



THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

**96th
ANNUAL REPORT
2016-17**

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Directors

Shri Laxmikumar Narottam Goculdas Chairman
Shri Haridas Tricumdas Kapadia
Shri Madhu Thakorlal Ankleshwaria
Shri Arvind Wasudeo Ketkar
Ms Mitika Laxmikumar Goculdas

Key Management Personnel

Shri Bimal Lalitsingh Goculdas Chief Executive Officer
Shri Dilip Trimbak Gokhale Executive Vice President
& Company Secretary
Shri Dharmarajan Kalyan Sundaram Chief Finance Officer

Auditors

K.S. Aiyar & Co.
Chartered Accountants

Legal Advisers

Bhaishanker Kanga & Girdharlal

Bankers

Janakalyan Sahakari Bank Ltd.
The Federal Bank Ltd.

Registered Office

Prospect Chambers,
317/321, Dr. Dadabhoy Naoroji Road,
Fort, Mumbai – 400 001.

Factories

Roha (Maharashtra)
Jhar (Gujarat)
Khemli (Rajasthan)
Dahej(Gujarat)

Registrar and Transfer Agents

Link Intime India Pvt. Ltd.

C101, 247 Park, L B S Marg,
Vikhroli (W) Mumbai-400 083.
Tel. : 022-49186000 Fax : 022- 49186060
Email : mt.helpdesk@linkintime.co.in



NOTICE

Notice is hereby given that the Ninety Sixth Annual General Meeting of the Members of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (CIN : L24110MH1919PLC000564) will be held at the Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020, on Tuesday, the 26th day of December, 2017 at 11:00 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company (post merger) for the Financial Year ended 31st March, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Ms Mitika Laxmikumar Goculdas (holding DIN 02879174), who retires by rotation, and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors and fix their remuneration

To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as amended from time to time, Rahul Gautam Divan & Associates, Chartered Accountants, (ICAI Firm Registration No. 120294W), be and are hereby appointed as Statutory Auditors of the Company in place of Messrs K.S. Aiyar & Company, the retiring statutory auditors of the Company, to hold office for a period five (5) years from the conclusion of this, 96th Annual General Meeting (AGM) of the Company till the conclusion of the 101st AGM of the Company to be held in 2022 (subject to ratification of their appointment at every AGM, if so required under the Act) to examine and Audit the accounts of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

4. Ratification of Cost Auditor's Remuneration

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

“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re- enactment (s) thereof, for the time being in force), as amended from time to time, the remuneration payable to CMA Shri S. S. Dongare holding ICWA Registration Number 12521, appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, amounting to Rs. 66,000 (Rupees Sixty Six Thousand Only) as also the payment of taxes as applicable and re-imburement of actual out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified.”

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

**NOTES:**

- a. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in regard to the business as set out in item Nos.3 and 4 above is annexed hereto:-
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, SHOULD BE DULY STAMPED, COMPLETED, SIGNED AND MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. Proxies submitted on behalf of Companies, Societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by on behalf of the nominating organization.
- c. Corporate members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
- d. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
- e. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.
Provided that 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 proxy for any other person or shareholder.
- f. Members / Proxies should bring the Attendance Slip sent herewith duly filled in for attending the Meeting.
- g. The Register of Members and the Transfer Books of the Company shall remain closed from Monday, the 18th December, 2017 to Tuesday, 26th December, 2017 (both days inclusive).
- h. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office during office hours between 11.00 a.m. to 1.00 p.m. on all days except Saturdays, Sundays and Public Holidays upto the date of the Annual General Meeting.
- i. Members are requested to notify changes of address, if any, to the Company.
- j. NRI shareholders are requested to immediately inform (a) change in their residential status on return to India for permanent settlement and (b) particulars of NRE Account, if not furnished earlier.
- k. If members have more than one folio with the Company in identical order of names, the fact should be intimated to the Company for consolidation into one folio. If further shares are bought by the members, folio number(s) should be mentioned in the forwarding letters to avoid creation of multiple folios.
- l. To support the “Green Initiative”, the Members who have not registered their e-mail addresses are requested to register the same with Registrars/Depositories.
- m. Voting through electronic means: In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by the Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.



The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Saturday, 23rd December, 2017 (9.00 am IST) and ends on Monday, 25th December, 2017 (5.00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19th December, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders .
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot/Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) 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 remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (xi) Click on the EVSN for the relevant The Dharamsi Morarji Chemical Company Limited on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) 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.
- (xviii) 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, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions on e-voting :

- (i) The e-voting period commences on Saturday, 23rd December, 2017 (9.00 am IST) and ends on Monday, 25th December, 2017 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on Tuesday, the 19th December, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he/she shall not be allowed to change it subsequently.



- (ii) The voting rights of the shareholder will be in proportion of their shares as on Tuesday, 19th December, 2017 to the paid up equity share capital of the Company.
- (iii) Provision of electronic voting will not be extended during the AGM, however, those members who have not casted their vote through e-voting will be allowed to vote on poll. Those members who have exercised their voting through e-voting prior to the meeting may participate in the AGM but will not be entitled to vote on poll during the meeting.
- (iv) Mr. Jatin Papat, Proprietor, JSP Associates, Practicing Company Secretary (Membership No. FCS No. 4047 C.P.NO.6880), has been appointed as the Scrutinizer to conduct the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- (v) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of atleast two witness not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (vi) The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.dmcc.com and on the website of CDSL www.cdslindia.com within two days of the passing of the resolutions at the Ninety-Sixth AGM of the Company on 26th December, 2017 and communicated to BSE Limited, where the shares of the Company are listed.

By Order of the Board of Directors,

D. T. Gokhale
Company Secretary

Registered Office:

Prospect Chambers,
317/321, Dr. Dadabhoy Naoroji Road,
Fort, Mumbai 400 001.
CIN: L24110MH1919PLC000564
Website: www.dmcc.com
e-mail : dgokhale@dmcc.com
Date:10th November, 2017.



EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 (the Act), and Article 89 (2) of the Articles of Association of the Company the following Explanatory Statement sets out all material facts relating to the business mentioned under item No. 3 and 4 of the accompanying Notice dated 10th November, 2017.

Item No. 3

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

Section 139 (2) of the Act read with the Companies (Audit and Auditors) Rules, 2014, has mandated all listed companies and certain categories of unlisted public companies and private companies to mandatorily rotate their Auditors (whether such Auditor is an individual or a Firm) once their Auditor has served office as an Auditor for a period of 10 or more consecutive years (rotation period). In this regard, the third proviso to Section 139(2) of the Act has provided a moratorium period, wherein companies incorporated prior to 1st April 2014, have been provided a time period of 3 years from such date to comply with the requirement to rotate their auditors.

Messrs. K. S. Aiyar & Company, Chartered Accountants, holding ICAI Firm Registration Number 100186W, are the statutory auditors of the Company due for rotation at this Annual General Meeting (AGM) of the Company, as they have been the company's statutory auditors for more than 10 years.

After following a process with respect to selection of Statutory Auditors of the Company, Messrs Rahul Gautam Divan & Associates (RGD & Associates), Chartered Accountants (ICAI Firm Registration No.120294W), was identified to be the next Statutory Auditor of the Company. The term of appointment is for 5 Years, subject to ratification by members at each succeeding AGM, if so required under the Act.

Rahul Gautam Divan & Associates is a member of Kreston International, a worldwide network of accounting firms, offering high quality accounting, auditing, legal and consultancy services. The combined experience of the partners in the chartered accountancy profession within the associated firms is over 50 years. RGD & Associates have associated offices in Bangalore and Ahmedabad, with residential partners at both associated offices. RGD & Associates have been involved in the Statutory Audits and also Internal Audits of various companies, and have the necessary experience to conduct the statutory audit of the Company. RGD & Associates have consented to the said appointment and confirmed that their appointment, if made, would be in accordance with Section 139 read with Section 141 of the Act.

Accordingly, approval of the Members is being sought for the proposal contained in the Resolution set out at Item No. 3 of the accompanying Notice.

The Board recommends the Resolution at Item No.3 of the accompanying Notice for approval by the Members of the Company.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in the Resolution at Item No. 3 of the accompanying Notice.

Item No. 4

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board



of Directors has approved the re-appointment of CMA Shri. S. S. Dongare holding ICWA Registration No. 12521, as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2017-18, at a remuneration of Rs. 66,000/- (Rupees Sixty Six thousands only) plus taxes and actual out-of-pocket expenses.

CMA Shri. S. S. Dongare has furnished a certificate regarding his eligibility for appointment as Cost Auditors of the Company. He has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the previous year under the provisions of the Act.

The Board recommends the Resolution at Item No. 4 of the accompanying Notice for ratification of the Cost Auditors remuneration by the Members of the Company.

None of the Directors , Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in the Resolution at Item No. 4 the accompanying Notice.

Details of the Directors and Manager seeking appointment/re-appointment at the forthcoming Annual General Meeting:

(Pursuant to Clause 49 of the Listing Agreement and Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Ms. Mitika Laxmikumar Goculdas
Director Identification Number (DIN)	02879174
Date of Birth	11.08.1972
Date of Appointment on the Board	04.11.2011
Qualifications/Expertise in specific functional areas	MBA (Finance) from Pennsylvania State University, USA
Directorships held in other companies (excluding foreign companies)	Borax Morarji Limited (since amalgamated with the Company) Gocul Gas Pvt. Ltd. Kosan Industries Pvt. Ltd. L.P. Gas Equipment Pvt. Ltd. L.P. Gas Transport & Bottling Co. Pvt. Ltd. Bombay Foods Pvt. Ltd. Phoenix Distributors Pvt. Ltd. Natural Gas Co. Pvt. Ltd. Autogas Conversion (India) Pvt. Ltd. B.S. and Service Pvt. Ltd. Phoenix Distributors Gas Agencies Bhopal Pvt. Ltd. B S and Services Gas Agencies Bhopal Pvt. Ltd. Jasraj Trading Co. Pvt. Ltd. Falcon Chemicals LLC, Dubai



Committee position held in other committees	Nil
Shareholding	Nil
Relationship between Directors interse	Yes, Daughter of Chairman

By Order of the Board of Directors,

D. T. Gokhale
Company Secretary

Registered Office:

Prospect Chambers,
317/321, Dr. Dadabhoy Naoroji Road,
Fort, Mumbai 400 001.
CIN: L24110MH1919PLC000564
Website: www.dmcc.com
e-mail : dgokhale@dmcc.com
Date:10th November, 2017.



DIRECTORS' REPORT (Including Management Discussion and Analysis Report)

Your Directors are pleased to inform you that the Amalgamation of Borax Morarji Limited (BML) with your Company on the appointed date i.e. 1st April, 2016 was approved by the Mumbai Bench of National Company Law Tribunal (NCLT) on 18th October, 2017. Accordingly, BML and DMCC have been amalgamated, effective from 1st April, 2016, being the appointed date.

The Directors are pleased to present their Ninety Sixth Annual Report together with the audited financial statements (post merger of BML with your Company) of the Company for the financial year ended 31st March, 2017.

	Financial Year ended 31st March, 2017	Financial Year ended 31st March, 2016
	Rs. in lakhs	Rs. in lakhs
Sales Turnover (inclusive of excise duty but excluding MVAT /S.TAX)	18831.76	10,664.42
Gross Profit / (Loss)	2549.00	1,540.38
Less : Depreciation	371.64	225.83
Less : Exceptional Item	–	–
Profit / (Loss) before taxation	2177.36	1,314.55
Less : Provision for Taxation (MAT)	443.94	117.38
Profit (Loss) after Taxation	1733.42	1,197.17
Add : Balance brought forward	–	–
Balance carried forward	1733.42	1,197.17
The following is the Sales Turnover (Inclusive of Excise Duty but excluding MVAT /S.TAX) by group of products :		
Commodity Chemicals	8991.61	4,427.19
Speciality Chemicals	9182.60	5,902.72
Others	657.55	334.51
Total	18831.76	10664.42

Scheme of Arrangement/Amalgamation and Capital restructuring.

The merger is expected to result in creation of a combined entity and synergy in the business besides achieving economies of scale. Combining the functions and the operations of both the companies is expected to result in better performance with the benefits in the form of better utilisation of managerial, technical and the financial resources, thereby enhancing the value of stakeholders. The amalgamation and restructuring is expected to result in Operational rationalization, Cost reduction, better administration and organizational efficiency.

Though BML was engaged in the manufacture of Boron Chemicals, your Company is planning to expand and diversify in Specialty Chemicals as well, at its new location at Dahej in the State of Gujarat. Your Company will have an additional advantage of strategic location at Dahej in the State of Gujarat which is a large and expanding chemical market with strategic advantages in logistics, marketing and procurement.



During the year under review, your Company had issued 588930 Equity shares of Rs.10/- each at a premium of Rs.91.88 each by way of Preferential allotment of Equity shares to two promoter group companies viz. The Natural Gas Company Private Limited and Phoenix Distributors Private Limited. The proceeds from the issue of these Equity shares were utilized for redemption of 8% Redeemable Cumulative non-convertible preference shares of Rs.100/- each aggregating to Rs.6,00,00,000/- held by The Natural Gas Company Private Limited and Phoenix Distributors Private Limited. It may also be noted that the Promoters have voluntarily waived recovery of cumulative dividend (not declared) on these preference shares aggregating to Rs.624 Lakhs as on 31st March, 2016 and pro-rata dividend on these preference shares thereafter.

Your company has allotted to the shareholders of BML 22,59,849 Equity shares of Rs.10/- each aggregating to Rs.2,25,98,490/- at a premium of Rs.98/- per share aggregating to Rs.22,14,65,202/- in the ratio of “1 (“One”) Equity Share in your company of INR 10 (“Indian Rupees Ten”) each fully paid up for every 2 (“Two”) fully paid up equity shares of INR 10 (“Indian Rupees Ten”) each in BML.”

Similarly, the preference shareholder of BML have also been allotted 8,33,333 Equity shares of Rs.10/- each aggregating to Rs.83,33,330/- at a premium of Rs.8,16,66,634 in the ratio of “10 (“Ten”) Equity Shares in your Company of INR 10 (“Indian Rupees Ten”) each fully paid up for every 108 (“One Hundred and Eight”) fully paid up preference shares of INR 10 (“Indian Rupees Ten”) each in BML.”

In view of the scheme of arrangement/amalgamation of the two companies, the authorized share capital of your company now comprises of 40,000,000 Equity shares of Rs.10/- each aggregating to Rs.40 Crores and 2,000,000 Preference shares of Rs.100/- each aggregating to Rs.20 Crores.

Thus, the issued, subscribed and paid up equity share capital of your company now comprises of 2,49,39,933 Equity shares of Rs.10/- each aggregating to Rs. 24,93,99,330/- and 2,80,000, 2.5% Redeemable Cumulative Non-convertible preference share capital of Rs.100/- each aggregating to Rs.2,80,00,000.

Extension of time for holding of AGM

In order to present consolidated position of the company’s financials post amalgamation of BML and DMCC, the Company had sought extension of time for holding the 96th Annual General meeting (AGM) and the Registrar of companies (ROC), Maharashtra have granted extension of time of 3 months to hold the said Annual General Meeting.

Listing Requirement

Your company’s Equity shares are already listed on BSE Limited. During the year under review, your Company has issued 588930 Equity shares of Rs.10/- each at a premium of Rs.91.88 each by way of Preferential allotment of Equity shares to two promoter group companies viz. The Natural Gas Company Private Limited and Phoenix Distributors Private Limited, which have been listed on BSE Ltd. As per NCLT order dated 18th October, 2017, your company issued 22,59,849 equity shares of Rs.10/- each at a premium of Rs.98/- each to BML equity shareholders and 8,33,333 equity shares of Rs.10/- each at a premium of Rs.98/- each to BML preference shareholder. These shares will also be listed on BSE Ltd., in course of time.

OVERVIEW OF OPERATIONS AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT INCLUDING PROSPECTS IN THE INDUSTRY

The combined turnover of commodity chemicals and Boron chemicals during the current financial year ended 31st March, 2017 is Rs.8991.61 Lakhs . The turnover of the Specialty chemicals during the current financial year ended 31st March, 2017 was Rs.9182.60 Lakhs.



As predicted by all leading global and economic institutions, India is a bright star in the world and Indian economy is expected to grow at 7.5%. As in the past, Indian chemical industry is expected to perform well.

The company has followed a policy of revamping and re-modelling of the manufacturing capacities by judiciously following combination of productivity improvement of existing plants and manufacturing facilities and creation of new multipurpose and flexible manufacturing infrastructure (capable of producing multiple products and capable of carrying out multiple processes) through fresh capital expenditure.

The Company's speciality chemical business is driven by extensive product R & D and process innovations which are significantly different from those in case of commodity chemicals business. The growth of specialty chemicals is driven by both domestic markets and export markets. The specialty chemicals business is also driven by overall growth of Indian economy. Specialty chemical exports are also growing as India has the potential of becoming an important manufacturing hub for such chemicals. Large parts of the world are under turmoil and while your company has so far not faced any significant disruptions on the customer side, growth in areas such as EU is likely to be muted. Your Company's business has been expanded to various other countries so as to ensure a good geographical spread.

On the process development side, your company continues to focus on the Sulphur and Ethanol chemistry. The expertise gained over the years, especially in the safe handling of hazardous chemicals, is being commercially exploited. Products are being selected based on experience in manufacturing process developed over the years. This includes development of novel process, an improvement in specifications or cost effectiveness owing to backward integration or economies of scale. With specialization in chemistry, rather than a particular end use, your company is attempting to insulate from the business cycles of any one industry. With specialisation in multiple and multipurpose processes and the new products, your Company is endeavoring to insulate from the cyclical fluctuations in the Chemical Industry.

Cautionary Statement

Statements in this "Management Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be considered as "forward looking statements" within the meaning of applicable security laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

ADEQUACY OF INTERNAL CONTROLS

Your Company has well laid down policies, guidelines and procedures which form part of its internal control system. The Audit Committee of the Board periodically reviews reports of Internal Auditors, inter alia, on adherence by the operating Management of such policies and procedures and suggests changes/modifications and improvements on a continuous basis. The Company has an independent and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposal and the transactions are authorised, recorded and reported correctly. The internal control systems are supplemented by a programme of internal audit.

HUMAN RESOURCE DEVELOPMENT

As part of ongoing exercise of the restructuring and re-organisation of the Company's business, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements. Special emphasis is being led continually on recruitment of multi-disciplinary and experienced staff to carry forward the growth objectives of the Company. Regular training programmes are being held for the benefit of the staff and the workmen. Your Company believes



in a collaborative approach and works closely with the unions, and Industrial relations have been cordial all along.

BOARD EVALUATION

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 Companies Act, 2013 (the Act) and the corporate governance requirements as prescribed by Securities and Exchange Board of India (“ SEBI ”) under Clause 49 of the Listing Agreement.

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 Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the “Chief Executive Officer” and “Manager” of the Company under the Companies Act, 2013.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of non-executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performances of the Board, its committees and individual Directors were also discussed.

NOMINATION AND REMUNERATION POLICY

The Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees have evolved and have been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement with a view to pay equitable and commensurate remuneration to the Directors, Key Managerial Personnel and other Employees of the Company, based on the Qualification, experience and industry standard.

In view of the inadequacy of profits, the Directors of the Company were not being paid any remuneration/ commission etc. except the normal sitting fees.

The Chief Executive Officer (CEO) of the Company is being paid in accordance with the provisions of the Companies Act, 2013 and Schedule V of the Companies Act, 2013 which prescribes the ceiling on the maximum permissible remuneration in respect of Companies having inadequate profits.

The Management of the Company has taken into consideration the various applicable factors such as qualification, experience, industry standards etc. and evolved an appropriate Remuneration policy.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY

The Company has not provided any loan to any person or body corporate or given any guarantee or provided security in connection with such loan or made any investment in the securities of anybody corporate pursuant to Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company.

SEXUAL HARASSMENT

During the year under review, there was not a single incident under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013.

MEETINGS

A calendar of Meetings is prepared and circulated in advance to the Directors.



During the year seven Board Meetings and five Audit Committee Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

AUDIT COMMITTEE

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

DIRECTORS/KEY MANAGEMENT PERSONNEL

Ms Mitika Laxmikumar Goculdas (holding DIN 02879174), Director, is retiring by rotation in accordance with the requirements of the Act and under the Article 135 of the Articles of Association of the Company, and being eligible, offers herself for re-appointment.

The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. Independent Directors have submitted declarations 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.

During the year, the non-executive Directors of the Company had no pecuniary relationship or transactions with the Company.

The Company continues its operations under the leadership of the Senior Corporate Management Team comprising of Shri Bimal Lalitsingh Goculdas, Chief Executive Officer, Shri D. T. Gokhale, Executive Vice President and Company Secretary and Shri D. K. Sundaram, Chief Finance Officer, who are the Key Managerial Personnel.

WHISTLE BLOWER POLICY

The Company has a whistle blower policy to report genuine concerns or grievances. The Whistle Blower policy has been posted on the website of the Company (www.dmcc.com).

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year under review were at arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The Audit Committee and the Board of Directors at their meetings have reviewed and approved all the related party transactions undertaken by the Company during the Financial Year. The related party transactions entered into by the Company are disclosed in Note no. XIII 9 of the Notes to Accounts. All Related Party Transactions are placed/routed through the Audit Committee and the Board of Directors. None of the Directors has any pecuniary relationships or transactions with the Company.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy which reflects the overall risk management philosophy, the Company's overall approach to risk management, risk assessment, risk mitigation mechanism and the roll and responsibilities for risk management. Risk management forms an integral part of the business planning and review cycle. The Company's Risk Management Policy is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by



ensuring compliance with legal requirements and by safe guarding the integrity of the Company's financial reporting and its related disclosures.

The identification and analysis of and putting in place the process for mitigation of these risks is an ongoing process. The Company has also laid down procedure to inform the Audit Committee and the Board about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks by means of a properly defined frame work. The monthly review meetings of all the functional/departmental heads inter alia discuss the relative risk management issues.

INSIDER TRADING

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulation 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a code of conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information ('Code of Fair Disclosure').

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensure that the Directors and specified persons of the Company and their dependents shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company which is not in the public domain, that is to say, insider information.

The code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the need and interest of all the Stakeholders.

ENVIRONMENT HEALTH AND SAFETY (EHS)

The prime endeavor of our Management is to achieve Environment Health and Safety (EHS). Your Company has various EHS management processes and methodologies being deployed and implemented under the EHS to ensure that our employees become more safety conscious . The Company has a system of in- house EHS training for employees and workmen at the factory as also the practice of sending the employees/workmen to various external EHS programmes.

RESPONSIBLE CARE®

Responsible care® is a global voluntary initiative of the Chemical Industry, the objective of which is continuous improvement in the areas of environmental protection, health, safety and security. It is the endeavor of your Company that our products - both raw materials and finished goods - pose no risk to employees, society and environment as well. This is sought to be achieved by minimizing the negative influence of our products along the entire supply chain, right from procurement, storage, and manufacturing right upto sale. Your Company is one of the few in India authorised to use the Responsible care® logo. This has been achieved after extensive site and systems improvement, third party mentoring, and a series of audits. Logo usage validity is upto November 2018, renewable thereafter.

REACH

REACH regulation is adopted by the European Union to improve protection of human health and environment from the risks of that can be posed by the Chemicals. REACH stand for Registration, Evaluation, and Authorisation of all Chemical Substances. Borax Morarji (Europe) GmbH has registered several products under the REACH Regulations and with merger of BML with DMCC, your company will be able to take advantage of this registration.



AUDITORS

Messers. K.S.Aiyar & Co., Chartered Accountants, holding ICAI Firm Registration Number 100186W, who are the Statutory Auditors of your Company, hold office until the conclusion of this year's Annual General Meeting of the Company.

The Board has recommended the appointment of Messrs Rahul Gautam Divan & Associates, Chartered Accountants, holding ICAI Firm Registration Number 120294W as Statutory Auditors of the Company in place of Messrs. K.S. Aiyar & Co., Chartered Accountants, the existing auditors of the Company, for a period of five years from the conclusion of this 96th Annual General Meeting (AGM) held in 2017 till the conclusion of the 101st Annual General Meeting to be held in 2022. (subject to ratification of their appointment at every AGM).

Messrs Rahul Gautam Divan & Associates, Chartered Accountants, holding ICAI Firm Registration Number 120294W, under Section 139 of the Act, furnished a certificate of its eligibility for appointment. The Members are requested, to approve their appointment as Statutory Auditors and to authorize the Board of Directors to fix their remuneration. In this connection, the attention of the Members is invited to item No.3 of the Notice.

COST AUDITOR AND COST AUDIT REPORT

The Board of Directors, on the recommendation of Audit Committee has appointed Shri S.S. Dongare, Cost Accountant, as Cost Auditor of your Company to audit the cost accounts of the Company for Financial Year 2017-18 at remuneration of Rs. 66,000/- (Rupees Sixty Six Thousand Only) as also the payment of taxes as applicable and re-imburement of actual out-of-pocket expenses incurred in connection with the aforesaid audit. As required under the Companies act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting. In accordance with the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company carries out an audit of cost records (Sulphuric Acid) maintained by the Company every year.

The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31st March, 2016, by Shri S.S. Dongare, Cost Accountant, which was due for filing with the Ministry of Corporate Affairs by 30th September, 2016, was duly filed on 05th October, 2016, accepted by the Government as filed in time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure I".

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

A Corporate Social Responsibility Committee of the Directors was constituted earlier consisting of Ms. Mitika Laxmikumar Goculdas as Chairman, Shri H. T. Kapadia, Shri M. T. Ankleshwaria and Shri A. W. Ketkar as members of the Committee.

The Committee met once during the year and due to the average net profit of last three years being negative, your Company is not required to spend any amount towards Corporate Social Responsibility activities during the year under review, is annexed herewith as "Annexure II".



SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Shri A. D. Gupte, FCS No.300, and C.P. No. 1210 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as “Annexure III” and forms integral part of this Report.

There is no qualification in the report of Secretarial Auditor, for the year under review.

PARTICULARS OF EMPLOYEES

The particulars of employees as required under section 197 and rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 have not been furnished as there are no employees falling within the purview of the provisions of said section and the said rule during the period under review.

Information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in “Annexure IV” to this Report.

SUBSIDIARY COMPANY

Borax Morarji (Europe) GmbH is a 100% wholly owned subsidiary Company in Germany. Primarily it takes care of complying with the German Regulations for exports of Specialty Boron products to Germany and Europe.

In terms of exemption granted by the Ministry of Corporate Affairs vide its order No. 2/2011 dated 8th February, 2011 Balance Sheet of Borax Morarji (Europe) GmbH, Germany is not attached to the accounts of the Company. However, the annual accounts of the subsidiary are available for inspection at the office of the Company and the related detailed information will be made available to the Shareholders when asked for.

CONSOLIDATION OF ACCOUNTS

In pursuance of the mandatory compliance of the Accounting Standard 21, as issued by the Institute of Chartered Accountants of India, the Company has presented Consolidated Financial Statements for the year under report, consolidating its accounts with the accounts of its Wholly Owned Subsidiary Company, viz. Borax Morarji (Europe) GmbH, Germany. A separate report of the Statutory Auditor on the consolidated Financial Statements also forms part of the same.

PUBLIC DEPOSITS

During the year 2016-17, your Company has not accepted/renewed any fixed deposit. Post Merger the unclaimed matured deposits as on 31.03.2017 were Rs.31.69 Lakhs including interest 0.01 Lakhs.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013:

- (i) that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;



- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the annual accounts have been prepared on a going concern basis;
- (v) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company has been practicing the principles of good Corporate Governance over the years and the Board of Directors lay strong emphasis on transparency, accountability and integrity. Your Company has adopted a Code of Conduct which is approved by the Board of Directors as required under the Listing Agreement with the BSE Limited, Mumbai. The Directors and the Management Staff have confirmed their adherence to the provisions of the said code. A separate report on Corporate Governance is annexed as a part of the Annual Report, along with the Auditors' Certificate on its compliance.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is included in this Report as Annexure-V and forms an integral part of this Report.

ACKNOWLEDGEMENTS

The Directors are thankful to your Company's shareholders, customers, suppliers, and contractors, various departments of Central and State Governments and Banks for their continued valuable support. The relations between the employees and the management continue to be cordial. Your Directors place on record their appreciation of the sincere and devoted efforts of the employees at all levels and their continued co-operation and commitment.

For and on behalf of the Board

LAXMIKUMAR NAROTTAM GOCULDAS
Chairman

Registered Office

Prospect Chambers, 317/321,
Dr. Dadabhoy Naoroji Road, Fort,
Mumbai 400 001.

Date : 10th November, 2017



ANNEXURE I TO THE DIRECTORS' REPORT

DISCLOSURES

A. CONSERVATION OF ENERGY

POWER AND FUEL CONSUMPTION

FORM A

		April, 2016 to March 2017	April, 2015 to March, 2016
1	Electricity Purchased		
	Unit (Lac KWH)	69.75	48.41
	Total Amount (Rs. Lakhs)	562.01	394.79
	Rate/Unit (Rs./KWH)	8.06	8.15
2	Furnace Oil		
	Quantity (K. Litre)	15.959	
	Total Amount (Rs. Lakhs)	4.41	
	Average Rate (Rs./KL)	27645	
	Consumption per Tonne of Major Products		
	Electricity (Unit – KWH)		
1	Single Superphosphate	–	–
	Sulphuric Acid 100%	51	51

FORM B

B. TECHNOLOGY ABSORPTION

RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D is carried out by the Company :

The Company has an R & D Centre which is approved by the Department of Scientific & Industrial Research, Govt. of India, New Delhi.

Areas in which R & D activity was carried out includes:

- Process and cost optimization of existing Speciality Chemicals so as to be competitive in the domestic and international market.
- Development of the processes for making value added products to cater to the need of local and export market.
- Technical support to Marketing efforts for launching new products and for trouble shooting of existing products.

2. Benefits derived as a result of the above R & D

- Quality and yield improvement of the existing products
- Manufacture and supply of some of the products as per the customers specifications.

3. Future plan of action:

- Studies on the preparation of new Speciality Chemicals and formulations with special emphasis on value addition.
- Focus on ethylation & sulphonation Chemistry to develop new products.



4. Expenditure on R & D

		April, 2016 to March, 2017	April, 2015 to March, 2016
(i)	Capital	35.25	65.45
(ii)	Recurring	103.40	37.94
(iii)	Total	138.65	103.39
(iv)	Total R & D expenditure as a percentage of sales turnover	0.74%	0.97%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Technology upgradation and innovation are matters of a continuous process in the Company.

2. Benefits

Increased capacity, cost reduction, improvement in quantity and flexibility to meet market demands.

3. Technology imported during the last five years.

No technology was imported during the last five years.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of foreign exchange earned/ utilized are as under.

	April, 2016 to March 2017	April, 2015 to March, 2016
EARNINGS IN FOREIGN EXCHANGE:		
Export of goods calculated on FOB basis	4599.68	3826.39
Total Foreign Exchange earned	4599.68	3826.39
OUTGO IN FOREIGN EXCHANGE:		
(1) VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Raw Materials and bought outs	1224.47	-
(2) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF FOREIGN TOURS, SUBSCRIPTION, ETC.	172.20	111.19
Total Foreign Exchange outgo	1396.67	111.19

For and on behalf of the Board

LAXMIKUMAR NAROTTAM GOCULDAS

Chairman

Registered Office

Prospect Chambers, 317/321,
Dr. Dadabhoy Naoroji Road, Fort,
Mumbai 400 001.

Date : 10th November, 2017



ANNEXURE II TO THE DIRECTORS' REPORT

The composition and the functions of the Company's Corporate Social Responsibility (CSR) Committee as contemplated as per Section 135 of the Companies Act, 2013 is as under:

The Company has formed earlier CSR Committee comprising of the following Directors:

Shri Laxmikumar Narottam Goculdas, Chairman

Shri Haridas Tricumdas Kapadia, Member

Shri Madhu Thakorlal Ankleshwaria, Member

Shri Arvind Wasudeo Ketkar, Member

During the previous year the Company reconstituted the CSR Committee comprising of the following Directors:

Ms Mitika Laxmikumar Goculdas, Chairman

Shri Haridas Tricumdas Kapadia, Member

Shri Madhu Thakorlal Ankleshwaria, Member

Shri Arvind Wasudeo Ketkar, Member

The Committee recognizes that its operations impact a wide community of stakeholders, including investors, employees, customers, business associates and local communities and that appropriate attention to the fulfillment of its corporate social responsibilities can enhance overall performance. In structuring its approach to the various aspects of Corporate Social Responsibility, the Company takes into account guidelines and statements issued by stakeholder representatives and other regulatory bodies.

The functions of the said CSR Committee are as under:

- 1) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- 2) Recommend the amount of expenditure to be incurred on the activities referred to in point no (1) above; and
- 3) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Board of the Company shall approve the CSR and disclose the contents of such policy in its report and place the CSR Policy in the Company's website, if any. The Board shall also ensure that the activities included in CSR policy are undertaken by the Company.

The Board shall ensure that Company spends, in every financial year on CSR, 2% of the average net profits of the Company during the three immediately preceding financial years.

Due to the average net profits of last three years being negative, your Company is not required to spend any amount towards Corporate Social Responsibility activities during the year under review.



ANNEXURE III TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,
The Members,
The Dharamsi Morarji Chemical Co. Ltd.
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Dharamsi Morarji Chemical Co. Ltd. (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of The Dharamsi Morarji Chemical Co. Ltd.'s books, papers, minute books, forms and returns filed and other records maintained by the company by means of test checks and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management on various matters including systems and mechanism formed by the Company for compliance under all applicable Acts and Regulations to the Company on which I have relied, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2017 generally 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by The Dharamsi Morarji Chemical Company Ltd. ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of the following to the extent applicable to the Company :

- (i) The Companies Act, 1956 and the Companies Act, 2013 ('the Act') and the rules made thereunder, as applicable;
- (ii) The Securities Contract (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;
- (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, 1992 and 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 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – (applicable to the Company with effect from 01.12.2015).
- (vi) The following laws specifically applicable to the Company as intimated to me :
 1. The Electricity Act, 2003
 2. Essential Commodities Act, 1955
 3. Factories Act, 1948
 4. Gratuity Act, 1972
 5. Provision for Bonus Act, 1965
 6. Employees Provident Fund Act, 1952 and Rules
 7. Professional Tax Act, 1975 and Rules
 8. The Environment (Protection) Act, 1986
 9. The Air (Prevention and Control of Pollution) Act, 1981

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited;

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

I 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.



Decisions at the Board Meetings, as represented by the management, were taken unanimously.

I 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.

I further report that during the Audit period :

I. The Company made preferential allotment of 588930 Equity shares to two Promoter companies as under on 07/12/2016 :

- | | |
|------------------------------------|--------------------------|
| (a) Phoenix Distributors Pvt. Ltd. | 294465 Equity shares and |
| (b) The Natural Gas Co. Pvt. Ltd. | 294465 Equity shares |

at the rate of Rs.101.88 per share of Rs.10/- each.

II. The company redeemed on 28/12/2016 6,00,000 8% Redeemable Cumulative non-convertible Preferential shares of Rs.100/- each aggregating to Rs.600 Lakhs at par.

III. The Company had filed a Scheme of Arrangement / Amalgamation between The Dharamsi Morarji Chemical Company Limited (DMCC) and Borax Morarji Limited (BML) with regulatory authorities, pursuant to the Resolution passed by the Board of Directors at their meeting held on 2nd March 2017. The approvals of the Regulatory authorities have been received.

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place of Signature : Mumbai

Date : 10/11/2017

A.D. GUPTE

C.P. No. : 1210

FCS No. : 300



Annexure A

To,
The Members,
The Dharamsi Morarji Chemical Co. Ltd.,
Prospect Chambers,
317/21 Dr. D.N. Road,
Fort, Mumbai 400 001

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

1. Maintenance of secretarial and other records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the financial and Cost and Income Tax records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place of Signature : Mumbai

Date : 10/11/2017

A.D. GUPTE

C.P. No. : 1210

FCS No. : 300



ANNEXURE IV TO THE DIRECTORS' REPORT

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNEARTION OF MANAGERIAL PERSONNEL) RULES, 2014. (excluding Borax Morarji Limited)

1. Remuneration paid to the Director's:

- a) The Board of Directors of the Company consists of Two Promoter (Non Executive) Directors and three Independent (Non-Executive) Directors.

All the Directors do not receive any remuneration from the Company other than the sitting fees for their attendance in the meeting.

Remuneration to Directors

Details of remuneration (SITTING FEES FOR MEETINGS) paid to non-executive directors during the financial year ended 31st March, 2017 are as below:

Sr No	Name of Directors	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Independent Directors Committee Meeting	Corporate Social responsibility Committee Meeting	Equity Share Allotment Committee	Total
1	Shri Laxmikumar Narottam Goculdas	70000	50000	Nil	Nil	Nil	Nil	120000
2	Shri H. T. Kapadia	70000	50000	10000	10000	10000	10000	160000
3	Shri M. T. Ankleshwaria	70000	50000	10000	10000	10000	10000	160000
4	Shri A. W. Ketkar	70000	Nil	10000	10000	10000	10000	110000
5	Shri S. T. Shah @	10000	Nil	Nil	Nil	Nil	Nil	10000
6	Ms Mitika L. Goculdas	70000	Nil	Nil	Nil	10000	Nil	80000
	Total	360000	150000	30000	30000	40000	30000	640000

@ Since Resigned w.e.f. 10.08.2016

The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17.

Not Applicable as the directors are not paid remuneration from the Company other than the sitting fees.

2. Percentage increase in remuneration of Chief Executive Officer, Company Secretary and Chief Finance Officer of the Company during the financial year ended 31st March, 2017 are as below:

The percentage increase in the remuneration of the Chief Executive Officer, Company Secretary and Chief Finance Officer of the Company during the financial year ended 31st March, 2017 is 17.99%.

3. Percentage increase in the median remuneration of employees of the Company during the financial year ended 31st March, 2017 is 14.69%
4. The number of permanent employees on the rolls of the Company as on 31st March, 2017 are 260.
5. The explanation on the relationship between average increase in remuneration and Company performance:

The percentage increase in salary is in line with the market situation, business performance, financial position of the Company.



6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Company's ideology, business performance, financial position, merit increases and annual bonus pay outs of its employees including Key Managerial Personnel are directly linked to individual performance as well as the Company.

7. Variations in the market capitalisation of the Company, price earnings ratio as at the Closing date of the year ended 31st March, 2017 and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of Listed Companies:

	As on 31.03.2017 (Rs. In Lakhs)	As on 31.03.2016 (Rs. In Lakhs)
Market Capitalisation	20863.647	12127.586

Price Earnings ratio of the Company was 13.58 as at 31st March, 2017 (post merger) and was 10.72 as at 31st March, 2016. The company has not come out with public offer of equity shares. Hence the details of the same are not applicable.

8. 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 are any exceptional circumstances for increase in the managerial remuneration.

The average percentage increase made in the salaries of employees other than the Managerial Personnel in the period was 17.76% whereas the average increase in the managerial remuneration was 7.92%.

9. The Key parameters for any variable component of remuneration availed by the Directors:

Not applicable as there are no Executive Directors during the financial year ended 31st March, 2017.

10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but received remuneration in excess of the highest paid director of the Company during the financial year ended 31st March, 2017. Not Applicable

11. It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.



ANNEXURE V TO THE DIRECTORS' REPORT FORM NO. MGT-9

Extract of annual return as on the financial year ended on 31.03.2017 (excluding Borax Morarji Limited)

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS :

- | | | | |
|-------|---|---|---|
| (i) | CIN | : | L24110MH1919PLC000564 |
| (ii) | Registration date | : | 25/09/1919 |
| (iii) | Name of the company | : | The Dharamsi Morarji Chemical Co. Ltd. |
| (iv) | Category/sub-category of the company | : | Company Limited by Shares /
Indian Non-Government Company |
| (v) | Address of the registered office and contact details | : | Prospect Chambers, 317/321,
Dr. D.N. Road, Fort, Mumbai 400001
Maharashtra
Tel. 022 22048881-2-3
Fax : 022 22813657
www.dmcc.com
dgokhale@dmcc.com |
| (vi) | Whether listed company | : | Yes – on BSE Limited |
| (vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Link Intime India Pvt. Ltd.
C-101, 247 Park,
LBS Marg, Vikhroli (W)
Mumbai 400 083
Maharashtra
Tel. : +9122-49186270
Fax : +91 22 49186060
E-mail:rnt.helpdesk@linkintime.co.in
Website: linkintime.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company are :

Sr.No.	Name and Description of main products/services	NIC Code of the Product/ service	% to total turnover of the company
1.	Speciality Chemicals	202	60.89
2.	Commodity Chemicals	201	35.87

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (post merger)

Sr.No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ associate	% of shares held	Applicable Section
1.	Borax Morarji (Europe) GmbH	Nil	Subsidiary	100	



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise share holding

Category of shareholders	No. of shares held at the Beginning of the year				No of Shares held at the End of the year				% Change During The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	78911	73350	152261	0.71	78911	73350	152261	0.70	(0.01)
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	2096801	3000	2099801	9.88	2789206	3000	2792206	12.78	2.90
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other									
Sub-total(A)(1)	2175712	76350	2252062	10.59	2868117	76350	2944467	13.48	2.89
(2) Foreign									
(a) NRIs - Individuals	8107109	600	8107709	38.14	8107109	600	8107709	37.11	(1.03)
(b) Other - Individuals									
(c) Bodies Corp.									
(d) Banks/FI									
(e) Any Other									
Sub-total(A)(2)									
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	10282821	76950	10359771	48.73	10975226	76950	11052176	50.59	1.86
B. Public Shareholding									
I. Institutions									
(a) Mutual Funds/UTI	307133	4304	311437	1.47	309859	2100	311959	1.43	(0.04)
(b) Banks/FI	132910	303546	436456	2.05	303546	1003	304549	1.39	(0.66)
(c) Central Govt.									
(d) State Govt(s)									
(e) Venture Capital Funds	-	200	200	0.00	0	0	0	0.00	0.00
(f) Insurance Companies									
(g) FIIs									
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total(B)(1)	440043	308050	748093	3.52	308458	308050	616508	2.82	(0.70)
2. Non-Institutions									
(a) Bodies Corp.	950772	22172	972944	4.58	790493	19602	810095	3.71	(0.87)
i. Indian									
ii. Overseas									



Category of shareholders	No. of shares held at the Beginning of the year				No of Shares held at the End of the year				% Change During The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs.1 Lakh	3510052	785497	4295549	20.21	3786930	761100	4548030	20.82	0.61
ii. Individual shareholders holding nominal share capital in excess of Rs.1 Lakh	3374709	99509	3474218	16.34	3163199	99509	3262708	14.93	(1.41)
(c) Others (HUF specify)	686536	-	686536	3.23	584589	0	584589	2.68	(0.55)
i. Clearing Members	131501	-	131501	0.62	414043	0	414043	1.90	1.28
ii. Non Resident Indians (NRI)	170249	80097	250346	1.18	170477	79336	249813	1.14	(0.04)
iii. Non Resident Indians (NRN)	208170	24914	233084	1.09	173096	24914	198010	0.91	(0.18)
iv. Trusts	105696	-	105696	0.50	110696	0	110696	0.50	0.00
v. Others Foreign Nationals	83	-	83	0.00	83	0	83	0.00	0.00
Sub-total (B)(2)	9137768	1012189	10149957	47.75	9193606	984461	10178067	46.59	(1.16)
Total Public Shareholding (B) = (B)(1) + (B)(2)	9577811	1320239	10898050	51.27	9502064	1292511	10794575	49.41	(1.86)
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	0.00	Nil	Nil	Nil	0.00	0.00
Grand Total (A+B+C)	19860632	1397189	21257821	100%	20477290	1369461	21846751	100	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			% change in shareholding during the year shares
		No. of shares	% of total shares of the company	% of total shares of the company	No. of shares	% of total shares of the company	% of shares pledged/ encumbered total shares	
1.	Bimal Lalitsingh Goculdas	3673	0.02	Nil	3673	0.02	Nil	0.00
2.	Sonali B. Goculdas	33808	0.16	Nil	33808	0.16	Nil	0.00
3.	Harisingh Narottamdas Goculdas	2828	0.01	Nil	2828	0.01	Nil	0.00



4.	Kosan Industries Pvt. Ltd.	3000	0.01	Nil	3000	0.01	Nil	0.00
5.	Lalit N. Goculdas	2121	0.01	Nil	2121	0.01	Nil	0.00
6.	Mulraj Dwarkadas Goculdas	17149	0.08	Nil	17149	0.08	Nil	0.00
7.	Mulraj Dwarkadas Goculdas	16664	0.08	Nil	16664	0.08	Nil	0.00
8.	Radha Lalit Goculdas	3678	0.02	Nil	3678	0.02	Nil	0.00
9.	Ranchoddas Mathradas Goculdas	17412	0.08	Nil	17412	0.08	Nil	0.00
10.	Ranchoddas Mathradas Goculdas	22125	0.10	Nil	22125	0.10	Nil	0.00
11.	Bharati Laxmikumar Goculdas	20889	0.10	Nil	20889	0.10	Nil	0.00
12.	The Natural Gas Co.Pvt. Ltd.	785657	3.70	Nil	1080122	4.94	Nil	1.24
13.	Phoenix Distributors Pvt. Ltd.	730295	3.44	Nil	1024760	4.69	Nil	1.25
14.	Bharati Laxmikumar Goculdas	265731	1.25	Nil	265731	1.22	Nil	(0.03)
15.	Jasraj Trading Company	124849	0.59	Nil	124849	0.57	Nil	(0.02)
16.	L.P. Gas Equipment Private Ltd.	456000	2.15	Nil	456000	2.09	Nil	(0.06)
17.	Bimal Lalitsingh Goculdas	32803	0.15	Nil	32803	0.15	Nil	0.00
18.	Laxmikumar Narottam Goculdas	7821089	36.79	Nil	7821089	35.80	Nil	(0.99)
19.	Santanalaxmi Investments Pvt. Ltd.	Nil	Nil	Nil	103475	0.47	Nil	0.47
	Total	10359771	48.73	Nil	11052176	50.59	Nil	1.86

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

				Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year as on 01/04/2016			10359771	48.73	10359771	48.73
Additions:	1. The Natural Gas Co. Pvt.Ltd.						
	As on 1/4/2016	Increased On 7/12/16	As on 31/3/2017				
	785657	294465	1080122			294465	1.24%
	3.70%	1.24%	4.94%				
	2. Phoenix Distributors Pvt.Ltd.						
	730295	294465	1024760			294465	1.25%



	3.44%	1.25%	4.69%				
	3. Santanalaxmi Investments Pvt. Ltd. (21.03.2017)						
	Nil	103475	103475			103475	0.47%
	0.00	0.47%	0.47%				
	Subtotal of the % change						2.96%
Less:	Change in % only due to the issue of 588930 Equity shares						(1.10%)
	Changes effected to Promoter Group holding						1.86%
	At the End of the year – As on 31-03.2017					11052176	50.59 @

@ Percentage changed due to issue of 588930 Equity shares to the Promoters on a preferential basis (Equity share capital as on 31/03/2016 was 21257821 Equity share capital as on 31/03/2017 is 21846751).

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

Sr. No.	For Each of the Top 10 Shareholders (*)	Date	Increase or Decrease / Reasons	Shareholding at the beginning of the year 01/04/2016		Shareholding at the end of the year 31/03/2017		
				No. of shares	% of total shares of the company	No. of shares	No. of shares held	% of total shares of the company
1.	Urvashi D. Morarji			536026	2.52			2.52
		13/01/2017	Decrease/Transfer			-100000	436026	
		20/01/2017	Decrease/Transfer			-100000	336026	
		03/02/2017	Decrease/Transfer			-100000	236026	1.08
2.	SBI Pipe Fund - 1			307133	1.44			1.44
		08/04/2016	Decrease/Transfer			-522	307655	1.40
3.	Ravi Pareek			212843	1.00			1.00
		22/04/2016	Decrease/Transfer			-3161	216004	
		29/04/2016	Decrease/Transfer			-1552	217556	0.99
4.	Industrial Development Bank of India Ltd.			173451	0.82	173451		0.82
5.	J.M. Financial Services Ltd.		1000	0.01			0.01	
		13/05/2016	Increase/Transfer			200	1200	
		20/05/2016	Decrease/Transfer			-200	1000	
		17/06/2016	Increase/Transfer			1212	2212	
		24/06/2016	Decrease/Transfer			-191	2021	
		30/06/2016	Decrease/Transfer			-621	1400	
		08/07/2016	Increase/Transfer			1957	3357	
		15/07/2016	Decrease/Transfer			-2000	1357	



Sr. No.	For Each of the Top 10 Shareholders (*)	Date	Increase or Decrease / Reasons	Shareholding at the beginning of the year 01/04/2016		Shareholding at the end of the year 31/03/2017		
				No. of shares	% of total shares of the company	No. of shares	No. of shares held	% of total shares of the company
		29/07/2016	Decrease/Transfer			-357	1000	
		12/08/2016	Increase/Transfer			4000	5000	
		19/08/2016	Decrease/Transfer			-4000	1000	
		26/08/2016	Increase/Transfer			5200	6200	
		02/09/2016	Increase/Transfer			4986	11186	
		09/09/2016	Decrease/Transfer			-6653	4533	
		16/09/2016	Decrease/Transfer			-4333	200	
		23/09/2016	Increase/Transfer			100	300	
		30/09/2016	Increase/Transfer			41000	41300	
		07/10/2016	Increase/Transfer			43332	84632	
		14/10/2016	Increase/Transfer			9667	94299	
		21/10/2016	Decrease/Transfer			-352	93947	
		28/10/2016	Increase/Transfer			1927	95874	
		04/11/2016	Decrease/Transfer			-3374	92500	
		11/11/2016	Increase/Transfer			500	93000	
		18/11/2016	Decrease/Transfer			-200	92800	
		02/12/2016	Decrease/Transfer			-668	92132	
		09/12/2016	Decrease/Transfer			-1032	91100	
		16/12/2016	Increase/Transfer			10018	101118	
		23/12/2016	Increase/Transfer			9497	110615	
		30/12/2016	Increase/Transfer			1710	112325	
		06/01/2017	Increase/Transfer			8376	120701	
		13/01/2017	Increase/Transfer			29499	150200	
		20/01/2017	Increase/Transfer			4881	155081	
		27/01/2017	Increase/Transfer			14949	170030	
		03/02/2017	Increase/Transfer			1720	171750	
		10/02/2017	Decrease/Transfer			-1418	170332	
		17/02/2017	Increase/Transfer			758	171090	
		24/02/2017	Increase/Transfer			726	171816	
		03/03/2017	Decrease/Transfer			-1045	170771	
		10/03/2017	Increase/Transfer			5012	175783	
		17/03/2017	Decrease/Transfer			-5093	170690	
		31/03/2017	Decrease/Transfer			-84	170606	0.78
6.	Bharat Jamnadas Dattani			211356	0.99			0.99
		02/09/2016	Decrease/Transfer			-15990	195366	
		30/09/2016	Decrease/Transfer			-7000	188366	



Sr. No.	For Each of the Top 10 Shareholders (*)	Date	Increase or Decrease / Reasons	Shareholding at the beginning of the year 01/04/2016		Shareholding at the end of the year 31/03/2017		
				No. of shares	% of total shares of the company	No. of shares	No. of shares held	% of total shares of the company
		07/10/2016	Decrease/Transfer			-30000	158366	
		14/10/2016	Decrease/Transfer			-8000	150366	
		06/01/2017	Decrease/Transfer			-2250	148116	0.68
7.	Tradelink Exim India Pvt. Ltd.			0	0.00			0.008.
8.	Abhijit Akella			113000	0.53			0.53
						113000	113000	0.53
9.	Dena Bank			111610	0.53			0.53
						111610	111610	0.51
10.	Bharat Jamnadas			126652	0.60			0.49
		02/09/2016	Decrease/Transfer			-14380	112272	
		30/09/2016	Decrease/Transfer			-13774	98498	
		07/10/2016	Decrease/Transfer			-11000	87498	0.40
11.	Raju Bhandari			143465	0.67			0.67
				143465	0.67			0.67
		01/04/2016	Decrease/Transfer			-400	143065	
		08/04/2016	Decrease/Transfer			-200	142865	
		22/04/2016	Decrease/Transfer			-100	142765	
		29/04/2016	Decrease/Transfer			-150	142615	
		06/05/2016	Decrease/Transfer			-100	142515	
		20/05/2016	Increase/Transfer			398	142913	
		10/06/2016	Increase/Transfer			217	143130	
		17/06/2016	Increase/Transfer			400	143530	
		24/06/2016	Increase/Transfer			1146	144676	
		30/06/2016	Increase/Transfer			808	145484	
		08/07/2016	Increase/Transfer			3771	149255	
		05/07/2016	Increase/Transfer			1000	150255	
		22/07/2016	Increase/Transfer			11590	161845	
		29/07/2016	Increase/Transfer			1734	163579	
		05/08/2016	Increase/Transfer			1050	164629	
		12/08/2016	Increase/Transfer			560	165189	
		19/08/2016	Increase/Transfer			3689	168878	
		26/08/2016	Decrease/Transfer			-550	168328	
		02/09/2016	Increase/Transfer			3146	171474	
		09/09/2016	Decrease/Transfer			-60	171414	
		16/09/2016	Increase/Transfer			852	172266	
		23/09/2016	Increase/Transfer			48	172314	



Sr. No.	For Each of the Top 10 Shareholders (*)	Date	Increase or Decrease / Reasons	Shareholding at the beginning of the year 01/04/2016		Shareholding at the end of the year 31/03/2017		
				No. of shares	% of total shares of the company	No. of shares	No. of shares held	% of total shares of the company
		30/09/2016	Decrease/Transfer			-4173	168141	
		07/10/2016	Decrease/Transfer			-606	167535	
		14/10/2016	Increase/Transfer			281	167816	
		21/10/2016	Decrease/Transfer			-1093	166723	
		04/11/2016	Decrease/Transfer			-23682	143041	
		11/11/2016	Decrease/Transfer			-9228	133813	
		18/11/2016	Decrease/Transfer			-7768	126045	
		25/11/2016	Decrease/Transfer			-10893	115152	
		02/12/2016	Decrease/Transfer			-3881	111271	
		09/12/2016	Decrease/Transfer			-1000	110271	
		16/12/2016	Decrease/Transfer			-300	109971	
		23/12/2016	Decrease/Transfer			-750	109221	
		30/12/2016	Decrease/Transfer			-5656	103565	
		06/01/2017	Decrease/Transfer			-1350	102215	
		13/01/2017	Decrease/Transfer			-2843	99372	
		27/01/2017	Decrease/Transfer			-3600	95772	
		03/02/2017	Decrease/Transfer			-2050	93722	
		10/25/2017	Decrease/Transfer			-750	92972	
		17/02/2017	Decrease/Transfer			-10760	82212	
		24/02/2017	Decrease/Transfer			-600	81612	
		03/03/2017	Decrease/Transfer			-6530	75082	
		10/03/2017	Decrease/Transfer			-800	74282	
		17/03/2017	Decrease/Transfer			-360	73922	
		24/03/2017	Decrease/Transfer			-6664	67258	
		31/03/2017	Decrease/Transfer			-8736	58522	0.27
12.	State Bank of India, Personal Banking Branch, Mumbai			132155	0.62			0.62
		30/06/2016	Decrease/Transfer			-19337	112818	
		01/07/2016	Decrease/Transfer			-112770	48	0.0002
13.	Tanvi J. Mehta			120000	0.56			0.56
		13/05/2016	Decrease/Transfer			-120000	0	0.000

(*) The Shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated.

Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.



(v) Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Name of Director / KMP	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Laxmikumar Narottam Goculdas	1/4/2016		7821089	36.79		
		31/3/2017		7821089	35.80	7821089	35.80
2.	Shri Haridas Tricumdas Kapadia	1/4/2016		6348	0.03		
		31/3/2017		6348	0.03	6348	0.03
3.	Shri Arvind Wasudeo Ketkar	1/4/2016		324	0.01		
		31/3/2017		324	0.01	324	0.01
4.	Shri Bimal Lalitsingh Goculdas	1/4/2016		36476	0.17		
		31/3/2017		36476	0.17	36476	0.17
5.	Shri Dilip Trimbak Gokhale	1/4/2016		150	0.00		
		31/3/2017		150	0.00	150	0.00

@ Percentage changed due to issue of 588930 Equity shares to the Promoters on a preferential basis (Equity share capital as on 31/03/2016 was 21257821 Equity share capital as on 31/03/2017 is 21846751).

V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
I. Principal Amount	680.70	1032.62	134.00	1847.32
II. Interest due but not paid	-	26.40	3.23	29.63
III. Interest accrued but not due	-	-	-	-
Total (I + II + III)	680.70	1059.02	137.23	1876.95
Change in Indebtedness during the financial year				
• Addition	-	-	0.13	10.13
• Reduction	(241.20)	(868.28)	-	(1109.48)
Net Change	(241.20)	(868.28)	0.13	(1109.35)
Indebtedness at the end of the financial year				
i. Principal Amount	439.50	182.30	134.00	755.80
ii. Interest due but not paid	-	8.44	3.36	11.80
iii. Interest accrued but not due	-	-	-	-
Total (I + ii + iii)	439.50	190.74	137.36	767.60



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount In Rs.
		Shri Bimal Lalitsingh Goculdas CEO & Manager		
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(l) of the Income-tax Act, 1961.	4860000		4860000
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961.	307150		307150
	(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)- Retirals	585000		585000
	Total (A)	5752150		5752150

B. Remuneration to other directors (Refer Corporate Governance Report for details):

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr.Haridas Tricumdas Kapadia	Mr.Madhu Thakorlal Ankleshwaria	Mr. Arvind Wasudeo Ketkar	Mr.Shantilal Tejshi Shah	
1.	Independent Directors					
	• Fee for attending Board/ Committee meetings	160000	160000	110000	10000	440000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (B) (I)	160000	160000	110000	10000	440000
2.	Other Non-Executive Directors	Mr. Laxmikumar Narottam Goculdas		Ms. Mitika Laxmikumar Goculdas		
	• Fee for attending Board/ Committee meetings	120000		80000		200000
	• Commission	-		-		-
	• Others, please specify	-		-		-
	Total (B) (2)	120000		80000		200000
	Total (B) = (1 + 2) Total Managerial Remuneration					640000



C. Remuneration to key managerial personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr.D.T. Gokhale Executive Vice President & Company Secretary	Mr.D.K. Sundaram Chief Finance Officer	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	2482500	2194500	4677000
	(b) Value of perquisites under section 17(2) of the Income-tax Act, 1961.	55443	61600	117043
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5.	Others, please specify	-	-	-
	Total	2537943	2256100	4794043

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.



REPORT ON CORPORATE GOVERNANCE 2016-2017

(Excluding Borax Morarji Limited)

1. Company's philosophy on Code of Governance

Your Company strongly believes that its system of Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management. The Core Values viz. Customer Focus, Team Work, Leadership, Innovation, Respect for People, Integrity and Performance guide the Company towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations. Accordingly, your Company has been practicing the broad principles of Corporate Governance over the years by placing strong emphasis on transparency, empowerment, accountability and integrity so as to continuously enhance values for stake holders - the shareholders, the customers, the employees and the creditors.

2. Governance Structure

The Corporate Governance structure of the Company is as follows:

- i. Board of Directors: The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
- ii. Committees of the Boards (hereinafter called "Committees"). The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Independent Directors Committee, Stakeholder/Investor and Grievance Committee. Each of the said Committee has been mandated to operate within a given framework.

3. Board of Directors

Composition & Size of the Board

Your Board comprises of an optimal complement of independent professionals having in-depth knowledge of the business and the industry. The size and composition of the Board conforms with the requirements of the Corporate Governance code under the Listing Agreement with the BSE Limited viz. Stock Exchange, Mumbai. The Board is headed by the Non Executive Chairman, Shri Laxmikumar Narottam Goculdas. As on 31st March, 2017 the Board comprised of 5 Directors (As on 31st March, 2016 the Board comprised of 6 Directors, Shri Shantilal Tejshi Shah, Independent Director resigned on 10th August, 2016), all of whom were Non-Executive Directors. The Non-Executive Directors are eminent industrialists and professionals with experience in over-all management and finance, who bring a wide range of skills and experience to the Board. Out of these 5 Non-Executive Directors, 3 were Independent Directors, 1 woman Director, thereby complying with the requirements of the Companies Act, 2013 and the Clause 49 of the Listing agreement. None of the Directors has materially significant pecuniary or business relationship with the Company.



Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

The notice of each Board Meeting is given in writing to each Director. The Agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

Intimation given to the Board

The Company provides the information as set out in Clause 49 of the Listing Agreement to the Board and the Board committees to the extent it is applicable and relevant. Such information is submitted either as part of the respective meetings or by way of presentations and discussions during the meeting.

Post Meeting Mechanism

The important decisions taken at the Board/Committee meetings are communicated to the concerned departments/divisions.

Board Support

The Company Secretary attends the Board/Committee meetings and advises on Compliances with applicable laws and governance.

The information as required under Annexure 1A to Clause 49 is being made available to the Board

None of the Directors was a member of more than 10 Board- level committees nor a Chairman of more than 5 such committees, across all Companies in which he was a Director.

Number of Board Meetings held during the year along with the dates of the Meetings.

Seven Board Meetings were held during the financial year ended 31st March, 2017. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Agreement. The dates on which the said meetings were held are as follows:

27th May, 2016, 10th August, 2016, 27th. September, 2016, 27th October, 2016, 14th November, 2016, 13th February, 2017 and 2nd March, 2017.



Attendance of each Director at the Board Meetings held during the financial year ended 31st March, 2017 and last Annual General Meeting and No. of other Directorships / Memberships of the Committee:

Sr. No.	Name of Directors	Category of Directorship (designation as on 31.03.2017)	No. of Board Meetings attended (out of 7 Meetings held)	Attendance at last AGM	No. of other directorships as on 31.03.2017@	No. of Board Committees of other companies in which Chairman, as on 31.03.2017	No. of Board Committees of other companies in which Member, as on 31.03.2017
1.	Shri Laxmikumar Narottam Goculdas DIN 00459347	Chairman	7	Yes	Nil	Nil	Nil
2.	Shri H. T. Kapadia DIN 00125090	Non-Executive, Independent	7	Yes	Nil	Nil	Nil
3.	Shri M. T. Ankleshwaria DIN 02753794	Non-Executive, Independent	7	Yes	1	2	2
4.	Shri A. W. Ketkar DIN 02863429	Non-Executive, Independent	7	Yes	Nil	Nil	Nil
5.	Shri S. T. Shah @@ DIN 00004850	Non-Executive, Independent	1	No	NA	NA	NA
6.	Ms Mitika L. Goculdas DIN 02879174	Non-Executive, Promoter Group	7	Yes	Nil	Nil	Nil

@Excludes Foreign Companies, Borax Morarji Limited, Private Companies Alternate Directorships.

@@ Shri Shantilal Tejshi Shah, Independent Director resigned on 10th August, 2016.

Details of Directors being appointed and re-appointed at the ensuing Annual General Meeting to be held on 26th December, 2017.

As per the Companies Act, 2013, not less than two-third of the Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment.

Accordingly, Ms Mitika Laxmikumar Goculdas retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

A brief resume of the Director being appointed/eligible for re-appointment is as follows:

Ms. Mitika Laxmikumar Goculdas

Ms. Mitika Laxmikumar Goculdas, is MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 21 years including her stint as Vice President with Merrill Lynch both at USA and Dubai. She has experience in Finance, Industry and International Trade.

Ms. Mitika Laxmikumar Goculdas, is Director of Borax Morarji Limited, (since merged).



Ms. Mitika Laxmikumar Goculdas is the Chairman of the Corporate Social Responsibility Committee.

Independent Directors

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Clause 49 of the Listing Agreement entered into with the Stock Exchange, viz. BSE Limited, Mumbai. A Formal letter of appointment to independent Director as provided in Companies Act, 2013 and the Listing Agreement has been issued and disclosed on the website of the Company viz. www.dmcc.com.

Separate Meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 13th February, 2017, all the three Independent Directors of the Company attended the meeting, inter alia to discuss the following:

- a. Evaluation of the performance on Non-Independent Directors and the Board as a whole;
- b. Evaluation of the performance of Chairperson of the Company, taking into account the views of Non-Executive Directors; and
- c. Assessment of 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 its duties.

The details of the familiarization programme of the Independent Directors are available on the website of the Company viz. www.dmcc.com

4. Familiarisation Programme for Directors

At the time of appointing a Director, a formal letter or appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and affirmation taken with respect to the same. The Chairman and Manager also has one to one discussion with the newly appointed Director to familiarise him with the Company's operations. Further the Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

5. Audit Committee

Composition, Terms and Reference

The Audit Committee comprises of three Non-Executive Directors of which two are Independent Directors viz. Shri H. T. Kapadia as the Chairman (Independent Director) and Shri M. T. Ankleshwaria (Independent Director) as member. Shri Laxmikumar Narottam Goculdas, Chairman, Non-Executive Promoter Director is also a member of the Audit Committee. Shri D. T. Gokhale, Company Secretary, acts as the Secretary to the Committee.

The role, terms of reference, authority and power of Audit Committee are in conformity with the requirements of Section 177 of the Companies Act, 2013 and Rules 6 and 7 of Companies (Meetings



of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchange, viz. BSE Limited, Mumbai.

Meeting and the attendance during the financial year ended 31st March, 2017.

Five Meetings of the Audit Committee were held during the financial year ended 31st March, 2017 as given below. The attendance of each Committee member at the Audit Committee Meetings are given below:

Dates on which Audit Committee Meeting were held	Shri H. T. Kapadia	Shri Laxmikumar Narottam Goculdas	Shri M. T. Ankleshwaria
27.05.2016	Present	Present	Present
10.08.2016	Present	Present	Present
14.11.2016	Present	Present	Present
13.02.2017	Present	Present	Present
02.03.2017	Present	Present	Present

All the meetings were attended by the Chief Finance Officer, Company Secretary, Internal Auditor and Statutory Auditors.

All the members of the Audit Committee are financially literate and also possess the requisite accounting & related financial management expertise.

6. Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee comprises of three Non-Executive, Independent Directors. Shri Haridas Tricumdas Kapadia, Non-Executive, Independent Director, is the Chairman of the Committee. The other members of the Nomination and Remuneration Committee include Shri Arvind Wasudeo Ketkar and Shri Madhu Thakorlal Ankleshwaria. The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Sections 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, disclosed at the website of the Company viz. www.dmcc.com

Meeting and Attendance

The Nomination and Remuneration Committee members held their meetings on 13th February, 2017. The necessary quorum was present, since all the members attended the meetings. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company. The table below provides the attendance of the Nomination and Remuneration Committee members:

Dates on which Nomination and Remuneration Committee Meeting were held	Shri H T Kapadia	Shri A W Ketkar	Shri M T Ankleshwaria
13.02.2017	Yes	Yes	Yes

**7. Remuneration to Directors**

Details of remuneration paid to non-executive directors during the financial year ended 31st March, 2017 are as below:

Sr. No.	Name of Directors	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Independent Directors Committee Meeting	Corporate Social responsibility Committee Meeting	Equity Share Allotment Committee	Total	No. of equity shares held as on 31.03.2017
1	Shri Laxmikumar Narottam Goculdas	70000	50000	Nil	Nil	Nil	Nil	120000	7821089
2	Shri H. T. Kapadia	70000	50000	10000	10000	10000	10000	160000	6348
3	Shri M. T. Ankleshwaria	70000	50000	10000	10000	10000	10000	160000	Nil
4	Shri A. W. Ketkar	70000	Nil	10000	10000	10000	10000	110000	324
5	Shri S. T. Shah	10000	Nil	Nil	Nil	Nil	Nil	10000	Nil
6	Ms Mitika L. Goculdas	70000	Nil	Nil	Nil	10000	Nil	80000	Nil
	Total	360000	150000	30000	30000	40000	30000	640000	7827761

Relation between the Directors

None of the Directors of the Company except Shri Laxmikumar Narottam Goculdas (father of Ms. Mitika Laxmikumar Goculdas) and Ms. Mitika Laxmikumar Goculdas (Daughter of Shri Laxmikumar Narottam Goculdas) are related to each other.

Remuneration to “Chief Executive Officer” and “Manager”

Details of remuneration paid/payable to Chief Executive Officer and “Manager” during the financial year 31st March, 2017 are as below:

(excludes Contribution to Gratuity Fund & Leave Encashment on retirement, since same is provided on actuarial basis for the Company as a whole).

(Amount in Rs.)

Name & Designation	Salary	Contribution to PF & Superannuation Fund	Perquisites	Total
Shri Bimal Lalitsingh Goculdas, Chief Executive Officer	4860000	585000	307150	5752150

Details of Terms of Contract of Chief Executive Officer and “Manager”.

The term of contract of Shri Bimal Lalitsingh Goculdas, Chief Executive Officer, is from 01-04-2016 to 31-03-2019. No severance fees or stock option are available to him.

Relation of the Chief Executive Officer and Manager with Directors

Shri Bimal Lalitsingh Goculdas, Chief Executive Officer and Manager of the Company is related to Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas.



Remuneration Policy

Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Chief Executive Officer is paid remuneration as per the Agreements entered into between him and the Company. The remuneration structure of the Chief Executive Officer comprises of Salary, H.R.A., Commission, Perquisites, Contribution to Provident Fund & Superannuation and Gratuity.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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 its Board Committees.

The performance evaluation of the Chairman, Manager and the Non-Independent Director were carried out by the independent Directors. The Directors express their satisfaction with the evaluation process.

8. Shareholder /Investor Grievance Committee

Details of the Directors and Compliance Officer

The Shareholder/Investor Grievance Committee comprises of Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) as Chairman of the Committee with Shri. H. T. Kapadia, Director as other member. The Committee is vested with the requisite powers and authorities. In addition to the Share Transfer related matters, the committee specifically looks into the redressing of shareholders' and investors' complaints, if any, like delayed transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc. Shri D.T.Gokhale, Company Secretary has been appointed as the Compliance Officer.

Composition and attendance

This Committee comprises of Two Directors. Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) is the Chairman of the Committee. The table below highlights the composition and attendance of the Members of the Committee. The necessary quorum was present for all Meetings.

Sr. No.	Name of the Directors	Role	Category	No. of Meetings attended
1.	Shri Laxmikumar Narottam Goculdas,	Chairman	Non-Executive Promoter	6 of 6
2.	Shri Haridas Tricumdas Kapadia	Member	Non-Executive Independent	6 of 6

Details of Shareholders' Complaints Received, solved and pending Share Transfer

The total number of complaints received and replied to the shareholders during the year ended March 31, 2017 were 1 as per details given below. There were no complaints outstanding as on 31st March, 2017. The number of pending share transfers and pending requests for dematerialization as on 31st March, 2017 were Nil. Shareholders/Investors complaints and other correspondence are normally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended/pending for more than thirty days as on 31st March, 2017.

Sr. No.	Nature of Complaints	Complaint Received	Complaint Redressed
1.	Letter for transmission of Shares	1	1



Corporate Social Responsibility Committee

Composition

Pursuant to Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee was constituted, which comprises of four Directors, Ms Mitika Laxmikumar Goculdas is the Chairman of the Committee. The other members of the CSR Committee include Shri Haridas Tricumdas Kapadia, Shri Madhu Thakorlal Ankleshwaria and Shri Arvind Wasudeo Ketkar. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as per Section 135 of the Companies Act, 2013.

The Company has formulated a CSR Policy and the same has been uploaded on the website of the Company (www.dmcc.com)

The terms of reference of the Corporate Social Responsibility Committee broadly comprises:

To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

To provide guidance on various CSR initiatives to be undertaken by the Company and to monitor process.

Meeting and Attendance:

The CSR Committee meeting held on 13th February, 2017. The necessary quorum was present for the Meeting. The Composition of the CSR Committee as at 13th February, 2017 and the details of meetings of the Committee are as under:

Sr. No.	Name	Position	Category	No. of Meeting attended
1.	Ms. Mitika Laxmikumar Goculdas	Chairman	Non-Executive Promoter	1 of 1
2.	Shri H. T. Kapadia	Member	Non-Executive Independent	1 of 1
3.	Shri M. T. Ankleshwaria	Member	Non-Executive Independent	1 of 1
4.	Shri A. W. Ketkar	Member	Non-Executive Independent	1 of 1

9. General Meetings and Postal Ballots

The details of last three Annual General Meetings of the Company and the Special Resolutions passed there at are as follows:

- a) 95th Annual General Meeting was held on 27.09.2016 at 11.00 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 one Special Resolution was passed at the meeting for :

Re- appointment of Shri Bimal Lalitsingh Goculdas as the "Chief Executive Officer" and "Manager" of the Company for a period of three years commencing from 1st April, 2016 to 31st March, 2019.

- b) 94th Annual General Meeting was held on 23.09.2015 at 11.00 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.



- c) 93rd Annual General Meeting was held on 18.09.2014 at 11.00 a.m. at Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020 - No Special Resolution was passed at the meeting.

During the year 2016-2017, one Resolution was put through Postal Ballot, the particulars which are given below:

Pursuant to Section 108 and 110 of the Companies Act, 2013, read with the Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended, Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Special Resolution for seeking approval of the shareholders, (issue of equity shares to the Promoters on a preferential Basis) through postal ballot (which include voting through electronic mode i.e. e-voting) as proposed vide Postal Ballot Notice dated October 27, 2016 has been passed with requisite majority by the shareholders of the company.

The result as per report dated November 29, 2016 of Ms Shailashri Bhaskar, Practicing Company Secretary, (Membership No. FCS:5778; CP:5092 an Independent Person to act as a Scrutinizer, appointed for conducting postal ballot process is as under:

Item	Number of Votes Cast in			Total	Percentage
	Particulars	E-vote	Postal Ballot Forms		
Issue of Equity Shares on Preferential basis to Promoter Group Companies viz. The Natural Gas Company Private Limited and Phoenix Distributors Private Limited.	Assent	311011	10513708	10824719	99.982%
	Dissent	400	1515	1915	0.018%
	Abstain	0	0	0	0.00%
	Total	311411	10515223	10826634	100.00%

During the year 2015-2016, no Resolution was put through Postal Ballot.

During the year 2014-2015, no Resolution was put through Postal Ballot.

10. Disclosures

a) Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors and the members of the Senior Management. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website www.dmcc.com.

- b) At every Board Meeting and Audit Committee Meeting, the Register of Contracts maintained Under Section 189 of the Companies Act, 2013 is tabled and signed by the Directors.
- c) Transactions with the related parties are disclosed in Note No. XII (9) of the Notes to the Accounts in the Annual Report. None of the related parties transactions are in conflict with the interests of the Company at large.
- d) There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, no penalties were imposed nor any strictures were passed on the Company by the Stock Exchange, Mumbai (on which the Company's equity shares are listed), SEBI or any other statutory authority.



- e) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement.
- f) Related Party Transactions - There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in note number XII (9) of the notes forming part of Accounts, as per Accounting Standard Number AS 18.
- g) The Company has adopted Whistle Blower Policy and has established the necessary mechanism for employees to report concerns about unethical behavior. No person has been denied access to the Audit Committee.

11. CEO/CFO Certification

The Chief Executive Officer and the Chief Finance Officer of the Company have furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements for the financial year ended 31st March, 2017 and adequacy of internal controls as required in terms of Regulation 17(8) of the Listing Regulations, for the financial year 2016-17 was placed before the Board at its meeting held on 10th November, 2017 and also forms part of this Annual Report.

12. Means of Communications

- a) Quarterly Financial Results of the Company are forwarded to the Stock Exchange, Mumbai and published in “Free Press Journal” and “Navshakti” newspapers.
- b) Company has its own web site and all the vital information relating to the Company, its products and its financial results are displayed at the web site. Address of the web site is www.dmcc.com.
- c) Management Discussion & Analysis Report forms part of Directors’ Report. No presentations were made to the institutional investors or analysts during the year.

13. General Shareholder Information

96th Annual General Meeting

Date : Tuesday, 26th December, 2017

Time : 11.00 a.m.

Venue : Indian Merchants’ Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400020.

Financial Calendar for the year 2017-18 (Provisional) :

- | | |
|---|------------------------|
| a. Results for the first quarter ending 30th June, 2017 | By 14th August, 2017 |
| b. Results for the second quarter ending 30th September, 2017 | By 14th November, 2017 |
| c. Results for the third quarter ending 31st December, 2017 | By 14th February, 2018 |
| d. Results for the year ending 31st March, 2018 (Audited) | By end of May, 2018 |
| e. Annual General Meeting for the year ending March, 2018 | In September, 2018 |



Date of Book Closure : 18th December, 2017 to 26th December, 2017 (both days inclusive)
 Stock Code : 506405
 Listing on Stock Exchange : BSE LIMITED
 : 25th Floor, P J Towers, Dalal Street, Mumbai 400 001.
 : Listing Fees as applicable have been paid.
 Demat ISIN : INE505A01010
 Corporate Identity Number : L24110MH1919PLC000564
 Equity Dividend Payment Date : Not Applicable

Stock Price Data & Performance in comparison to BSE Indices

The monthly high and low of market prices of the Company's Equity Shares traded during the financial year on the Stock Exchange, Mumbai and the BSE monthly high low Indices were as follows:

Month	Shares Price		BSE Indices	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2016	72.50	59.00	26100.54	24523.20
May, 2016	77.75	56.25	26837.20	25057.93
June, 2016	72.70	56.20	27105.41	25911.33
July, 2016	77.00	62.00	28240.20	27034.14
August, 2016	78.80	66.00	28532.25	27627.97
September, 2016	84.00	67.50	29077.28	27716.78
October, 2016	114.80	77.50	28477.65	27488.30
November, 2016	110.00	77.50	28029.80	25717.93
December, 2016	124.80	89.30	26803.76	25753.74
January, 2017	129.90	105.20	27980.39	26447.06
February, 2017	114.60	94.25	29065.31	27590.10
March, 2017	107.30	90.55	29824.62	28716.21

Nominal Value of each Equity Share is Rs. 10/-.

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.

Tel No : +91 22 49186270 Fax: +91 22 49186060

E-mail id : rnt.helpdesk@linkintime.co.in

Website : www.linkintime.co.in

Share Transfer System

Share Transfers are registered and duly transferred share certificates are dispatched within 30 days of receipt, if the transfer documents are otherwise in order. The total number of shares transferred in the Non-dematerialised segment during the financial year ended 31st March, 2017 were 1589.

In terms of the Notification No. SMDRP/POLIC Y/CIR/23/2000 dated 29th May, 2000, issued by Securities and Exchange Board of India, the Equity System of your Company are under compulsory demat trading by all investors, with effect from 28th August, 2000.



Shareholding Pattern and Distribution of Shares:

Shareholding Pattern as on 31st March, 2017:

Category	No. of Shares held	% of Shareholding
Promoters	11052176	50.59
Mutual Funds and UTI	311959	1.43
Banks, Financial Institutions, Insurance Cos.	304549	1.39
Private Corporate Bodies and Trusts	920791	4.21
HUF	584589	2.68
Indian Public	7810738	35.75
NRIs/OCBs	447906	2.05
Clearing Members (in the depository)	414043	1.90
TOTAL	21846751	100.00

Note: The total Foreign Shareholding as on 31st March, 2017 was 8555615 shares, which in, percentage terms was 39.16% of the issued and subscribed capital, out of which 8107709 shares aggregating 37.11% of the capital represent Promoters' Holding and hence are included in Promoters' category.

The Indian public shareholding includes Non-Executive Independent Director shareholding as under:

Shri. H. T. Kapadia 6348

Shri. A. W. Ketkar 324

Distribution of Shareholding as on 31st March, 2017.

No. of Shares held	No. of Folios	Percentage	Shares	Percentage
Up to 500	12925	85.5111	1411256	6.4598
501 to 1000	970	6.4175	788671	3.6100
1001 to 2000	512	3.3874	790430	3.6181
2001 to 3000	225	1.4886	573510	2.6252
3001 to 4000	93	0.6153	335196	1.5343
4001 to 5000	88	0.5822	420055	1.9227
5001 to 10000	132	0.8733	973536	4.4562
10001 to 30000	118	0.7807	2073642	9.4918
30001 to 50000	12	0.0794	445003	2.0369
50001 to 100000	17	0.1125	1197439	5.4811
100001 and above	23	0.1520	12838013	58.7639
TOTAL	15115	100.00	21846751	100.00



Dematerialisation of Shares and liquidity

As on 31st March, 2017, out of 2,18,46,751 Equity Shares of the Company, 2,04,77,290 Equity Shares representing 93.73% Equity Shares, have been dematerialized by 7306 shareholders. The total number of shareholders of the Company are 15115.

The Company has not issued any GDRs, Warrant or any convertible instruments, the conversion of which will have an impact on equity shares of the Company.

The address of the correspondence : The Company Secretary

The Dharamsi Morarji Chemical Co. Ltd.

Prospect Chambers, 317/321, Dr. D. N. Road, Fort,

Mumbai 400 001.

Tel : 022 2204 8881/2/3; Fax : 022 2281 3657

E-mail : dgokhale@dmcc.com

Factories:

- (1) Roha : 105, MIDC Industrial Area, Audyogik Vasahat Post Office, Dhatav, Roha 402116, Dist. Raigad, Maharashtra.
- (2) Jhar : Jhar Village, Taluka – Dhari, Dist. Amreli 365630, Gujarat.
- (3) Khemli : Khemli Village, Tehsil, Mavli, Dist. Udaipur, Rajasthan.
- (4) Dahej : Plot No. CH-5/1 G.I.D.C , Dahej Industrial Estate , Taluka: Vagra, Dist. Bharuch, Gujarat.

Date: 10th November, 2017.



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members of,
The Dharamsi Morarji Chemical Co. Ltd.,
Mumbai.

We have examined the compliance of conditions of Corporate Governance as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (the 'Regulations') and the listing agreement of The Dharamsi Morarji Chemical Company Limited with the Stock Exchange for the year ended March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring 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 given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

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

For K. S. Aiyar & CO.
Chartered Accountants
ICAI FRN: 100186W

Place of Signature : Mumbai
Date : 10th November, 2017

RAJESH S. JOSHI
Partner
Membership No. 38526



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (After Merger of Borax Morarji Limited)

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (“the Company”) for the year ended on 31st March, 2017, wherein the effect of merger of Borax Morarji Limited with the Company has been given pursuant to the approved Scheme of Arrangement with effect from the Appointed Date i.e. 1st April, 2016.

The standalone financial statements of the Company for the year ended on 31st March, 2017 without considering the effect of aforesaid merger were approved by the Board of Directors which were audited and reported by us vide our report dated 26th May, 2017. Subsequently, the aforesaid Scheme of Arrangement was filed with National Company Law Tribunal, Mumbai Bench (NCLT) on 29th June, 2017 which has been approved vide NCLT Orders dated 18th October, 2017.

These standalone Financial Statements, wherein the effect of the Scheme of Arrangement has been given, comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's 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. 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit 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.

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.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A,' a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the 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.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position (net of provision made) in its financial statements – Note - 3A to the financial statements;



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 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 its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 at Note No. 12 and these are in accordance with the books of account maintained by the Company.

For K. S. Aiyar & CO.
Chartered Accountants
ICAI FRN: 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526

Place of Signature : Mumbai

Date : 10th November, 2017

ANNEXURE A

Re: THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED. (After Merger of Borax Morarji Limited)

Referred to in paragraph 1 on Report on Other Legal and Regulatory Requirements of our report

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets; however the particulars regarding the location of some of the fixed assets of Chemical Division of erstwhile Borax Morarji Limited transferred to new manufacturing facility at Dahej, Gujarat, needs to be updated in the fixed asset register;
- (b) A substantial portion of these fixed assets has been physically verified by the management during the year. In our opinion the same is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and No material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any secured or unsecured loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a), (b) and (c) of clause (iii) are not applicable to the Company.
- (iv) There are no loans given, no investments made, no guarantees given, and no security given by the Company in terms of provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The erstwhile Borax Morarji Limited had accepted deposits prior to the commencement of Companies Act, 2013 (Earlier deposits) which have remained unpaid as at year end amounting to Rs.31.68 Lakhs and interest due thereon of Rs.0.01 Lakhs. We are informed that these earlier deposits will be repaid



on the respective due dates as per the terms of acceptance of the same, in terms of explanation to Rule 19 of the Companies (Acceptance of Deposits) Rules, 2014.

The Company has not accepted any deposits during the year to which the provisions of section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of deposits) Rules, 2014 apply.

- (vi) The Central Government has specified the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013. Such accounts and records have been made and maintained by the Company.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. The Company has not accepted any deposits during the year to which the provisions of section 73 to 76 of the Companies Act, 2013 and Companies (Acceptance of deposits) Rules, 2014 apply. According to the information and explanations given to us, there are no undisputed outstanding dues in respect of the above items in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) Dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax that have not been deposited on account of any dispute are as under.

Name of the Statute	Nature of Dues	Forum where dispute is Pending	Period to which relate	Amount (Rs in Lakhs)
Central Excise Act	Duty/Interest/Penalty	Asst.Commissioner	April 2008 to February 2013	24.48
	Duty/Interest/Penalty	Asst.Commissioner	August, 2002 to March, 2007	0.57
	Duty/Interest/Penalty	Asst.Commissioner	2005 to 2006	1.18
	Duty/Interest/Penalty	Asst.Commissioner	October 2008 to August 2013	56.59
	Duty	Dy. Commissioner	March, 2013 to September, 2013	3.79
	Duty	CESTAT, West Zone Bench.	Sept 13 to Aug 14	14.70
	Duty	Additional Commissioner of Central Excise	Nov 10 to Sept 13	5.96
	Duty	Suptd. Of Central Excise(Tech)-IVth Division, Mahad	Oct 13 to Aug 14	0.50
	Duty	Additional Commissioner of Central Excise	Oct 2013 to June, 2014	14.28
	Duty	Asst. Commissioner of Central Excise	September, 2014 to December, 2014	4.43
	Duty	Asst. Commissioner of Central Excise	January, 2015 to April, 2015	1.58
	Transport Fees on SDS	Bombay High Court	2007-08 to 2016-17	51.24
Customs Act	Utilization of DEPB Licences	Collector of Customs	2002-03	16.60
			Total	195.90



- (viii) The Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or any term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has not been noticed or reported during the year.
- (xi) 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 Companies Act.
- (xii) The Company is not a Nidhi Company and therefore the compliance requirements relevant to a Nidhi Company are not applicable.
- (xiii) All transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) The Company has made preferential allotment of 588930 Equity shares of the Company to the two of the promoter group companies during the year wherein the requirements of section 42 of the Companies Act, 2013 have been complied with. The Company has not made any issue of Debentures during the year on a preferential basis.
- (xv) Pursuant to the provisions of section 192 of the Companies Act, 2013, the Company has not entered into any non-cash transactions with directors or persons connected with him/her.
- (xvi) The Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934.

For K. S. Aiyar & CO.
Chartered Accountants
ICAI FRN: 100186W

RAJESH S. JOSHI
Partner

Membership No. 38526

Place of Signature : Mumbai

Date : 10th November, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (After Merger of Borax Morarji 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 THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED ("the Company") as of March 31, 2017 in conjunction with our 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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

The internal financial control system over financial reporting that has been established by the management consists mainly of manual/automated controls in various business processes. These controls were verified by us, on a test basis during the year, and were found to be operating effectively in all material respects. We are informed that the Company is still in the process of implementing SAP ERP for improved integration and system driven controls.

In our opinion the Company has , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at March 31, 2017 , based on the internal control over financial reporting criteria established by the Company, as stated in the preceding paragraph, 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 K. S. Aiyar & CO.
Chartered Accountants
ICAI FRN: 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526

Place of Signature : Mumbai
Date : 10th November, 2017

**BALANCE SHEET**

AS AT MARCH 31, 2017

Particulars	Note No.	As at 31-03-2017 (₹ in Lakhs)	As at 31-03-2016 (₹ in Lakhs)
Equity and Liabilities			
(1) Shareholders' Funds			
(a) Share Capital	I	2,773.99	3,005.78
(b) Reserves and Surplus	II	3,514.91	1,259.00
(2) Non Current Liabilities	III		
(a) Long Term Borrowings		1,380.46	1,543.18
(b) Other Long Term Liabilities		101.81	66.35
(c) Long Term Provisions		148.98	174.09
(3) Current Liabilities	IV		
(a) Short Term Borrowings		1,024.31	–
(b) Trade Payables		3,565.48	1,684.05
(c) Other Current Liabilities		2,182.16	1,533.73
(d) Short Term Provisions		188.83	163.08
TOTAL		14,880.93	9,429.26
Assets			
(1) Non Current Assets	V		
(a) Fixed Assets			
(i) Tangible assets		6,842.77	2,541.97
(ii) Intangible assets		1,491.35	12.16
(iii) Capital Work in Progress		299.83	501.72
(b) Non Current Investments		55.85	38.08
(c) Deferred Tax Assets (Net)		–	2,654.15
(d) Long Term Loans and Advances		236.63	166.22
(2) Current Assets	VI		
(a) Inventories		1,651.40	1,525.39
(b) Current Investments		151.20	–
(c) Trade Receivables		2,138.04	1,296.86
(d) Cash and Bank Balances		637.44	335.26
(e) Other Current Assets		1,376.42	357.45
TOTAL		14,880.93	9,429.26
Significant Accounting Policies and other Explanatory Information	XII		

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

B. L. GOCULDAS
Chief Executive Officer

Mumbai, 10th November, 2017

H. T. KAPADIA
Director

D. T. GOKHALE
Secretary

D. K. SUNDARAM
Chief Finance Officer



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST, MARCH, 2017

Particulars	Note No.	For the year ended on 31-03-2017 (₹ in Lakhs)	For the year ended on 31-03-2016 (₹ in Lakhs)
Revenue from Operations	VII	18,974.73	10,760.36
Other Income	VIII	44.23	42.75
Total Revenue		19,018.96	10,803.11
Expenses			
Cost of materials consumed	IX	10,301.21	5,657.27
Purchase of Stock-in-Trade	IX	100.87	21.85
Changes in inventories of finished goods, work-in-progress and stock-in trade	IX	(51.57)	(40.10)
Employee benefits expense	X	1,284.82	783.77
Finance costs		509.20	116.04
Depreciation		371.64	225.83
Other expenses	XI	4,325.43	2,723.90
Total expenses		16,841.60	9,488.56
Profit/(Loss) before Exceptional and Extraordinary items and Tax		2,177.36	1,314.55
Exceptional items		—	—
Profit/(Loss) before Extraordinary items and Tax		2,177.36	1,314.55
Extraordinary items		—	—
Profit/(Loss) before Tax		2,177.36	1,314.55
Tax expenses:			
1) Current tax		443.94	117.38
2) Deferred tax		—	—
Profit/(Loss) after Tax		1,733.42	1,197.17
Earning per equity share(Basic & Diluted)	XII(7)	7.03	5.32
Significant Accounting Policies and other Explanatory Information	XII		

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

B. L. GOCULDAS
Chief Executive Officer

Mumbai, 10th November, 2017

H. T. KAPADIA
Director

D. T. GOKHALE
Secretary

D. K. SUNDARAM
Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: I SHARE CAPITAL

	As at 31-03-2017		As at 31-03-2016	
	Numbers	Rs. In Lakhs	Numbers	Rs. In Lakhs
(a) Shares authorized				
Equity Shares of Rs.10/- each	40,000,000	4000.00	30,000,000	3000.00
Preference Shares of Rs.100/- each	2,000,000	2000.00	1,000,000	1000.00
	42,000,000	6000.00	31,000,000	4000.00
(b) Shares issued				
Equity Shares of Rs.10/- each	21,846,751	2,184.67	21,257,821	2,125.78
Equity Shares of Rs.10/- each to be issued pursuant to the Scheme of Arrangement.	3,093,182	309.32		
Preference Shares of Rs.100/- each	280,000	280.00	880,000	880.00
	25,219,933	2,773.99	22,137,821	3,005.78
(c) Shares subscribed and fully paid:				
Equity Shares of Rs.10/- each	24,939,933	2,493.99	21,257,821	2,125.78
Preference Shares of Rs.100/- each	280,000	280.00	880,000	880.00
	25,219,933	2,773.99	22,137,821	3,005.78
(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;				

Particulars	As at 31-03-2017		As at 31-03-2015	
	Numbers	Rs. In Lakhs	Numbers	Rs. In Lakhs
Equity Shares				
Shares outstanding at the beginning of the year	21,257,821	2,125.78	21,257,821	2,125.78
Add: Shares issued during the year*	588,930	58.89	-	-
Add: Shares to be issued as per the Scheme of Arrangement**	3,093,182	309.32	-	-
Shares outstanding at the end of the year	24,939,933	2,493.99	21,257,821	2,125.78
Preference Shares				
Shares outstanding at the beginning of the year	880,000	880.00	880,000	880.00
Less: Shares redeemed during the year	600,000	600.00		
Shares outstanding at the end of the year	280,000	280.00	880,000	880.00

Terms/Rights attached to Equity Shares:

The Company is having only one class of Equity shares having a nominal value of Rs.10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution to the Equity shareholders will be in proportion of the number of shares held by each shareholder.

*The Company had raised Equity Share Capital by issuing Equity Shares to the Promoter and Promoter Group by preferential offer (to redeem the 6,00,000, 8% Redeemable Cumulative non-convertible Preference shares of Rs.100/- each aggregating to Rs.600.00 Lakhs) at a price of Rs.101.88 (including a premium of Rs.91.88) per share for aggregate amount of Rs.6,00,00,188/- (Rs. Six Crores One Hundred Eighty eight only) pursuant to the resolution of the Equity Share Allotment Committee at its meeting held on 07.12.2016. Accordingly the Company issued Equity Shares to Promoter and Promoter Group as under: 294465 Equity Shares at a price Rs.101.88 per share (face value of Rs.10/- and Premium of Rs.91.88 per share) to The Natural Gas Company Private Limited and 294465 Equity Shares at a price Rs.101.88 per share (face value of Rs.10/- and Premium of Rs.91.88 per share) to Phoenix Distributors Private Limited.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Accordingly the Equity Shares stands increased by 588930 Equity Share of Rs. 10/- each aggregating to Rs.5889300/- (Rs. Fiftyeight Lakhs Eightynine Thousand Three Hundred only) and the Security premium account stands increased by an amount Rs.54110888/- (Rs. Five Crores Fortyone Lakhs Ten Thousand Eight Hundred Eightyeight only). Subsequently the Company has redeemed 6,00,000, 8% Redemable non-convertible Preference Share of Rs.100/- each aggregating to Rs.600.00 Lakhs at par.

**Pursuant to the scheme of amalgamation approved by the Honorable National Company Law Tribunal(NCLT), Mumbai Bench, on 18th October, 2017 (the "scheme") Borax Morarji Ltd ("BML" or "the transferor company") has been merged with the Company with effect from 1st April 2016, the Appointed Date.

The scheme provided for issuance of equity shares of the company of Rs.10 each fully paid up to the shareholders of BML in the ratio of 1 (one) equity shares of the DMCC for every 2 (two) equity shares held in BML with effect from 1st April, 2016, the Appointed date, resulting in 22,59,849 equity shares of Rs.10 each fully paid up to be issued to BML Equity shareholders. The scheme also provided for issuance of 10 (Ten) equity shares of the DMCC of Rs.10 each fully paid up for every 108 (one hundred eight) fully paid up Preference shares of Rs.10 each held in the BML with effect from 1st April 2016, the Appointed date, resulting in 8,33,333 equity shares of Rs.10 each fully paid up to be issued to Preference shareholder of BML.

The amalgamation has been accounted as 'amalgamation in the nature of purchase' in accordance with the terms of the scheme and consequently the purchase method has been used. The Assets and Liabilities of the erstwhile BML as at 1st April, 2016 have been taken over at their fair values as determined by the Board of Directors of the Company and accordingly suitable effects have been given for the purpose of reflecting the fair value of the assets and liabilities of the transferor company taken over by the transferee company in accordance with the relevant Accounting policies and methods followed by the transferee company.

The Company is yet to issue and allot equity shares to the Shareholders of BML pursuant to the scheme, However, the equity shares to be allotted have already been considered as issued and allotted for the purposes of these financial statements since the issuance and allotment of equity shares would be effective from the Appointed date of 1st April, 2016.

The net assets of the transferor company have been taken over by the Company and recorded at their fair values as determined by the management as at 01.04.2016 i.e. the "Appointed Date".

Purchase consideration payable is Rs.3340.64 Lakhs, which is discharged by issue of 3093182 Equity Shares of Rs.10/- each of the Company at a premium of Rs.98/- per share.

The Goodwill arising out of the aforesaid Scheme is Rs. 1465.10 Lakhs. The Goodwill is to be tested for impairment.

Terms/Rights attached to Preference Shares:

280000, 2.5% Redeemable Cumulative non - convertible Preference Shares of Rs.100/- each aggregating to Rs.280.00 Lakhs are redeemable in 16 Equal yearly instalment of Rs.17.50 Lakhs each commencing from 1st April 2012. However, the Company has not redeemed the preference shares as per the redemption schedule due to the Accumulated Losses of the Company. Therefore, the Company had approached and requested the Preference Share-holder for further extension of time for the redemption of the said Preference Shares. The Preference Share-holder has agreed for further extension of time for the redemption of the said Preference shares any time upto 31 st March, 2022.

The cumulative dividend on these Preference Shares aggregating to Rs. 64.81 Lakhs (Previous year Rs. 57.81 Lakhs) is to be paid as and when declared by the Company.

The holders of all Preference shares do not have any voting rights.

The holders of all Preference shares have a first right of cumulative dividend as compared to the shareholders of Equity shares in case the Company declares any dividend.

In the event of liquidation of the Company, all preference shareholders will have a priority over the Equity shareholders to receive remaining assets of the Company, after distribution of all other preferential amounts. The distribution to the Preference shareholders will be in proportion of the number of shares held by each shareholder

(e) Equity Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31-03-2017		As at 31-03-2016	
	Numbers	Percentage	Numbers	Percentage
Shri Laxmikumar Narottam Goculdas	8,862,093	35.53%	7,821,089	36.79%

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note: II RESERVES & SURPLUS**

	As at 31-03-2017		As at 31-03-2016
	Rs. In Lakhs		Rs. In Lakhs
Capital Reserve*			
At the beginning of the year	3,363.24		3,363.24
Less: Adjustment as per Scheme of Arrangement.	<u>3,363.24</u>	-	<u>-</u>
			3,363.24
Securities Premium Account*			
At the beginning of the year	98.81		98.81
Add: Additions during the year	541.11		-
Add: Additions during the year as per Scheme of Arrangement	3031.32		-
Less: Adjustment of accumulated loss of the Company as per the Scheme of Arrangement	<u>(1956.34)</u>		<u>-</u>
		1,714.90	98.81
Other Reserve		66.59	66.59
Surplus/(Deficit)*			
At the beginning of the year	(2,269.64)		(3,466.81)
Less: Adjustment of accumulated loss of the Company as per the Scheme of Arrangement	<u>2,269.64</u>		<u>-</u>
	-		(3,466.81)
Add: Profit during the current year transferred from statement of Profit & Loss Account.	<u>1,733.42</u>		<u>1,197.17</u>
Net Surplus/(Deficit)		<u>1,733.42</u>	<u>(2,269.64)</u>
Total		<u><u>3,514.91</u></u>	<u><u>1,259.00</u></u>

*On the appointed date i.e. 1st April 2016, the accumulated losses and Deferred Tax assets have been adjusted fully against Capital Reserve and partly against Securities Premium Account.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: III NON CURRENT LIABILITIES

	As at 31-03-2017 Rs. In Lakhs	As at 31-03-2016 Rs. In Lakhs
(a) Long Term Borrowings		
Secured		
(i) Working Capital Term Loan	77.66	174.19
(ii) Car Loan from a bank	21.94	26.55
(iii) Project Loan from bank	14.15	101.87
(iv) Property Loan from bank	58.06	111.57
	171.81	414.18
Unsecured		
(i) Inter Corporate Deposits	134.00	134.00
(ii) Loans from a Promoters	940.47	995.00
(iii) Interest Free Sales Tax Loan from MEDA **	134.18	-
	1,208.65	1,129.00
	1,380.46	1,543.18
(b) Other Long Term Liabilities		
(i) Advance received against sale of Land at Navlakhi	45.35	45.35
(ii) Security Deposits from distributors and others	35.46	
(ii) Security Deposits received against Royalty	21.00	21.00
	101.81	66.35
(c) Long Term Provisions:		
Provision for Employee Benefits	148.98	174.09
Total	1,631.25	1,783.62

(a) (i) Working Capital Term Loan

Repayable in 60 EMI's commencing from 17-02-2014. Rate of interest is 12%. 38 EMI's have been paid in time, up to 31st March, 2017 and 22 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha and mortgage of office premises of the Company, situated at Mumbai.

Out of total outstanding term loan as on 31st March, 2017 of Rs. 173.68 Lakhs, amount due in next twelve months is Rs. 96.02 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'. (See Note No. IV(c)(i). The balance Term Loan of Rs.77.66 Lakhs is shown above as Working Capital Term Loan.

(ii) Car Loan from a bank

Repayable in 60 EMI's commencing from 21-02-2015. Rate of interest is 10.50%. 26 EMI's have been paid in time, up to 31st March, 2017 and 34 are remaining to be paid as on that date.

Secured against hypothecation of vehicles.

Out of total outstanding term loan as on 31st March, 2017 of Rs 30.32 Lakhs, amount due in next twelve months is Rs. 8.38 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. IV(c)(ii) . The balance Term Loan of Rs.21.94 Lakhs is shown above as New Car loan from a bank .

(iii) Project Loan from bank

Repayable in 36 EMI's commencing from 27.07.2015. Rate of interest is 12%. 21 EMI's have been paid in time, up to 31st March, 2017 and 15 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha and mortgage of office premises of the Company, situated at Mumbai.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Out of total outstanding term loan as on 31st March, 2017 of Rs.127.95 Lakhs, amount due in next twelve months is Rs.113.80 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. IV(c)(iii)). The balance Term Loan of Rs.14.15 Lakhs is shown above as Project Loan.

(iv) Property Loan from bank

Property loan RS. 158.82 Lakhs taken on 21.03.2016 from a Bank. Repayable in 36 EMI's commencing from 21.04.2016. Rate of interest is 12%. 12 EMIs have been paid in time, up to 31st March, 2017 and 24 are remaining to be paid as on that date.

Out of total outstanding property loan as on 31 st March 2017 of Rs. 111.34 Lakhs, amount due in next twelve months is Rs.53.28 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No.IV(c)(iv) The balance Term Loan of Rs.58.06 Lakhs is shown as Property Loan.as above.

**** Interest free Sales Tax Loan from MEDA**

Interest free Sales Tax Loan from MEDA is repayable in 30 Equal installments starting from May 2010 and ending May, 2023.

Out of total outstanding interest free sales tax loan from MEDA as on 31st March 2017 of Rs. 204.79 Lakhs, amount due in next twelve months is Rs.70.61 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No.IV(c)(v). The balance of Rs.134.18 Lakhs is shown as unsecured (iii) interest free sales tax Loan from MEDA.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: IV CURRENT LIABILITIES

	As at 31-03-2017 Rs. In Lakhs	As at 31-03-2016 Rs. In Lakhs
(a) Short Term Borrowings		
<u>Secured</u>		
Cash Credit from Bank	817.31	
<u>Unsecured</u>		
Inter Corporate Deposit	<u>207.00</u>	
	1,024.31	—
(b) Trade Payable		
(i) Trade Payable (*)	2,531.48	
(ii) Bills Payable	<u>1,034.00</u>	
	3,565.48	1,684.05
(c) Other Current Liabilities		
Current maturities of Long Term borrowings :		
(i) Current maturities of Working Capital Term Loan (See Note (a)(i))	96.02	85.16
(ii) Current maturities of Long Term Debts (Car Loan) (See Note(a)(ii))	8.38	6.20
(iii) Current maturities of Long Term Debts (Project Loan) (See Note (a)(iii))	113.80	127.91
(iv) Current maturities of Long Term Debts (Property Loan) (See Note (a)(iv))	53.28	47.25
(v) Current maturities of Interest free Sales Tax Loan from MEDA (see note unsecured (iii))	70.61	—
	<u>342.09</u>	<u>266.52</u>
(2) Unpaid Dividend (Amount Transferable to Investor Education & Protection Fund when due	2.14	—
(3) Unpaid Matured Fixed Deposits (Unclaimed)	31.68	—
(4) Unpaid Interest on Fixed Deposits	0.01	—
(5) Others Payable (**)	<u>1,806.24</u>	<u>1,267.21</u>
	2,182.16	1,533.73
(d) Short Term Provisions		
Provision for Employee Benefits	188.83	163.08
Total	<u><u>6,960.78</u></u>	<u><u>3,380.86</u></u>

(*) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues at the Balance Sheet date, computed on unit wise basis. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year ended on the Balance Sheet date, nor is any interest payable to any Micro, Small and Medium Enterprises on the Balance sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(**) Other Payables include Rs.12.30 Lakhs (Previous year Rs. 37.62 Lakhs) of Sales Tax Loan.

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note: V NON CURRENT ASSETS**

	As at 31-03-2017 Rs. In Lakhs	As at 31-03-2016 Rs. In Lakhs
(a) Property, Plant and Equipments		
(i) Tangible assets		
Land - Freehold	331.63	52.57
Land - Leasehold	1,791.94	7.55
Buildings	1,680.89	721.69
Plant & Equipment	2,891.27	1,661.63
Furniture & Fixtures	33.20	5.49
Vehicles	61.27	59.38
Computer	22.89	17.88
Office Equipments	29.68	15.78
	6,842.77	2,541.97
(ii) Intangible Assets		
Software	26.25	12.16
Goodwill	1,465.10	-
	1,491.35	12.16
(iii) Capital Work in Progress	299.83	501.72
(b) Non Current Investments (At Cost)		
Investment in Equity shares (Unquoted, Non Trade, Long Term)		
3000 (Previous year 1000) Fully Paid Equity Shares of Rs. 50/- each in Dombivali Nagari Sahakari Bank Ltd.	1.50	0.50
369250 (Previous year 329250) Fully Paid Equity Shares of Rs. 10/- each in Janakalyan Sahakari Bank Ltd.	36.92	36.92
1000 (Previous year 1000) Fully Paid Equity Shares of Rs. 10/- each in Saraswat Co-operative Bank Ltd.	0.10	0.10
25 (Previous year 25) Fully Paid Equity Shares of Rs. 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	0.01	0.01
Investment in Equity shares (Unquoted, Trade, Long Term)		
33000 (Previous year 33000) Fully Paid Equity Shares of Rs. 10/- each in Indian Potash Ltd.	0.55	0.55
In 100% Subsidiary Company Outside India 500 Fully paid up Equity shares of Borax Morarji (Europe) GmbH of € 50 each.	16.77	-
	55.85	38.08
(c) Deferred Tax Assets (Net)*	-	2,654.15
(d) Long Term Loans and Advances		
Security deposits	226.82	156.41
Balances with Excise, Customs, public bodies etc.	9.81	9.81
	236.63	166.22
(e) Unsecured, Considered Doubtful		
Security and Other deposits	28.00	
Less: Provision	28.00	-
	-	
Total	8,926.43	5,914.30

*Pursuant to the Scheme of Arrangement between Borax Morarji Limited (BML, The Transferor Company) and The Dharamsi Morarji Chemical Company Limited (DMCC, The Transferee Company) Deferred Tax Asset has been fully written off as on April 01, 2016.



NOTES FORMING PART OF FINANCIAL STATEMENTS

V-(a) Fixed assets - Tangible and Intangible

Rs. in Lakhs

Description	GROSS BLOCK					DEPRECIATION					IMPAIRMENT LOSS	NET BLOCK	
	As on 01.04.2016	Addition Pursuant to Scheme of arrangement	Addition	Deductions	As on 31.03.2017	As on 01.04.2016	on addition Pursuant to Scheme of arrangement	Deductions	For the Year	As on 31.03.2017		As on 31.03.2017	As on 31.03.2016
(i) Tangible Assets													
Free Hold Land	52.57	279.06	-	-	331.63	-	-	-	-	-	-	331.63	52.57
Lease Hold Land	12.49	1,848.42	-	-	1,860.91	4.94	43.14	-	20.89	68.97	-	1,791.94	7.55
Buildings	1,228.44	1,001.05	92.25	-	2,321.74	506.75	73.46	-	60.64	640.85	-	1,680.89	721.69
Plant & Equipments - Owned	9,052.88	1,328.59	771.23	-	11,152.70	6,661.97	626.12	-	244.06	7,532.15	729.28	2,891.27	1,661.63
Furniture & Fixtures	93.96	27.78	6.79	-	128.53	88.47	3.64	-	3.22	95.33	-	33.20	5.49
Vehicles	95.92	40.30	6.08	4.69	137.61	36.54	30.82	4.45	13.43	76.34	-	61.27	59.38
Computer	65.60	10.71	15.65	1.59	90.37	47.72	8.78	1.51	12.49	67.48	-	22.89	17.88
Office Equipments	116.25	6.94	17.19		140.38	100.47	5.03		5.20	110.70	-	29.68	15.78
TOTAL Tangible Assets (i)	10,718.11	4,542.85	909.19	6.28	16,163.87	7,446.86	790.99	5.96	359.93	8,591.82	729.28	6,842.77	2,541.97
(ii) Intangible Asset (At cost)													
Software	12.99	10.20	16.96	-	40.15	0.83	1.36	-	11.71	13.90	-	26.25	12.16
Goodwill		1,465.10			1,465.10	-	-	-	-	-	-	1,465.10	-
Total Intangible Assets (ii)	12.99	1,475.30	16.96	-	1,505.25	0.83	1.36	-	11.71	13.90	-	1,491.35	12.16
TOTAL ((i) + (ii))	10,731.10	6,018.15	926.15	6.28	17,669.12	7,447.69	792.35	5.96	371.64	8,605.72	729.28	8,334.12	2,554.13
Previous Year	10,397.86		336.06	2.82	10,731.10	7,224.56		2.70	225.83	7,447.69	729.28	2,554.13	



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: VI Current Assets

	As at 31-03-2017	As at 31-03-2016
	Rs. In Lakhs	Rs. In Lakhs
(a) Inventories (For policy on valuation basis refer Note No. XII(2))		
Raw materials	448.15	567.55
Material in process (Manufactured)	48.75	22.19
Finished Goods - Own	647.31	567.43
Finished Goods - Traded	95.20	-
Stores and Spares	411.99	368.22
	1,651.40	1,525.39
(b) Current Investments	151.20	-
(c) Trade Receivables		
Unsecured, considered good		
Outstanding for a period of more than six months	143.97	565.40
Outstanding for a period of less than six months	1,994.07	731.46
	2,138.04	1,296.86
(d) Cash and Bank Balances		
Balances with Banks in Current Accounts	333.86	135.58
Cash on hand	1.80	0.89
Fixed deposits with Banks kept as margin money for issuing Bank Guarantee.	151.93	63.79
Fixed deposits in Bank	147.71	135.00
Balance with Bank for Unpaid Dividend	2.14	-
	637.44	335.26
(e) Other Current Assets		
Prepaid Expenses	87.16	32.70
Deposits with Excise, Sales Tax, Customs and other Government bodies	504.34	166.69
Advance tax (Net of Provision for Taxation)	121.88	12.33
Others*	663.04	145.73
	1,376.42	357.45
Total	5,954.50	3,514.96

* Other Current Assets - Others include Rs. 500.00 lakhs receivable in respect of sale of Land at Ambernath in earlier years by erstwhile Borax Morarji Ltd. The Company is pursuing the matter for obtaining the necessary approval from the Government of Maharashtra, on receipt of which the Conveyance deed will be executed and registered in due course.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note VI(a) Details of Inventories in Rs. Lakhs

Raw Materials	Opening Stock Rs. In Lakhs	Closing Stock Rs. In Lakhs
Sulphur	409.54	84.75
	(264.44)	(409.54)
Special Denatured Spirit	26.18	63.30
	(1.27)	(26.18)
Boron based materials	–	221.48
	–	–
Others	131.83	78.62
	(24.23)	(131.83)
Total	<u>567.55</u>	<u>448.15</u>
	(289.94)	(567.55)

Figures in bracket are in respect of the previous year

Finished Goods (Own)

	Opening Stock Rs. In Lakhs	Closing Stock Rs. In Lakhs
Commodity Chemicals	52.99	22.55
	(69.56)	(52.99)
Speciality Chemicals	511.03	336.80
	(468.80)	(511.03)
Boron based Chemicals	–	287.96
	–	–
Others	3.41	–
	(7.05)	(3.41)
Total Manufactured Finished Goods	<u>567.43</u>	<u>647.31</u>
	(545.41)	(567.43)

Figures in bracket are in respect of the previous year



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note VII: Revenue from Operations

	for the year ended on 31.03.2017 Rs.in Lakhs	for the year ended on 31.03.2016 Rs.in Lakhs
a) From sale of Products - Own - Chemicals		
Commodity Chemicals	8,991.61	4,427.19
Speciality Chemicals	9,182.60	5,902.72
Other Chemicals	381.31	230.11
Traded sales	212.91	23.68
Royalty (Ship Brand)	63.33	80.72
	18,831.76	10,664.42
b) Other Operating Income	142.97	95.94
TOTAL	18,974.73	10,760.36

Note VIII: Other Income

	for the year ended on 31.03.2017 Rs. In Lakhs	for the year ended on 31.03.2016 Rs. In Lakhs
Interest Income	33.86	21.18
Dividend Income	1.14	2.19
Other non -operating income	9.23	19.38
TOTAL	44.23	42.75

Note IX: Cost of materials consumed

	for the year ended on 31.03.2017 Rs. In Lakhs	for the year ended on 31.03.2016 Rs. In Lakhs
Sulphur	2,932.57	3,119.09
Special Denatured Spirit	1,031.61	456.50
Boron Based Materials	3,826.50	-
Others	2,218.57	1,799.36
Purchases of stock in trade	100.87	21.85
Cost of packing materials consumed	291.96	282.32
Decrease/(Increase) in inventories of finished goods, work in progress and Traded goods	(51.57)	(40.10)
	10,350.51	5,639.02



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note X: Employee Benefits Expense

	for the year ended on 31.03.2017 Rs. In Lakhs	for the year ended on 31.03.2016 Rs. In Lakhs
Salaries and Wages (Net after Repairs)(*)	1,058.34	652.54
Contribution to Provident Fund	34.18	30.92
Contribution to Other Funds (Gratuity, Superannuation, etc)	108.43	55.41
Staff Welfare Expenses	83.87	44.90
Total	1,284.82	783.77
(*) Salaries & Wages allocated to Repairs etc.	34.06	42.89

Note XI: Other Expenses Rs. in Lakhs

	for the year ended on 31.03.2017	for the year ended on 31.03.2016
Power & Fuel	760.76	532.15
Repairs to buildings	13.48	3.56
Repairs to machinery	589.93	609.15
Insurance	34.07	19.13
Rates and taxes	18.53	74.66
Internal handling, Freight and carriage outward	402.79	357.71
Net loss/(gain) on foreign currency transactions	23.82	(1.75)
Auditors' Remuneration		
Audit fees	9.01	4.50
Tax audit fees	2.23	1.40
For other services	4.52	2.50
Reimbursement of out of pocket expenses	0.66	0.38
Sundry balances written off / (written back) (net)	(4.29)	(53.47)
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets	0.15	0.01
Miscellaneous expenses	2,469.77	1,173.97
TOTAL	4,325.43	2,723.90
(*) Consumption of Stores & Spares allocated to Repairs etc.	301.13	312.28



CASHFLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Particulars	For the year ended on 31-03-2017 Rs. In Lakhs		For the year ended on 31-03-2016 Rs. In Lakhs	
Cash flow from Operating Activities				
Net Profit/(Loss) before Tax		2,177.36		1314.55
Adjustments for Add:				
Written Down Value of Assets Scrapped	0.15		0.01	
Depreciation	371.64		225.83	
Unrealised Forex adjustment loss	14.37			
Interest charged	509.20	895.36	116.04	341.88
Less:				
Dividend Income	1.14		2.19	
Interest income	33.86	35.00	21.18	23.37
Operating Profit before working capital changes		3037.72		1633.06
Adjustment Add:				
Decrease/ (Increase) in Inventories	534.74		(322.05)	
Decrease / (Increase) in Trade Receivables	(441.64)		135.66	
Decrease / (Increase) in Other Current Assets	156.84		146.99	
Increase / (Decrease) in Trade Payable	44.79		198.64	
Increase / (Decrease) in Short Term Provisions	(105.55)		52.43	
Increase / (Decrease) in Long Term Provisions	(36.29)		(39.07)	
Increase / (Decrease) in Long Term Liabilities			(5.00)	
Increase / (Decrease) in Other Current Liabilities	283.98	436.87	30.82	198.42
Add: Taxes Paid (MAT)		(639.13)		(117.38)
Cash Generated / (used) in Operating Activities		2835.46		1714.10
Cash Flow from Investing Activities				
Add:				
Sale of Fixed Assets	0.16		0.11	
Interest Received	33.86		21.18	
Dividend Received	1.14	35.16	2.19	23.48
Less:				
Purchase of Fixed Assets	912.24		336.06	
Increase / (Decrease) in Capital Work in Progress	(201.89)		442.81	
Purchase of Investment	150.00	860.35	4.00	782.87
Cash Generated from / (used in) Investing Activities		(825.19)		(759.39)



CASHFLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Cash Flow from Financing Activities				
Add:				
Receipt from issue of Equity Shares inclusive of share premium	600.00		–	
Receipt of Loan from Director	120.00		–	
Increase in Short Term Borrowing	3.79		–	
Receipt of Interest free Sales Tax Loan from Meda	–			
Receipt of Car Loan from Bank	–		12.71	
Receipt of Project Loan from Bank	–		–	
Receipt of Property Loan from Bank		723.79	111.57	124.28
Less:				
Repayment of Intercompany deposits	313.00		89.80	
Repayment of Fixed Deposits	48.04		–	
Repayment of Loans to Director	825.00		720.43	
Resumption of Preference Share Capital	600.00		–	
Interest paid	368.64		116.04	
Repayment of Bank Car Loan	6.88		–	
Repayment of Working Capital Loan	96.53		87.54	
Repayment of Project Loan to Bank	87.72		68.53	
Repayment of Property Loan from Bank	53.51		–	
CC Loan repaid	67.26		–	
MEDA Loan repaid	78.48	2545.06	–	1082.34
Cash Generated from / (used in) Financing Activities		(1821.27)		(958.06)
Net Cash Increase / (Decrease) in Cash & Bank Balances		189.00		(3.35)
Add: Cash & Bank Balances at the beginning of the year				
Cash and Cash Equivalents	136.47		275.19	
Other Bank Balances (Restrictive use)	311.97	448.44	63.42	338.61
Cash & Bank Balances at the end of the year				
Cash and Cash Equivalents	335.66		136.47	
Other Bank Balances (Restrictive use)	301.78	637.44	198.79	335.26

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

B. L. GOCULDAS
Chief Executive Officer

Mumbai, 10th November, 2017

H. T. KAPADIA
Director

D. T. GOKHALE
Secretary

D. K. SUNDARAM
Chief Finance Officer



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR APRIL 2016 TO MARCH 2017

1 CORPORATE INFORMATION

The Company is engaged in the business of Commodity Chemicals and Speciality Chemicals

Borax Morarji Ltd. has been merged with The Company with effect from the appointed date i.e. 01.04.2016, as approved by the Mumbai bench of Honourable National Company Law Tribunal (NCLT) on 18.10.2017.

Upon the coming into effect of the Scheme of Amalgamation, the assets and liabilities of the transferee company have been recorded at their fair values as determined by Board of Directors of the Transferee Company and accordingly suitable effects have been given for the purpose of reflecting the fair value of the assets and liabilities of the transferor company taken over by the transferee company in accordance with the relevant Accounting policies and methods followed by the Company.

2 Basis of Accounting

The Financial Statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the Historical Cost Convention on an accrual basis of accounting. The Company has prepared Financial Statements to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act 2013 read with rule 7 of Companies (Accounts) Rules 2014.

The Accounting Policies adopted in the preparation in Financial Statements are consistent with those of previous year.

Use of Estimates and Judgements

In preparation of the Financial Statements, in conformity with Indian GAAP, the management is required to make Judgements, Estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty of these assumptions and estimates could result in the outcomes different from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Fixed Assets

Tangible Assets

Fixed Assets are stated at cost of acquisition or construction, including attributable interest & financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any. Fixed Assets of erstwhile Borax Morarji Ltd. are stated at the fair value as determined by the management of the Company pursuant to the scheme of arrangement.

Intangible Assets

Goodwill is to be tested for impairment

Method of Depreciation

Depreciation on all Fixed Assets is provided on Straight Line method as per the useful life specified in schedule II to the Companies Act, 2013

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

Treatment of Expenditure during the Construction period

The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective fixed assets. Interest on specific borrowings relating to acquisition of fixed assets is capitalised up to the date of commissioning.

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and its value in use. In assessing



the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed, depending on changes in circumstances, if any.

Valuation of Inventories

Inventories are valued at lower of cost and net realisable value. Cost of Raw materials is computed on an annual weighted average basis. In respect of finished goods / work-in-progress, cost is determined by taking into consideration all direct costs and systematic allocation of related fixed & variable overheads.

Investments

Long-term investments are carried at cost. However provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are stated at costs or fair value whichever is lower.

Revenue

Revenue from Gross Sales include Processing Charges, Excise Duty, Freight on sale of finished goods. Domestic sales are recognised on despatch of products and are stated net of returns. Export sales are accounted on the basis of dates of Bill of Lading. For goods sent on consignment basis, revenue from sale is recognized upon its intimation by the consignment agents. Royalty income on account of usage of Company's Product Brand name is accounted for as per the agreed terms with the concerned manufacturers.

Taxation

Income Tax expense comprises of Current Tax and Deferred Tax charge or credit.

i) Current Tax:

A provision is made for the Current Tax based on Tax Liability computed in accordance with relevant provisions & tax rates as per the Income Tax Act, 1961.

ii) Deferred Tax:

The Deferred Tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

Employees' Benefits

Contribution Plans:

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund are being charged to the Statement of Profit and Loss.

Benefit Plans:

The Company has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The 'Company's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to the Statement of Profit & Loss. Gratuity Benefits (based on actuarial valuation) is charged to statement of Profit & Loss.

Foreign Currency Transactions

- (i) Monetary items of assets/liabilities denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or expense for the year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction.
- (ii) Non Monetary items of assets/liabilities which are carried in terms of historical cost determined in a foreign currency are reported using the exchange rate at the date of transaction.
- (iii) Gain or Loss arising out of conversion is taken credit for or charged to the Statement of Profit and Loss.



Provisions / Contingencies

Provision is recognised when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value & are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefit is remote.

3	Contingent Liabilities and Commitments	Rs. in Lakhs	
		As at 31st March, 2017	As at 31st March, 2016
A Contingent Liabilities			
(i)	Outstanding claims in respect of Excise Duty, etc.	128.07	128.07
(ii)	Guarantees given by the Company's Bankers	42.80	18.50
(iii)	Others - Arrears of Cumulative Preference Dividend	64.81	681.81
(iv)	Claims against Company not acknowledged as debts	55.76	55.76

The Company has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have the materially adverse effect.

B Commitments

	Rs. in Lakhs		
	As at 31st March, 2017	As at 31st March, 2016	
(i)	Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)	51.70	17.72
4	In view of the "Unabsorbed Depreciation" & "Unabsorbed Business Losses" accruing from the past years, there is no taxable income during the year ended 31st March, 2017 and for the year ended 31st March, 2016. In view of book profit in the current year in terms of Section 115JB of the Income Tax Act, 1961, provision has been made for Rs. 443.94 lakhs towards Minimum Alternate Tax(MAT) during the year ended 31.03.2017(Previous year 117.38 Lakhs).		
5	During the year, the manufacturing of Fertilizers at Khemli Factory of the Company remained closed for the entire year and hence the fertilizer segment will no longer be a primary business of the Company. There is only one reportable segment i.e chemicals business of the Company.		

6 Other Additional information:

(i)	VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED	Apr 16/Mar 17	Apr 15/Mar 16
		Value (Rs.in Lakhs)	Value (Rs.in Lakhs)
Raw Materials and Boughtouts:			
	Imported	1724.45 (16.60%)	— —
	Indigenous	8663.77 (83.40%)	5639.02 (100.00%)
Stores, Spares and Components:			
	Imported		
	Indigenous	273.73 (100.00%)	312.28 (100.00%)



(ii) VALUE OF IMPORTS CALCULATED ON CIF BASIS:		
Raw Materials & Boughtouts	1224.47	0.00
	(0)	(0)
(iii) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF:		
Foreign tours, Subscription, etc.	172.20	111.19
(iv) EARNINGS IN FOREIGN CURRENCY IN RESPECT OF:		
Export of goods calculated on FOB basis	4599.68	3826.39

7 The working of basic, as well as diluted, earnings per equity share (in Rupees) is as follows:

	Apr 16/Mar 17	Apr 15/Mar 16
Numerator - Profit / (Loss) after tax & after deducting Preference dividend & tax thereon (Rs. Lakhs)	1,724.99	1,130.97
Denominator - weighted average number of equity shares	24,536,556	21,257,821
Basic, as well as diluted, earnings per equity share (in Rupees)	7.03	5.32

8 Segment Reporting:

a) Primary Business Segment:

The Company is engaged in manufacture of Chemicals. As the Company is engaged only in one business segment.

b) Secondary Geographical Segment

Sales Turnover : -

- i) In India
- ii) Outside India
- Total

	Rs. In Lakhs	
	Apr 16/Mar 17	Apr 15/Mar 16
i) In India	14142.11	6753.64
ii) Outside India	4689.65	3910.78
Total	<u>18831.76</u>	<u>10664.42</u>

9 Related Parties Disclosures:

(A) Name of the Related Parties

- (i) Shri L. N. Goculdas, Promoter and Chairman (holding more than 20% of the voting power)
- (ii) The Natural Gas Co.Pvt.Ltd.
- (iii) L.P.Gas Transport & Bottling Co. Pvt.Ltd.
- (iv) Phoenix Distributors Pvt.Ltd.
- (v) Jasraj Trading Co.
- (vi) Kosan Industries Pvt.Ltd.
- (vii) Bombay Foods Pvt.Ltd.

(B) Key Management Personnel

Nature of Relationship

- (i) Shri B. L. Goculdas Chief Executive Officer
- (ii) Shri D. T. Gokhale Executive Vice President & Company Secretary
- (iii) Shri D. K. Sundaram Chief Finance Officer

(C) Transaction with Promoters holding more than 20% of the voting power

Sitting Fees for attending Board and Committee meetings (including BML)	Rs.in Lakhs
	2.30
	(1.00)

(D) Transactions with Related Parties

(i) Purchase of Goods/Services Received by the Company	Rs. in Lakhs
Borax Morarji Ltd.	-
	(117.86)
L.P.Gas Transport & Bottling Co. Pvt.Ltd.	119.86
	(15.36)
Purchase of Fixed Assets - Equipments by the Company from Borax Morarji Ltd.,	-
	(40.45)



(ii) Sale of Goods/Services Rendered by the Company		
Borax Morarji Ltd.		–
		(75.64)
Borax Morarji (Europe) GMBH		266.96
		(166.98)
(iii) Expenses Reimbursed (Net) by the Company to Borax Morarji Ltd.		(0.25)
(iv) Closing balance of Borax Morarji Ltd. included in Current Liability of the Company		–
		(9.72)
Closing balance of Borax Morarji Ltd. included in Current Assets of the Company		–
		(77.20)
(v) Closing balance of Borax Morarji (Europe) GMBH included in Current Assets of the Company		37.80
		(72.60)
(vi) Closing balance of L.P. Gas & Bott. P. Ltd. included in Current Liability of the Company		54.61
		(2.27)
(vii) Closing balance included in Unsecured Loan of the Company		134.00
		(134.00)
(E) Transactions relating to Key Management Personnel		Rs.in Lakhs
(i) Remuneration		86.40
		(72.00)
(ii) Rent / HRA paid for residential accommodation / other benefits		19.06
		(17.39)
(iii) Unsecured Loan taken by the Company and outstanding as at the year end		940.47
		(995.00)

Related party relationships are as identified by the Company and relied upon by the Auditors.
Figures in brackets pertain to Previous Year

10 Employee Benefits:

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) “ Employee Benefits”. Defined Benefit Plans / Long Term Compensated Absences: As per Actuarial Valuation as on 31.03.2017, the required data is as follows:

(i) Continuing Employees:

I Expense recognised in the statement of Profit & Loss Account for period ended 31st March 2017

	Rs. in Lakhs			
	Apr 16 / Mar 17		Apr 15 / Mar 16	
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
1. Current Service Cost	15.21	17.85	14.91	16.21
2. Interest Cost	11.79	3.84	12.35	3.08
3. Past Service Cost (vested benefits)	–	–	–	–
3. Expected Return on plan assets	–	–	–	–
4. Actuarial (Gain) / Losses	32.70	(9.82)	2.19	(13.92)
5. Total Expenses	59.70	11.87	29.45	5.37


II Net Assets/(Liability) recognised in the Balance Sheet as at 31/03/2017

1. Present value of Defined Benefit Obligation as at 31st March 2017	200.54	55.49	162.30	42.43
2. Fair Value of plan assets as at 31st March 2017	17.55	–	–	–
3. Funded Status [(Surplus)/(Defecit)]	(182.99)	(55.49)	(162.30)	(42.43)
4. Net asset / (Liability) as at 31st March 2017	(182.99)	(55.49)	(162.30)	(42.43)

III Change in Obligation during the period ended 31st March 2017

1. Present value of Defined Benefit Obligation at the beginning of the year	175.25	53.24	175.95	40.04
2. Current Service Cost	15.21	17.85	14.91	16.21
3. Interest Cost	11.79	3.84	12.35	3.08
4. Settlement Cost	(0.13)	–	–	–
5. Past Service Cost - (Vested Benefits)	–	–	–	–
6. Employee Contribution	4.68	–	–	–
5. Actuarial (Gain) / Losses	32.75	(15.00)	2.19	(13.92)
6. Benefits Payments	(47.88)	(4.43)	(43.10)	(2.98)
7. Present value of Defined Benefit Obligation at the end of the year	191.67	55.50	162.30	42.43

IV Change in Assets During the period ended 31st March 2017

1. Plan assets at the beginning of the year	12.95	–	–	–
2. Settlements	(0.13)	–	–	–
3. Expected return on plan assets	1.33	–	–	–
4. Contributions by employers	52.56	4.43	43.10	2.98
5. Actual benefits paid	(47.88)	(2.98)	(43.10)	(2.98)
6. Actuarial {Gain / (Losses)}	(1.28)	–	–	–
7. Plan assets at the end of the year	0.05	–	–	–
8. Actual return on plan assets	–	–	–	–

V Actuarial Assumptions:

1. Discount Rate	,7.20%	,7.20%	,7.57%	,7.57%
2. Expected rate of return on plan assets	0%	0%	0%	0%
3. Salary Escalation rate	1%	1%	1%	1%
3. Mortality Rate	IALM2008	IALM2008	IALM2008	IALM2008
(ii) For Ex-employees	90.74	8.59	122.31	10.14

11 Statement showing unhedged foreign currency exposure:

	Currency	Year Ended 31st	March 2017
		Amount in FC	Rs. in Lakhs
Liabilities	USD	5.61	364.37
Trade Payable			
Assets:			
Trade Receivable	EURO	0.83	56.69
	USD	7.81	502.89



12 Disclosure on Specified Bank Notes:

During the year, the Company had specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification, G.S.R. 308('E), dated 31st March 2017. The details of SBNs held and transacted during the period from 8th November 2016 to 30th December 2016, the denominations-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs*	Other Denomination notes	Total
Closing Cash in Hand as on 8th November 2016	1,330,000.00	69,770.61	1,399,770.61
Add :- Permitted Receipts / Cash withdrawn from Bank		1,570,840.00	1,570,840.00
Less :- Permitted Payments		1,277,090.90	1,277,090.90
Less :- Amount Deposited in Banks	1,330,000.00	–	1,330,000.00
Closing Cash in Hand as on 30th December 2016		363,519.71	363,519.71

*For the purpose of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407('E), dated 8th November 2016.

Figures in respect of the previous year have been regrouped / rearranged wherever necessary. Current year figures are post merger and hence not comparable with those of the previous year.

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

B. L. GOCULDAS
Chief Executive Officer
Mumbai, 10th November, 2017

H. T. KAPADIA
Director

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Secretary

D. K. SUNDARAM
Chief Finance Officer

Consolidated Reports



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

Report on the Consolidated Financial Statements (After Merger of Borax Morarji Limited)

We have audited the accompanying consolidated financial statements of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (hereinafter referred to as “the Holding Company”) wherein the effect of merger of Borax Morarji Limited with the Company has been given pursuant to the approved Scheme of Arrangement with effect from the Appointed Date i.e. 1st April, 2016 and its Subsidiary i.e. Borax Morarji (Europe) GmbH (the Holding Company and its subsidiary together referred to as “the Group”).

These consolidated financial statements comprise of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance), consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the Company, its subsidiary are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs (financial position) of the Group as at 31st March, 2017, its consolidated profit (financial performance), consolidated cash flows of the Company for the year ended on that date.

Other Matters

The Financial Statements of the Subsidiary Company have been compiled up to 31st December, 2016 by the management and have been incorporated in these consolidated financial statements. The transactions between the Company and Subsidiary Company for the period 01.01.2017 to 31.03.2017 are considered as not having any significant impact on these consolidated financial statements by the management.

We did not audit the financial statements / financial information of subsidiary whose financial statements / financial information as considered in the consolidated financial statements which reflect total assets of Rs. 38.49 Lakhs as at 31st March, 2017, total revenue of Rs. 287.63 Lakhs and net cash inflows amounting to Rs.3.85 Lakhs for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder.



- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Company, none of the directors of the Holding Company is disqualified as on 31st March, 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 Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 4(A) to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company.
 - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 at Note No. 13 and these are in accordance with the books of account maintained by the Holding Company.

For K. S. Aiyar & CO.
Chartered Accountants
ICAI FRN: 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526

Place of Signature : Mumbai
Date : 10th November, 2017



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in Para (g) on Report on Other Legal and Regulatory Requirements in our report.

In conjunction with our audit of the consolidated financial statements of The Dharamsi Morarji Chemical Company Limited as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of The Dharamsi Morarji Chemical Company Limited (hereinafter referred to as "the Holding Company").

In respect of the Subsidiary company, being a small company, the audit and reporting of internal financial controls over financial reporting is not required to be carried out as per the local laws of the country wherein it is incorporated.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding 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") issued by the ICAI 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 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 Holding Company's internal financial controls system over financial reporting.

We did not audit the internal financial controls over financial reporting of the Subsidiary Company.

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

The internal financial control system over financial reporting that has been established by the management of the Holding Company consists mainly of manual/automated controls in various business processes. These controls were verified by us, on a test basis during the year, and were found to be operating effectively in all material respects. We are informed that the Company is still in the process of implementing SAP ERP for improved integration and system driven controls.



In our opinion the Holding Company has , in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at March 31, 2017 , based on the internal control over financial reporting criteria established by the Company, as stated in the preceding paragraph, 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 K. S. Aiyar & CO.
Chartered Accountants
ICAI FRN: 100186W

Place of Signature : Mumbai
Date : 10th November, 2017

RAJESH S. JOSHI
Partner
Membership No. 38526

**BALANCE SHEET**

AS AT MARCH 31, 2017

Particulars	Note No.	As at 31-03-2017 (₹ in Lakhs)
Equity and Liabilities		
(1) Shareholders' Funds		
(a) Share Capital	I	2,773.99
(b) Reserves and Surplus	II	3,527.89
(2) Non Current Liabilities	III	
(a) Long Term Borrowings		1,380.46
(b) Other Long Term Liabilities		101.81
(c) Long Term Provisions		148.98
(3) Current Liabilities	IV	
(a) Short Term Borrowings		1,024.31
(b) Trade Payables		3,572.57
(c) Other Current Liabilities		2,183.76
(d) Short Term Provisions		188.83
TOTAL		14,902.60
Assets		
(1) Non Current Assets	V	
(a) Fixed Assets		
(i) Tangible assets		6,842.74
(ii) Intangible assets		1,499.75
(iii) Capital Work in Progress		299.83
(b) Non Current Investments		39.08
(c) Deferred Tax Assets (Net)		—
(d) Long Term Loans and Advances		236.63
(2) Current Assets	VI	
(a) Inventories		1,651.40
(b) Current Investments		151.20
(c) Trade Receivables		2,138.04
(d) Cash and Bank Balances		667.12
(e) Other Current Assets		1,376.81
TOTAL		14,902.60
Significant Accounting Policies and other Explanatory Information	XII	

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

B. L. GOCULDAS
Chief Executive Officer

Mumbai, 10th November, 2017

H. T. KAPADIA
Director

D. T. GOKHALE
Secretary

D. K. SUNDARAM
Chief Finance Officer



STATEMENT OF PROFIT & LOSS

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Particulars	Note No.	As at 31-03-2017 (₹ in Lakhs)
Revenue from Operations	VII	18,985.37
Other Income	VIII	44.33
Total Revenue		19,029.70
Expenses		
Cost of materials consumed	IX	10,301.21
Purchase of Stock-in-Trade	IX	100.87
Changes in inventories of finished goods, work-in-progress and stock-in trade	IX	(51.57)
Employee benefits expense	X	1,284.82
Finance costs		509.20
Dereciation		372.39
Other expenses	XI	4,331.91
Total expenses		16,848.83
Profit/(Loss) before Exceptional and Extraordinary items and Tax		2,180.87
Exceptional items		-
Profit/(Loss) before Extraordinary items and Tax		2,180.87
Extraordinary items		-
Profit/(Loss) before Tax		2,180.87
Tax expenses:		
1) Current tax		445.02
2) Deferred tax		-
Profit/(Loss) after Tax		1,735.85
Earning per equity share(Basic & Diluted)	XII(8)	7.04
Significant Accounting Policies and other Explanatory Information	XII	

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

B. L. GOCULDAS
Chief Executive Officer

Mumbai, 10th November, 2017

H. T. KAPADIA
Director

D. T. GOKHALE
Secretary

D. K. SUNDARAM
Chief Finance Officer



NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE: I SHARE CAPITAL

	As at 31-03-2017	
	Numbers	Rs. In Lakhs
(a) Shares authorized		
Equity Shares of Rs.10/- each	40,000,000	4000.00
Preference Shares of Rs.100/- each	2,000,000	2000.00
	<u>42,000,000</u>	<u>6000.00</u>
(b) Shares issued		
Equity Shares of Rs.10/- each	21,846,751	2,184.67
Equity Shares of Rs.10/- each to be issued pursuant to the Scheme of Arrangement.	3,093,182	309.32
Preference Shares of Rs.100/- each	280,000	280.00
	<u>25,219,933</u>	<u>2,773.99</u>
(c) Shares subscribed and fully paid :		
Equity Shares of Rs.10/- each	24,939,933	2,493.99
Preference Shares of Rs.100/- each	280,000	280.00
	<u>25,219,933</u>	<u>2,773.99</u>
(d) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period;		

Particulars

Equity Shares.

	Numbers	Rs. In Lakhs
Shares outstanding at the beginning of the year	21,257,821	2,125.78
Add: Shares issued during the year*	588,930	58.89
Add: Shares to be issued as per the Scheme of Arrangement**	3,093,182	309.32
Shares outstanding at the end of the year	<u>24,939,933</u>	<u>2,493.99</u>

Preference Shares

Shares outstanding at the beginning of the year	880,000	880.00
Less: Shares redeemed during the year	600,000	600.00
Shares outstanding at the end of the year	<u>280,000</u>	<u>280.00</u>

Terms/Rights attached to Equity Shares:

The Company is having only one class of Equity shares having a nominal value of Rs.10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution to the Equity shareholders will be in proportion of the number of shares held by each shareholder.

*The Company had raised Equity Share Capital by issuing Equity Shares to the Promoter and Promoter Group by preferential offer (to redeem the 6,00,000, 8% Redeemable Cumulative non-convertible Preference shares of Rs.100/- each aggregating to Rs.600.00 Lakhs) at a price of Rs.101.88 (including a premium of Rs.91.88) per share for aggregate amount of Rs.6,00,00,188/- (Rs. Six Crores One Hundred Eighty eight only) pursuant to the resolution of the Equity Share Allotment Committee at its meeting held on 07.12.2016. Accordingly the Company issued Equity Shares to Promoter and Promoter Group as under:

294465 Equity Shares at a price Rs.101.88 per share (face value of Rs.10/- and Premium of Rs.91.88 per share) to The Natural Gas Company Private Limited and 294465 Equity Shares at a price Rs.101.88 per share (face value of Rs.10/- and Premium of Rs.91.88 per share) to Phoenix Distributors Private Limited.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Accordingly the Equity Shares stands increased by 588930 Equity Share of Rs. 10/- each aggregating to Rs.5889300/- (Rs. Fiftyeight Lakhs Eightynine Thousand Three Hundred only) and the Security premium account stands increased by an amount Rs.54110888/- (Rs. Five Crores Fortyone Lakhs Ten Thousand Eight Hundred Eightyeight only). Subsequently the Company has redeemed 6,00,000, 8% Redemable non-convertible Preference Share of Rs.100/- each aggregating to Rs.600.00 Lakhs at par.

**Pursuant to the scheme of amalgamation approved by the Honorable National Company Law Tribunal(NCLT), Mumbai Bench, on 18th October, 2017 (the "scheme") Borax Morarji Ltd ("BML" or "the transferor company") has been merged with the Company with effect from 1st April 2016, the Appointed Date.

The scheme provided for issuance of equity shares of the company of Rs.10 each fully paid up to the shareholders of BML in the ratio of 1 (one) equity shares of the DMCC for every 2 (two) equity shares held in BML with effect from 1st April, 2016, the Appointed date, resulting in 22,59,849 equity shares of Rs.10 each fully paid up to be issued to BML Equity shareholders.

The scheme also provided for issuance of 10 (Ten) equity shares of the DMCC of Rs.10 each fully paid up for every 108 (one hundred eight) fully paid up Preference shares of Rs.10 each held in the BML with effect from 1st April 2016, the Appointed date, resulting in 8,33,333 equity shares of Rs.10 each fully paid up to be issued to Preference shareholder of BML.

The amalgamation has been accounted as 'amalgamation in the nature of purchase' in accordance with the terms of the scheme and consequently the purchase method has been used. The Assets and Liabilities of the erstwhile BML as at 1st April, 2016 have been taken over at their fair values as determined by the Board of Directors of the Company and accordingly suitable effects have been given for the purpose of reflecting the fair value of the assets and liabilities of the transferor company taken over by the transferee company in accordance with the relevant Accounting policies and methods followed by the transferee company.

The Company is yet to issue and allot equity shares to the Shareholders of BML pursuant to the scheme, However, the equity shares to be allotted have already been considered as issued and allotted for the purposes of these financial statements since the issuance and allotment of equity shares would be effective from the Appointed date of 1st April, 2016.

The net assets of the transferor company have been taken over by the Company and recorded at their fair values as determined by the management as at 01.04.2016 i.e. the "Appointed Date".

Purchase consideration payable is Rs.3340.64 Lakhs, which is discharged by issue of 3093182 Equity Shares of Rs.10/- each of the Company at a premium of Rs.98/- per share.

The Goodwill arising out of the aforesaid Scheme is Rs. 1465.10 Lakhs. The Goodwill is to be tested for impairment.

Terms/Rights attached to Preference Shares:

280000, 2.5% Redeemable Cumulative non - convertible Preference Shares of Rs.100/- each aggregating to Rs.280.00 Lakhs are redeemable in 16 Equal yearly instalment of Rs.17.50 Lakhs each commencing from 1st April 2012. However, the Company has not redeemed the preference shares as per the redemption schedule due to the Accumulated Losses of the Company. Therefore, the Company had approached and requested the Preference Share-holder for further extension of time for the redemption of the said Preference Shares. The Preference Share-holder has agreed for further extension of time for the redemption of the said Preference shares any time upto 31 st March, 2022.

The cumulative dividend on these Preference Shares aggregating to Rs. 64.81 Lakhs (Previous year Rs. 57.81 Lakhs) is to be paid as and when declared by the Company.

The holders of all Preference shares do not have any voting rights.

The holders of all Preference shares have a first right of cumulative dividend as compared to the shareholders of Equity shares in case the Company declares any dividend.

In the event of liquidation of the Company, all preference shareholders will have a priority over the Equity shareholders to receive remaining assets of the Company, after distribution of all other preferential amounts. The distribution to the Preference shareholders will be in proportion of the number of shares held by each shareholder

(e) Equity Shares in the Company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Particulars	As at 31-03-2017	
	Numbers	Percentage
Shri Laxmikumar Narottam Goculdass	8,862,093	35.53%



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: II RESERVES & SURPLUS

As at 31-03-2017

Rs. In Lakhs

Capital Reserve*		
At the Beginning of the year	3,363.24	
Less: Adjustment as per Scheme of Arrangement.	<u>3,363.24</u>	
		-
Securities Premium Account*		
At the Beginning of the year	98.81	
Add :- Additions during the year	541.11	
Add :- Additions during the year as per Scheme of Arrangement	3031.32	
Less: Adjustment of accumulated loss of the Company as per the Scheme of Arrangement	<u>(1956.34)</u>	
		1,714.90
Other Reserve		66.59
Foreign Currency Translation Reserves		
At the Beginning of the year	-	
Add: Brought forward balance taken over of the subsidiary pursuant to the scheme of arrangement	1.25	
Less: Amount Debited During the year	<u>(0.43)</u>	
		0.82
Surplus/(Deficit)*		
At the Beginning of the year	(2,269.64)	
Less: Adjustment of accumulated loss of the Company as per the Scheme of Arrangement	<u>2,269.64</u>	
		-
Add: Brought forward Profit of the subsidiary pursuant to the scheme of arrangement	9.73	
Add: Profit during the current year transferred from statement of Profit & Loss Account.	<u>1,735.85</u>	
Net Surplus/(Deficit)		1,745.58
Total		<u><u>3,527.89</u></u>

*On the appointed date i.e. 1st April 2016, the accumulated losses and Deferred Tax assets have been adjusted fully against Capital Reserve and partly against Securities Premium Account.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: III NON CURRENT LIABILITIES

As at 31-03-2017
Rs. In Lakhs

(a) Long Term Borrowings	
Secured	
(i) Working Capital Term Loan	77.66
(ii) Car Loan from a bank	21.94
(iii) Project Loan from bank	14.15
(iv) Property Loan from bank	58.06
	171.81
Unsecured	
(i) Inter Corporate Deposits	134.00
(ii) Loans from a Promoters	940.47
(iii) Interest Free Sales Tax Loan from MEDA **	134.18
	1,208.65
	1,380.46
(b) Other Long Term Liabilities	
(i) Advance received against sale of Land at Navlakhi	45.35
(ii) Security Deposits from distributors and others	35.46
(iii) Security Deposits received against Royalty	21.00
	101.81
(c) Long Term Provisions:	
Provision for Employee Benefits	148.98
Total	1,631.25

(a) (i) Working Capital Term Loan

Repayable in 60 EMI's commencing from 17-02-2014. Rate of interest is 12%. 38 EMI's have been paid in time, up to 31st March, 2017 and 22 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha and mortgage of office premises of the Company, situated at Mumbai.

Out of total outstanding term loan as on 31st March, 2017 of Rs. 173.68 Lakhs, amount due in next twelve months is Rs. 96.02 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'. (See Note No. IV(c)(i). The balance Term Loan of Rs.77.66 Lakhs is shown above as Working Capital Term Loan.

(ii) Car Loan from a bank

Repayable in 60 EMI's commencing from 21-02-2015. Rate of interest is 10.50%. 26 EMI's have been paid in time, up to 31st March, 2017 and 34 are remaining to be paid as on that date.

Secured against hypothecation of vehicles.

Out of total outstanding term loan as on 31st March, 2017 of Rs 30.32 Lakhs, amount due in next twelve months is Rs. 8.38 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities' (See Note No. IV(c)(ii) . The balance Term Loan of Rs.21.94 Lakhs is shown above as New Car loan from a bank .

(iii) Project Loan from bank

Repayable in 36 EMI's commencing from 27.07.2015. Rate of interest is 12%. 21 EMI's have been paid in time, up to 31st March, 2017 and 15 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha and mortgage of office premises of the Company, situated at Mumbai.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Out of total outstanding term loan as on 31st March, 2017 of Rs.127.95 Lakhs, amount due in next twelve months is Rs.113.80 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. IV(c)(iii)). The balance Term Loan of Rs.14.15 Lakhs is shown above as Project Loan.

(iv) Property Loan from bank

Property loan RS. 158.82 Lakhs taken on 21.03.2016 from a Bank. Repayable in 36 EMI's commencing from 21.04.2016. Rate of interest is 12%. 12 EMIs have been paid in time, up to 31st March, 2017 and 24 are remaining to be paid as on that date.

Out of total outstanding property loan as on 31 st March 2017 of Rs. 111.34 Lakhs, amount due in next twelve months is Rs.53.28 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No.IV(c)(iv) The balance Term Loan of Rs.58.06 Lakhs is shown as Property Loan.as above.

**** Interest free Sales Tax Loan from MEDA**

Interest free Sales Tax Loan from MEDA is repayable in 30 Equal installments starting from May 2010 and ending May, 2023.

Out of total outstanding interest free sales tax loan from MEDA as on 31st March 2017 of Rs. 204.79 Lakhs, amount due in next twelve months is Rs.70.61 Lakhs, which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No.IV(c)(v). The balance of Rs.134.18 Lacs is shown as unsecured (iii) interest free sales tax Loan from MEDA.

Interest free Sales Tax Loan from MEDA is repayable in 30 Equal installments starting from May 2010 and ending May, 2020.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: IV CURRENT LIABILITIES

	As at 31-03-2017 Rs. In Lakhs	
(a) Short Term Borrowings		
Secured		
Cash Credit from Bank	817.31	
Unsecured		
Inter Corporate Deposit	<u>207.00</u>	
		1,024.31
(b) Trade Payable		
(i) Trade Payable (*)	2,538.57	
(ii) Bills Payable	<u>1,034.00</u>	
		3,572.57
(c) Other Current Liabilities		
(i) Current maturities of Working Capital Term Loan (See Note (a)(i))	96.02	
(ii) Current maturities of Long Term Debts (Car Loan) (See Note(a)(ii))	8.38	
(iii) Current maturities of Long Term Debts (Project Loan) (See Note (a)(iii))	113.80	
(iv) Current maturities of Long Term Debts (Property Loan) (See Note (a)(iv))	53.28	
(v) Current maturities of Interest free Sales Tax Loan from MEDA	<u>70.61</u>	
	342.09	
(2) Unpaid Dividend (Amount Transferable to Investor Education & Protection Fund when due)	2.14	
(3) Unpaid Matured Fixed Deposits (Unclaimed)	31.68	
(4) Unpaid Interest on Fixed Deposits	0.01	
(5) Others Payable (**)	<u>1,807.84</u>	
		2,183.76
(d) Short Term Provisions		
Provision for Employee Benefits		188.83
Total		<u><u>6,969.47</u></u>

(*) There are no Micro, Small and Medium Enterprises, to whom the Company owes dues at the Balance Sheet date, computed on unit wise basis. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year ended on the Balance Sheet date, nor is any interest payable to any Micro, Small and Medium Enterprises on the Balance sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(**) Other Payables include Rs.12.30 Lakhs of Sales Tax Loan.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note: V NON CURRENT ASSETS

	As at 31-03-2017 Rs. In Lakhs	
(a) Property, Plant and Equipments		
(i) Tangible assets		
Land - Freehold	331.63	
Land - Leasehold	1,791.94	
Buildings	1,680.89	
Plant & Equipment	2,891.22	
Furniture & Fixtures	33.20	
Vehicles	61.27	
Computer	22.87	
Office Equipments	29.72	
	6,842.74	
(ii) Intangible Assets		
Software	34.65	
Goodwill	1,465.10	
	1,499.75	
(iii) Capital Work in Progress		299.83
(b) Non Current Investments (At Cost)		
Investment in Equity shares (Unquoted, Non Trade, Long Term)		
3000 Fully Paid Equity Shares of Rs. 50/- each in Dombivali Nagari Sahakari Bank Ltd.	1.50	
369250 Fully Paid Equity Shares of Rs. 10/- each in Janakalyan Sahakari Bank Ltd.	36.92	
1000 Fully Paid Equity Shares of Rs. 10/- each in Saraswat Co-operative Bank Ltd.	0.10	
25 Fully Paid Equity Shares of Rs. 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	0.01	
Investment in Equity shares (Unquoted, Trade, Long Term)		
33000 Fully Paid Equity Shares of Rs. 10/- each in Indian Potash Ltd.	0.55	
	39.08	
(c) Deferred Tax Assets (Net) *		-
(d) Long Term Loans and Advances		
Security deposits	226.82	
Balances with Excise, Customs, public bodies etc.	9.81	
	236.63	
(e) Unsecured, Considered Doubtful		
Security and Other deposits	28.00	
Less : Provision	28.00	
	-	
Total		8,918.03

* Pursuant to the Scheme of Arrangement between Borax Morarji Limited (BML, The Transferor Company) and The Dharamsi Morarji Chemical Company Limited (DMCC , The Transferee Company) Deferred Tax Asset has been fully written off as on April 01, 2016.



NOTES FORMING PART OF FINANCIAL STATEMENTS

V-(a) Fixed assets - Tangible and Intangible														
Description	GROSS BLOCK						DEPRECIATION						IMPAIRMENT LOSS	NET BLOCK
	As on 01.04.2016	Addition Pursuant to Scheme of arrangement	Exchange Difference on consolidation	Deductions	As on 31.03.2017	As on 01.04.2016	on addition Pursuant to Scheme of arrangement	Exchange Difference on consolidation	Deductions	For the Year	As on 31.03.2017	As on 31.03.2017		
(i) Tangible Assets														
Free Hold Land	52.57	279.06	-	-	331.63	-	-	-	-	-	-	-	331.63	
Lease Hold Land	12.49	1,848.42	-	-	1,860.91	4.94	43.14	-	-	20.89	68.97	-	1,791.94	
Buildings	1,228.44	1,001.05	92.25	-	2,321.74	506.75	73.46	-	-	60.64	640.85	-	1,680.89	
Plant & Equipments - Owned	9,052.88	1,328.59	771.23	-	11,152.70	6,662.02	626.12	-	-	244.06	7,532.20	729.28	2,891.22	
Furniture & Fixtures	93.96	27.78	6.79	-	128.53	88.47	3.64	-	-	3.22	95.33	-	33.20	
Vehicles	95.92	40.30	6.08	4.69	137.61	36.54	30.82	4.45	13.43	76.34	-	-	61.27	
Computer	65.60	11.55	15.65	1.59	91.16	47.72	9.59	1.51	12.49	68.29	-	-	22.87	
Office Equipments	116.25	6.98	17.19	-	140.42	100.47	5.03	-	5.20	110.70	-	-	29.72	
TOTAL TANGIBLE ASSETS (i)	10,718.11	4,543.73	909.19	6.28	16,164.70	7,446.91	791.80	-	5.96	359.93	8,592.68	729.28	6,842.74	
(II) Intangible Asset (At cost)														
Software	12.99	21.74	17.64	-	51.80	0.83	4.77	(0.91)	-	12.46	17.15	-	34.65	
Goodwill		1,465.10			1,465.10	-	-	-	-	-	-	-	1,465.10	
Total Intangible Assets (ii)	12.99	1,486.84	17.64	-	1,516.90	0.83	4.77	(0.91)	-	12.46	17.15	-	1,499.75	
TOTAL ((i) + (ii))	10,731.10	6,030.57	926.83	6.28	17,681.60	7,447.74	796.57	(0.91)	5.96	372.39	8,609.83	729.28	8,342.49	

**NOTES FORMING PART OF FINANCIAL STATEMENTS****Note: VI Current Assets**

	As at 31-03-2017	
	Rs. In Lakhs	
(a) Inventories (For policy on valuation basis refer Note No. XII(2))		
Raw materials	448.15	
Material in process (Manufactured)	48.75	
Finished Goods - Own	647.31	
Finished Goods - Traded	95.20	
Stores and Spares	411.99	
	<u>1,651.40</u>	1,651.40
(b) Current Investments		151.20
(c) Trade Receivables		
Unsecured, considered good		
Outstanding for a period of more than six months	143.97	
Outstanding for a period of less than six months	1994.07	
	<u>2,138.04</u>	2,138.04
(d) Cash and Bank Balances		
Balances with Banks in Current Accounts	363.54	
Cash on hand	1.80	
Fixed deposits with Banks kept as margin money for issuing Bank Guarantee.	151.93	
Fixed deposits in Bank	147.71	
Balance with Bank for Unpaid Dividend	2.14	
	<u>667.12</u>	667.12
(e) Other Current Assets		
Prepaid Expenses	87.16	
Deposits with Excise, Sales Tax, Customs and other Government bodies	504.34	
Advance tax (Net of Provision for Taxation)	121.88	
Others *	663.43	
	<u>1,376.81</u>	1,376.81
Total		<u><u>5,954.57</u></u>

* Other Current Assets - Others clude Rs. 500.00 lakhs receivable in respect of sale of Land at Ambernath in earlier years by erstwhile Borax Morarji Ltd. The Company is pursuing the matter for obtaining the necessary approval from the Government of Maharashtra, on receipt of which the Conveyance deed will be executed and registered in due course.



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note VI(a) Details of Inventories as on 31st March 2017

Raw Materials

	Rs. in Lakhs
Sulphur	84.75
Special Denatured Spirit	63.30
Boron based materials	221.48
Others	78.62
Total	448.15

Finished Goods (Own)

Commodity Chemicals	22.55
Speciality Chemicals	336.80
Boron based Chemicals	287.96
Others	-
Total Manufactured Finished Goods	647.31



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note VII: Revenue from Operations

for the year ended
on 31.03.2017
Rs.in Lakhs

a) From sale of Products - Own - Chemicals		
Commodity Chemicals		8,991.61
Speciality Chemicals		9,193.24
Other Chemicals		381.31
Traded sales		212.91
Royalty (Ship Brand)		63.33
		<hr/>
		18,842.40
b) Other Operating Income		142.97
		<hr/>
		18,985.37
		<hr/> <hr/>
	TOTAL	

Note VIII: Other Income

for the year ended
on 31.03.2017
Rs. In Lakhs

Interest Income		33.86
Dividend Income		1.14
Other non -operating income		9.33
		<hr/>
		44.33
		<hr/> <hr/>
	TOTAL	

Note IX: Cost of materials consumed

for the year ended
on 31.03.2017
Rs. In Lakhs

Sulphur		2,932.57
Special Denatured Spirit		1,031.61
Boron Based Materials		3,826.50
Others		2,218.57
Purchases of stock in trade		100.87
Cost of packing materials consumed		291.96
Decrease/(Increase) in inventories of finished goods, work in progress and Traded goods		(51.57)
		<hr/>
		10,350.51
		<hr/> <hr/>
	TOTAL	



NOTES FORMING PART OF FINANCIAL STATEMENTS

Note X: Employee Benefits Expense

for the year ended
on 31.03.2017
Rs. In Lakhs

Salaries and Wages (Net after Repairs)(*)	1,058.34
Contribution to Provident Fund	34.18
Contribution to Other Funds (Gratuity, Superannuation, etc)	108.43
Staff Welfare Expenses	83.87
TOTAL	1,284.82
(*) Salaries & Wages allocated to Repairs etc.	34.06

Note XI: Other Expenses Rs. in Lakhs

for the year ended
on 31.03.2017

Power & Fuel	760.76
Repairs to buildings	13.48
Repairs to machinery	589.93
Insurance	34.07
Rates and taxes	18.53
Internal handling, Freight and carriage outward	402.79
Net loss/(gain) on foreign currency transactions	23.82
Auditors' Remuneration	
Audit fees	9.01
Tax audit fees	2.23
For other services	4.52
Reimbursement of out of pocket expenses	0.66
Sundry balances written off / (written back) (net)	(4.29)
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets	0.15
Miscellaneous expenses	2,476.25
TOTAL	4,331.91
(*) Consumption of Stores & Spares allocated to Repairs etc.	301.13



CASHFLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2017

Particulars	For the year ended on 31-03-2017 Rs. In Lakhs
Cash flow from Operating Activities	
Net Profit/(Loss) before Tax	2,180.87
Adjustments for	
Add:	
Written Down Value of Assets Scrapped	0.15
Depreciation	372.38
Unrealised Forex adjustment loss	14.37
Interest charged	509.20
	<u>896.10</u>
Less:	
Dividend Income	1.14
Interest income	33.86
	<u>35.00</u>
Operating Profit before working capital changes	3041.97
Adjustment	
Add:	
Decrease/ (Increase) in Inventories	534.74
Decrease / (Increase) in Trade Receivables	(440.94)
Decrease / (Increase) in Other Current Assets	156.84
Increase / (Decrease) in Trade Payable	46.14
Increase / (Decrease) in Short Term Provisions	(105.55)
Increase / (Decrease) in Long Term Provisions	(36.29)
Increase / (Decrease) in Long Term Liabilities	
Increase / (Decrease) in Other Current Liabilities	283.98
	<u>438.92</u>
Add: Taxes Paid (MAT)	(640.19)
Cash Generated / (used) in Operating Activities	<u>2840.70</u>
Cash Flow from Investing Activities	
Add:	
Sale of Fixed Assets	0.16
Interest Received	33.86
Dividend Received	1.14
	<u>35.16</u>
Less:	
Purchase of Fixed Assets	912.91
Increase / (Decrease) in Capital Work in Progress	(201.89)
Purchase of Investment	150.00
	<u>861.02</u>
Cash Generated from / (used in) Investing Activities	<u>(825.86)</u>



CASHFLOW STATEMENT

FOR THE YEAR ENDED ON 31ST MARCH, 2017

	Rs. In Lakhs	
Cash Flow from Financing Activities		
Add:		
Receipt from issue of Equity Shares inclusive of share premium	600.00	
Receipt of Loan from Director	120.00	
Increase in Short Term Borrowing	3.79	
Foreign Currency Translation Reserve	(0.75)	
Receipt of Car Loan from Bank	-	
Receipt of Project Loan from Bank	-	
Receipt of Property Loan from Bank	-	
	<hr/>	723.04
Less:		
Repayment of Intercompany deposits	313.00	
Repayment of Fixed Deposits	48.04	
Repayment of Loans to Director	825.00	
Resumption of Preference Share Capital	600.00	
Interest paid	368.64	
Repayment of Bank Car Loan	6.88	
Repayment of Working Capital Loan	96.53	
Repayment of Project Loan to Bank	87.72	
Repayment of Property Loan from Bank	53.51	
CC Loan repaid	67.24	
MEDA Loan repaid	78.48	
	<hr/>	2545.04
Cash Generated from / (used in) Financing Activities		<hr/> <u>(1822.00)</u>
Net Cash Increase / (Decrease) in Cash & Bank Balances		192.84
Add: Cash & Bank Balances at the beginning of the year		
Cash and Cash Equivalents	136.47	
Other Bank Balances (Restrictive use)	337.81	
	<hr/>	474.28
Cash & Bank Balances at the end of the year		
Cash and Cash Equivalents	452.28	
Other Bank Balances (Restrictive use)	214.84	
	<hr/>	667.12

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

B. L. GOCULDAS
Chief Executive Officer

Mumbai, 10th November, 2017

H. T. KAPADIA
Director

D. T. GOKHALE
Secretary

D. K. SUNDARAM
Chief Finance Officer



SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR APRIL 2016 TO MARCH 2017

1 CORPORATE INFORMATION

The Company is engaged in the business of Commodity Chemicals and Speciality Chemicals.

Borax Morarji Ltd. has been merged with The Company with effect from the appointed date i.e. 01.04.2016, as approved by the Mumbai bench of Honourable National Company Law Tribunal (NCLT) on 18.10.2017.

Upon the coming into effect of the Scheme of Amalgamation, the assets and liabilities of the transferee company have been recorded at their fair values as determined by Board of Directors of the Transferee Company and accordingly suitable effects have been given for the purpose of reflecting the fair value of the assets and liabilities of the transferor company taken over by the transferee company in accordance with the relevant Accounting policies and methods followed by the Company.

2 Basis of Accounting

The Financial Statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the Historical Cost Convention on an accrual basis of accounting. The Company has prepared Financial Statements to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act 2013 read with rule 7 of Companies (Accounts) Rules 2014.

The Accounting Policies adopted in the preparation in Financial Statements are consistent with those of previous year.

Use of Estimates and Judgements

In preparation of the Financial Statements, in conformity with Indian GAAP, the management is required to make Judgements, Estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of the Financial Statements and the reported amount of revenues and expenses for the year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty of these assumptions and estimates could result in the outcomes different from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Fixed Assets

Tangible Assets

Fixed Assets are stated at cost of acquisition or construction, including attributable interest & financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any. Fixed Assets of erstwhile Borax Morarji Ltd. are stated at the fair value as determined by the management of the Company pursuant to the scheme of arrangement.

Intangible Assets

Goodwill is to be tested for impairment.

Method of Depreciation

"Depreciation on all Fixed Assets is provided on Straight Line method as per the useful life specified in schedule II to the Companies Act, 2013"

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

Treatment of Expenditure during the Construction period

The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective fixed assets. Interest on specific borrowings relating to acquisition of fixed assets is capitalised up to the date of commissioning.

Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of



capital. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed, depending on changes in circumstances, if any.

Valuation of Inventories

Inventories are valued at lower of cost and net realisable value. Cost of Raw materials is computed on an annual weighted average basis. In respect of finished goods / work-in-progress, cost is determined by taking into consideration all direct costs and systematic allocation of related fixed & variable overheads.

Investments

Long-term investments are carried at cost. However provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are stated at costs or fair value whichever is lower.

Revenue

Revenue from Gross Sales include Processing Charges, Excise Duty, Freight on sale of finished goods. Domestic sales are recognised on despatch of products and are stated net of returns. Export sales are accounted on the basis of dates of Bill of Lading. For goods sent on consignment basis, revenue from sale is recognized upon its intimation by the consignment agents. Royalty income on account of usage of Company's Product Brand name is accounted for as per the agreed terms with the concerned manufacturers.

Taxation

Income Tax expense comprises of Current Tax and Deferred Tax charge or credit.

i) Current Tax:

A provision is made for the Current Tax based on Tax Liability computed in accordance with relevant provisions & tax rates as per the Income Tax Act, 1961.

ii) Deferred Tax:

The Deferred Tax charge or credit is recognised using prevailing enacted or substantively enacted tax rates. Where there are unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets / liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

Employees' Benefits

Contribution Plans:

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund are being charged to the Statement of Profit and Loss.

Benefit Plans:

The Company has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The 'Company's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to the Statement of Profit & Loss. Gratuity Benefits (based on actuarial valuation) is charged to statement of Profit & Loss.

Foreign Currency Transactions

- (i) Monetary items of assets/liabilities denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. In respect of items covered by forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or expense for the year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction.
- (ii) Non Monetary items of assets/liabilities which are carried in terms of historical cost determined in a foreign currency are reported using the exchange rate at the date of transaction.
- (iii) Gain or Loss arising out of conversion is taken credit for or charged to the Statement of Profit and Loss.



Provisions / Contingencies

Provision is recognised when the Company has a present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value & are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefit is remote.

3 Principles of Consolidation:

- (a) The consolidated financial statements relate to Borax Morarji Ltd. ("The Company") and its wholly owned subsidiary, the details of which are as under:

Name of the Entity: **Borax Morarji (Europe) GMBH**

Financial year ended on: **31st December 2016**

Extent of holding: **100%**

Country of Incorporation: **Germany**

- (b) The unaudited financial statements as on 31st December, 2016 of the wholly owned subsidiary company have been compiled by a Chartered Accountancy Firm based in Germany. The subsidiary company being a small joint stock company under German Law, there is no obligation of audit based on the size criteria.

There are no significant transactions in the Subsidiary company during period 1st January 2017 to 31st March 2017. Therefore, no adjustments have been made in the consolidated financial statements.

- (c) The financial statements of the company and its subsidiary have been combined on a line-by-line basis by adding together the books values of like items of assets, liabilities, incomes and expenses after fully eliminating intra group balances and intra group transactions resulting in unrealized profits or losses.

- (d) The Consolidated financial statements have been prepared using uniform accounting policies for the transactions and other events in similar circumstances and are presented to the extent possible in the same manner as the Company's separate financial statements.

- (e) Financial statements of the foreign subsidiary being non-integral foreign operation, have been converted in Indian Rupees at the following exchange rates:

i) Revenues and Expenses: At the average exchange rate prevailing during the period.

ii) All Assets and Liabilities are converted at the exchange rate prevailing at the end of the year.

Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

iii) Other Significant Accounting Policies

There are set out in the notes to accounts under 'Significant Accounting Policies' as given in the Company's separate financial statements.

4 Contingent Liabilities and Commitments

Rs. in Lakhs
As at 31st March, 2017

A Contingent Liabilities

(i) Outstanding claims in respect of Excise Duty, etc.	128.07
(ii) Guarantees given by the Company's Bankers	42.80
(iii) Others - Arrears of Cumulative Preference Dividend	64.81
(iv) Claims against Company not acknowledged as debts	55.76

The Company has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have the materially adverse effect.



B Commitments

Rs. in Lakhs
As at 31st March, 2017

- (i) Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances) 51.70
- 5 In view of the “Unabsorbed Depreciation” & “Unabsorbed Business Losses” accruing from the past years, there is no taxable income during the year ended 31st March, 2017. In view of book profit in the current year in terms of Section 115JB of the Income Tax Act, 1961, provision has been made for Rs. 443.94 lakhs towards Minimum Alternate Tax(MAT) during the year ended 31.03.2017.
- 6 During the year, the manufacturing of Fertilizers at Khemli Factory of the Company remained closed for the entire year and hence the fertilizer segment will no longer be a primary business of the Company. There is only one reportable segment i.e chemicals business of the Company.

7 Other Additional information:

Apr 16/Mar 17
Value (Rs. in Lakhs)

(i) VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED

Raw Materials and Boughtouts:

Imported

1724.45

(16.60%)

Indigenous

8663.77

(83.40%)

Stores, Spares and Components:

Imported

-

Indigenous

273.73

(100.00%)

(ii) VALUE OF IMPORTS CALCULATED ON CIF BASIS:

Raw Materials & Boughtouts

1224.47

(0)

(iii) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF:

Foreign tours, Subscription, etc.

172.20

(iv) EARNINGS IN FOREIGN CURRENCY IN RESPECT OF:

Export of goods calculated on FOB basis

4599.68

8 The working of basic, as well as diluted, earnings per equity share (in Rupees) is as follows:

Apr 16/Mar 17

Numerator - Profit / (Loss) after tax & after deducting Preference dividend & tax thereon (Rs. Lakhs)

1,727.42

Denominator - weighted average number of equity shares

24,536,556

Basic, as well as diluted, earnings per equity share (in Rupees)

7.04



9 Segment Reporting:

a) Primary Business Segment:

The Company is engaged in manufacture of Chemicals. As the Company is engaged only in one business segment.

b) Secondary Geographical Segment

Rs. In Lakhs

Sales Turnover:	<u>2016-17</u>
i) In India	14142.11
ii) Outside India	4700.29
Total	<u>18842.40</u>

10 Related Parties Disclosures:

(A) Name of the Related Parties

- (i) Shri L.N.Goculdas Promoter and Chairman (holding more than 20% of the voting power)
- (ii) The Natural Gas Co.Pvt.Ltd.
- (iii) L.P.Gas Transport & Bottling Co. Pvt.Ltd.
- (iv) Phoenix Distributors Pvt.Ltd.
- (v) Jasraj Trading Co.
- (vi) Kosan Industries Pvt.Ltd.
- (vii) Bombay Foods Pvt.Ltd.

(B) Key Management Personnel

Nature of Relationship

- (i) Shri B.L.Goculdas Chief Executive Officer
- (ii) Shri D.T.Gokhale Executive Vice President & Company Secretary
- (iii) Shri D.K. Sundaram Chief Finance Officer

(C) Transaction with Promoters holding more than 20% of the voting power

Rs.in Lakhs

Sitting Fees for attending Board and Committee meetings 2.30

(D) Transactions with Related Parties

Rs. in Lakhs

- (i) Purchase of Goods/Services Received by the Company
L.P.Gas Transport & Bottling Co. Pvt.Ltd. 119.86
- (ii) Sale of Goods/Services Rendered by the Company
Borax Morarji (Europe) GMBH 266.96
- (vi) Closing balance of L.P. Gas & Bott. P. Ltd.included in Current Liability of the Company 54.61
- (vii) Closing balance included in Unsecured Loan of the Company 134.00

(E) Transactions relating to Key Management Personnel

Rs.in Lakhs

- (i) Remuneration 86.40
- (ii) Rent / HRA paid for residential accommodation / other benefits 19.06
- (iii) Unsecured Loan taken by the Company and outstanding as at the year end 940.47

Related party relationships are as identified by the Company and relied upon by the Auditors.
Figures in brackets pertain to Previous Year



11 Employee Benefits:

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) "Employee Benefits". Defined Benefit Plans / Long Term Compensated Absences: As per Actuarial Valuation as on 31.03.2017, the required data is as follows:

(i) Continuing Employees:

I Expense recognised in the statement of Profit & Loss Account for period ended 31st March 2017.

	Rs. in Lakhs	
	GRATUITY	LEAVE ENCASHMENT
1. Current Service Cost	15.21	17.85
2. Interest Cost	11.79	3.84
3. Past Service Cost (vested benefits)	–	–
3. Expected Return on plan assets	–	–
4. Actuarial (Gain) / Losses	32.70	(9.82)
5. Total Expenses	59.70	11.87

II Net Assets/(Liability) recognised in the Balance Sheet as at 31/03/2017

1. Present value of Defined Benefit Obligation as at 31st March 2017	200.54	55.49
2. Fair Value of plan assets as at 31st March 2017	17.55	–
3. Funded Status [(Surplus)/(Defecit)]	(182.99)	(55.49)
4. Net asset / (Liability) as at 31st March 2017	(182.99)	(55.49)

III Change in Obligation during the period ended 31st March 2017

1. Present value of Defined Benefit Obligation at the beginning of the year	175.25	53.24
2. Current Service Cost	15.21	17.85
3. Interest Cost	11.79	3.84
4. Settlement Cost	(0.13)	–
5. Past Service Cost - (Vested Benefits)	–	–
6. Employee Contribution	4.68	–
5. Actuarial (Gain) / Losses	32.75	(15.00)
6. Benefits Payments	(47.88)	(4.43)
7. Present value of Defined Benefit Obligation at the end of the year	191.67	55.50

IV Change in Assets During the period ended 31st March 2017

1. Plan assets at the beginning of the year	12.95	–
2. Settlements	(0.13)	–
3. Expected return on plan assets	1.33	–
4. Contributions by employers	52.56	4.43
5. Actual benefits paid	(47.88)	(2.98)
6. Actuarial {Gain / (Losses)}	(1.28)	–
7. Plan assets at the end of the year	0.05	–
8. Actual return on plan assets	–	–

V Actuarial Assumptions:

1. Discount Rate	,7.20%	,7.20%
2. Expected rate of return on plan assets	0%	0%
3. Salary Escalation rate	1%	1%
3. Mortality Rate	IALM2008	IALM2008

(ii) For Ex-employees **90.74** **8.59**



12 Statement showing unhedged foreign currency exposure:

	Currency	Year Ended 31st March 2017	
		Amount in FC	Rs. in Lakhs
Liabilities			
Trade Payable	USD	5.61	364.37
Assets:			
Trade Receivable	EURO	0.83	56.69
	USD	7.81	502.89

13 Disclosure on Specified Bank Notes:

During the year, the Company had specified Bank Notes (SBNs) or other denomination notes as defined in the MCA Notification , G.S.R. 308('E), dated 31st March 2017. The details of SBNs held and transacted during the period from 8th November 2016 to 30th December 2016, the denominations-wise SBNs and other notes as per the notification are as follows:

Particulars	SBNs*	Other Denomination notes	Total
Closing Cash in Hand as on 8th November 2016	1,330,000.00	69,770.61	1,399,770.61
Add: Permitted Receipts / Cash withdrawn from Bank		1,570,840.00	1,570,840.00
Less: Permitted Payments		1,277,090.90	1,277,090.90
Less: Amount Deposited in Banks	1,330,000.00	–	1,330,000.00
Closing Cash in Hand as on 30th December 2016	–	363,519.71	363,519.71

*For the purpose of this clause , the term “Specified Bank Notes” shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407('E), dated 8th November 2016.

As per our report of even date attached

FOR K.S.AIYAR & CO.
Chartered Accountants
Firm Registration No. 100186W

RAJESH S. JOSHI
Partner
Membership No. 38526
Mumbai, 10th November, 2017

For and on Behalf of the Board of Directors

L. N. GOCULDAS
Chairman

H. T. KAPADIA
Director

B. L. GOCULDAS
Chief Executive Officer

D. T. GOKHALE
Secretary

D. K. SUNDARAM
Chief Finance Officer

Mumbai, 10th November, 2017

THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/321, Dr. Dadabhoy Naoroji Road, Fort, Mumbai - 400 001)

CIN : L24110MH1919PLC000564 Website :www.dmcc.com

e-mail : dgokhale@dmcc.com Phone No.: 022-22048881-2-3 Fax No.: 022-22813657

PROXY FORM

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

Name of the Member(s): _____

Registered address: _____

E-mail Id: _____

Folio No. / Client ID No.: _____ DP ID No.: _____

I/We, being the member(s) holding _____ Equity Shares of The Dharamsi Morarji Chemical Company Ltd., hereby appoint:

1. Name: _____ E-mailID: _____

Address: _____

Signature: _____ or failing him

2. Name: _____ E-mailID: _____

Address: _____

Signature: _____ or failing him

3. Name: _____ E-mailID: _____

Address: _____

Signature: _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 96th Annual General Meeting of the Company to be held on Tuesday, 26th December, 2017 at 11.00 am at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution
Ordinary business	
1	Adoption of the audited financial statements of the Company (post merger) for the Financial Year ended 31st March, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2	To appoint a Director in place of Ms Mitika Laxmikumar Goculdas (holding DIN 02879174), who retires by rotation, and being eligible, offers herself for re-appointment.
3	To appoint Statutory Auditors and fix their remuneration
Special business	
4	Ordinary Resolution : Ratification of Cost Auditor's Remuneration

Signed this day of 2017.

Signature of the proxy holder(s)

Signature of the member

Affix
Revenue
Stamp

Notes:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
- 4) This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitle to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- 6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all joint holder should be stated.

THE DHARAMSI MORARJI CHEMICAL COMPANY LTD.

(Regd. Office : Prospect Chambers, 317/321, Dr. Dadabhoy Naoroji Road, Fort, Mumbai - 400 001)

CIN : L24110MH1919PLC000564 Website :www.dmcc.com

e-mail : dgokhale@dmcc.com Phone No.: 022-22048881-2-3 Fax No.: 022-22813657

ATTENDANCE SLIP

(To be presented at the entrance)

96TH ANNUAL GENERAL MEETING ON TUESDAY, 26TH DECEMBER 2017 AT 11.00 AM

at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg,
Churchgate, Mumbai 400 020,

DP ID*: _____

Folio No: _____

Client ID*: _____

No. of Shares: _____

Name and address of Shareholder:

I hereby record my presence of the 96th ANNUAL GENERAL MEETING of the company held on Tuesday, 26th December, 2017 at 11.00 a.m. at Indian Merchants' Chamber, Conference Hall (Walchand Hirachand Hall), IMC Marg, Churchgate, Mumbai 400 020.

*Applicable to Shareholders holding shares in electronic form

Note: Please fill the attendance slip and hand it over at the entrance of the Meeting Hall.

Signature of Shareholder/Proxy

Route Map



Land Mark: The AGM Venue viz. Walchand Hirachand Hall, is just opposite to the Churchgate Railway Station, Fort, Mumbai.

COURIER / REGISTERED POST/ SPEED POST

If not delivered, please return to:

THE DHARAMSI MORARJI CHEMICAL CO. LTD.

Prospect Chambers,

317/321, Dr. Dadabhoy Naoroji Road,

Fort, Mumbai 400 001.

CIN : L24110MH1919PLC000564

Website : www.dmcc.com

e-mail : dgokhale@dmcc.com

