			31-03-2017			59000	0.243
8	MAHENDRA GIRDHARILAL	58151	0.239	01-04-2016				
	-Closing Balance			31-03-2017		No Change	58151	0.239
9	LSE SECURITIES LTD.	3810	0.016	01-04-2016				
				11-11-2016	10000	Purchase	13810	0.057
				09-12-2016	15000	Purchase	28810	0.118
				16-12-2016	20000	Purchase	48810	0.201
	-Closing Balance			31-03-2017			48810	0.201
10	SATISH JAGDISH DOSHI	40000	0.164	18-11-2016				
	-Closing Balance			31-03-2017		No Change	40000	0.164
11	SALOMI SUSHIL SHAH	125000	0.514	01-04-2016				
				11-11-2016	-10000	Sold	115000	0.473
				09-12-2016	-7000	Sold	108000	0.444
				16-12-2016	-2000	Sold	106000	0.436
				06-01-2017	-6000	Sold	100000	0.411
				13-01-2017	-6401	Sold	93599	0.385
				27-01-2017	-10965	Sold	82634	0.34
				03-03-2017	-2327	Sold	80307	0.33
				17-03-2017	-34844	Sold	45463	0.187
				24-03-2017	-10000	Sold	35463	0.146
	-Closing Balance			31-03-2017	-463	Sold	35000	0.144
12	ARUN KUMAR SANCHETI (HUF)	52410	0.215	01-04-2016				
				07-10-2016	-7410	Sold	45000	0.185
				11-11-2016	-879	Sold	44121	0.181
				25-11-2016	-5000	Sold	39121	0.161
				09-12-2016	-3121	Sold	36000	0.148
				16-12-2016	-4160	Sold	31840	0.131
	-Closing Balance			31-03-2017			31840	0.131
13	SATHYA S	424150	1.744	01-04-2016				
	-Closing Balance			14-10-2016	-424150	Sold	0	0
14	SANGEETHA S	81880	0.337	01-04-2016				
	-Closing Balance			14-10-2016	-81880	Sold	0	0
15	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	41332	0.17	01-04-2016				
				27-05-2016	-4000	Sold	37332	0.153
				07-10-2016	-30516	Sold	6816	0.028
	-Closing Balance			14-10-2016	-6816	Sold	0	0

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding at the beginning of the year			Cumulative 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	
<b>1</b>	<b>Shri. Mahendra K. Khatau</b>							
	At the beginning of the year	1651029	6.787	01.04.2016	Increase	Purchase	1651029	6.787
	At the end of the year	1658310	6.817	31.03.2017			1658310	6.817
<b>2</b>	<b>Mr. Manish M. Khatau</b>							
	At the beginning of the year	32400	0.133	01.04.2016	Increase	Purchase	32400	0.133
	At the end of the year	35592	0.146	31.03.2017			35592	0.146
<b>3</b>	<b>Asha M. Khatau</b>							
	At the beginning of the year	40197	0.165	01.04.2016	Increase	Purchase	40197	0.165
	At the end of the year	45243	0.186	31.03.2017			45243	0.186
<b>4</b>	<b>Shri. Bhalchandra Sontakke</b>							
	At the beginning of the year	100	0	01.04.2016	N/A	N/A	100	0
	At the end of the year	100	0	31.03.2017			100	0
<b>5</b>	<b>Shri. Kailash Pershad</b>							
	At the beginning of the year	0	0	01.04.2016	N/A	N/A	0	0
	At the end of the year	0	0	31.03.2017			0	0
<b>6</b>	<b>Shri. Rajagopalan Sessa</b>							
	At the beginning of the year	0	0	01.04.2016	N/A	N/A	0	0
	At the end of the year	0	0	31.03.2017			0	0
<b>7</b>	<b>Shri. Mukund R. Nagpurkar</b>							
	At the beginning of the year	10200	0.041	01.04.2016	Decrease	Sold	10200	0.041
	At the end of the year	1000	0.004	31.03.2017			1000	0.004
<b>8</b>	<b>Mr. Bhavik B. Parekh</b>							
	At the beginning of the year	0	0	01.04.2016	N/A	N/A	0	0
	At the end of the year	0	0	31.03.2017			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
<b>Indebtedness at the beginning of the financial year:</b>				
i) Principal Amount	1,36,72,352	4,04,38,725	2,35,36,379	7,76,47,456
ii) Interest due but not paid	0	5,59,321	0	5,59,321
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1,36,72,352</b>	<b>4,09,98,046</b>	<b>2,35,36,379</b>	<b>7,82,06,777</b>
<b>Change in Indebtedness during the financial year:</b>				
• Addition	9,27,979	1,66,65,585	58,35,797	2,34,29,361
• Reduction	32,98,372	3,92,90,496	94,72,454	5,20,61,322
<b>Net Change</b>	<b>-23,70,393</b>	<b>-2,26,24,911</b>	<b>-36,36,657</b>	<b>-2,86,31,961</b>
<b>Indebtedness at the end of the financial year:</b>				
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
<b>Total (i+ii+iii)</b>	<b>1,13,01,959</b>	<b>1,83,73,135</b>	<b>1,98,99,722</b>	<b>4,95,74,816</b>

**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	<b>Shri. Mahendra K. Khatau (01/04/2016 - 31/03/2017)</b>	
	Designation	<b>Chairman &amp; Managing Director</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34,20,000	34,20,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,48,794	4,48,794
	(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	-	-
	<b>Total (A)</b>	38,68,794	38,68,794
	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/ Manager	Total
	Name	<b>Mr. Manish Mahendra Khatau (01/04/2016 - 31/03/2017)</b>	
	Designation	<b>Whole Time Director</b>	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,67,000	23,67,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600
	(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	-	-
	<b>Total (A)</b>	24,06,600	24,06,600
	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
<b>(A) Independent Directors</b>			
1	Name	<b>Shri. Kailash Pershad</b>	
	• Fee for attending Board / Committee meetings	40,000	
	• Commission	-	
	• Others, please specify	-	
	<b>Sub Total</b>	<b>40,000</b>	<b>40,000</b>
2	Name	<b>Shri. Bhalachandra. G. Sontakke</b>	
	• Fee for attending Board / Committee meetings	40,000	
	• Commission	-	
	• Others, please specify	-	
	<b>Sub Total</b>	<b>40,000</b>	<b>40,000</b>
3	Name	<b>Shri. Rajagopalan Sesha</b>	
	• Fee for attending Board / Committee meetings	30,000	
	• Commission	-	
	• Others, please specify	-	
	<b>Sub Total</b>	<b>30,000</b>	<b>30,000</b>
	<b>Total (A)</b>	<b>1,10,000</b>	<b>1,10,000</b>
<b>(B) Other Non-Executive Directors</b>			
1	Name	<b>Smt. Asha M. Khatau</b>	
	• Fee for attending Board / Committee meetings	20,000	
	• Commission	-	
	• Others, please specify	-	
	<b>Sub Total</b>	<b>20,000</b>	<b>20,000</b>
	<b>Total (B)</b>	<b>20,000</b>	
	<b>Total (C)=(A+B)</b>	<b>1,30,000</b>	<b>1,30,000</b>
	<b>Total Managerial Remuneration</b>		
	Overall Ceiling as per the Act	As per Companies Act, 2013	

**(C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**
**(Amount in ₹)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Shri. Mukund Nagpurkar Chief Financial Officer (01/04/2016 - 31/03/2017)	Mr. Bhavik Parekh Company Secretary (01/04/2016 - 31/03/2017)	
1	Gross salary	10,68,004	5,93,135	16,61,139
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	48,000	25,275	73,275
	(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			
	<b>Total</b>	<b>11,16,004</b>	<b>6,18,410</b>	<b>17,34,414</b>
	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.					
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW OF COMPANY:-

Your Company has been an active player in domestic as well as export market. Though the external environment i.e. regulatory and taxation is changing rapidly, Company has time and 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. 2016-17, your Company achieved a turnover of ₹ 72.78 Crores, which is an increase of 22% as compared to last year.
- During the year, our major product has received GOTS (Global Organic Textile Standard) certification. The Global Organic Textile Standard (GOTS) is the worldwide leading textile processing standard for organic fibres, including ecological and social criteria, backed up by independent certification of the entire textile supply chain.
- During the year, Company has successfully targeted Pakistan as a new market and received overwhelming response to our products.
- In this year, Company has invested on automation and added new plant for manufacturing of sizing products and doubled the production capacity of various textile auxiliaries.
- Customers have shown great trust in our Reactive Dyes products and now we are focusing on Pigment emulsions range for which there is less competition.
- During the year, Company has invested on Quality Control machinery in Laboratory and qualified staff to meet global standards.
- During the year, Company has introduced new and attractive Packing Material for our products which has shown better results.
- Company is continuously investing on the registration and renewal of Trademarks to safeguard Intellectual Property Rights.
- Company has prepared itself to face challenge of GST by training its staff for proper compliances.
- Further, Company is also ready for implementation of Indian Accounting Standards which are applicable from F. Y. 2017-18 to our Company.
- New Corporate clients have shown faith in our products since last couple of years.
- After closure of our Ankleshwar plant which was not profitable, Company has initiated investment in our Ambarnath factories and which may boost our production and fetch good business.

### OVERVIEW OF ECONOMY, INDUSTRY STRUCTURE AND DEVELOPMENTS:

During the year, global economic growth slowed down, political scene changed across the globe and geopolitical risks increased. However, recent indicators indicate improving global scenario backed by stabilizing growth in India, stronger activity in advanced economies and step up in emerging market led by improving prices. The dyes and textile chemical industry is an indispensable and integral constituent of the growing Indian economy and remains one of the oldest industries of the nation.

The impact of demonetisation on the overall growth is still difficult to assess, however it impacted badly small and medium sized businesses. F. Y. 2017-18 is expected to end with GDP growth estimated around 7.1% compared to 7.9% during F. Y. 2016-17. However, key reforms like Aadhar Act, Bankruptcy Code, Goods and Services Tax (GST) has done well for economic growth in the medium to long term. The low inflation should lead to low and stable interest rate regime.

Due to increasing environmental consciousness, use of eco-friendly colorants such as low impact dyes is emerging. Moreover, 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 the Asian markets, particularly India and China.

**Market View:-**

- In terms of value and production volume, Indian chemical industry is the 3<sup>rd</sup> largest producer in Asia after China and Japan and 6<sup>th</sup> by output in the world. Indian chemical industry could grow at 11% p.a. to reach size of US\$403 billion by the year 2025.
- India accounts for approximately 16% of the world production of dyestuff and dye intermediates, particularly for reactive acid and direct dyes
- Recently a Tata Strategic Management Group study noted that factors such as boost to specialty chemicals and pharmaceuticals segment, low per capital consumption including agrochemicals, likely growth in demand from paints, textiles and diversified manufacturing base would act as key driver for the growth of the sector.
- 100 per cent FDI is permissible in the Indian chemicals sector; manufacturing of most chemical products is de-licensed.

**OPPORTUNITIES AND CHALLENGES:**
**Opportunities:**

- With a steady Government and with new reforms Indian textile chemical Companies are expected to get further boost. Further the Make in India drive has lead to positive wave and various new projects are proposed to be commenced with a focus to make India as a manufacturing hub for those products. This shall increase the direct and indirect demand of various chemicals. These chemicals are expected to contribute directly or indirectly as import substitute or contribute to the increase in exports from India.
- 100% FDI is permissible in the Indian chemicals sector, which will attract foreign investment. India, with its skilled manpower and flourishing end-user industries, has the right ingredients to emerge as the global hub for chemical manufacturing, provided the Government takes steps for better infrastructure and other fiscal benefits.
- Value of India's exports of inorganic chemicals have increased from USD 1.21 billion in F.Y.16, with the organic chemical market reaching USD 11.51 billion in F.Y.16. Exports of organic chemicals from India stood at USD 4.02 billion in F.Y.16.
- There is strong government support towards R&D; this would benefit the sector. The industry has left behind a low-growth and regulated environment to emerge more mature.

**Challenges:**

- The manufacturing units are small in comparison to the demands and infrastructure is not up to the standards of developed countries which results in loss of economies of scale.
- New product innovation leads to heavy expenditure in research and development which is not possible for mid-size and small organizations.
- Increase in the power costs, higher transaction costs, high cost of labour and general increase in input costs, are all hindering progress, for which the industry has to concentrate on cost reduction exercises and improvement in efficiency.

**FUTURE OUTLOOK:**

The Company is in the business of Dyes, Auxiliaries & Sizing Chemicals for the Textile Industry. Our chemical production units with the help of marketing personnel have increased its sales in domestic as well is striving to make its presence felt globally at the same time; which should further improve our quality, durability and demand which would give high end result to achieve better realization and recognition in the market at large. In near future we can see ourselves working hand in hand with the global institutions and meeting the demands of domestic as well as international customers. We are hopeful for a better year ahead.

**RISKS AND CONCERNS:**

There is a constant research and development process in place for ascertainment of threats and gauging of the risk appetite of the Company. Your Company functions in a dynamic environment which changes rapidly, the tastes

of consumer and introduction of new products involves heavy concentration of research and development, quality maintenance and cost.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

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.

**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.

**Adoption of Indian Accounting Standards (Ind AS)**

- Your Company has adopted Indian Accounting Standards (Ind AS) with effect from 1<sup>st</sup> April, 2017 pursuant to the notification of the Ministry of Corporate Affairs in Companies Rules, 2015. For year 2016-17, Company has completed the assessment of impact of change to Ind AS for relevant periods. The Company has modified accounting and reporting systems to facilitate the changes.

**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, 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.

**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 litigation and industrial relations.

**CONCLUSION:**

Your Company expects turn-around in its performance in coming year on account of several initiatives taken by the Company in improving plant efficiency, new product developments and focus on Research and Development. 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 summarise, your Company is optimistic for the growth in the medium term in revenues as well as operating margins.

**For & on behalf of the Board**

**Sd/-**

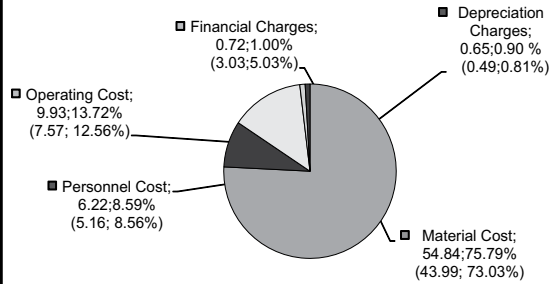
**Shri. Mahendra K. Khatau**  
**Chairman & Managing Director**  
**DIN: 00062794**

**Place: Mumbai**  
**Date : 08<sup>th</sup> August, 2017**

**FINANCIAL HIGHLIGHTS F.Y. - 2016-17**

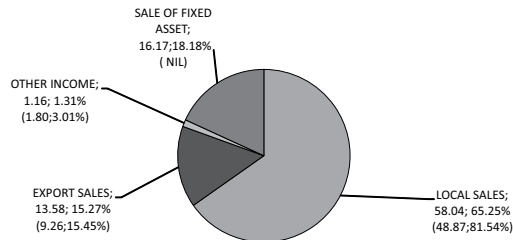
**DISTRIBUTION OF REVENUE (₹ IN CRORES)**

(Previous year's figures in brackets)

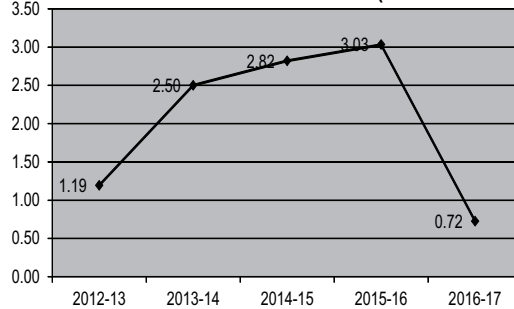


**SOURCES OF REVENUE (₹ IN CRORES)**

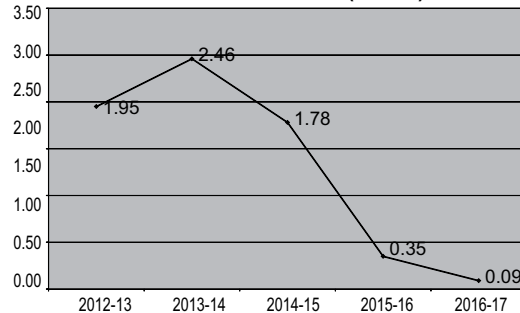
(Previous Year's Values in brackets)



**INTEREST AND FINANCE COSTS (₹ IN CRORES)**



**DEBT EQUITY RATIO (TIMES)**



## CORPORATE GOVERNANCE REPORT

### COMPLIANCE REPORT FOR THE FINANCIAL YEAR 2016-17:

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 31<sup>st</sup> March, 2017, 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 hold Directorship in more than ten Public Companies. Further none of them is a member of 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 31<sup>st</sup> March, 2017 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. Four 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: 12<sup>th</sup> May, 2016, 10<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017.
- 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 31<sup>st</sup> March, 2017 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		Other	M
1.	Shri. Mahendra K. Khatau Chairman & Managing Director – Promoter	4	Yes	2	1	3+2
2.	Mr. Manish M. Khatau Whole-Time Director – Promoter	4	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	4	No	2	2	1
5.	Shri. S. Rajagopalan Non-Executive Independent Director	3	No	2	3+2	-
6.	Shri. B. G. Sontakke Non-Executive Independent Director	4	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 31<sup>st</sup> March, 2017 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. B. G. 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 for retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment.

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 29<sup>th</sup> September, 2017.

**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 31<sup>st</sup> March, 2017, 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	
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. ➤ Oversights 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)	4
	Shri. S. Rajagopalan	Member (Non-Executive / Independent)	3
	Shri. B. G. Sontakke	Member (Non-Executive / Independent)	4
	Shri. Mahendra K. Khatau	Member (Chairman & Managing Director)	4

The Company Secretary acts as the Secretary to the Committee.

No. of meetings held - Four meetings of Audit Committee of the Board of Directors were held during the financial year ended 31<sup>st</sup> March, 2017.

Dates: 12<sup>th</sup> May, 2016, 10<sup>th</sup> August, 2016, 14<sup>th</sup> November, 2016 and 10<sup>th</sup> February, 2017.

**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 [www.indokem.co.in](http://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	
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 Companies Act, 2013. ➤ 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)	-
	Shri. Kailash Pershad	Member (Non-Executive / Independent)	-
	Shri. S. Rajagopalan	Member (Non-Executive / Independent)	-

No. of meetings held - NIL



**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 judgment, 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](http://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](http://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 31<sup>st</sup> March, 2017 are given below:

(Amount in ₹)

Sr. No.	Particulars	Shri. Mahendra K. Khatau (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/-
	<b>Total</b>	<b>3,54,240/- pm.</b>	<b>2,09,600/- pm.</b>
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 2016-17 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 31<sup>st</sup> March, 2017 are given below:

Name of Director	Sitting Fees Paid (₹)	
	Board Meeting	Audit Committee Meeting
<b>Non- Executive Director</b>		
Smt. Asha M. Khatau	20,000	-
<b>Non- Executive Independent Directors</b>		
Shri. Kailash Pershad	20,000	20,000
Shri. S. Rajagopalan	15,000	15,000
Shri. B. G. Sontakke	20,000	20,000

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 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. B. G. Sontakke	Chairman (Non-Executive/ Independent)	-
	Shri. Kailash Pershad	Member (Non-Executive / Independent)	-
	Shri. S. Rajagopalan	Member (Non-Executive/ Independent)	-

The Company Secretary acts as the Secretary to the Committee.

No. of meetings held- NIL

**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](mailto:iklsecretarial@gmail.com)

**B. Details of investors complaints received during the year 2016 – 17 are as follows:**

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

**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 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)	-
	Mrs. 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	
➤ 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. ➤ 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 Register and Share Transfer Agent (RTA), Sharex Dynamic (India) Private Limited.	Shri. Mahendra K. Khatau	Chairman (Chairman & Managing Director)	21
	Mr. Manish M. Khatau	Member (Whole – Time Director)	21
	Shri. B. G. Sontakke	Member (Non-Executive / Independent)	21

No. of meetings held- 21

Dates: 18<sup>th</sup> April, 2016, 21<sup>st</sup> April, 2016, 06<sup>th</sup> May, 2016, 18<sup>th</sup> May, 2016, 18<sup>th</sup> June, 2016, 11<sup>th</sup> July, 2016, 27<sup>th</sup> July, 2016, 16<sup>th</sup> August, 2016, 12<sup>th</sup> September, 2016, 15<sup>th</sup> September, 2016, 03<sup>rd</sup> November, 2016, 08<sup>th</sup> December, 2016, 27<sup>th</sup> January, 2017, 14<sup>th</sup> February, 2017, 17<sup>th</sup> February, 2017, 27<sup>th</sup> February, 2017, 06<sup>th</sup> March, 2017, 10<sup>th</sup> March, 2017, 20<sup>th</sup> March, 2017, 24<sup>th</sup> March, 2017 and 29<sup>th</sup> March, 2017.

**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)	09
	Mr. Manish M. Khatau	Member (Whole – Time Director)	09
	Mrs. Asha M. Khatau	Member (Non-Executive Director)	09

No. of meetings held - 09

Dates: 11<sup>th</sup> April, 2016, 19<sup>th</sup> April, 2016, 07<sup>th</sup> June, 2016, 12<sup>th</sup> September, 2016, 06<sup>th</sup> October, 2016, 4<sup>th</sup> November, 2016, 21<sup>st</sup> November, 2016, 15<sup>th</sup> December, 2016, 7<sup>th</sup> March, 2017.

**IV. GENERAL BODY MEETINGS:**

**A. Details of Annual General Meetings held during the proceeding 3 years and Special Resolution passed thereat are given below :**

Annual General Meeting (AGM)	Date and Time	Venue	Details of Special Resolution passed
50 <sup>th</sup> AGM	30 <sup>th</sup> September, 2016 at 4.00 P.M.	Plot No. 410/411, Khatau House, Mogul lane, Mahim (West), Mumbai – 400 016	<ol style="list-style-type: none"> <li>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.</li> <li>Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.</li> </ol>
49 <sup>th</sup> AGM	21 <sup>st</sup> December, 2015 at 4.00 P.M.	The Matunga Mitra Mandal Hall, The Karnataka Housing Co-op. Society Ltd., Mahim (West), Mumbai – 400016	<ol style="list-style-type: none"> <li>Resolution for Re-appointment 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</li> <li>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.</li> <li>Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.</li> </ol>
48 <sup>th</sup> AGM	30 <sup>th</sup> September, 2014 at 4.00 P.M.	Plot No. 410/411, Khatau House, Mogul lane, Mahim (West), Mumbai – 400 016	<ol style="list-style-type: none"> <li>Resolution under Section 180 (1) (c) of the Companies Act, 2013, for borrowing in excess of the paid-up capital and free reserves of the Company.</li> <li>Resolution under Section 180 (1) (a) of the Companies Act, 2013 for authorizing the Board of Directors for creation of charge on the Assets of the Company.</li> <li>Resolution under Section 188 of Companies Act, 2013 for entering into related party transactions.</li> </ol>

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

There were no resolutions passed through postal ballot during the financial year ended 31<sup>st</sup> March, 2017.

**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](http://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 requirements.

**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 Clause (i) of Sub-regulation (4) of Regulation 30 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 2016-17 were undertaken in compliance with the aforesaid regulatory provision;
- ii. There were no materially significant transactions with related parties during the financial year 2016-17 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](http://www.indokem.co.in)
- iii. For related party transactions, refer Note No. 28 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](http://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](http://www.indokem.co.in). No Director/Employee has been denied access to the Audit Committee.

4. The Bombay Stock Exchange Limited has levied a penalty of ₹ 2,247/- (Rupees Two Thousand Two Hundred and Forty Seven Only) on the Company for late submission of the Annual Report. In accordance with the provisions of Schedule V(c) 10(b) to the SEBI Listing Regulations, 2015, there were no other instances of non-compliance, penalty or strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authorities on any matter related to Capital Markets, during last three years.

**VII. DISCLOSURES ON WEBSITE :**

Company's official website [www.indokem.co.in](http://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](http://www.indokem.co.in) and can be downloaded.

Following information has been disseminated on the Website of the Company at [www.indokem.co.in](http://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.

**VIII. 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:**

Quarterly / Half yearly and yearly financial results were published in one English 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 31<sup>st</sup> March, 2017.

**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.

**XI. MEANS OF COMMUNICATION :**

1. The quarterly, half yearly and annual financial results of the Company are sent out to the BSE Limited 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](http://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 Limited.
2. The Company has designated email id - [iklsecretarial@gmail.com](mailto: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](http://www.indokem.co.in)
3. A Management Discussion and Analysis Report is a part of the Company's Annual Report.

**XII. GENERAL SHAREHOLDER INFORMATION:**
**1. Annual General Meeting for F. Y. 2016-17 :**

Date : 29<sup>th</sup> September, 2017

Time : 04.00 P.M.

Venue : Citylight Banquets Hall, 4<sup>th</sup> Floor, Ashford Chambers, Citylight Cinema, L. J. Road, Mahim (West), Mumbai – 400 016.

**2. Financial Calendar:**

Financial Year	1 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2018
Date of AGM:	Last week of September, 2018
Date of Book Closure	Saturday 23 <sup>rd</sup> September, 2017 to Friday, 29 <sup>th</sup> September, 2017
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,  
25<sup>th</sup> Floor, P. J. Towers,  
Dalal Street,  
Mumbai – 400 001

**4. Stock Code:**

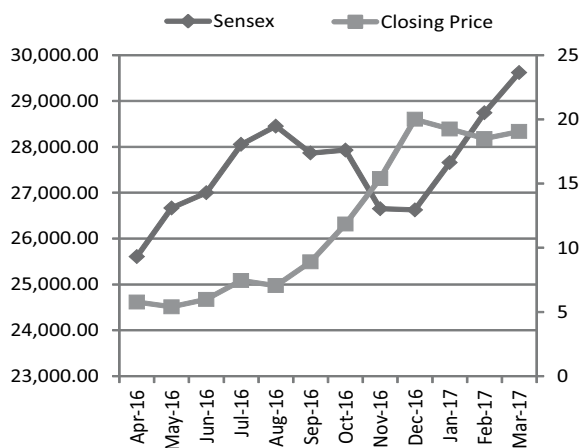
BSE Limited: 504092

**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, 2016	5.77	3.99
May, 2016	6.08	5.25
June, 2016	6.08	5.25
July, 2016	8.09	5.69
August, 2016	7.85	6.25
September, 2016	8.90	6.91
October, 2016	13.84	9.00
November, 2016	17.97	12.43
December, 2016	20.00	16.15
January, 2017	24.00	19.00
February, 2017	20.35	16.55
March, 2017	22.80	16.75



**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](mailto:sharexindia@vsnl.com)  
 Website : [www.sharexindia.com](http://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 31<sup>st</sup> March, 2017:**

Sr. No.	Category	No. of Shares held	(%) of Shareholding
1.	Promoters and Promoter group	1,72,74,255	71.013
2.	Banks / Financial Institutions and Insurance Cos.	58,775	0.242
3.	Private Corporate Bodies	2,71,721	1.117
4.	Indian Public /HUF/Clearing Members	67,00,074	27.543
5.	NRIs / OCBs / Foreign Nationals	20,775	0.085
6.	Others	-	-
<b>Total</b>		<b>2,43,25,600</b>	<b>100.000</b>

**12. Distribution of Shareholding as on 31<sup>st</sup> March, 2017:**

No. of Equity Shares Held	No. of Shareholders	(%) of Shareholders	No. of Shares	(%) of Shares
Up to – 5,000	24,569	94.20	30,67,760	12.61
5,001 – 10,000	901	3.45	7,21,933	2.97
10,001 – 20,000	310	1.19	4,75,959	1.96
20,001 – 30,000	101	0.39	2,55,058	1.05
30,001 – 40,000	35	0.13	125,278	0.52
40,001 – 50,000	47	0.18	2,24,381	0.92
50,001 – 1,00,000	67	0.26	4,79,268	1.97
100,001 and above	51	0.20	1,89,75,963	78.01
<b>Total</b>	<b>26,081</b>	<b>100.00</b>	<b>2,43,25,600</b>	<b>100.00</b>

**14. Dematerialisation of Shares as on 31<sup>st</sup> March, 2017:**

Dematerialised Form	Equity Shares of ₹ 10 each	
	Number of Shares	% of Total
NSDL	89,43,770	36.77
CDSL	1,20,64,241	49.59
Physical Form	33,17,589	13.64
<b>Total</b>	<b>2,43,25,600</b>	<b>100.00</b>

15. Company has not issued any GDRs / ADRs / Share Warrants or any convertible instruments.

**16. Address for Correspondence:**
**Indokem Limited**

Plot No. 410/411,  
 Khatau House, Mogul Lane,  
 Mahim (W), Mumbai – 400 016.  
 Telephone: 91 22 6123 6767  
 Fax: 91 22 6123 6718

Designated e-mail address for Investor Services: [iklsecretarial@gmail.com](mailto:iklsecretarial@gmail.com)

Website: [www.indokem.co.in](http://www.indokem.co.in)

**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 31<sup>st</sup> March, 2017.

**Place: Mumbai**  
**Date: 08<sup>th</sup> August, 2017**

**Sd/-**  
**Mahendra K. Khatau**  
**Chairman and Managing Director**  
**DIN: 00062794**

**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 31<sup>st</sup> March, 2017 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.

**Place: Mumbai**  
**Date: 31<sup>st</sup> July, 2017**

**Sd/-**  
**Mahendra K. Khatau**  
**Chairman and Managing Director**  
**DIN: 00062794**

**Sd/-**  
**Mukund R. Nagpurkar**  
**Chief Financial Officer**

**INDEPENDENT AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of Indokem Limited

We, Sheth Doctor and Associates, Chartered Accountants, the Statutory Auditors of Indokem Limited ("the Company") have examined the compliance of conditions of Corporate Governance, for the year ended on 31<sup>st</sup> March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C and para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), 2015. ("SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the said SEBI Listing Regulations, 2015.

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

**For Sheth Doctor and Associates**  
**Chartered Accountants**  
**(Firm Registration No. 124822W)**

**Sd/-**  
**Paresh S. Doctor**  
**Membership No. 36056**

**Place: Mumbai**  
**Date: 08<sup>th</sup> August, 2017.**

**SECRETARIAL AUDIT REPORT****Form No. MR - 3****For the period 01/04/2016 to 31/03/2017****[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 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017, 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 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017 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.**

**Sd/-  
Mrs. Ragini Chokshi  
(Partner)  
C.P. NO. 1436  
FCS NO. 2390**

**Place: Mumbai  
Date: 14<sup>th</sup> June, 2017**

## INDEPENDENT AUDITOR'S REPORT

### The Members of

### INDOKEM LIMITED

### Report on the Financial Statements

I have audited the accompanying financial statements of INDOKEM LIMITED, which comprises Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss Account for the year ended 31<sup>st</sup> March 2017, Cash Flow Statement for the year ended 31<sup>st</sup> March 2017 and a summary of Significant Accounting Policies and other explanatory information.

### Management's Responsibility for the 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 presentation of these financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies ; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I have conducted the audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017.
- (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
- (c) In the case of the Cash Flow Statement , of the cash flows for the year ended on that date.

**Emphasis of Matter**

Inventories includes inventories of Ankleshwar Plant amounting to ₹ 100 lakhs brought to Mumbai in earlier years and the same has been valued and certified by the management only. (Refer Para No 2 ( c ) of Note No 28 of Notes to Accounts)

**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 in terms of sub section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that :
  - a. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of audit .
  - b. In my opinion proper books of accounts as required by law have been kept by the Company so far as appears from my examination of those books .
  - c. The Balance Sheet, Statement of Profit and Loss and other notes thereon dealt with by this report are in agreement with the books of accounts.
  - d. In my opinion, the Balance Sheet and Statement of Profit and Loss comply with the accounting standards referred to in the Section 133 of the Companies Act, 2013 and read with Rule No 7 of the Companies Accounting Rules 2014.
  - e. On the basis of representations received from the directors as on March 31, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2017 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate report in "Annexure B".
  - g. Other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014:-
    - i. As per the information and explanations given to me there are no pending litigations other than those disclosed in the financial statements.
    - ii. In the opinion of the Company, no provision is required under any law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
    - iii. There are no amounts required to be transferred to Investor Education & Protection Fund during the year;
    - iv. The Company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016 and are in accordance with the books of accounts maintained by the company.

**For Sheth Doctor and Associates**  
Chartered Accountants  
(Firm Regn. No. 124822W)

**Paresh S Doctor**  
Proprietor  
Membership No. 36056

**Place : Mumbai.**  
**Date : 10<sup>th</sup> May 2017**



**ANNEXURE “A” TO THE AUDITOR’S REPORT**

*(REFERRED TO IN THE REPORT OF EVEN DATE OF THE AUDITORS TO THE MEMBERS OF INDOKEM LIMITED ON THE ACCOUNTS FOR THE PERIOD ENDED 31<sup>st</sup> March 2017)*

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to me major portion of the fixed assets have been physically verified by the management at the year end, 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 me and on the basis of examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company other than those disclosed in the table below:

<b>Asset Class</b>	<b>No of cases</b>	<b>Gross Block (₹ In lakhs)</b>	<b>Net Block (₹ in lakhs)</b>	<b>Remarks</b>
Building at Essel House Delhi Branch	1	28.40	16.33	Pending completion of the relevant formalities, pursuant to the scheme of amalgamation, the title remains to be vested in the Company, Such assets continue in the name of erstwhile amalgamated Company.

2. a) Inventories have been physically verified during the year by the Management at reasonable intervals. In my opinion, the frequency of verification is reasonable.
- b) The discrepancies noticed on verification between physical stocks and book records are not material and have been adequately dealt with in books of the Company.
3. According to the information and explanations given to me, the Company has not granted any loans, secured or unsecured, to Companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (“the Act”), except for unsecured loan to a Company amounting to ₹ 271.63 lakhs for which no terms and conditions and repayments schedule is stipulated.
4. In my opinion and according to the information and explanations given to me, the Company has not granted any loans, or made any investments or provided any guarantees or security to the parties covered under Section 185 of the Act,
5. In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits from the public within the meaning of provisions of sections 73 to 76 and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
6. As the turnover of the products to which the cost records, as per provisions of the Section 148 of the Companies Act 1956 are applicable, is below threshold limit, the Company is of opinion that provisions of maintenance of cost records as per the said section are not applicable to the Company.
7. a) According to the information and explanations given to me and on the basis of examination of the records of the Company, the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, investor education and protection fund, employee’s state insurance, income tax, sales tax, service tax, value added tax, custom duty, excise duty, cess and other statutory dues, as applicable, have been generally regularly deposited during the year by the Company with the appropriate authorities except for delay in many cases. There are dues of ₹ 91.28 lakhs towards property tax, provident fund damages, professional tax etc. outstanding for more than six months out of a sum of ₹ 66.90 lakhs is in the opinion of the management is of disputed nature and provided only as a prudent norms of accounting.

- b) On the basis of my examination of the documents and records there are disputed statutory due which remains to be deposited with the appropriate authorities as at year end.

<b>Nature of Dues</b>	<b>Amount (₹ in lakhs)</b>	<b>Period to which amount relates</b>	<b>Forum where the dispute is pending</b>
Income Tax	2.09	2006-07	Income Tax Appellant Tribunal
	32.76	2009-10	Commissioner of IncomeTax (Appeals)
	430.30	2011-12	Commissioner of Income Tax (Appeals)
	36.25	2013-14	Commissioner of Income Tax (Appeals)
Income Tax	30.13	2001-02	Commissioner of Income Tax (Appeals)
	28.06	2002-03	Commissioner of Income Tax (Appeals)
	32.51	2003-04	Commissioner of Income Tax (Appeals )
	30.60	2004-05	Commissioner of Income Tax (Appeals )
	42.17	2005-06	Commissioner of Income Tax (Appeals )
	41.68	2006-07	Commissioner of Income Tax (Appeals )
	11.92	2007-08	Commissioner of Income Tax (Appeals )
	22.18	2008-09	Commissioner of Income Tax (Appeals )
	28.73	2009-10	Commissioner of Income Tax (Appeals )
	8.59	2010-11	Commissioner of Income Tax (Appeals )
Sales Tax	9.92	1990-91	Sales Tax Tribunal
	11.53	1995-96	Assistant Commissioner (Appeals)
	7.50	2002-03	Sales Tax Tribunal
	1.54	2004-05	Assistant Commissioner (Appeals)
Service Tax	2.78	2004-05	Service Tax and Excise Tribunal

8. According to the information and explanations given to me and on the basis of examination of the records, the Company, has not defaulted during the year in repayment of loans and borrowings from banks. The Company does not have any loans or borrowings from financial institutions or government or dues to debenture holders during the year except for vehicle loans from a bank where no default in repayment is found.
9. According to the information and explanations given to me and on the basis of examination of the records, the Company, has not raised any monies by way of initial public offers (including debt instruments) and has not obtained any term loans during the year. Accordingly Paragraph 3(ix) of the Order is not applicable to the Company.
10. During the course of my examination of the books and records of the Company, carried out in the accordance with the generally accepted audit practices in India, and according to the information and explanations given to me, I have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor I have been informed of any such case by the management.
11. In my opinion and according to the information and explanations given to me, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
12. In my opinion and according to the information and explanations given to me, the Company is not a Nidhi Company and the Nidhi Rules 2014 are not applicable to it. Accordingly Paragraph 3(xii) of the Order is not applicable to the Company.
13. In my opinion and according to the information and explanations given to me, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the financial statements as required by Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

14. According to the information and explanations given to me and based on the examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly Paragraph 3(xiv) of the Order is not applicable to the Company.
15. According to the information and explanations given to me and based on the examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with them. Accordingly Paragraph 3(xv) of the Order is not applicable to the Company.
16. In my opinion and according to the explanations given to me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly Paragraph 3(xvi) of the Order is not applicable to the Company.

**For Sheth Doctor and Associates**  
Chartered Accountants  
(Firm Regn. No. 124822W)

**Paresh S Doctor**  
Proprietor  
Membership No. 36056

**Place : Mumbai.**  
**Date : 10<sup>th</sup> May 2017**

**ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INDOKEM LIMITED**

*(REFERRED TO IN PARAGRAPH 1(F) UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ OF OUR REPORT OF EVEN DATE)*

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

I have audited the internal financial controls over financial reporting of **Indokem Limited** (“the Company”) as at March 31, 2017 in conjunction with my audit of the 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company’s internal financial controls system over financial reporting system.

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

**Inherent limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

Following weaknesses although not material are observed on checking of Internal Financial Controls and the controls needs to be strengthened:

- a) In case of Cash on hand, it is observed that entries of cash vouchers are not posted regularly and Cashier is also working as accountant for cash transactions and hence segregation of duties is required therein.
- b) In case of Sales, no formal price lists are followed and it is explained that as most of the products are tailor-made and no uniform pricing is possible. It is also observed that Purchase Orders from customers are not obtained formally in many cases as the same is explained to have been obtained verbally. Proper controls to be placed on amendment in Delivery Orders while preparing delivery challans at the time of actual dispatches.
- c) In case of Purchases of Goods and Fixed Assets process of Selection of the vendors to be formalized and comparative evaluation process to be introduced except for purchases of items for which no alternative supplier is available.

With reference to my above comments, in my opinion and to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal financial control stated in the Guidance Note on audit of Internal Financial Reporting issued by the Institute of Chartered Accountants of India.

I have considered the weaknesses identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company for the year ended on March 31, 2017 and the weakness does not affect our opinion on the said financial statements of the Company.

**For Sheth Doctor and Associates**  
Chartered Accountants  
(Firm Regn. No. 124822W)

**Paresh S Doctor**  
Proprietor  
Membership No. 36056

**Place : Mumbai.**  
**Date : 10<sup>th</sup> May 2017**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2017**

		₹ in '000	
	Note No.	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a)	2	26,39,66	26,39,66
(b)	3	2,07,84	(11,58,59)
		<u>28,47,50</u>	<u>14,81,07</u>
<b>2 Non-current liabilities</b>			
(a)	4	2,61,41	5,09,29
(b)	5	1,91,43	1,90,20
(c)	6	98,51	84,00
		<u>5,51,35</u>	<u>7,83,49</u>
<b>3 Current liabilities</b>			
(a)	7	20,59,91	12,97,41
(b)	8	2,43,09	26,65,54
(c)	9	23,10	27,42
		<u>23,26,10</u>	<u>39,90,37</u>
<b>TOTAL</b>		<u><u>57,24,95</u></u>	<u><u>62,54,93</u></u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a)	<b>Fixed assets</b>		
(i)	10	12,74,56	20,60,82
(ii)	11	54,85	74,90
(iii)		45,29	37,44
		<u>13,74,70</u>	<u>21,73,16</u>
(b)	12	1,07	61,57
(c)	13	4,62,65	4,69,00
(d)	14	2,23,59	2,32,78
		<u>6,87,31</u>	<u>7,63,35</u>
<b>2 Current assets</b>			
(a)	15	10,04,20	8,71,20
(b)	16	-	78,32
(c)	17	22,00,60	19,14,67
(d)	18	69,43	74,28
(e)	19	3,88,60	3,79,82
(f)	20	11	13
		<u>36,62,94</u>	<u>33,18,42</u>
<b>TOTAL</b>		<u><u>57,24,95</u></u>	<u><u>62,54,93</u></u>

See accompanying notes forming part of the financial statements 1 & 28

As per my report attached

**For Sheth Doctor & Associates**

Chartered Accountants

(Firm Regn. No 124822W)

**Paresh S. Doctor**

Proprietor

Membership No 36056

**For and on behalf of the Board of Directors**

**Mahendra K. Khatau**

Chairman & Managing Director

**Manish M. Khatau**

Director

**Bhavik B. Parekh**

Company Secretary

**Mukund R. Nagpurkar**

Chief Financial Officer

**Place : Mumbai**

**Date : 10<sup>th</sup> May 2017**

**PROFIT AND LOSS FOR THE PERIOD 01/04/2016 TO 31/03/2017**

		₹ in '000	
	Note No.	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
<b>A CONTINUING OPERATIONS</b>			
1	21	77,08,49	62,06,91
		<u>4,88,24</u>	<u>3,30,88</u>
		72,20,25	58,76,03
2	22	<u>58,07</u>	<u>1,27,60</u>
3		<u>72,78,32</u>	<u>60,03,63</u>
4			
(a)	23	54,84,14	43,99,20
(b)	24	6,21,53	5,15,66
(c)	25	72,46	3,03,22
(d)		64,82	48,85
(e)	26	<u>9,88,38</u>	<u>7,17,49</u>
		<u>72,31,34</u>	<u>59,84,42</u>
5		46,98	19,21
6			
(a)		-	41
(b)		-	<u>5,72</u>
		-	<u>6,13</u>
7		46,98	13,08
<b>B DISCONTINUING OPERATIONS</b>			
8	27	<u>13,19,44</u>	<u>(49,19)</u>
9		13,19,44	(49,19)
<b>C TOTAL OPERATIONS</b>			
10		<u>13,66,44</u>	<u>(36,11)</u>
11			
(a)		5.62	(0.15)
(b)		5.62	(0.15)

See accompanying notes forming part of the financial statements 1 & 28

As per my report attached

**For Sheth Doctor & Associates**

Chartered Accountants

(Firm Regn. No 124822W)

**Paresh S. Doctor**

Proprietor

Membership No 36056

**For and on behalf of the Board of Directors**

**Mahendra K.Khatau**

Chairman & Managing Director

**Manish M. Khatau**

Director

**Bhavik B. Parekh**

Company Secretary

**Mukund R. Nagpurkar**

Chief Financial Officer

**Place : Mumbai**

**Date : 10<sup>th</sup> May 2017**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017**

₹ in '000

**PART I : CASH FLOW FROM CONTINUING OPERATIONS**
**A. Cash flow from operating activities**
**Net Profit/ (Loss) before Tax**
**13,66,44** (36,11)

**Adjustments for :**

Depreciation

**64,82** 48,85

Finance cost

**72,46** 3,03,22

(Profit)/Expenses on discontinuing operations

**(13,19,44)** 49,19

Amortization of goodwill

**23,75** 26,13

Amalgamation expenses w/off

**9,19** 10,23

Tax Expenses

**-** 6,14

Interest income

**(7,10)** (5,67)

Provision and write-off of Debts and Advances

**73** 27,10

Gain on settlement of Term Loan

**-** (68,15)

Provision written back

**-** (31,78)

Profit/(loss) on sale of Fixed Assets (Net)

**-** (2,57)

Assets/Stocks/Investments written off

**-** -

Profit/(loss) on sale of investments ( Net )

**(3,07)** (3,66)

Operating Income Before Working Capital changes

**2,07,78** 3,22,92
**Changes in working capital**

Adjustment for increase / decrease in operating assets

Inventories

**(1,32,99)** 2,37,82

Trade Receivables

**(5,93,18)** (3,77,94)

Short Term Loans and Advances

**(8,78)** 86,36

Long Term Loans and Advances

**35,27** 26,09

Taxes paid

**(28,92)** (21,49)

Other current assets

**(1)** 6,77

Other non-current assets

**-** (1,76,06)

Adjustment for increase / decrease in operating liabilities

Trade payables

**7,62,50** 1,17,26

Other current liabilities

**(24,06,42)** 22,70,52

Other long term liabilities

**1,23** (6,69)

Long - term provisions

**14,51** 8,81

Short-term provisions

**(4,32)** 4,27

Changes in working capital

**(23,61,11)** 21,75,72
**Net cash flow from operating activities (A)**
**(21,53,33)** 24,98,64
**B. Cash flow from investing activities**

Capital expenditure on fixed assets

**(1,82,35)** (2,09,29)

Proceeds on sale of fixed assets

**-** 6,18

Proceeds from sale of non current investments

**60,50** 1,57,79

(Increase)/Decrease in the current investment

**(1,90,00)** (18,62,00)

Proceeds from sale of current investments

**2,71,39** 17,88,00

Interest received

**7,10** 5,67

**Net cash flow from investing activities (B)**
**(33,36)** (1,13,65)



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2017 (Contd.)**

₹ in '000

	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	1,62,88	5,53,31
Repayment of long term borrowings	(4,09,46)	(8,64,96)
Repayment of short term borrowings	-	(17,11,98)
Finance costs	(75,83)	(3,09,47)
<b>Net cash flow from financing activities (C)</b>	<b>(3,22,41)</b>	<b>(23,33,10)</b>
<b>Net cash flow from continuing operations</b>	<b>(25,09,10)</b>	<b>51,89</b>
<b>PART II</b>		
<b>CASH FLOW FROM DISCONTINUING OPERATIONS</b>		
<b>A. Cash flow from operating activities</b>		
<b>Net Profit/ (Loss) before Tax</b>	13,19,44	(49,19)
<b>Adjustments for :</b>		
Profit on sale of fixed asset	(16,16,74)	-
Provision no longer required	(13,96)	-
Bad Debts w/off	6,84,06	-
Provision for doubtful debts w/back	(3,77,54)	-
Operating Income Before Working Capital changes	<b>(4,74)</b>	<b>(49,19)</b>
<b>B. Cash flow from investing activities</b>		
Proceeds on sale of fixed assets (net of expenses in respect of sale of asset)	<b>25,08,99</b>	<b>0</b>
<b>Net Cash flow from discontinuing operations</b>	<b>25,04,25</b>	<b>(4,919)</b>
<b>Net increase/(decrease) in cash and cash equivalent (Part I+ Part II)</b>	<b>(4,85)</b>	<b>2,70</b>
Cash and cash equivalent at the end of the year	69,43	74,28
Cash and cash equivalent at the beginning of the year	<b>74,28</b>	71,58
Cash and cash equivalent comprise of :		
(a) cash in hand	2,72	3,84
(b) balance with banks		
(i) in current accounts	61,49	65,54
(ii) in EEFC accounts	1,03	1,04
(III) in earmarked accounts	4,14	3,81
(c) Others	5	5

As per my report attached

**For Sheth Doctor & Associates**

Chartered Accountants

(Firm Regn. No 124822W)

**Paresh S. Doctor**

Proprietor

Membership No 36056

**For and on behalf of the Board of Directors**
**Mahendra K.Khatau**

Chairman &amp; Managing Director

**Manish M. Khatau**

Director

**Bhavik B. Parekh**

Company Secretary

**Mukund R. Nagpurkar**

Chief Financial Officer

**Place : Mumbai**
**Date :10<sup>th</sup> May 2017**

**NOTES TO THE FINANCIAL STATEMENTS.****NOTE NO. 1****Corporate Information**

The Company deals in dyes, sizing chemicals and auxiliaries used in textile industry. The Company also deals in Electrical Capacitors. It has head office at Mahim, Mumbai and branch offices at Ahmedabad, Delhi and Coimbatore. It has manufacturing and warehouse facility at Dahisar Mori, Ambernath near Mumbai, Narol-Ahmedabad and warehouses at Ahmedabad and Coimbatore locations.

**Significant Accounting Policies****Basis of accounting and preparation of financial statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India, to comply with the accounting standards specified under section 133 of the Companies Act 2013 read with Rule 7 of the Companies (Accounts) Rules 2014.

The accounting statements have been prepared on accrual basis under historical cost convention.

**Use of Estimates**

The preparation of financial statements in conformity with the Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities and reported income and expenses. The management believes that the estimates used in preparation of financial statements are prudent and reasonable.

**Inventories**

Inventories of stock in trade are valued on FIFO basis, work-in-progress and finished goods are valued at material cost plus production overheads and inventories of Ankleshwar plant are valued on the estimated basis as certified by management.

**Cash and cash equivalent**

Cash comprises of cash on hand and demand deposits with banks. Cash equivalent are short term, highly liquid investments that are readily convertible into known amount of cash.

**Cash Flow statement**

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

**Depreciation**

The net carrying value of fixed assets is amortized in the manner prescribed in part "C" of Schedule II of the Companies Act 2013.

Leasehold land is amortized over the period of lease.

Depreciation on additions of assets during the year has been provided on pro-rata basis with reference to the date of addition.

**Revenue recognition****Sale of goods :**

Sales are recognized, net of returns and trade discounts on transfer of significant risks and rewards of the ownership to buyer. Sales include excise duty but exclude sales tax and Vat.

**Other Income**

Interest income is accounted on accrual basis.

**Tangible Fixed Assets**

The tangible fixed assets are stated at cost of acquisition ( net of Cenvat credit / Value added tax ). All costs relating to the acquisition and installation, up to the date of such assets are put to use, are capitalized as part of cost of the asset.

Fixed assets retired from use and held for sale are disclosed separately in the Balance Sheet.

**Intangible Assets**

Intangible assets are carried at cost.

**Foreign currency transactions**

All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the transaction takes place.

Monetary assets and liabilities in foreign currency outstanding at the close of the year are converted in Indian currency at the appropriate rate of exchange prevailing on the date of Balance Sheet. The resultant gain/loss pertaining to revenue is recognized in the Statement of profit/loss for the year and that of pertaining to capital is adjusted to the cost of fixed asset.

**Borrowing costs**

Borrowing costs are recognized in the Statement of profit and loss in the year in which they are incurred.

**Investments**

Current and long term Investments are stated at cost .

**Employees' Retirement Benefits**Short-term Employee Benefits

All Employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

Post Employment/Retirement Benefits

Contribution to Defined Contribution Plans such as Provident Funds etc. are charged to the Profit and Loss Account as incurred.

Defined Benefit Plans – The present value of the obligation under such plans is determined based on an actuarial valuation. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In the absence of any plan assets, the present value obligation is recognized on gross basis.

Termination Benefits

Termination Benefits are recognized as and when incurred.

**Taxes on Income**

Provision for current tax is made based on the tax payable for the year under the Income Tax Act, 1961. Deferred tax is recognized for all timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

**Provision for Contingencies**

In the opinion of the management provisions for contingencies in pursuance of AS 29 issued by the Institute of Chartered Accountants of India is not required as there exist no such liabilities unprovided for.

**Goodwill**

The goodwill is amortized over a period of five years commencing from the year in which it arises.

**Amalgamation Expenses**

Amalgamation expenses incurred during the year are amortised over a period of five successive previous years commencing from the year in which the amalgamation expenses are incurred. The balance amount of amalgamation expenses is shown under the head Miscellaneous Expenditure to the extent not written off or adjusted.

**Earning per share**

The basic and diluted earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. The Company did not have any dilutive potential equity shares outstanding as at year end.

**Note 2 : Share capital**

Particulars	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	Number of shares	₹ in '000	Number of shares	₹ in '000
<b>Authorised</b>				
2,43,25,600 (2,53,00,000) Equity Shares of ₹ 10/- each	<b>2,43,25,600</b>	<b>24,32,56</b>	2,43,25,600	24,32,56
21,00,000 (Nil) Preference Shares of ₹10/- each	<b>21,00,000</b>	<b>2,10,00</b>	21,00,000	2,10,00
<b>Issued &amp; Subscribed and Fully Paid up Equity Shares</b>				
Opening Balance	<b>2,43,25,600</b>	<b>24,32,56</b>	2,44,97,188	24,49,72
Less: 1,71,588 shares cancelled out of shares held for disposal on merger in previous year	-	-	(1,71,588)	(17,16)
	<b>2,43,25,600</b>	<b>24,32,56</b>	2,43,25,600	24,32,56
Less:				
Equity shares of the Company acquired during amalgamation from one of the merging Company viz, Khatau Capacitors Private Limited	-	-	-	-
<b>Preference Shares</b>				
8%non cumulative Redeemable Preference Shares	<b>20,70,975</b>	<b>2,07,10</b>	20,70,975	2,07,10
20,70,975 Preference Shares of ₹ 10/- each issued during the year				
<b>Total</b>	<b>2,63,96,575</b>	<b>26,39,66</b>	2,63,96,575	26,39,66

**1 (a) Rights etc. attached to Equity Shares :**

Equity shares having face value of ₹10/- per share. Each shareholder is eligible for one vote per share held.

**(b) Details of shares held by the shareholders holding more than 5% of the aggregate shares in the Company:**

**Note 2 : Share capital (Contd.)**

## (i) Equity Shares

Name of the Shareholder	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	Number of shares	% of Holding	Number of shares	% of Holding
Priyamvada Holdings Limited	-	-	55,64,519	22.88
Vindhyapriya Holdings Private Limited	<b>53,65,296</b>	<b>22.06</b>	32,94,588	13.54
Khatau Leasing and Finance Company Private Limited	-	-	38,31,215	15.75
Mahendra K. Khatau	<b>16,58,310</b>	<b>6.82</b>	16,51,029	6.79
Priyanilgiri Holdings Private Limited	<b>48,96,929</b>	<b>20.13</b>	-	-
MKK Holdings Private Limited	<b>37,77,877</b>	<b>15.53</b>	-	-

## (ii) Preference Shares

Name of the Shareholder	As at 31 <sup>st</sup> March 2017		As at 31 <sup>st</sup> March 2016	
	Number of shares	% of Holding	Number of shares	% of Holding
Mahendra K. Khatau	<b>11,98,450</b>	<b>57.87</b>	11,98,450	57.87
Samudra Dyechem Private Limited	<b>8,72,500</b>	<b>42.13</b>	8,72,500	42.13

**Note 3 : Reserves and surplus**

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Capital reserve		
Balance brought forward	<u>79</u>	<u>79</u>
	<b>79</b>	<b>79</b>
(b) Securities premium account		
Balance brought forward	<u>10,23,77</u>	<u>10,23,77</u>
	<b>10,23,77</b>	<b>10,23,77</b>
(c) Revaluation/capital reserve		
Opening balance	<u>4,60,29</u>	<u>5,08,87</u>
Less: Utilised/transferred during the year (refer note no.1 below)	<u>-</u>	<u>48,58</u>
Closing balance	<u><b>4,60,29</b></u>	<u><b>4,60,29</b></u>
(d) General reserve		
Balance brought forward	<u>6,47,90</u>	<u>6,47,90</u>
	<b>6,47,90</b>	<b>6,47,90</b>
(e) Surplus/(deficit) in statement of profit and loss		
Opening balance	<u>(32,91,34)</u>	<u>(32,55,23)</u>
Add: Profit/(loss) for the year	<u>13,66,44</u>	<u>(36,11)</u>
Closing balance	<u><b>(19,24,91)</b></u>	<u><b>(32,91,34)</b></u>
<b>Total</b>	<u><b>2,07,84</b></u>	<u><b>(11,58,59)</b></u>

Note 1 : Deduction in Capital reserve amounting to ₹ Nil (₹ 48,58,058/-) is on account of disposal of investment of Khatau Capacitor Private Limited in the shares of Indokem Limited acquired during amalgamation of Indokem Limited, Khatau Capacitor Private Limited and Indokem Exports Limited during 2014-2015 as per the scheme of amalgamation and represents difference between cost and face value of the said investment.

**Note 4 : Long-term borrowings**

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Term loans		
Secured - Vehicle loan		
From banks	15,39	14,96
From others	64,51	89,94
	<u>79,90</u>	<u>1,04,90</u>
(b) Loans and advances from related parties		
Unsecured		
Loan from promoter	1,70,24	3,44,69
Loan from directors	11,27	59,70
	<u>1,81,51</u>	<u>4,04,39</u>
<b>Total</b>	<u><b>2,61,41</b></u>	<u><b>5,09,29</b></u>

**Notes: Details of Security & Terms of Repayment**

- i) Vehicle loan amounting to ₹ Nil (March'16 ₹ 7.82 lakhs) repayable in monthly installments, last installment due on 10th November 2017 and is secured against specific vehicle
- ii) Vehicle loan amounting to ₹ 64.51 lakhs (March'16 ₹ 82.11 lakhs) repayable in monthly installments, last installment due on 7th February 2021 and is secured against specific vehicle
- iii) Vehicle loan amounting to ₹ 5.42 lakhs (March'16 ₹ 8.56 lakhs) repayable in monthly installments, last installment due on 5th September 2019 and is secured against specific vehicle
- iv) Vehicle loan amounting to ₹ 4.04 lakhs (March'16 ₹ 6.40 lakhs) repayable in monthly installments, last installment due on 5th September 2019 and is secured against specific vehicle
- v) Vehicle loan amounting to ₹ 5.93 lakhs (March'16 ₹ Nil) repayable in monthly installments, last installment due on 5th June 2020 and is secured against specific vehicle
- vi) Loans from related parties are generally of long term nature, however no repayment schedule is specified

**Note 5 : Other long-term liabilities**

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Others :		
Security deposits received	1,91,43	1,90,20
<b>Total</b>	<u><b>1,91,43</b></u>	<u><b>1,90,20</b></u>

**Notes:** Considering the long term relation with customers all security deposits received from them are treated as long term, although Company has no right to defer the payment of the same beyond 1 year.

**Note 6 : Long-term provisions**

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Provision for employee benefits:		
Provision for gratuity	65,64	55,80
Provision for leave salary	25,89	21,22
Provision for super annuation scheme	6,98	6,98
<b>Total</b>	<b>98,51</b>	<b>84,00</b>

**Note 7 : Trade payables**

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Trade payables:		
Other than acceptances	20,59,91	12,97,41
<b>Total</b>	<b>20,59,91</b>	<b>12,97,41</b>

**Note 8 : Other current liabilities**

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Current maturities of long term debt (refer note 1 below)	33,12	31,82
(b) Interest accrued and due on borrowings	2,22	5,59
(c) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	1,24,41	1,40,80
(ii) Trade/security deposits received	7,57	45,16
(iii) Advances from customers	75,77	67,16
(iv) Advance received against sale of land	-	23,75,00
<b>Total</b>	<b>2,43,09</b>	<b>26,65,54</b>

Note (1) : Current maturities of long-term debt (Refer Point (i) to (iv) in Note 4 for details of security and guarantee

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
(a) Secured loans repayable on demand		
Banks	7,69	4,94
Others	25,44	26,88
<b>Total</b>	<b>33,12</b>	<b>31,82</b>

**Note 9 : Short-term provisions**

₹ in '000

Particulars	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016
Provision for employee benefits		
Provision for gratuity	15,83	19,33
Provision for leave salary	7,27	8,09
<b>Total</b>	<b>23,10</b>	<b>27,42</b>

**Note 10 : Fixed assets - Tangible**

₹ in '000

Tangible assets	Gross block				Depreciation/ Amortisation				Net block		
	As at 1 April 2016	Additions	Disposal/ Adjustments	As at 31 <sup>st</sup> March 2017	As at 1 April 2016	Depreciation/ amortisation expense for the year	Disposals/ Adjustments	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	
(a) Land											
Freehold	1,26,37	-	-	1,26,37	-	-	-	-	1,26,37	1,26,37	
Leasehold	14,82,55	-	10,19,04	4,63,51	1,24,06	2,73	1,26,79	-	4,63,51	13,58,50	
(b) Buildings											
Own use	3,01,20	45,42	-	3,46,62	92,51	6,93	-	99,44	2,47,18	2,08,68	
(c) Plant and Equipment	1,60,52	82,40	-	2,42,92	26,43	12,71	-	39,14	2,03,78	1,34,09	
(d) Furniture and Fixtures	68,99	15,31	-	84,30	38,84	6,45	-	45,29	39,01	30,15	
(e) Vehicles	22,61	9,98	-	2,36,59	43,20	24,40	-	67,60	1,68,99	1,83,40	
(f) Office equipment	49,75	9,68	-	59,43	37,62	6,07	-	43,69	15,74	12,14	
(g) Electrical Installation	13,78	3,93	-	17,71	6,29	1,44	-	7,73	9,98	7,49	
<b>Total</b>	24,29,77	1,66,72	10,19,04	15,77,45	3,68,95	60,73	1,26,79	3,02,89	12,74,56	20,60,82	
<b>Previous year</b>	22,63,10	1,94,42	27,75	24,29,77	3,47,40	45,70	24,15	3,68,95	20,60,82		

Note: In respect to previous year WDV of Ankleshwar land held for disposal ₹ 8,94,98,476/-

**Note 11 : Fixed assets - Intangible**

₹ in '000

Tangible assets	Gross block				Depreciation/Amortisation				Net block		
	As at 1 <sup>st</sup> April 2016	Additions	Deductions	As at 31 <sup>st</sup> March 2017	As at 1 <sup>st</sup> April 2016	Depreciation / amortisation expense for the year	Deductions	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2017	As at 31 <sup>st</sup> March 2016	
(a) Goodwill	2,61,66	-	-	2,61,66	1,90,42	23,75	-	2,14,17	47,49	71,24	
(b) Brands/trademarks	77,25	-	-	77,25	77,25	-	-	77,25	-	-	
(c) Computer software	18,52	7,78	-	26,30	14,86	4,08	-	18,94	7,36	3,67	
<b>Total</b>	3,57,43	7,78	-	3,65,21	2,82,53	27,83	-	3,10,36	54,85	74,90	
<b>Previous year</b>	3,66,08	-	-	3,57,43	2,53,24	29,29	-	2,82,53	74,90		

Note : In respect to previous year adjustments to Goodwill represents difference between cost of investment and corresponding face value of shares cancelled out of shares held by amalgamating Company viz Khatau Capacitors Private Limited in Indokem Limited.



**Note 12 : Non-current investments**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
<b>Investments (At cost):</b>		
<b>A. Trade</b>		
<b>UnQuoted</b>		
Investment in equity shares of other entities		
Narmada Clean Tech (formerly known as Narmada Clean Tech Limited)		
6,05,000 equity shares of ₹ 10/- each (Prv. Yr. 6,05,000)	-	60,50
<b>Total - Trade (A)</b>	-	60,50
<b>B. Other Investments</b>		
(a) Investment in equity shares of other entities		
<b>UnQuoted</b>		
Surya Krupa Finance Limited		
3,000 equity shares of ₹ 10/- each (Prv. Yr. 3,000)	1	1
	1	1
(b) Investment in Government securities		
N S C	5	5
	5	5
(c) Investment in Debentures		
<b>UnQuoted</b>		
Priyamvada Holdings Limited	1,00	1,00
2,00,000 optionally convertible debenture face value ₹100/- each		
Khatau Holding & Trading Company Private Limited	1	1
50,000 optionally convertible debenture face value ₹100/- each		
	1,01	1,01
<b>Total - Other Investments (B)</b>	1,07	1,07
<b>Total</b>	1,07	61,57

**Note 13 : Long-term loans and advances**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
Unsecured Considered good otherwise stated		
(a) Security deposits	83,72	82,08
(b) Loans and advances to related parties (refer note below)	7,51	6,91
(c) Taxes paid in advance (net of provisions)	25,79	24,33
(d) Balances with government authorities		
Sales tax paid	50,75	23,28
Export incentive receivable	-	5,59
	50,75	28,87

**Note 13 : Long-term loans and advances (Contd.)**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
(e) Capital advance	15,00	-
(f) Other loans and advances (refer note below)		
Advances receivable in cash or kind	2,79,88	3,48,99
less : Provision for doubtful Loans and advances	-	(22,18)
	2,79,88	3,26,81
(g) Advance to suppliers	17,17	17,17
Less: Provision for doubtful advance to suppliers	(17,17)	(17,17)
<b>Total</b>	<b>4,62,65</b>	<b>4,69,00</b>

**Note :** Loans & Advances to related parties refer Para No.10 of Note No 28.

**Note 14 : Other non current assets**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
Unamortised expenses		
Amalgamation expenses to the extent not w/off	23,59	32,78
Advance against purchase of fixed assets	2,00,00	2,00,00
<b>Total</b>	<b>2,23,59</b>	<b>2,32,78</b>

**Note 15 : Inventories**

(As taken valued and certified by management)

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
(a) Raw materials	4,36,49	4,41,03
Goods-in-transit	66,34	11,94
(b) Finished goods	69,39	29,45
Goods-in-transit	53,90	-
(c) Traded goods	3,41,42	3,64,11
(d) Packing Material	36,66	24,67
<b>Total</b>	<b>10,04,20</b>	<b>8,71,20</b>

**Note 16 : Current Investments**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
<b>Investments (At cost):</b>		
<b>Other Investments</b>		
<b>Quoted</b>		
ICICI prudential flexible income - regular plan growth 15,487.377 units @ ₹ 279.368	-	43,27
Birla sunlife savings fund - regular plan growth 12,305.916 units @ ₹ 284.827	-	35,05
<b>Total</b>	<b>-</b>	<b>78,32</b>
Aggregate book value of quoted investment (₹)	-	78,31,739
Aggregate market value of quoted investment (₹)	-	80,36,756

**Note 17 : Trade receivables**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured considered good	33	65
Unsecured		
Considered good	7,08,64	8,12,86
Considered doubtful	73	3,77,54
Less: Provision for doubtful trade receivables	(73)	(3,77,54)
	<u>7,08,99</u>	<u>8,13,52</u>
Other trade receivables		
Secured considered good	58,26	53,69
Unsecured considered good	14,33,35	10,47,46
	<u>14,91,61</u>	<u>11,01,15</u>
<b>Total</b>	<b><u>22,00,60</u></b>	<b><u>19,14,67</u></b>

**Note 18 : Cash and cash equivalents**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
(a) Cash on hand	2,72	3,84
(b) Balances with banks		
(i) In current accounts	61,49	65,54
(ii) In earmarked funds (margin money/foreign bills)	4,14	3,81
(iii) In EEFC accounts	1,03	1,04
(iv) In deposit accounts	5	5
<b>Total</b>	<b><u>69,43</u></b>	<b><u>74,28</u></b>

**Note 19 : Short-term loans and advances**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
Unsecured, considered good		
(a) Loans and advances to employees	7,76	7,35
(b) Security deposits	13,55	10,05
(c) Prepaid expenses	22,58	31,64
(d) Balances with government authorities		
(i) Cenvat credit receivable	8,81	11,07
(ii) Export incentive receivable	9,95	2,96
(iii) IT refund receivable	60	60
(iv) Central excise duty refund receivable	38,90	9,43
(v) Sales tax authorities	-	14

**Note 19 : Short-term loans and advances (Contd.)**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
(e) Advance to suppliers	20,43	39,62
(f) Loans and advances to related parties (Refer Para No. 10 of Note no 28 of related party disclosure)	2,64,77	2,64,77
(g) Other loans and advances	1,26	2,19
<b>Total</b>	<b>3,88,60</b>	<b>3,79,82</b>

**Note 20 : Other current assets**

₹ in '000

Particulars	As At 31 <sup>st</sup> March 2017	As At 31 <sup>st</sup> March 2016
Others		
Contractually reimbursable expense	11	13
<b>Total</b>	<b>11</b>	<b>13</b>

**Note 21 : Revenue from operations**

₹ in '000

Particulars	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
(a) Sale of products (Refer Note (i) below)	76,50,25	61,54,21
(b) Sale of services (Refer Note (ii) below)	9,85	9,23
(c) Other operating revenues (Refer Note (iii) below)	48,38	43,47
	77,08,49	62,06,91
Less : Excise duty	4,88,24	3,30,88
<b>Total</b>	<b>72,20,25</b>	<b>58,76,03</b>

**Notes :**

₹ in '000

Particulars	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
(i) Sale of products comprises :		
Synthetic organic dyestuff and textile chemicals	76,00,79	60,03,92
Capacitors	49,46	1,50,29
Total - Sale of products	<b>76,50,25</b>	<b>61,54,21</b>
(ii) Sale of services comprises:		
Recovery of office expenses	9,85	9,23
Total - Sale of services	<b>9,85</b>	<b>9,23</b>
(iii) Other operating revenues comprises:		
Freight, octroi, insurance & handling charges recovered	11,58	13,21
Duty drawback	20,70	13,16
Profit on sale of Asset	-	2,57
Income from job work done	16,11	14,52
Total - Other operating revenues	<b>48,38</b>	<b>43,47</b>

**Note 22 : Other income**

₹ in '000

Particulars	<b>For the period 01/04/2016 to 31/03/2017</b>	For the period 01/04/2015 to 31/03/2016
(a) Interest income (Refer note no.(i) below)	7,10	5,67
(b) Gain on sale of investments		
Long term investment (out of the shares held for disposal upon merger)	-	2,98
Short term investment	3,07	4,32
(c) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	47,91	1,14,63
<b>Total</b>	<b>58,07</b>	<b>1,27,60</b>

**Notes:**

₹ in '000

Particulars	<b>For the period 01/04/2016 to 31/03/2017</b>	For the period 01/04/2015 to 31/03/2016
(i) Interest income comprises:		
Interest from banks on :		
Deposits	35	96
Margin money	-	26
Interest -others	6,75	4,45
Total - Interest income	7,10	5,67
(ii) Other non-operating income comprises:		
Rental income from others	4,07	3,87
Sundry balance writtenback (net)	29,98	6,82
Provision no longer required	-	31,78
Gain on settlement of term loan from bank	-	68,15
Vat refund	78	-
Staff deposit forfeited	3,71	1,00
Prior period items (net) (Refer Note (iii) below)	9,37	3,01
Total - Other non-operating income	47,91	1,14,63
(iii) Prior period items - debit (expense not accounted in prior years)	(3,22)	(4,43)
Prior period items - credit (income not accounted in prior years)	12,59	7,44
	9,37	3,01

**Note 23 : Material consumed**

Particulars	₹ in '000	
	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
a) Raw material consumed		
Opening stock of raw material	4,41,03	2,40,54
Opening stock raw material in transit	11,94	30,98
Add : Purchases	41,21,21	30,37,05
Less : Closing Stock of raw material	4,36,48	4,41,03
Closing Stock raw material in transit	66,34	11,94
Raw material consumed	<u>40,71,36</u>	<u>28,55,60</u>
b) Packing material consumed		
Opening stock of packing material	24,67	30,31
Add : Purchases	59,92	35,12
Less : Closing stock of packing material	36,66	24,67
Packing material consumed	<u>47,93</u>	<u>40,76</u>
c) Purchase of traded goods	14,36,00	10,89,21
d) Changes in F.G. W-I-P and stock in trade		
Opening stock		
Finished goods	29,45	47,50
Work in progress	-	2,81
Traded goods	3,64,11	7,56,88
Closing stock		
Finished goods	1,23,29	29,45
Traded goods	3,41,42	3,64,11
Total changes in F. G. W-I-P and stock in trade	<u>(71,15)</u>	<u>4,13,63</u>
Material cost	<u>54,84,14</u>	<u>43,99,20</u>

**Note 24 : Employee benefit expense**

Particulars	₹ in '000	
	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
(a) Salaries, wages & bonus	5,85,04	4,70,75
(b) Contributions to provident and other funds	9,89	9,66
(c) Staff welfare expenses	15,48	20,02
(d) Gratuity expenses	11,13	15,22
<b>Total</b>	<u>6,21,53</u>	<u>5,15,66</u>

**Note 25 : Finance costs**

₹ in '000

Particulars	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
(a) Interest expense on:		
(i) Borrowings	32,73	2,77,53
(ii) Trade payables	1,31	-
(iii) Others		
- Interest on delayed/deferred payment of income tax/tds	75	1,34
- Interest on delayed/deferred payment of sales tax/service tax/ excise duty	1,19	1,08
- Interest on delayed payment of PF	1,14	-
- Interest on custom duty paid	11,87	-
- Interest on nsdl	2	-
- Interest on long term security deposit	16,94	17,21
(b) Other borrowing costs	6,50	6,07
<b>Total</b>	<b>72,46</b>	<b>3,03,22</b>

**Note 26 : Other expenses**

₹ in '000

Particulars	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
<b>MANUFACTURING EXPENSES</b>		
Electricity, power and fuel	62,10	50,62
Water charges	4,20	3,04
Repairs and maintenance - buildings	30,83	18,88
Repairs and maintenance - machinery	20,23	9,23
Repairs and maintenance - others	33,27	13,41
Security charges	6,95	6,03
Excise duty on inventories	4,40	(2,52)
<b>SELLING AND DISTRIBUTION EXPENSES</b>		
Freight and forwarding	2,14,66	1,42,54
Sales commission	24,39	30,93
Sales discount and sales returns	50,92	52,75
Advertisement and sales promotion expenses	34,82	18,88
Export expenses	90	1,85
<b>ESTABLISHMENT EXPENSES</b>		
Rent including lease rentals	70,88	34,20
Insurance	13,81	8,62
Rates and taxes	4,68	6,24
Communication	29,35	24,19
Travelling and conveyance	75,04	70,48
Printing and stationery	22,45	14,16
Motor car expenses	6,96	4,37
Donations and contributions	1,06	6
Legal and professional	1,17,27	71,89
Payments to auditors (Refer Note (i) below)	3,08	3,72
Provision for doubtful advances	73	27,10
Amortisation of good will	23,75	26,14

**Note 26 : Other expenses (Contd.)**

	₹ in '000	
	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
Amalgamation expenses	9,19	10,23
Advances written off	22,18	-
Provision for doubtful advances w/back	(22,18)	-
	-	-
Exchange rate difference (net)	14,79	16
Sales tax paid	70	34
Debit/credit balance write off consent terms	5,00	-
Loss on sale of long term investments	-	3,64
P F damages	2,62	-
Miscellaneous expenses	99,36	66,32
<b>Total</b>	<b>9,88,38</b>	<b>7,17,49</b>

**Notes:**

	₹ in '000	
Particulars	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - For statutory audit	2,00	2,00
For tax audit	60	60
For other services	48	1,12
<b>Total</b>	<b>3,08</b>	<b>3,72</b>

**Note 27 : Expenses on discontinuing operations**

	₹ in '000	
Particulars	For the period 01/04/2016 to 31/03/2017	For the period 01/04/2015 to 31/03/2016
Workers compensation A/c	2,17	-
Electricity charges	-	68
Property tax	2,23	1,14
Watch & ward	34	4,09
Interest cost	-	39,91
Repairs and maintenance - buildings	-	7
Water charges	-	3
Bad debts written off	6,84,06	-
Provision for doubtful debts written back	(3,77,54)	-
	3,06,52	-
Profit on sale of land	(16 16,74)	-
Sundry balance written off	-	3,09
Penalty fines & damages	-	18
Provision no longer required	(13,96)	-
<b>Total</b>	<b>(13,19,44)</b>	<b>49,19</b>



**NOTE NO. 28**
**1. Contingent Liabilities:**

- a) Disputed Income Tax demand in appeal ₹ 777.97 lakhs (₹ 777.97 lakhs).
- b) Sales Tax demand amounting to ₹ 30.49 lakhs (₹ 30.49 lakhs), under appeal (Net of paid ₹ 3.15 lakhs)
- c) Interest demand on Service Tax ₹ 2.78 lakhs (₹ 2.78 lakhs)
- d) Claims against the Company not acknowledged as debts ₹ 74.25 lakhs (₹ 74.25 lakhs )
- e) Custom duty, if any payable in the event of non-fulfillment of export obligations in respect of Advance License availed amounting to ₹ 30.85 lakhs ( ₹ 26.46 lakhs ).

2. The inventories of Ankleshwar Plant brought to Mumbai has been valued at ₹ 100.00 lakhs at the year end is as certified by the management only.
3. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business. The provision for depreciation, and all known liabilities are adequate and not in excess of the amounts considered reasonably necessary. No personal expenses have been charged to revenue accounts.
4. In the absence of necessary information relating to the suppliers registered as Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises 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.
5. In view of continuous losses, no provision has been made for Deferred Tax Asset (Net) arising out of carry forward losses, depreciation etc. as per prudential norms for recognition as specified in Accounting Standard No 22 on Accounting for taxes on income as issued by the Institute of Chartered Accountants of India.

**6. Earnings Per Share**

Net Profit /(Loss) for the year (₹ in Lakhs)

Weighted average number of equity shares for EPS computation

Earnings per share (₹)

<b>31<sup>st</sup> March 2017</b>	31 <sup>st</sup> March 2016
<b>13,66.44</b>	(36.11)
<b>2,43,25,600</b>	2,44,75,622
<b>5.62</b>	(0.15)

**7. Directors' remuneration:**

Remuneration paid to directors including Managing Director and Executive Director

Salary

Contribution to provident funds\*

Perquisites

Directors sitting fees

<b>(₹ In Lakhs)</b>	
<b>31<sup>st</sup> March 2017</b>	31 <sup>st</sup> March 2016
<b>50.40</b>	30.05
<b>3.67</b>	2.68
<b>12.37</b>	11.05
<b>1.30</b>	1.35
<b>67.74</b>	45.13

\*Excludes provision for Gratuity, where the actuarial valuation is done on overall Company basis:

8. Interest paid on Loans includes a sum of ₹ 18.51 lakhs (₹ 93.47 lakhs) paid to Directors.

**9. Related Party Disclosure :**
**List of Related Parties :**
**(A) Key Management Personnel and their relatives**

1. Mr. Mahendra K. Khatau      Chairman and Managing Director
2. Mrs. Asha M. Khatau      Spouse of Mr. M. K. Khatau and Director of the Company
3. Mr. Manish M. Khatau      Son of Mr. M. K. Khatau and Director of the Company

**(B) Associates :**

- (i) Priyamvada Holdings Limited
- (ii) Orchard Acres

**(C) Enterprises significantly influenced by the Key Management Personnel or their relatives**

- (i) Refnol Resins and Chemicals Limited
- (ii) Spiweld Chemtrade Private Limited
- (iii) Asha Marine Products Private Limited
- (iv) Samudra Dyechem Private Limited
- (v) Formost Chemicals Private Limited
- (vi) Textomax Chemicals Private Limited
- (vii) Chemron Texchem Private Limited
- (viii) Khatau Leasing and Finance Company Private Limited
- (ix) Emerald Capital Services Private Limited
- (x) Vindhypriya Holdings Private Limited
- (xi) MKK Holdings Private Limited
- (xii) Priyanilgiri Holdings Private Limited
- (xiii) Prerana Leasing and Finvest Private Limited
- (xiv) Prism Plantations Private Limited

**(D) Transaction with Associates/Enterprises significantly influenced by Key Management personnel or their relatives**
**(₹ In Lakhs)**

Particulars	Associates		Significantly Influenced	
	2016-17	2015-16	2016-17	2015-16
Sales of Goods	<b>41.79</b>	87.57	<b>8.20</b>	(1.42)
Income	<b>1.44</b>	-	<b>6.69</b>	1.79
Purchase of Goods	<b>493.33</b>	332.10	<b>337.23</b>	329.95
Expense	<b>1.18</b>	-	-	-
Debtors	<b>29.18</b>	-	<b>62.03</b>	66.39
Creditors	<b>218.05</b>	132.45	<b>277.36</b>	242.00
Loan & Advances	<b>271.48</b>	271.63	<b>0.66</b>	0.05
Deposits Received	-	-	-	(35.00)

**(E) Details of Transactions Relating to the Key Management Personnel and their Relatives**

		(₹ In Lakhs)	
		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
1	Managerial Remuneration *	66.44	43.79
2	Remuneration *	-	14.12
3	Reimbursement of expenses	-	1.98
4	Interest	18.51	93.47
5	Loan taken (Outstanding at the year end)	181.51	404.38
6	Director sitting fees	0.20	0.25

\*Excludes provision for Gratuity, where the actuarial valuation is done on overall Company basis.

**10. Disclosure pursuant to Accounting Standard – 15 “ Employee Benefits”**
Defined Benefit Plan Disclosures

Note pursuant to Accounting Standard – 15 “ Employee Benefits”.

		(₹ In Lakhs)					
Sr. no.	PARTICULARS	GRATUITY		LEAVE		TOTAL	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
I	Components to employer Expense						
a	Current service cost	<b>6.33</b>	5.47	<b>3.82</b>	2.94	<b>10.15</b>	8.41
b	Interest cost	<b>5.17</b>	4.53	<b>1.99</b>	1.69	<b>7.16</b>	6.22
c	Past service cost	-	-	-	-	-	-
d	Actuarial (gain)/loss	<b>(0.37)</b>	5.22	<b>(0.78)</b>	1.29	<b>(1.15)</b>	6.51
e	Total expense/(gain) recognized in the profit & loss a/c	<b>11.13</b>	15.22	<b>5.03</b>	5.92	<b>16.16</b>	21.14
II	Net Asset/(Liability) recognized in Balance Sheet as at 31 <sup>st</sup> March 2017						
a	Present value of obligation as at 31.3.17(31.3.16)	<b>81.47</b>	75.13	<b>33.15</b>	29.31	<b>114.62</b>	104.44
b	Fair value of plan Assets as at 31.3.17(31.3.16)	<b>Nil</b>	Nil	<b>Nil</b>	Nil	<b>Nil</b>	Nil
c	(Asset)/Liability recognized in Balance Sheet	<b>81.47</b>	75.13	<b>33.15</b>	29.31	<b>114.62</b>	104.44
III	Change in Defined Benefit Obligation (DBO) during year ended as on 31 <sup>st</sup> March 2017						
a	Present value of obligation as at 31.3.16(31.3.15)	<b>75.13</b>	66.11	<b>29.31</b>	25.25	<b>104.44</b>	91.36
b	Current service cost	<b>6.33</b>	5.47	<b>3.82</b>	2.94	<b>10.15</b>	8.41
c	Interest cost	<b>5.17</b>	4.53	<b>1.99</b>	1.69	<b>7.16</b>	6.22
d	Past service cost	-	-	-	-	-	-
e	Actuarial (gain)/loss	<b>(0.37)</b>	5.22	<b>(0.78)</b>	1.29	<b>(1.15)</b>	6.51
f	Benefits paid	<b>(4.79)</b>	(6.20)	<b>(1.19)</b>	(1.86)	<b>(5.98)</b>	(8.06)
g	Present value of obligation as at 31.3.17	<b>81.47</b>	75.13	<b>33.15</b>	29.31	<b>114.62</b>	104.44

## Principal actuarial assumptions

**A. LEAVE ENCASHMENT**

	<b>31<sup>st</sup> March 2017</b>	31 <sup>st</sup> March 2016
Discount rate	<b>7.00%</b>	7.90%
Expected rate of return	<b>N.A.</b>	N.A.
Salary growth rate	<b>7.00%</b>	7.00%

**B. GRATUITY**

	<b>31<sup>st</sup> March 2017</b>	31 <sup>st</sup> March 2016
Discount rate	<b>7.00%</b>	7.90%
Expected rate of return	<b>N.A.</b>	N.A.
Salary growth rate	<b>7.00%</b>	7.00%

**C. PRESENTATION IN BALANCE SHEET**
**GRATUITY**

	<b>31<sup>st</sup> March 2017</b>	31 <sup>st</sup> March 2016
Current liability	<b>15.83</b>	19.33
Non current liability	<b>65.64</b>	55.80

**TOTAL**
**81.47**
**75.13**
**LEAVE ENCASHMENT**

Current liability	<b>7.27</b>	8.09
Non-current liability	<b>25.89</b>	21.22

**TOTAL**
**33.16**
**29.31**

(₹ In Lakhs)

## 11. Foreign exchange earnings and outgo:

	<b>31<sup>st</sup> March 2017</b>	31 <sup>st</sup> March 2016
Value of Imports on C.I.F. basis	<b>21.50</b>	55.10
Expenditure in foreign exchange		
Travelling expenses	<b>10.95</b>	12.54
Foreign bank charges	<b>1.06</b>	1.89
Consultancy charges	<b>1.32</b>	4.06
Earnings in foreign exchange		
F.O.B. value of exports in aggregate	<b>1253.69</b>	798.31

(₹ In Lakhs)

**12. Statement of Carrying values of Assets and Liabilities of discontinued operations.**

	<b>31<sup>st</sup> March 2017</b>	<b>31<sup>st</sup> March 2016</b>
<b>(₹ In Lakhs)</b>		
<b>Assets</b>		
i) Fixed Assets (Net)	<b>Nil</b>	894.98
ii) Other current assets	<b>37.10</b>	41.94
iii) Miscellaneous expenses not written off	<b>Nil</b>	13.68
<b>Total Assets</b>	<b>37.10</b>	<b>950.60</b>
<b>Liabilities</b>		
i) Sundry Creditors	<b>(15.48)</b>	(15.48)
ii) Statutory Liabilities	<b>(23.34)</b>	(33.96)
iii) Other Liabilities	<b>(11.33)</b>	(2375.00)
<b>Total Liabilities</b>	<b>(50.15)</b>	<b>(2424.44)</b>

**13. Disclosure for specified Bank Notes :**

	<b>Specified Bank Notes (₹ 1000 and ₹ 500)</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing cash in hand as at 8 <sup>th</sup> November 2016	108.85	7.80	116.65
(+) Permitted receipts	-	20.96	20.96
(-) Permitted payments	-	(19.50)	(19.50)
(-) Amount deposited in Banks	(108.85)	-	(108.85)
Closing cash in hand as at 30 <sup>th</sup> December 2016	-	9.26	9.26

**14. Previous period's figures have been regrouped/rearranged wherever necessary.**

As per my report attached

**For Sheth Doctor & Associates**

 Chartered Accountants  
 (Firm Regn. No 124822W)

**Paresh S. Doctor**  
 Proprietor  
 Membership No 36056

**Place : Mumbai**  
**Date : 10<sup>th</sup> May 2017**
**For and on behalf of the Board of Directors**
**Mahendra K. Khatau**  
 Chairman & Managing Director

**Manish M. Khatau**  
 Director

**Bhavik B. Parekh**  
 Company Secretary

**Mukund R. Nagpurkar**  
 Chief Financial Officer

**THIS SPACE INTENTIONALLY LEFT BLANK**

**THIS SPACE INTENTIONALLY LEFT BLANK**

**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]**

<b>CIN</b>	L31300MH1964PLC013088
<b>Name of the Company</b>	Indokem Limited
<b>Registered office</b>	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:

- Name of the Person: \_\_\_\_\_ Address: \_\_\_\_\_  
 \_\_\_\_\_ Email id: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her.
- Name of the Person: \_\_\_\_\_ Address: \_\_\_\_\_  
 \_\_\_\_\_ Email id: \_\_\_\_\_  
 Signature: \_\_\_\_\_ or failing him/her.
- 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 51<sup>st</sup> Annual General Meeting of the Company, to be held on Friday, 29<sup>th</sup> September, 2017 at 4.00 P.M. at Citylight Banquets Hall, 4<sup>th</sup> Floor, Ashford Chambers, Citylight Cinema, L. J. Road, Mahim (West), Mumbai – 400 016 and at any adjournment thereof in respect of such resolution as is indicated below:

Resolution No.	Matter of
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2017, 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 (DIN: 00063944), who retires by rotation at this Annual General Meeting and being eligible and has offered herself for re-appointment.
3.	To appoint M/s. CNK & Associates LLP, Chartered Accountants, Mumbai as Statutory Auditors of the Company and fixing their remuneration.
4.	Approval for revision in remuneration of Shri. Mahendra K. Khatau, Chairman and Managing Director of the Company.
5.	Approval for entering into Related Party Transactions.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

Signature of Shareholder(s): \_\_\_\_\_

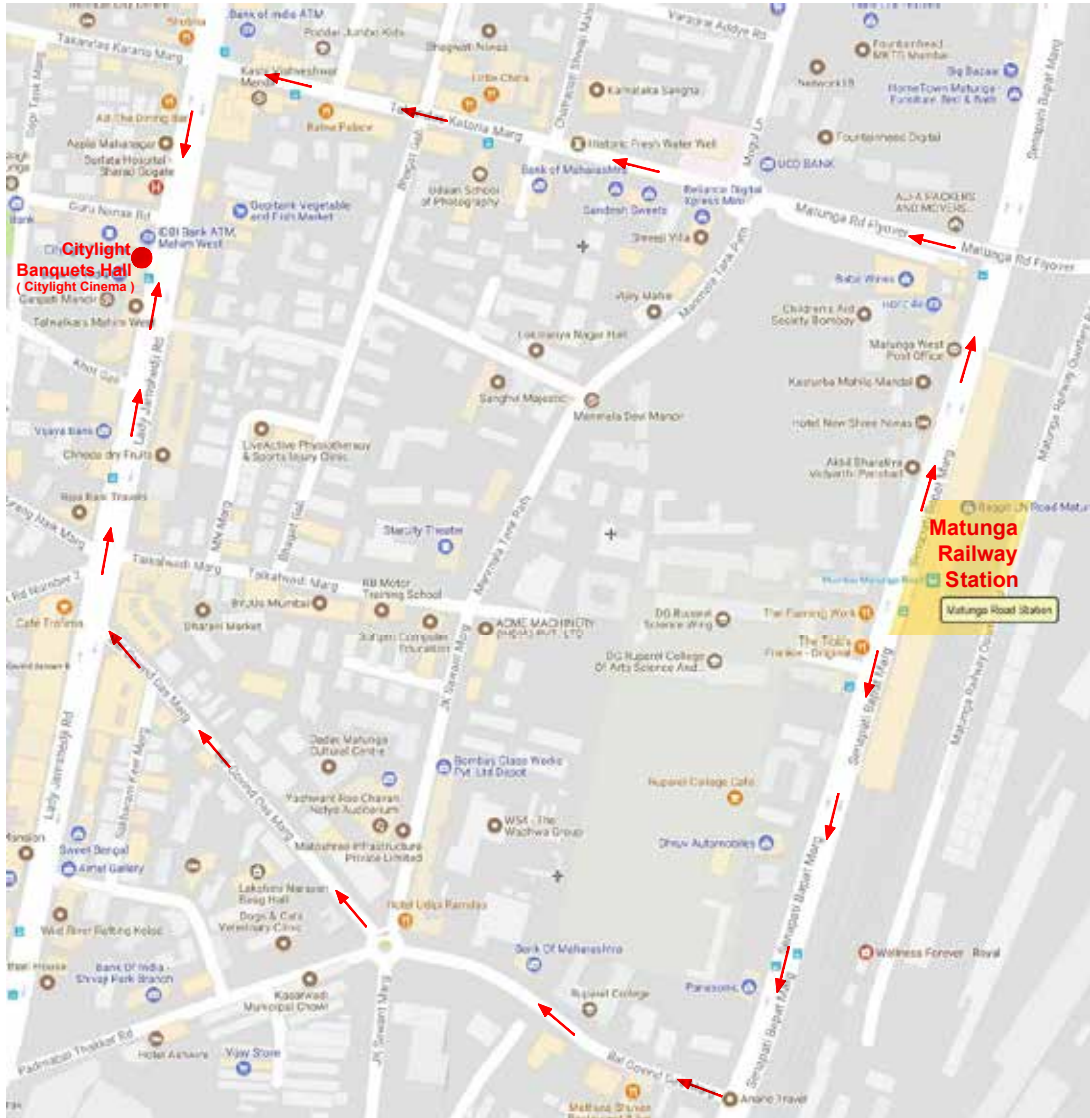
Signature of Proxy Holder(s): \_\_\_\_\_

Affix Revenue Stamp of Rs. 1/-
---

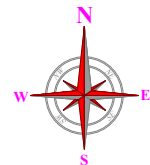
**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.**



# AGM VENUE ROUTE MAP



**ADDRESS :**  
**Citylight Banquets Hall,**  
**4th Floor, Ashford Chambers,**  
**Citylight Cinema, L.J. Road,**  
**Mahim West, Mumbai - 400 016.**





If undelivered please return to  
**Indokem Limited**  
Khatau House, Plot No.410/411, Mogul Lane, Mahim,  
Mumbai - 400 016.