



DEEPAK PHENOLICS LIMITED
(Formerly known as Deepak Clean Tech Limited)

ANNUAL ACCOUNTS

2016-17

INDEPENDENT AUDITOR'S REPORT

To the Members of Deepak Phenolics Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Deepak Phenolics Limited ("the Company"), which comprise the balance sheet as at March 31, 2017, and the related statements of profit and loss and cash flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements


9. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on March 31, 2017 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 internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure II.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced by to us by the Management. Refer Note 28.

For B. K. Khare & Co.
Chartered Accountants
Firm's Registration Number 105102W


Himanshu Chapsey
Partner
Membership Number: 105731
Mumbai, April 25, 2017



ANNEXURE I TO THE AUDITOR'S REPORT

Referred to in paragraph 9 of our report of even date on the financial statements of Deepak Phenolics Limited for the year ended March 31, 2017

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(ii) During the year, the Company has not conducted physical verification of its fixed assets as the Company's project at Dahej is in the process of being implemented and the entire amount spent is classified as capital work in progress. As informed to us, the Company will conduct physical verification of the fixed assets as and when the capital work in progress is capitalized.
(iii) The title deeds of immovable properties are held in the name of the Company.
2. Inventories have been physically verified by management at reasonable intervals during the year. The discrepancies noticed on such verification were not material and have been adjusted in the books of account of the Company.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the Company.
4. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and 186. According to the information and explanations given to us and to the best of our knowledge, the provisions of section 185 and 186 have been complied with in respect of the investments made by the Company.
5. In our opinion and according to the information and explanations given to us the Company has not accepted any deposits to which directives of the Reserve Bank of India or the provisions of Sections 73-76 of the Act apply. According to the information and explanations given to us and to the best of our knowledge and belief, no order has been passed by the Company Law Board or the National Company Law Tribunal or the RBI or any other court or tribunal which is to be complied with by the Company.
6. In our opinion and according to information and explanation given to us, the Company is not required to maintain cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the provisions of para 3(vi) of the Order are not applicable to the Company.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us no undisputed amounts payable in respect of such statutory dues are in arrears, as on March 31, 2017 for a period of more than six months from the date they became payable.

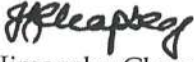


- (b) According to the information and explanations given to us, there are no amounts of the nature referred to clause 7(a) which have been deposited with the authority on account of any dispute.
8. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. The Company has not raised any money via debentures.
9. The Company has not raised any moneys by way of initial public offer or further public offer during the year and hence the provisions of para 3(ix) of the Order are not applicable to the Company. According to the information and explanations given to us and to the best of our knowledge and belief, the money raised by way of term loans have been applied for the purposes for which these were raised.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have 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 have we been informed of any such case by the Management.
11. The Company has not paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. According to the information and explanations given to us, the Company is not a Nidhi Company and hence, the provisions of para 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, the related party transactions entered into by the Company are in accordance with the provisions of Section 177 and 188 of the Act.
14. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the financial year and hence the provisions of para 3(xiv) of the Order are not applicable to the Company.
15. According to the information and explanations given to us and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of para 3(xv) of the Order are not applicable to the Company.



16. According to the information and explanations given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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


Himanshu Chapsey
Partner
Membership No. 105731
Mumbai, April 25, 2017



**ANNEXURE II TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON
THE FINANCIAL STATEMENTS OF DEEPAK PHENOLICS LIMITED**

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

We have audited the internal financial controls over financial reporting of Deepak Phenolics Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Himanshu Chapsey

Himanshu Chapsey
Partner
Membership No. 105731
Mumbai, April 25, 2017.



DEEPAK PHENOLICS LIMITED
(Formerly known as Deepak Clean Tech Limited)

Balance Sheet as at Mar,31 2017

	Note No.	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	25,000.00	6,184.41
Reserves and Surplus	3	(1,255.51)	(295.15)
		23,744.49	5,889.26
Share Application Money Pending Allotment	4	3,000.00	-
Non-Current Liabilities			
Long-Term Borrowings	5a	10,072.97	-
Deferred Tax Liability		-	-
Other Long-Term Liabilities		-	-
Long-Term Provisions	7	43.58	12.83
		10,116.55	12.83
Current Liabilities			
Short-Term Borrowings	5	6,910.30	3,361.18
Trade Payables	6a	1,682.35	387.74
Other Current Liabilities	6b	8,004.78	189.05
Short-Term Provisions	7	6.93	2.88
		16,604.36	3,940.85
TOTAL		53,465.40	9,842.94
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8a	2,219.06	61.90
Intangible Assets	8b	14.00	-
Capital Work-in-Progress	9	30,846.26	2,161.74
Long-Term Loans and Advances	11	12,554.31	4,002.73
Other Non-Current Assets	12	0.52	1.04
		45,634.16	6,227.41
Current Assets			
Inventories	13	1,058.78	16.70
Trade Receivables	14	4,416.99	1,684.76
Cash and Cash Equivalents	15	1,249.73	255.65
Short-Term Loans and Advances	11	5.21	27.42
Current Investments	10	1,100.00	1,627.34
Other Current Assets	12	0.53	3.66
		7,831.24	3,615.53
TOTAL		53,465.40	9,842.94
Notes to Financial Statements	1		




The accompanying notes form an integral part of the Balance Sheet.

As per our report of even date
For **B. K. KHARE & CO.**
Chartered Accountants
Firm Registration No.105102W


For and on behalf of the Board



Himanshu Chapsey
Partner
Membership No. 105731



D. C. MEHTA
Chairman & Managing
Director



SHRIPAD GUMASTE
Director



S P BANDOPADHYAY
Chief Financial Officer



SANJAY UPADHYAY
Director



SANDESH ANAND
Director



ARVIND BAJPAI
Company Secretary

Mumbai , 25th April, 2017

Vadodara , 25th April, 2017

DEEPAK PHENOLICS LIMITED
(Formerly known as Deepak Clean Tech Limited)

Statement of Profit & Loss for the year ended Mar,31 2017

	Note No.	Current Year 16-17 Rs. in Lakhs	Previous Year (15-16) Rs. in Lakhs
INCOME			
Revenue from Operations (Gross)	16	13,744.71	3,720.74
Less: Excise Duty		143.48	14.58
Revenue from Operations (Net)		13,601.23	3,706.16
Other Income	17	98.91	4.89
Total Revenue		13,700.14	3,711.05
EXPENSES			
Purchase of Traded Goods	18	14,693.29	3,587.45
(Increase)/Decrease in Inventories of Traded Goods	19	(1,042.36)	(15.18)
Employee Benefits Expenses	20	153.56	173.41
Depreciation Expenses	21	43.59	9.23
Finance Costs	22	422.33	58.26
Other Expenses	23	390.09	146.75
Total		14,660.50	3,959.92
Loss before Tax		(960.36)	(248.87)
Tax Expenses			
Current Tax		-	-
Deferred Tax Charge		-	-
Total Tax Expenses		-	-
Loss for the year		(960.36)	(248.87)
Earning per Equity Share			
Basic (in Rs.)	25	(0.73)	(0.68)
Diluted (in Rs.)	25	(0.72)	(0.68)
Face Value Per Share (in Rs.)		10.00	10.00
Notes to Financial Statements	1		



The accompanying notes form an integral part of the Statement of Profit & Loss .

As per our report of even date
For **B. K. KHARE & CO.**
Chartered Accountants
Firm Registration No.105102W

For and on behalf of the Board



Himanshu Chapsey
Partner
Membership No. 105731


D. C. MEHTA
Chairman & Managing
Director
SHRIPAD GUMASTE
Director
S P BANDOPADHYAY
Chief Financial Officer
SANJAY UPADHYAY
Director
SANDESH ANAND
Director
ARVIND BAJPAI
Company Secretary

Mumbai , 25th April, 2017

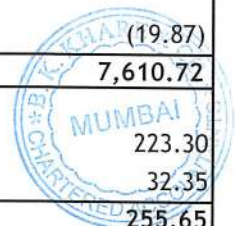
Vadodara , 25th April, 2017

DEEPAK PHENOLICS LIMITED

(Formerly known as Deepak Clean Tech Limited)

CASH FLOW STATEMENT

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax from Continuing Operations	-960.36	-248.87
Profit Before Tax	-960.36	-248.87
Non-cash adjustment to reconcile profit before tax to net cash flows		
Add:		
1. Depreciation / Amortisation on Continuing Operations	43.59	9.23
2. Provision for Doubtful Debts	-1.71	1.71
3. Amortization of Misc Expenses	0.53	-
4. Loss on sale of assets	0.87	-
5. Interest Expenses	322.88	19.87
6. Interest Income	-50.43	(3.54)
7. Income from sale of investment	-48.48	-1.35
Operating Profit Before Working Capital changes	-693.11	-222.95
Less:		
Movements in Working Capital :		
1. Increase / (Decrease) in Trade Payables & Other Current Liabilities & Provision	1,901.44	28.01
2. Decrease / (Increase) in Trade Receivables	(2,730.52)	(1,686.47)
3. Decrease / (Increase) in Inventories	(1,042.08)	(16.70)
4. Decrease / (Increase) in Long-Term Loans and Advances & Other Non Current Assets	(1,915.37)	(421.42)
5. Decrease / (Increase) in Short-Term Loans and Advances	27.42	(26.31)
6. Decrease / (Increase) in Other Current Assets	3.13	(3.13)
Cash generated from / (used in) Operations	-4,449.10	-2,348.97
Income Taxes paid	(5.21)	(0.92)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)	(4,454.31)	-2,349.89
B. CASH FLOW FROM INVESTING ACTIVITIES		
1. Purchase of Fixed Assets, including Capital Work in Progress & Capital Advances	(28,732.41)	(3,415.08)
2. Increase / (Decrease) in Project related Payables	7,243.70	-
4. Decrease / (Increase) in Long-Term Loans and Advances & Other Non Current Assets Related to project	(6,636.21)	-
4. Proceeds from sale of fixed assets	3.44	-
5. Purchase of Current Investments	(26,503.71)	(3,442.34)
6. Proceeds from sale of Current Investments	27,079.52	1,815.00
7. Interest received	50.43	3.54
8. Dividends received	0.00	1.35
NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES (B)	(27,495.24)	(5,037.53)
C. CASH FLOW FROM FINANCING ACTIVITIES		
1. Proceeds from issue of Equity Share	18,815.59	4,269.41
2. Proceeds from Share Application Money Pending Allotment	3,000.00	-
3. Net Proceeds from Working Capital Borrowings	1,726.42	1,361.18
4. Net Proceeds from Buyer Credit for Capital Goods	822.70	-
5. Proceeds from Short-Term Borrowings	1,000.00	2,000.00
6. Proceed from Long term Borrowing	10,072.97	-
7. Interest paid	(322.88)	(19.87)
NET CASH FLOW FROM/ (USED IN) IN FINANCING ACTIVITIES (C)	35,114.80	7,610.72
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	3,165.25	223.30
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	255.65	32.35
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,420.90	255.65



Components of Cash and Cash equivalents

Balances with Banks:

- In Current Accounts

443.12

135.65

Cash in hand

-

-

443.12

135.65

Other Bank Balances

- Deposits with original maturity for more than three months but less than twelve months

806.61

120.00

806.61

120.00

TOTAL CASH AND CASH EQUIVALENTS**1,249.73****255.65**

As per our report of even date

For B. K. KHARE & CO.

Chartered Accountants

Firm Registration No.105102W



Himanshu Chapsey

Partner

Membership No. 105731

Mumbai , 25th April, 2017



D. C. MEHTA

Chairman & Managing
Director

SHRIPAD GUMASTE

Director



S P BANDOPADHYAY

Chief Financial Officer

For and on behalf of the Board

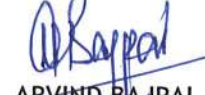
SANJAY URADHYAY

Director



SANDESH ANAND

Director



ARVIND BAJPAI

Company Secretary

Vadodara , 25th April, 2017

DEEPAK PHENOLICS LIMITED
(Formerly known as Deepak Clean Tech Limited)

Notes to Financial Statements for the Year ended 31st March, 2017

Company overview

Deepak Phenolics Limited (Formerly known as Deepak Clean Tech Limited) is a 100% Subsidiary of Deepak Nitrite Limited (along with nominees). It is formed for manufacturing of phenol & acetone as their main products. Deepak Phenolics Limited is in the process of setting up a manufacturing facility at GIDC Dahej, Gujarat.

1. SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention

The accompanying financial statements have been prepared under the historical cost convention on accrual basis, in accordance with Generally Accepted Accounting Principles in India. The Company has prepared these Financial Statements to comply in all material respects with the Accounting Standards notified under section 133 of Companies Act 2013 Read with rule 7 with Companies Rules, 2014. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

a) Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the year in which the results are known/materialised.

b) Presentation and Disclosure of Financial Statements

Assets and Liabilities are classified as Current or Non-Current as per the provisions of the Schedule III notified under the Companies Act, 2013, and Company's normal operating cycle. Based on the nature of business and its activities, the Company has ascertained its operating cycle as twelve months for the purpose of Current & Non-Current classification of Assets & Liabilities.

c) Fixed Assets

(i) Tangible Fixed Assets and Depreciation

Fixed Assets are stated at their original cost of acquisition, less accumulated depreciation and impairment losses. Cost includes all incidental expenses related to acquisition and installation expenses.

Depreciation is provided, pro rata for the period of use, by the Straight Line Method (SLM) at the life prescribed in Schedule II of the Companies Act, 2013 .

(ii) Intangible Fixed Assets

Intangible assets are stated at their original cost of acquisition, less accumulated amortisation and impairment losses, if any. An Intangible Asset is recognised, where it is probable that the future economic benefits attributable to the Asset will flow to the enterprise and where its cost can be reliably measured.

The cost of intangible assets is amortised over the estimated useful life, in any case, not exceeding ten years, on a straight-line basis. Details of estimated useful life is given below:

Software and related implementation costs	6 years
Rights to use facilities	5 years
Technical Know How	10 years

d) Inventories

(i) Raw Materials, Packing Materials and Stores & Spares are valued at cost determined on monthly moving weighted average basis and are net of Cenvat and VAT.

(ii) Finished Goods and Stock-in-process are valued at cost of purchase of raw materials including the cost incurred in the normal course of business in bringing the inventories up to the present condition or at the net realizable value, whichever is lower.



e) Revenue recognition

- (i) Revenue from sales is recognized when the significant risks and rewards associated with ownership of goods are transferred to the buyers and no significant uncertainty exists as to the amount of consideration derived from the sales. Sales is recorded net of trade discounts, rebates, sales taxes, VAT and excise duties (recovery of which realisation is shown separately).
- (ii) Revenue from rendering of services relating to conversion/processing activity is recognized when the converted/processed goods are ready for delivery.
- (iii) Revenue in respect of dividend received, export incentive, overdue interest, insurance claim, etc. is recognized to the extent that the Company is reasonably certain of its ultimate realization.

f) Employee Retirement Benefits

(i) Defined Contribution Plans

Company's contributions paid/payable during the year to Provident Fund, are recognized in the Statement of Profit and Loss.

(ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined on actuarial basis using the projected unit credit method, which consider each period of service as giving rise to an additional unit of benefit and measure each unit separately to build up the final obligation. Past services are recognized on straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds, where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

g) Investments

Investments that are readily realizable and intended to be held for not more than twelve months are classified as current investments. All other investments are classified as long term. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary in nature, in the carrying amount of such long term investments.

h) Foreign currency transactions

- (i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange difference arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.
- (ii) The Company uses foreign exchange forward contracts and options to hedge its actual underlying exposures to reduce exchange risk and/or cost to the Company.
- (iii) The difference between the forward rate and the exchange rate at the inception of the forward contract for underlying transactions is recognized as per the principles set out in (h) (i) above.
- (iv) In respect of hedge contracts, for firm commitment or forecasted transactions, the attributable loss is accrued on periodic settlement and/or completion of contract and is recognized as per the principles set out in (h) (i) above.

(i) Preliminary Expenses

Includes Preliminary Expenses written off equally in five years from current year

j) Income Tax

Tax expense comprises of both current and deferred tax.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognized unless, in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.



k) Earning per Share

The company reports basic and diluted Earning per Share (EPS) in accordance with the A S 20 on 'Earning per Share'. Basic earning per equity share is computed by dividing net income by the weighted average number of equity shares outstanding for the period. Diluted earning per equity share are computed by dividing net profit or loss for the period by the weighted average number of equity shares adjusted for the effects of all dilutive potential equity shares.

l) Segment Reporting - Basis of Information

There are no reportable segments as defined by Accounting Standard 17 on "Segment Reporting".

m) Borrowing costs

Borrowing costs directly attributable to the acquisition/construction of qualifying assets as also the borrowing costs of funds borrowed generally and used for the purpose of acquisition/construction of such assets is capitalized up to the date the assets are ready for use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

n) Operating Lease

Operating lease payments are recognised as an expense in the Statement of Profit & Loss on a straight-line basis, which is representative of the time pattern of the user's benefit.

o) Cash Flow statement

The Cash Flow Statement is prepared by the indirect method set out in A S 3 'Cash Flow Statements', whereby the profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The Cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

p) Provisions and Contingent Liabilities

Provisions are recognized in the accounts in respect of present probable obligations, the amount for which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.



2. SHARE CAPITAL

	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Authorised Shares:		
280,000,000 (P.Y. 100,000,000) Equity Shares of Rs.10/- each	28,000.00	10,000.00
270,000,00 (P.Y. 100,000,000) Preference Shares of Rs.100/- each	27,000.00	
	55,000.00	10,000.00
Issued, subscribed and fully paid-up shares:		
250,000,000(P.Y. 61,844,110) Equity Shares of Rs.10/- each	25,000.00	6,184.41
fully paid-up		
Total Issued, subscribed and fully paid-up share capital	25,000.00	6,184.41

(a) Reconciliation of the shares outstanding and the amount of share capital at the beginning and at the end of the reporting period:
Company has issued Equity Shares during the year.

Equity Shares

	As at Mar,31 2017		As at March 31, 2016	
	No.	Rs. in Lakhs	No.	Rs. in Lakhs
At the beginning of the period	61,844,110	6,184.41	14,050,000	1,405.00
Issued during the period (Refer note below)	188,155,890	18,815.59	47,794,110	4,779.41
Outstanding at the end of the period	250,000,000	25,000.00	61,844,110	6,184.41

(b) Shares held by holding company:

	As at Mar,31 2017		As at March 31, 2016	
	No.	Rs. in Lakhs	No.	Rs. in Lakhs
<i>Equity shares of Rs.10 each fully paid</i>				
Shares held by Deepak Nitrite Ltd, the holding company	250,000,000	25,000.00	61,844,110	1,405.00

(c) Details of shareholders holding more than 5% Equity Shares in the Company:

Name of the Shareholder	As at Mar,31 2017		As at March 31, 2016	
	No.	% holding	No.	% holding
<i>Equity shares of Rs.10 each fully paid</i>				
Deepak Nitrite Limited	250,000,000	100.00	61,844,110	100.00

3. RESERVES & SURPLUS

	As at Mar.31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Surplus in Profit & Loss		
Balance as per last Financial Statements	(295.15)	(46.28)
Profit/(Loss) for the year	(960.36)	(248.87)
Total	(1,255.51)	(295.15)

4. SHARE APPLICATION MONEY PENDING ALLOTMENT

	As at Mar,31 2017		As at March 31, 2016	
	No of Shares	Amount Rs. in Lakhs	No of Shares	Amount Rs. in Lakhs
Equity shares of face value Rs. 10 each proposed to be issued	30,000,000	3,000.00	-	-
TOTAL	30,000,000	3,000.00	-	-



5. SHORT TERM BORROWINGS

	Non-Current	Non-Current	Current	Current
	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Working Capital Borrowing from Banks -Secured (refer note below(a))-Secured	-	-	3,087.60	1,361.18
Buyers Credit for capital goods (refer note below(a))	-	-	822.70	-
Short Term Loan (refer note below(b))-Unsecured	-	-	3,000.00	2,000.00
Total	-	-	6,910.30	3,361.18
Secured Borrowings	-	-	3,910.30	-
Unsecured Borrowings- Loans from Director and related party as per note b).	-	-	3,000.00	-
Net Amount			6,910.30	

a) Working Capital borrowings from banks represent Buyers' Credit against Letter of Undertaking carry rate of interest ranging 0.84% p.a. to 1.65% p.a & Cash Credit Facility of Rs.730 Lakhs carry rate of interest 10.75% p.a.This is secured Facility. These borrowings are repayable on demand.

b) Short Term Loans:- Unsecured Rs. 3000 Lakhs (Previous year nil) from related party.

c) Buyers Credit for capital goods against Letter of Undertaking carry rate of interest ranging 1.57% p.a. to 1.96% p.a. This facility is availed against sublimit of project loan of Rs.840 cr.

d)Secured working capital borrowings are secured by way of first hypothecation charge over company's Raw Material, semi Finished, finished,traded goods, consumables stores and Book Debts.

5a. LONG TERM BORROWINGS

	Non-Current	Non-Current	Current	Current
	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Secured				
Term Loan from Banks (refer note below(b))	10,072.97	-	-	-
Total	10,072.97	-	-	-

a) Term Loans:- Rupee term loan outstanding of Rs. 10072.97 Lakhs (Previous Year Nil) taken during the year from Axis Bank of Rs. 5467.40 Lakhs (Previous Year Nil), Dena Bank Rs. 2605.57 Lakhs (Previous Year Nil) and BOB 2000.00 Lakhs (Previous Year Nil), carry interest rate ranges from of @ 10.55 % p.a to 10.80% p.a, which is secured.These borrowings repayment will start from 30/6/2020.

b) These loans are secured by first pari passu charge by way of mortgage of immovable properties of the company, both present & future and hypothecation of movable assets of the company and also by second pari passu charge over current assets of the company.

6 a. TRADE PAYABLES

	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Trade payables (refer note # 33)	1,682.35	387.74
Total	1,682.35	387.74

6 b. OTHER CURRENT LIABILITIES

	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Payable to Related Parties (refer note # 26)	1,615.10	24.35
Creditors for Projects (refer note # 33)	5,670.81	17.86
Others	718.87	146.84
Total	8,004.78	189.05

7. SHORT TERM AND LONG TERM PROVISIONS

	Long-Term	Long-Term	Short-Term	Short-Term
	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs	As at Mar,31 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Provision for Employee Benefits				
Provision for Gratuity	21.36	4.89	0.23	0.02
Provision for Leave Benefits	22.22	7.94	6.70	2.86
Total	43.58	12.83	6.93	2.88



Fixed Assets

8a. Tangible Assets

Sr. No.	Particulars	Current Period				DEPRECIATION				NET BLOCK		
		GROSS BLOCK		DEPRECIATION		NET BLOCK		NET BLOCK				
		As at April 1, 2016	Additions	Deletions	Total Mar 31, 2017	Upto April 1, 2016	For the year	Deletions	Total Mar 31, 2017	As at Mar 31, 2017	As at March 31, 2016	
1	2	3	4	5	6 (3+4-5)	7	8	9	10 (7+8-9)	11 (6-10)	12 (3-7)	
1	Freehold Land	-	-	-	-	-	-	-	-	-	-	-
2	Leasehold Land	-	2,080.94	-	2,080.94	-	8.58	-	8.58	2,072.36	-	-
3	Plant and Machinery	15.64	17.22	-	32.86	3.93	10.02	-	13.95	18.91	11.71	-
4	Factory and	-	-	-	-	-	-	-	-	-	-	-
5	Other Buildings	-	-	-	-	-	-	-	-	-	-	-
6	Roads	-	-	-	-	-	-	-	-	-	-	-
7	Office Equipment's	23.87	20.99	6.15	38.71	3.58	6.35	1.84	8.09	30.62	20.29	-
8	Furniture & Fixture	3.98	83.65	-	87.63	0.24	12.94	-	13.18	74.45	3.74	-
9	Vehicles	27.64	-	-	27.64	1.48	3.44	-	4.92	22.72	26.16	-
	Current Year's Total:	71.13	2,202.80	6.15	2,267.78	9.23	41.33	1.84	48.72	2,219.06	61.90	61.90
	Total - Current Year	71.13	2,202.80	6.15	2,267.78	9.23	41.33	1.84	48.72	2,219.06	61.90	61.90

Fixed Assets

8. Tangible Assets

Sr. No.	Particulars	Current Period				DEPRECIATION				NET BLOCK		
		GROSS BLOCK		DEPRECIATION		NET BLOCK		NET BLOCK				
		As at April 1, 2015	Additions	Deletions	Total Mar 31, 2016	Upto April 1, 2015	For the year	Deletions	Total Mar 31, 2016	As at Mar 31, 2016	As at March 31, 2015	
1	2	3	4	5	6 (3+4-5)	7	8	11	12 (7+8-10-11)	13 (6-9-12)	13 (3-7)	
1	Freehold Land	-	-	-	-	-	-	-	-	-	-	-
2	Leasehold Land	-	-	-	-	-	-	-	-	-	-	-
3	Plant and Machinery	-	15.64	-	15.64	-	3.93	-	3.93	11.71	-	-
4	Factory and	-	-	-	-	-	-	-	-	-	-	-
5	Other Buildings	-	-	-	-	-	-	-	-	-	-	-
6	Roads	-	-	-	-	-	-	-	-	-	-	-
7	Office Equipment's	23.87	23.87	-	23.87	-	3.58	-	3.58	20.29	-	-
8	Furniture & Fixture	3.98	3.98	-	3.98	-	0.24	-	0.24	3.74	-	-
	Current Year's Total:	71.13	71.13	-	71.13	-	9.23	-	9.23	61.90	-	-
	Total - Previous Year	71.13	71.13	-	71.13	-	9.23	-	9.23	61.90	#REF!	-

8b. Intangible Assets

Current Period

Sr. No.	Particulars	Current Period				DEPRECIATION				NET BLOCK		
		GROSS BLOCK		DEPRECIATION		NET BLOCK		NET BLOCK				
		As at April 1, 2016	Additions	Deletions	Total Mar 31, 2017	Upto April 1, 2016	For the year	Deletions	Total Mar 31, 2017	As at Mar 31, 2017	As at March 31, 2016	
1	2	3	4	5	6 (3+4-5)	7	8	9	10 (7+8-9)	11 (6-10)	12 (3-7)	
1	Computer Software	-	16.26	-	16.26	-	2.26	-	2.26	14.00	-	-
	Total - Current Year	-	16.26	-	16.26	-	2.26	-	2.26	14.00	-	-

Intangible Assets

Current Period

Sr. No.	Particulars	Current Period				DEPRECIATION				NET BLOCK		
		GROSS BLOCK		DEPRECIATION		NET BLOCK		NET BLOCK				
		As at April 1, 2015	Additions	Deletions	Total Mar 31, 2016	Upto April 1, 2015	For the year	Deletions	Total Mar 31, 2016	As at Mar 31, 2016	As at March 31, 2015	
1	2	3	4	5	6 (3+4-5)	7	8	9	10 (7+8-9)	11 (6-10)	12 (3-7)	
1	Computer Software	-	-	-	-	-	-	-	-	-	-	-
	Total - Previous Year	-	-	-	-	-	-	-	-	-	-	-



9. Capital Work In Progress

Sr. No.	Particular	As at	As at
		Mar, 31 2017	March 31, 2016
		Rs. in Lakhs	Rs. in Lakhs
1	Capital Work in Progress (Projects)	23,896.26	-
2	Capital Work in Progress (Others)	6,950.00	2,161.74
	Capital Work in Progress (Net)	30,846.26	2,161.74

Details of Capital Work in Progress - Others

Sr. No.	Description	(Rs. In Lakhs)			
		Incurred till March 31, 2016	Incurred during the year	Capitalized / Transferred during the year	Total as on Mar 31, 2017
Capital Work in Progress :					
1	Land & Site Development	17.91	370.78	-	388.69
2	Other Engineering Fees	806.52	2,242.01	-	3,048.53
Movements in Working Capital :					
1	Employees emoluments / Deputation Expenses	618.15	951.56	-	1,569.71
2	Other Expenses	714.10	754.93	-	1,469.03
3	Finance charges	5.06	468.98	-	474.04
	Total	2,161.74	4,788.26	-	6,950.00

10. CURRENT INVESTMENTS

	As at Mar, 31 2017	As at March 31, 2016
	Rs. in Lakhs	Rs. in Lakhs
Short Term Investments at Cost		
Investments in Mutual Fund		
Axis Liquid Fund -Growth	1,100.00	75.00
Baroda Pioneer Liquid Fund -Growth	-	200.00
Religare Invesco Liquid Fund -Growth	-	800.00
Birla Sun life Cash Plus -Growth	-	552.34
Total	1,100.00	1,627.34

Note: Aggregate Market Price of Investment in Mutual Fund Rs. 1100.00 Lakhs (P.Y. Rs.1635.88)

11. Loans & Advances (Long Term & Short Term)

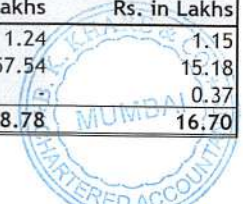
	Non-Current		Current	
	As at Mar, 31 2017	As at March 31, 2016	As at Mar, 31 2017	As at March 31, 2016
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Capital Advances				
Unsecured, considered good	9,982.33	3,346.12	-	-
	9,982.33	3,346.12	-	-
Security Deposit				
Unsecured, considered good	63.25	42.09	-	-
	63.25	42.09	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	-	3.20
	-	-	-	3.20
Other Loans and Advances				
Balances with Statutory / Government Authorities	2,508.73	613.60	-	24.22
Prepaid Expenses	-	-	-	-
TDS Receivable	-	0.92	5.21	-
	2,508.73	614.52	5.21	24.22
TOTAL	12,554.31	4,002.73	5.21	27.42

12. OTHER NON-CURRENT AND CURRENT ASSETS

	Non-Current		Current	
	As at Mar, 31 2017	As at March 31, 2016	As at Mar, 31 2017	As at March 31, 2016
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
Unsecured, considered good unless stated otherwise				
Interest Accrued but not due on Fixed Deposit	-	-	-	3.13
Unamortised Expenses	0.52	1.04	0.53	0.53
TOTAL	0.52	1.04	0.53	3.66

13. INVENTORIES (valued at lower of cost and net realisable value)

	Current	
	As at Mar, 31 2017	As at March 31, 2016
	Rs. in Lakhs	Rs. in Lakhs
Raw Materials and Components (including Packing Material)	1.24	1.15
Traded Goods	1,057.54	15.18
Stores	-	0.37
TOTAL	1,058.78	16.70



14. TRADE RECEIVABLES

	Current As at Mar,31 2017 Rs. in Lakhs	Current As at March 31, 2016 Rs. in Lakhs
Debts outstanding for a period exceeding six months		
Unsecured, considered good	0.19	-
Doubtful Debts	-	1.71
Provision for Doubtful Debts	0.19	1.71
	-	(1.71)
Other receivables	0.19	-
Unsecured, considered good	4,416.80	1,684.76
TOTAL	4,416.99	1,684.76

15. CASH AND CASH EQUIVALENTS

	Current As at Mar,31 2017 Rs. in Lakhs	Current As at March 31, 2016 Rs. in Lakhs
Cash and Cash Equivalents		
Balances with Banks:		
- In Current Accounts	443.12	135.65
Cash in hand	-	-
Other Bank Balances	443.12	135.65
- Deposits with original maturity for more than three months but less than twelve months	806.61	120.00
TOTAL	1,249.73	255.65

16. REVENUE FROM OPERATIONS

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Revenue from Operations		
Traded Goods	13,655.44	3,709.78
Exchange Gain	87.86	
Other Operating Revenue	1.41	10.96
Revenue from Operations (Gross)	13,744.71	3,720.74
Less: Excise duty	143.48	14.58
Revenue from Operations (Net)	13,601.23	3,706.16

Note:
Detail of Products Sold

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Traded Goods		
Phenol	10,675.73	3,701.44
Acetone	2,974.00	-
Others	5.71	8.34
	13,655.44	3,709.78

17. OTHER INCOME

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Interest Income	50.43	3.54
Profit from sale of investment/Dividend	48.48	1.35
TOTAL	98.91	4.89

18. DETAILS OF PURCHASE OF TRADED GOODS

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Purchase of Traded Goods for Resale	14,693.29	3,587.45
TOTAL	14,693.29	3,587.45

Note:
Detail of Traded Goods Purchase

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Traded Goods		
Phenol	11,748.13	3,580.56
Acetone	2,939.32	
Others	5.84	6.89
	14,693.29	3,587.45

19. (INCREASE)/ DECREASE IN INVENTORIES

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Inventories at the beginning of the year		
Traded Goods	15.18	-
	15.18	-
Less:		
Inventories at the end of the year		
Traded Goods	1,057.54	15.18
	1,057.54	15.18
	(1,042.36)	(15.18)

20. EMPLOYEE BENEFITS EXPENSE

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Salaries, Wages and Bonus	134.15	165.20
Contribution to Provident and Other Funds	5.56	2.19
Gratuity Expenses	0.35	2.41
Staff Welfare expenses	13.50	3.61
TOTAL	153.56	173.41

21. DEPRECIATION EXPENSES

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Depreciation of Assets	43.59	9.23
TOTAL	43.59	9.23

22. FINANCE COSTS

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Interest	322.88	6.11
Bank charges	99.45	38.39
Exchange difference to the extent considered as an adjustment to Borrowing Costs	-	13.76
TOTAL	422.33	58.26

23. OTHER EXPENSES

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
Conversion Charges	23.55	5.00
Share Issue Expenses	175.95	40.91
Rates & Taxes- Others	33.51	6.36
Amortisation of Misc. Expenses	0.53	0.53
Insurance	21.16	2.43
Freight Charges	44.97	7.72
Sales Commission	-	4.23
Rent	7.18	7.72
Travelling and Conveyance	12.51	11.36
Vehicle Expenses	2.41	2.88
Foreign Exchange Loss	-	14.16
Provision for Doubtful Debts	(1.71)	1.71
General Expenses	65.25	38.08
Directors' Sitting Fees	1.55	1.01
Payment to Auditor	3.23	2.65
TOTAL	390.09	146.75

Note:

Payment to Auditor

	Current Year (up to 31st Mar) Rs. in Lakhs	Previous Year Rs. in Lakhs
i) As Auditor:		
Audit fees	2.00	2.00
Tax Audit fees	0.50	0.50
Quarterly Limited Review	-	-
ii) Reimbursement of Expenses & Stax	0.73	0.15
TOTAL	3.23	2.65



24. Employee Retirement Benefits

A) Gratuity

Description of the Plan:

i) Present Value of Defined Benefit Obligation:

	Current Year Rs.in Lakhs	Previous Year Rs.in Lakhs
Balance at the beginning of the year	4.91	-
Current Service Cost	5.10	4.91
Interest Cost	0.40	-
Liability transferred in/Out	8.13	-
Actuarial (gain)/losses	3.06	-
Benefits Paid	-	-
Past Service Costs	-	-
Curtailments	-	-
Settlements	-	-
Balance at the end of the year	21.59	4.91

ii) Assets and Liabilities Recognised in the Balance Sheet:

	As at March 31, 2017 Rs. in Lakhs	As at March 31, 2016 Rs. in Lakhs
Present Value of Defined Benefit Obligation	21.59	4.91
Less: Fair Value of Plan Assets:	-	-
Less: Unrecognised Past Service costs	-	-
Amounts recognised as liability	21.59	4.91
Recognised under:		
Long Term provision (Refer Note 7)	21.36	4.89
Short Term provision (Refer Note 7)	0.23	0.02
Total	21.59	4.91

iii) Expenses recognised in the statement of Profit and Loss:

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Current Service Cost	5.10	4.91
Interest Cost	0.40	-
Expected return on Plan Assets	-	-
Actuarial (gain)/losses	3.06	-
Past Service Costs	-	-
Curtailments	-	-
Settlements- Project related transferred to CWIP	(8.21)	(2.50)
Total Expenses	0.35	2.41

v) Actuarial Assumptions

	Current Year	Previous Year
Discount Rate	7.34%	8.07%
Expected Return on Plan Assets	NA	NA
Salary Growth Rate	6.50%	6.50%
Attrition rate	2.00%	2.00%



B) Leave Encashment

1) The Leave Encashment Benefit Scheme is a Defined Benefit Plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation.

2) Principal Actuarial Assumptions:

	Current Year	Previous Year
Discount Rate	7.34%	8.07%

3) The accumulated balance of Leave Encashment (unfunded) provided in the books as at March 31, 2016, is Rs. 28.92 Lakhs (P.Y. Rs. 10.80 Lakhs), which is determined on actuarial basis using Projected Unit Credit

C) Defined Contribution Plan

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Employer's Contribution to Provident Fund	31.36	10.60

Expected Contribution for the next year	Rs. in Lakhs
Employer's Contribution to Provident Fund	50.00



25 Disclosure under AS 20 "Earning Per Share"

	Current Year	Previous Year
Basic and Diluted Earning per Share		
Number of Shares as on April 1, 2016 (Nos. in Lakhs).	618.44	140.50
Number of Shares as on Mar 31, 2017 (Nos. in Lakhs).	2,500.00	618.44
Weighted Average Number of Shares considered for Basic Earning Per Share (Nos. in Lakhs).	1,319.24	363.87
Weighted Average Number of Shares considered for Diluted Earning Per Share (Nos. in Lakhs).	1,328.28	363.87
Net Loss after Tax available for Equity Shareholders (Rs. in Lakhs)	(960.36)	(248.87)
Basic Earning (in Rupees) Per Share of Rs.10/- each.	(0.73)	(0.68)
Diluted Earning (in Rupees) Per Share of Rs.10/- each.	(0.72)	(0.68)

26 Disclosure under AS 18 "Related Party Disclosures"

(i) Holding Company:

Deepak Nitrite Limited

(ii) Key Management Personnel

Shri D.C. Mehta

Chairman & Managing Director

(iii) Transaction with Related Parties

(Rs. in Lakhs)

Sr. No	Nature of Transaction	31st March, 2017			31st March, 2016				
		Holding Companies	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL	Holding Companies	Key Managerial Person	Entities over which key managerial personnel or their relatives are able to exercise significant influence	TOTAL
1	Receiving of services / Reimbursement of Expenses Deepak Nitrite Limited Deepak Cybit Pvt Ltd Deepak Medical Foundation	213.18		- 0.28 0.36	213.18 0.28 0.36	381.59		-	381.59
2	Purchase of Goods & goods clearance services Deepak Fertilizer & Petro Chemicals Corp Ltd			2,151.88	2151.88				
3	Purchase of capital assets Land purchases Deepak Nitrite Limited	1,597.43			1597.43				
4	Application money received, pending allotment & Equity Contribution Deepak Nitrite Limited	21,815.59		-	21815.59	4,269.41		-	4,269.41
5	Loan received Deepak C Mehta- Loan Storewell Credits and Capital Pvt Ltd- Loan		700.00	2,300.00	700.00 2300.00				
6	Interest Paid Deepak C Mehta- Interest Storewell Credits and Capital Pvt Ltd- Loan		38.66	147.75	38.66 147.75				
7	Net Accounts Receivable / (Payable) Deepak Nitrite Limited Deepak C Mehta Storewell Credits and Capital Pvt Ltd	(1,615.10)	(700.00)	- (2,300.00)	(1,615.10) (700.00) (2,300.00)	(24.35)		-	(24.35)

27 Contingent Liabilities not Provided for

	As at March 31, 2017	As at March 31, 2016
	Rs. in Lakhs	Rs. in Lakhs
In respect of Bank Guarantee - Financial	203.98	



Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as per MCA Notification No. 28 G.S.R. 307(E) dated 30th March, 2017

	SBN (INR)	Other denominations notes (INR)	Total (INR)
Closing Balance as on 8th Nov 2016			
Permitted Receipts	8500	0	0
Permitted Payment	0	400,070	408,570
Amount Deposited in Bank 2016	8,500	343,803	343,803
	0	70	8,570
		56,197	56,197

28 Capital Commitments (Net of Advances)

	As at March 31.2017 Rs. in Lakhs	As at March 31. 2016 Rs. in Lakhs
Capital Commitments	45,606.69	3,591.69

29 Hedging Instruments

a) The Company takes Forward contracts to hedge exposures arising out of net foreign currency payables and receivables. The Net Open Position is covered by Simple Forward contract as given below:

	Year	Current	Previous Year
Amount USD (in Lakhs)		58.43	NIL
Equivalent INR (in Lakhs)		3894.96	NIL

b) The unhedged exposure of foreign currency transactions is as follows:

	Currency	Current Year	Previous Year
Payables			
Working Capital Loans			
Trade Payables	USD Lakhs	36.56	20.52
	USD Lakhs	21.80	5.12
Buyers Credit -Capital goods	USD Lakhs	12.69	NIL

30 CIF Value of Imports

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
i) Finished goods for trading activity	11,379.87	3,114.52
ii) Capital Goods	873.17	
Total	11,379.87	3,114.52

31 Expenditure in Foreign Currency (on accrual basis and subject to deduction of tax where applicable):

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
i) Technical Know How Fees & Others	991.53	761.64
ii) Subscription and participation	5.66	-
ii) Foreign Travels	5.01	12.82
	1002.20	774.46


32 Earning in Foreign Exchange

	Current Year Rs. in Lakhs	Previous Year Rs. in Lakhs
Export Traded Goods	16.62	-
Misc. Receipts (indenting Income)	-	7.04
	16.62	7.04

33 There are No Amount due to MEME under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.


34 Previous year's figures are shown in bracket and have been re-classified / regrouped wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date
For B. K. KHARE & CO.
Chartered Accountants
Firm Registration No.105102W


Himanshu Chapsey
Partner
Membership No. 105731

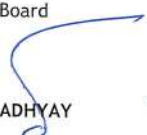



D. C. MEHTA
Chairman & Managing Director



SHRIPAD GUMASTE
Director


S P. BANDOPADHYAY
Chief Financial Officer

For and on behalf of the Board


SANJAY UPADHYAY
Director


SANDESH ANAND
Director


ARVIND BAJPAI
Company Secretary

Mumbai , 25th April, 2017

Vadodara , 25th April, 2017