
DE NORA INDIA LIMITED



ANNUAL REPORT 2018-19



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DE NORA INDIA LIMITED

CIN: L31200GA1993PLC001335

Registered Office: Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403115

Tel. No.: 0832 3981100; Email: denoraindia@denora.com; Website: www.denoraindia.com

NOTICE

Notice is hereby given that the THIRTIETH ANNUAL GENERAL MEETING of the Members of DE NORA INDIA LIMITED ('the Company') will be held on Thursday, 26th September, 2019 at 11.00 a.m. at the Registered Office of the Company at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa 403 115, to transact the following business:

ORDINARY BUSINESS

1. Adoption of financial statements, auditors' report etc. for the financial year ended 31st March, 2019

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March, 2019 together with the reports of the Board of Directors ('the Board') and the Auditors thereon.

2. Re-appointment of Mr. Francesco L'Abbate (DIN: 08063332) as Director liable to retire by rotation

To appoint a Director in place of Mr. Francesco L'Abbate (DIN: 08063332), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Mr. Satish Dhume (DIN: 00336564) as an Independent Director

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

"RESOLVED THAT Mr. Satish Dhume, who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th March, 2019 and who holds office up to the date of this Annual General Meeting ('AGM') of the Company in terms of Section 161(1) of the Companies Act, 2013 ('the Act') and who is eligible for appointment be and is hereby appointed as the Director of the Company.

"RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and rules framed thereunder, Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the Listing Regulations"), as amended from time to time and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board, Mr. Satish Dhume who meets the criteria for independence as

stipulated in the aforesaid legislations and who has submitted a declaration to that effect and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from 30th March, 2019 up to 29th March, 2024.

"RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorized to take such steps and do all such acts, deeds, matters and things including filings as may be considered necessary, proper and expedient to give effect to this resolution and for matters connected therewith or incidental thereto."

4. Approval for Material Related Party Transactions

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 188 of the Companies Act, 2013 and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Company's Policy on Related Party Transaction(s), approval of Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Industrie De Nora S.p.A, Italy, a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for purchase of services, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of 350 Lakhs for the financial year 2019-20.

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things including delegation of such authority and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution and for matters connected therewith or incidental thereto."

5. Reappointment of Mr. Vinay Chopra (DIN: 06543610) as the Managing Director and payment of remuneration to him

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



“**RESOLVED THAT** subject to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Act, and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Nomination & Remuneration Committee (‘NRC’) and the Board of Directors, the Company hereby approves the re-appointment of Mr. Vinay Chopra (DIN 06543610) as the Managing Director of the Company for a further term of 3 (three) years with effect from 16th July, 2019 up to 15th July, 2022, who shall not be liable to retire by rotation on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto, including the aforesaid minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment, with a liberty to the Board of Directors/Nomination & Remuneration Committee to alter and vary the terms and conditions of the said re-appointment including authority to determine the amount of salary, performance linked incentive, the type and amount of perquisites, other benefits and allowances payable to Mr. Chopra in such manner as may be agreed to between the Board/NRC and Mr. Vinay Chopra, subject to the limits prescribed under the Act read with Schedule V thereto (including any amendment, modification, variation or re-enactment thereof), and/or any guidelines prescribed by the Government from time to time.

“**RESOLVED FURTHER THAT** to give effect to this resolution, the Board, be and is hereby authorized to do all acts, deeds, matters and things including filings and execute all such agreements, documents, instruments and writings as may be required or deemed necessary, proper or desirable in regard to the said re-appointment and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid and matters incidental thereto.”

SPECIAL RESOLUTION

6. Re-appointment of Ms. Sarita D’Souza (DIN: 06949439) as an Independent Director

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(as amended from time to time) and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Ms. Sarita D’Souza who holds the office of Independent Director of the Company up to the date of this AGM and who meets the criteria of independence as stipulated in the aforesaid legislations and who has submitted a declaration to that effect and who is eligible for re-appointment as an Independent Director of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from 26th September, 2019 to 25th September, 2024.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorized to take such steps and do all such acts, deeds, matters and things including filings as may be considered necessary, proper and expedient to give effect to this resolution and matters incidental thereto.”

By Order of the Board of Directors
For De Nora India Limited

Place: Kundaim, Goa
Date: August 12, 2019

Jyoti Bandodkar
Company Secretary



NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member. The instrument appointing the proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the AGM. A proxy form is attached herewith. Proxies submitted on behalf of Limited Companies, Societies, Partnership Firms etc. must be supported by appropriate resolution or authority as applicable, issued by the member organization.
- b) The route map to reach to the meeting venue showing the prominent landmark is given at the end of this Notice.
- c) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- d) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of the Special Business to be transacted at the meeting is annexed herewith.
- e) The requirement to place the matter relating to the appointment of Auditors for ratification by Members at every AGM has been done away by the Ministry of Corporate Affairs vide Companies (Amendment) Act, 2017 as notified on 7th May, 2018. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed from the conclusion of the 29th AGM held on 26th September, 2018.
- f) The Register of Members and the Share Transfer Books of the Company shall remain closed from Friday, September 20, 2019 to Thursday, September 26, 2019 (both days inclusive).
- g) Members desiring any information about the accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
- h) Members/Proxies/Authorised Representatives should bring the duly filled and signed attendance slip (enclosed) complete in all respect, for attending the meeting. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of

the Board Resolution authorizing the representative to attend and vote on their behalf at the meeting.

- i) The Register of Directors and Key Managerial Personnel ('KMP') and their shareholding, the Register of Contracts or Arrangements in which the Directors are interested will be available for inspection by the Members at the AGM.
- j) Unclaimed/Unpaid Dividend - Members may note that dividends which are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'), as per the provisions of Section 124 of the Companies Act, 2013 and Rules made thereunder. During the financial year, the unclaimed dividend of the Company for the financial year 2010 was transferred to IEPF. The unpaid dividends that are due to transfer to the IEPF are as follows:

Financial Year	Date of declaration	Tentative date for transfer to IEPF
2011	28.06.2012	27.06.2019
2012	08.05.2013	07.05.2020
2013	14.05.2014	13.05.2021
2014	29.06.2015	28.06.2022
2015-16	21.09.2016	20.09.2023
2016-17	27.09.2017	26.09.2024
2017-18	26.09.2018	25.09.2025

Any Member, who has not claimed dividend in respect of the aforesaid financial years is requested to approach the Company/Registrar and Transfer Agent for claiming the same, at least 30 days before they are due for transfer to the said fund.

The Company has been sending reminders to all such Members at their registered addresses for claiming the unpaid/unclaimed dividend, which will be transferred to IEPF. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company on the website of the Company: www.denoraindia.com.

- k) Pursuant to Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members are entitled to make nomination in respect of shares held by them in physical form. **Members desirous of making nominations are requested to send their requests in Form SH-13 duly filled, to the Company's Registrar & Transfer Agent (RTA) i.e. M/s. Bigshare Services Private Limited.** In respect of shares held in electronic/demat form, Members may please contact their respective depository participant ("DP") for availing this facility.
- l) Members holding shares in physical form are requested to notify/send the following to the RTA of the Company:



- i. Any change in their mailing address;
- ii. Particulars of their Bank Account, PAN no. & E-mail IDs in case the same have not been sent earlier or if there are any changes to the same;
- iii. Demise of any Member

Further, please note that Members holding equity shares in electronic form are requested to contact their DP with whom they are maintaining the demat accounts for updation in address, PAN no., E-mail IDs, Bank details, Bank mandate, ECS mandate etc.

- m) Members must quote their Folio No./Client ID and DP ID and contact details such as e-mail address, contact no., etc. in all their correspondence with the Company / Registrar & Share Transfer Agent.
- n) Electronic copy of the Annual Report including financial statements, Board's Report, Notice of the AGM etc. is being sent to all the Members, whose email ID's are registered with the Company/Depository Participant(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the above documents are being sent in the permitted mode. The Notice of this AGM & the Annual Report is also available on the Company's website, www.denoraindia.com. In case you wish to get a physical copy of the Annual Report, you may send your request to denoraindia@denora.com mentioning your Folio/DP ID & Client ID.
- o) Brief profile and other required information about the Directors proposed to be appointed/reappointed, is annexed hereto in terms of Regulation 36(3) of the Listing Regulations and Secretarial Standard 2 on General Meetings. The Directors have furnished consent/ declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules framed thereunder.
- p) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 read with SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations, 2018 ('RTA Regulations') mandated that the transfer of securities would be carried out in dematerialized form only. In accordance with the said regulations, the Members of the Company are requested to note that, with effect from 1st April, 2019:

Except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. Accordingly, any Member who is desirous of transferring shares (which are held in physical form) after 1st April, 2019 can do so only after the shares are dematerialized. However, the above does not prohibit a Member from

holding shares in physical form even after 1st April, 2019.

We therefore, request all the Members holding shares in Physical Form to demat their shares at the earliest.

- q) Pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') read with the relevant circulars and amendments thereto, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. Accordingly, during the financial year 2018-19, the Company has transferred 2,892 underlying equity shares, in aggregate in respect of 30 Members to the IEPF Account, on which the dividends remained unpaid or unclaimed for seven consecutive years, after following the prescribed procedure.

Further, all the Members who have not claimed/ encashed their dividends in the last seven consecutive years from 2012 are requested to claim the same at the earliest. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules. In this regard, the Company has individually informed the Members concerned and also published notice in the newspapers as per the IEPF Rules. The details of such Members and shares due for transfer are uploaded on the "Investors Section" of the website of the Company viz. www.denoraindia.com.

Members may note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by the concerned Members from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. In case, the Members have any queries on the subject matter and the IEPF Rules, they may contact the Company's Registrar and Transfer Agent; M/s. Bigshare Services Private Limited.

r) Voting through electronic means

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Secretarial Standard on General meetings (SS2) issued by the Institute of Company Secretaries of India and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 the Company is pleased to provide Members, facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting,



- by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The Company would also provide the facility for voting through the ballot or polling paper at the AGM to the Members attending the AGM who have not already cast their vote by remote e-voting to enable them to exercise their right of voting at the meeting.
- III. A Member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. If a Member casts votes by both the modes, then the vote casted through e-voting shall prevail and the vote casted through other mean shall be treated as invalid.
- IV. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote again at the AGM.
- V. The remote e-voting period commences on Monday, September 23, 2019 (9:00 a.m.) and ends on Wednesday, September 25, 2019 (5:00 p.m.). **Note: E-voting shall not be allowed beyond the said time.** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Thursday, September 19, 2019 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast, the Member shall not be allowed to change it subsequently or cast the vote again.
- VI. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date, i.e. September 19, 2019.
- VII. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of the AGM and holding shares as of the cut-off date i.e. September 19, 2019, may obtain the Login ID and password by sending a request at helpdesk.evoting@cdslindia.com or jibu@bigshareonline.com.
- VIII. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- IX. Mr. Sadashiv V. Shet, Company Secretary (ICSI Membership No. 2477), Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" or "Polling Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 (forty eight) hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes if any, and whether the resolution has been carried or not, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith.
- XII. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.denoraindia.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing and shall also be communicated to National Stock Exchange of India Limited, Mumbai & Bombay Stock Exchange Limited, Mumbai.
- XIII. The instructions for Members voting electronically are as under:
- (i) The voting period begins on Monday, September 23, 2019 (9:00 a.m.) and ends on Wednesday, September 25, 2019 (5:00 p.m.). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Thursday, September 19, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Members 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 Members as well as physical Members)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no./sequence no. printed on the name and address sticker/mail) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 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 e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company name DE NORA INDIA 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) Members can also cast their vote using CDSL's Mobile app "m-Voting" for e voting. The m-Voting app is available on Apple, Android and Windows based Mobile. Members may log in to m-Voting using their e voting credentials to vote for the Company resolution(s). Please follow the instructions as prompted by the mobile app while voting on your mobile.



(xix) Note for Non - Individual Members and Custodians

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- 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.

- s) Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Company during normal business hours 9.00 a.m. to 5.00 p. m. on all working days except Saturdays, Sundays and Public holidays up to the date of the AGM.

By Order of the Board of Directors
For De Nora India Limited

Place: Kundaim, Goa
Date: August 12, 2019

Jyoti Bandodkar
Company Secretary

EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, sets out all material facts relating to the special business mentioned at Item No. 3 to 6 of the accompanying Notice dated August 12, 2019:

Item No. 3

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company appointed Mr. Satish Dhume (DIN 00336564), as an Additional Director and as Independent Director of the Company, not being liable to retire by rotation, for a term of five consecutive years with effect from 30th March, 2019 up to 29th March, 2024, subject to the approval of the Members.

In terms of the provisions of Section 161(1) of the Act, Mr. Satish Dhume would hold office up to the date of this Annual General Meeting and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received a notice in writing from a Member, proposing his candidature for the office of the Director. Mr. Dhume has also provided a declaration to the effect that he meets the criteria of independence as provided in the Act read with the Rules framed thereunder and the Listing Regulations.

Mr. Satish Dhume (aged 70 years) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Pursuant to the provisions of Section 149 of the Act, an Independent Director can hold office for a term up to five consecutive years on the Board of a Company and as per Section 152 of the Act, he shall not be included in the total number of Directors for retirement by rotation.

Mr. Dhume's profile is given in the Annexure to the Notice.

Copy of the draft letter of appointment of Mr. Dhume as an Independent Director setting out the terms and conditions shall be available for inspection by Members at the Registered Office of the Company during business hours on any working day of the Company, up to the date of the AGM and will also be available for inspection at the venue of the AGM without payment of any fees.

In the opinion of the Board, Mr. Dhume fulfills the conditions specified in the Act and the Listing Regulations for his appointment as an Independent Director and possesses appropriate balance of skills, experience and knowledge to enable the Board to discharge its functions and duties effectively and is independent of the Management of the Company. Keeping in view his vast expertise and knowledge, the Board recommends the resolution as set out in Item No. 3 of the notice for the approval of the Members, as an Ordinary Resolution.

Save and except Mr. Dhume, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 3 of this notice.



Item No. 4

As a part of its regular business, the Company avails services in the nature of Marketing & Business Development, Information and Communication Technology, etc. from Industrie De Nora S.p.A., Italy (Company Registration No.: 03998870962) having its Registered Office at Via Bistolfi, Leonardo 35, Milano, 20134 (“the Licensor”) at an arm’s length basis in terms of the existing Inter Company Service Agreement entered with it by the Company and the aggregate value of these transactions is likely to be around ₹ 350 Lakhs (“De Nora’s on-going transaction”) in the Financial Year 2019-20.

Industrie De Nora S.p.A., Italy is the Ultimate Holding Company of the Company. Accordingly, transaction(s) entered with Industrie De Nora S.p.A., Italy comes within the meaning of Related Party Transactions in terms of the provisions of the Act and applicable Rules framed thereunder read with the Listing Regulations.

Section 188 of the Act and the applicable Rules framed thereunder provide that any Related Party Transaction will require prior approval of Members through ordinary resolution, if the aggregate value of transaction(s) amounts to 10% or more of the annual turnover of the Company as per the last audited financial statements of the Company. Further, as per Regulation 23 of the Listing Regulations, a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

During the Financial Year 2018-19, the total turnover of the Company was ₹ 3278.34 Lakhs and the Company proposes to enter transactions with Industrie De Nora S.p.A., Italy to the tune of ₹ 350 Lakhs during the Financial Year 2019-20 which as per the criteria mentioned in the Act and the Listing Regulations will be considered as ‘Material’ and therefore requires approval of the Members of the Company.

The particulars of the transaction pursuant to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Sr. No.	Particulars	Remarks
1.	Name of the Related Party	Industrie De Nora S.p.A., Italy ('IDN')
2.	Nature of relationship	Ultimate Holding Company
3.	Nature, material terms, monetary value and particulars of the contract or arrangement	Intercompany Service Agreement between the Company and IDN dated 1 st January 2014 including its amendment agreement dated January 1, 2018, covering inter alia provision of services on a day to day basis in the field of Marketing and Business Development, Human

		Resources, Organization and Internal communication, Information and Communication Technology (ICT), Administration, Finance, Control and Legal Services, Central Procurement and Production Technologies Services by the Service Provider to the Company Monetary value of proposed aggregate transactions during financial year 2019-20 is expected to be around ₹ 350 Lakhs
4.	Any other information relevant or important for the Members to take a decision on the proposed resolution	Nil

The Audit Committee and the Board of Directors of the Company at their respective meetings held on May 9, 2019 have reviewed the De Nora’s on-going transactions and recommended the same for approval of the Members of the Company.

Mr. Robert Scannell and Mr. Francesco L’Abbate being employees of the subsidiary of Industrie De Nora S.p.A., a related party, are interested in this resolution. Except them, none of the other Directors or the Key Managerial Personnel of the Company or any of their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

Item No. 5

Mr. Vinay Chopra was appointed as the Managing Director of the Company by the Members at the 27th AGM pursuant to the recommendation by the Nomination and Remuneration Committee and the Board of Directors, with effect from July 16, 2016 for a term of three years pursuant to the provisions of Sections 196, 197, 198 read with Schedule V of the Companies Act, 2013, and the Rules made thereunder on the terms and conditions including remuneration payable to the Managing Director mentioned in the notice of the meeting. The present term of Mr. Chopra as the Managing Director of the Company will expire by efflux of time on July 15, 2019.

Considering his knowledge of various aspects relating to the Company’s affairs and long business experience, the Board of Directors of the Company at its meeting held on May 09, 2019 based on the recommendation of the Nomination & Remuneration Committee and the Audit Committee, reappointed Mr. Chopra as the Managing Director for a further period of 3 years with effect from 16th July, 2019 upon the terms and conditions of reappointment including remuneration payable as hereinafter indicated, subject to the approval of the Members.



The principal terms and conditions of appointment of Mr. Vinay Chopra as the Managing Director are as follows:

1. **Period of Appointment:** The appointment of the Managing Director is for three years with effect from July 16, 2019

2. **Remuneration:**

A. **Basic Salary:** ₹ 1,03,950/- (Rupees One Lakh Three Thousand Nine Hundred and Fifty Only) per month; The annual increments which will be effective January 1st each year, will be decided by the Board based on the recommendations of the Nomination & Remuneration Committee and will be merit based considering the performance of the Managing Director against the goals set by the Board as well as the performance of the Company.

B. **Allowances:** ₹ 75,537/- (Rupees Seventy-Five Thousand Five Hundred Thirty-Seven Only) per month; The annual increments which will be effective January 1st each year, as decided by the Board every year during the tenure based on the recommendations of the Nomination & Remuneration Committee.

C. **Performance related Incentives**

Performance related Incentives may be paid to the Managing Director as the Board may in its absolute discretion determine and approve, linked to Mr. Chopra's performance as the Managing Director and within the overall limits as prescribed in Sections 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification or re-enactment thereof, for the time being in force).

D. **Perquisites/Benefits**

In addition to Salary, Allowances and Performance Incentive, the Managing Director shall be entitled to the following perquisites in accordance with the Company's policies, practices and procedures:

1. **Car Allowance:** The Company shall provide a suitable vehicle for the Managing Director for business use. Fuel costs, repairs, maintenance and running expenses including driver's salary shall be borne / reimbursed by the Company;
2. **Medical Hospitalization Insurance:** A suitable medical insurance policy, covering hospitalization of the Managing Director and his family, whilst he is in the employment of the Company, as per the Company policy;
3. **Telephone, internet connectivity and other communication facilities:** The Company shall provide a mobile phone to the Managing Director and shall also provide telephone, internet connectivity and other communication facilities at his residence. All the expenses incurred therefore shall be

paid or reimbursed by the Company, as per the rules of the Company;

4. **Personal Accident Insurance** for the Managing Director only;
5. **Leave Travel Allowance ('LTA'):** The Managing Director shall be entitled to LTA applicable to him, being an employee of the Company, as per the existing rules. The entitlement for any one year to the extent not availed of shall be allowed to be accumulated up to next two Financial Years as per the Income Tax Act and Rules;
6. **Medical Reimbursement:** Reimbursement of such medical expenses, for self and family (within the country), at actuals, subject to limits as per the rules of the Company;
7. **Special Allowance:** As may be decided by the Board of Directors on the recommendation of the Nomination & Remuneration Committee;
8. Any other benefit/perquisite as may be determined by the Board at its discretion from time to time.

Explanation:

Perquisites and allowances shall be evaluated as per the Income Tax Rules, wherever applicable, and in absence of any such rule, perquisites shall be evaluated at actual cost.

3. **Retirement Benefits:**

Company's contribution to Provident Fund as per the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and Superannuation as per Company's policy and Gratuity payable as per the rules of the Company for the time being in force.

4. **Income-Tax:**

Income Tax, if any, on or in respect of the entire remuneration payable to the Managing Director shall be borne and paid by him.

5. **Annual Leave:**

The Managing Director shall be entitled to accumulated leave with full pay or encashment thereof, as per the rules of the Company.

6. **Overall Remuneration:**

Notwithstanding anything herein contained, it is expressly agreed and understood that:

- a. the total remuneration payable by the Company to the Managing Director in any one financial year, including salary, allowance, performance incentives and perquisites as aforesaid shall not exceed the limits prescribed under Sections 197, 198, Schedule V and other relevant provisions of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or any



modifications or re-enactment thereof for the time being in force.

- b. where in any financial year during the tenure of the Managing Director's employment with the Company, the Company has no profits or its profits are inadequate, the aforesaid remuneration (consisting of all his fixed and variable pay) payable by the Company to the Managing Director shall be paid as "minimum remuneration".
- c. In respect of the above remuneration, tax will be deducted at source as per applicable laws/rules.

7. Other Terms and Conditions of Appointment:

- a. Mr. Chopra undertakes to the best of his skill and ability to use his endeavors to promote the interests and welfare of the Company and to conform to and comply with the directions and regulations of the Company and such orders and directions as may from time to time be given to him by the Board of Directors of the Company.
- b. The Managing Director will (i) have the general control of the business of the Company and be entrusted with the Management and day-to-day affairs of the Company as vested by the Power of Attorney granted by the Board of Directors (ii) have the authority to enter into contracts on behalf of the Company in the ordinary course of business (iii) have the authority to perform all other acts and things which in the ordinary course of business the Managing Director may consider necessary or proper in the best interests of the Company and (iv) the Managing Director shall be considered as a Key Managerial Personnel pursuant to the provisions of Section 203 of the Companies Act, 2013 read with The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- c. The Managing Director will devote the whole of his time and attention to the business of the Company and shall not hold office in any other Company provided, however, he may with the prior approval of the Board hold Directorships in other companies and /or provide services to other group companies.
- d. The Managing Director shall be entitled to be reimbursed by the Company all costs, charges and expenses as may be reasonably incurred by him for the purpose of or on behalf of the Company subject to such ceiling as may be decided by the Board on the recommendation of the Nomination & Remuneration Committee.
- e. The Managing Director shall not during the continuance of his employment hereunder or at any time thereafter divulge, publish or disclose to any person whomsoever or make use whatsoever for his own purpose or for any other purpose other than that of the Company of any information, knowledge, methods, trade secrets or any confidential information relating to

the business affairs or activities of the Company, obtained by him during his employment with the Company and shall, during the continuance of his employment, hereunder, use his best endeavour to prevent any other person from doing so.

- f. The Company shall indemnify the Managing Director and keep him indemnified against all the costs, expenses, losses, damages, penalties that he may incur or suffer in the course of attending or performing the Company's work including the legal costs and expenses incurred by him in defending any dispute or proceedings in any Court of law, Arbitration etc.
- g. The Managing Director shall disclose his interest in any Company or Companies or bodies corporate, firms or other associations of individuals and shall also disclose direct or indirect interest in any contract or arrangement entered into between the Company and such other company/ies, body corporate, firms or association of persons in the manner laid down in Section 184 of the Companies Act, 2013 and The Companies (Meetings of Board and its Powers) Rules, 2014. In the event of his failure to disclose his interest as aforesaid or if he acts in contravention of the provisions of Section 184, his office shall forthwith stand vacated.
- h. The Managing Director is being appointed a Director of the Company by virtue of his employment in the Company. So long as he continues to be in the employment of the Company, he will be a Director not liable to retire by rotation.
- i. If at any time, the Managing Director ceases to be a Director of the Company, for any reason whatsoever, he shall cease to be the Managing Director, in terms of this Agreement which shall forthwith stand terminated.
- j. If at any time, Managing Director ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be a Director of the Company.
- k. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Managing Director, unless specifically provided otherwise.
- l. The Managing Director shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

8. Severance Terms:

Notwithstanding anything to the contrary herein contained:

- (a) the Company shall be entitled to terminate the Agreement at any time by giving the Managing Director not less than 3 (Three) months' notice in writing in that regard, without assigning any reason thereto, or upon payment to the Managing



Director of the basic salary payable to him for a period of 3 (Three) months in lieu of such notice.

- (b) The Managing Director shall be entitled to terminate the Agreement at any time by giving to the Company not less than 3 (Three) months' notice in writing in that regard, without assigning any reason to the Company.

The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:

- a. if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any Associated Company to which he is required to render services; or
- b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in this Agreement.

Upon the termination by whatever means of the Managing Director's employment, the Managing Director shall not without the consent of the Company, at any time thereafter represent himself as connected with the Company or any of its Associated Companies.

9. The Company has entered into Confidentiality cum Non-Competition Agreement for the protection of its business interests, trade secrets and confidential information with Mr. Chopra in terms of the policy of the Company.
10. The terms and conditions of his appointment and remuneration may be varied, altered, increased, enhanced or widened from time to time by the Board, on a yearly basis based on performance, as the Board may in its discretion deem fit, within the maximum amount payable in accordance with the provisions of the Companies Act, 2013 read with Schedule V and The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, or any amendments made hereafter in this regard.

The Nomination & Remuneration Committee and the Board of Directors are of the opinion that for the smooth and efficient running of the business, the services of Mr. Chopra will be of great value to the Company and should be available to the Company for a further period of three years w.e.f. 16th July, 2019 up to 15th July, 2022. The Board therefore recommends the Resolution at Item No. 5 of this Notice relating to his reappointment as the Managing Director of the Company as an Ordinary Resolution for the Member's approval.

Brief profile of Mr. Chopra, nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships/ chairmanships of Board Committees and shareholding etc. as stipulated under the Listing Regulations, are provided as an Annexure to this notice.

The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Chopra under Section 190 of the Act.

Save and except Mr. Chopra, none of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 5 of this notice.

The particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

I. General Information:

(1) *Nature of industry*

The Company is mainly engaged in the business of manufacture of products for electrolytic processes.

(2) *Date of commencement of commercial production*

Commercial operations of the Company commenced in the year 1993.

(3) *In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.*

Not applicable.

(4) *Financial performance based on given indicators*
(₹ in lakhs)

Particulars	FY	FY	FY
	2018-19	2017-18	2016-17
Gross Revenue	3278.34	2725.59	2756.47
Profit before Tax	182.05	307.35	444.46
Profit after Tax	158.73	169.03	298.03
Reserves & Surplus	4791.68	4706.81	4661.56

(5) *Foreign investments or collaborators, if any.*

The Company has a Technical Collaboration with Industrie De Nora S.p.A., Italy which is the Ultimate Holding Company of the Company.

II. Information about the appointee:

(1) *Background details:*

Mr. Vinay Chopra, a Post Graduate in Management, Graduate in Industrial Engineering and a Diploma Holder in Mechanical Engineering has over 25 years of experience in Electro Chemical Industry and has been associated with De Nora since 1990. He joined De Nora India Limited at Rampur in the Production Department. In 2007, he moved to the Marketing Department as head of Oxygen products of De Nora (Cathodic Protection, Surface Finishing, Electro Chlorinators). Further, in the year 2013 he was promoted to the position of the Manager of



the Company for a term of three years. Currently in charge of managing the affairs of the Company as the Managing Director, he is responsible for the overall management and administration of the Company.

(2) *Past remuneration (last two years):*

Mr. Vinay Chopra was paid Rs. 38.68 lakhs for financial year 2018-19 and Rs. 45.01 lakhs for the financial year 2017-18 as managerial remuneration.

(3) *Recognition or awards*

NIL

(4) *Job profile and his suitability*

Mr. Chopra has been associated with De Nora India Limited for more than 25 years and is serving the Company since 1990. He devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company, subject to the superintendence, control and supervision of the Board.

Mr. Chopra has over 2 decades of invaluable experience in the line of the business of the Company which is compatible with the organizational requirements and the Company would benefit under his leadership and valuable guidance. In addition to the above, he is also a member of the Corporate Social Responsibility (CSR) Committee and the Share Transfer Committee of the Company.

Taking into consideration the qualification and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

(5) *Remuneration proposed*

As per the details given above.

(6) *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person*

The remuneration proposed to be paid to Mr. Vinay Chopra, Managing Director is purely based on merit. Further, the remuneration of the Managing Director is commensurate taking into consideration the responsibilities shouldered by him and has been considered by the Nomination and Remuneration Committee and approved by the Board of Directors in their respective meetings held on May 08, 2019 and May 09, 2019.

(7) *Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.*

Besides the remuneration paid/payable to Mr. Chopra, he does not have any other pecuniary relationship directly or indirectly with the Company or with the managerial personnel.

III. Other information:

(1) *Reasons of loss or inadequate profits*

The Company proposes to obtain the approval of the Members as an abundant caution in case the remuneration paid/payable to the Managing Director as per the agreed terms of the contract of appointment exceeds the limits under the Companies Act, 2013, in situations of loss or inadequacy of profit. While the Company does not envisage any loss or inadequate profits, rising running cost and the challenging business environment may affect the profitability of the Company in future.

(2) *Steps taken or proposed to be taken for improvement*

The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve volumes and reduce costs. The Company has taken steps to strengthen its business fundamentals through focused network engagements, enhancing customer experience and thrust on improving working capital management. The Company also proposes to focus on markets for the water technology products in India. The results of these initiatives are likely to be felt in the coming years.

(3) *Expected increase in productivity and profits in measurable terms.*

The Company has already taken and is continuing to undertake diligent efforts to step up the performance of the Company and bring about an improvement in productivity and operational growth in future. However, it is difficult to forecast the productivity and profitability in measurable terms, but the Company expects that the productivity and profitability may improve and would be comparable with the industry average.

IV. Disclosures:

The Members of the Company have been informed of the remuneration package of Mr. Vinay Chopra, Managing Director as detailed in the explanatory statement.

Further the disclosures on the remuneration package to all the Directors of the Company have been made in the Corporate Governance Report which forms a part of the Report of the Board of Directors in the Annual Report of the Company for FY 2018-19.



Item No. 6

Ms. Sarita D'Souza (DIN: 06949439) is an Independent Director of the Company and Chairman of the Nomination & Remuneration Committee and a Member of the Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee of the Board of Directors of the Company. She joined the Board of Directors of the Company in August, 2014. Pursuant to the provisions of the Act, Ms. D'Souza, was appointed as an Independent Director to hold office for five consecutive years for a term up to 25th September, 2019, by the Members of the Company in the Extra Ordinary General Meeting held on 29th September, 2014.

Ms. D'Souza's profile is given in the Annexure to the Notice.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

The Nomination & Remuneration Committee at its Meeting held on 8th May, 2019 after considering the performance evaluation of the Independent Director, during her first term of five years and considering her knowledge, acumen, expertise and experience in her professional field and the substantial contribution made by her during her tenure as an Independent Director since her appointment, has recommended to the Board that continued association of Ms. D'Souza would be in the interest of the Company.

Based on the above recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Ms. D'Souza, being eligible for re-appointment as an Independent Director and offering herself for re-appointment, is proposed to be re-appointed as an Independent Director not liable to retire by rotation, for a second term of five consecutive years from 26th September, 2019 up to 25th September, 2024.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013 from a Member proposing the candidature of Ms. D'Souza for her appointment as an Independent Director of the Company. The above Director has given a declaration to the Board that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the Listing Regulations and is independent of the Management of the Company.

The Board is of the opinion that, Ms. D'Souza fulfills the conditions specified in the Act and the Listing Regulations for her appointment as an Independent Director and her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. D'Souza as an Independent Director. The Board

recommends the resolution as set out in Item No. 6 of the Notice for the approval of the Members, as a Special Resolution.

Copy of the draft letter of appointment of Ms. D'Souza as an Independent Director setting out the terms and conditions shall be available for inspection by Members at the Registered Office of the Company during business hours on any working day of the Company, up to the date of the AGM and will also be available for inspection at the venue of the AGM without payment of any fees.

Save and except Ms. D'Souza, none of the other Directors/ Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 6 of this notice.

By Order of the Board of Directors
For **De Nora India Limited**

Place: Kundaim, Goa
Date: August 12, 2019

Jyoti Bandodkar
Company Secretary



Annexure

Details of Directors seeking appointment and re-appointment at the forthcoming AGM

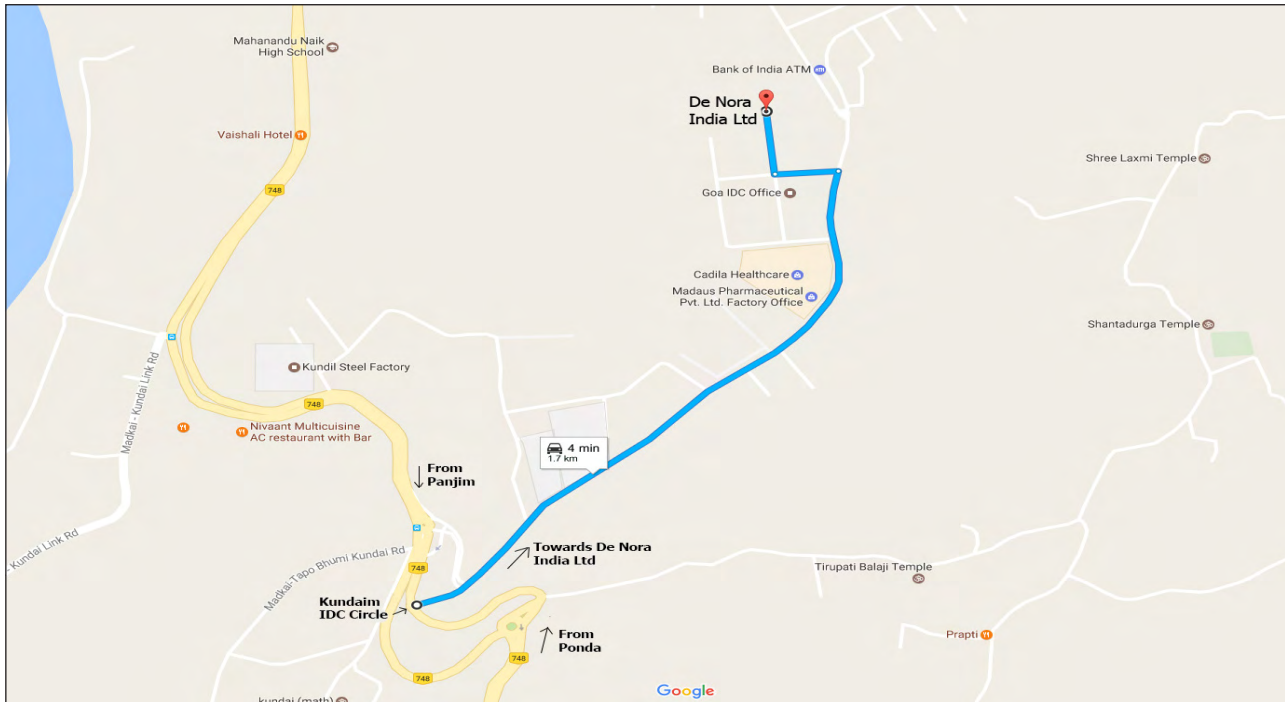
(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name	Francesco L'Abbate	Satish Dhume	Vinay Chopra	Sarita D'Souza
DIN	08063332	00336564	06543610	06949439
Date of Birth	31.10.1981	27.05.1948	14.11.1969	11.09.1968
Age	37 years	70 years	49 years	50 years
Qualification	Graduate in Economy and Business Administration from Luigi Bocconi University, Milan	Chartered Accountant from ICAI	Post Graduate in Management, Graduate in Industrial Engineering and a Diploma Holder in Mechanical Engineering	Fellow member of The Institute of Company Secretaries of India and a LLM Degree from the Mumbai University
Experience (including expertise in Specific Functional Area)/Brief Resume	He has vast experience of over 18 years in Administration, Finance and Control departments. He is currently in charge as an Administration, Finance & Control Manager of De Nora Deutschland, Germany and is also responsible as a Business Controller for Industrie De Nora S.p.A, Italy, the group Companies of De Nora India Limited. He has been a member of the Internal Audit Team, Due Diligence Team and Project leader for the group rolling budgeting/ forecasting and CAPEX management procedures among other assignments.	He has 41 years of experience and specialization in direct tax matters especially in the field of accounts and Auditing. He acts as a consultant and auditor for various companies ranging across sectors such as Real Estate, Hospitality, Construction, Banking and Manufacturing and is involved in the Management of many social and charitable organizations. He has also acted as the past Chairman of the Goa Branch of WIRC of ICAI and currently holds Directorship (Professional) in Goa State Cooperative Housing Finance Limited. He also has an immense teaching experience and was a part time lecturer at S.S. Dempo college of Commerce and Economics.	He has over 28 years of experience in Electro Chemical Industry and has been associated with De Nora since 1990. He joined De Nora India Limited at Rampur in the Production Department. In 2007, he moved to the Marketing Department as head of Oxygen products of De Nora (Cathodic Protection, Surface Finishing, Electro Chlorinators). Currently in charge of managing the affairs of the Company as the Managing Director, he is responsible for the overall management and administration of the Company and has gained extensive experience in the electrochemical industry.	Currently focused on consulting and education, she is a visiting faculty at the Goa Institute of Management. She has also taught as Visiting Faculty at Xavier Institute of Management & Research, Mumbai, Jamnalal Bajaj Institute of Management Studies, Mumbai and other institutions. Her corporate experience spans the areas of Corporate Governance, Secretarial and Corporate Law matters including Joint Ventures and foreign collaboration, Intellectual Property, Project documentation, Issue of Capital and Consumer Protection with companies like Crompton Greaves Limited, Mumbai and Lupin Laboratories Limited, Mumbai. She is also engaged in research and writing and writes regularly on areas of law and management.
Relationship with other Directors	NIL	NIL	NIL	NIL
Other Directorship/ Committee Membership	NIL	NIL	NIL,	NIL



Name	Francesco L'Abbate	Satish Dhume	Vinay Chopra	Sarita D'Souza
Chairman/ Member in the Committees of the Boards of other Companies	NIL	NIL	NIL	NIL
Date of first appointment on the Board of the Company	January 29, 2018	March 30, 2019	May 09, 2013	August 22, 2014
Shareholding in the Company	NIL	NIL	NIL	NIL
Board meetings attended in FY 2018-19	1	NA	5	5

ROUTE MAP





DIRECTORS' REPORT

TO

THE MEMBERS OF DE NORA INDIA LIMITED

Your Directors hereby present their report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2019.

1. FINANCIAL RESULTS

(₹ in Lakhs)

Particulars	FY	FY
	2018-19	2017-18
	Audited	Audited
Revenue from Operations	3278.33	2725.59
Other Income	398.62	325.93
Total	3676.95	3051.52
Profit/(Loss) before Exceptional Items and Taxation	182.03	307.35
Exceptional Items	-	-
Profit/(Loss) before Taxation	182.03	307.35
Provision for Taxation	23.32	138.32
Net Profit	158.70	169.03
Other Comprehensive Income/(Loss) (net of tax)	(9.83)	3.99
Total Comprehensive Income	148.87	173.02

Note: Previous year's figures have been regrouped for comparison purposes with current year's presentation wherever necessary.

2. OVERVIEW OF COMPANY OPERATIONS & PERFORMANCE

The Company is primarily a manufacturer of Electrolytic Products such as anodes, cathodes, electro chlorinators etc. and Water Technology products and is managed organizationally as a single unit. The operations of the Company have been stable but the management is focusing on improving the profitability in a sustainable manner.

The financial statements for the year ended March 31, 2019, have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the annual accounts.

The turnover of the Company was ₹ 3278.33 lakhs for the year ended 31st March, 2019 as compared to ₹ 2725.59 lakhs in the previous year. The Company's Profit from Operations for the year ended 31st March, 2019 was ₹ 182.03 lakhs as compared to ₹ 307.35 lakhs in the previous year.

The Profit after tax for the year ended 31st March, 2019 was ₹ 158.70 lakhs as compared to ₹ 169.03 lakhs during the FY 2017-18.

3. DIVIDEND

Considering the liquidity and the cash flow position of the Company, the Board of Directors did not recommend any dividend for the financial year under review.

4. RESERVES

The Board of Directors have decided to retain the entire amount of profits for the FY 2018-19 in the Profit and Loss Account and hence has not transferred any amount to reserves.

5. SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2019 was ₹ 530.86 lakhs comprising of 53,08,634 shares of ₹ 10 each. During the year under review there has been no change in the capital structure of the Company.

6. DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, following are the changes in the composition of the Directors:

The Members of the Company in their 29th Annual General Meeting held on 26th September, 2018 reappointed Mr. Robert Scannell, Non-Executive Director and appointed Mr. Francesco L'Abbate, Non-Executive Director as Directors, liable to retire by rotation and appointed Ms. Supriya Banerji as the Independent Director of the Company for a period of 5 years from 26th September, 2018 to 25th September, 2023.

Mr. M. A. Sundaram, Chairman & Independent Director, resigned from the Board with effect from 30th March, 2019. The Board of Directors, placed on record their appreciation for the strong support, advice and guidance provided by Mr. Sundaram to De Nora and it's Management while he was a Chairman/Director of the Company.

On the recommendation of the Nomination & Remuneration Committee ('NRC') and in accordance with the provisions of the Act and the Listing Regulations, the Board of Directors have appointed Mr. Satish Dhume as an Additional cum Independent Director of the Company for a term of five years with effect from 30th March, 2019, subject to the approval of the Members in the forthcoming 30th AGM. As per the provisions of Section 161 of the Act, Mr. Dhume shall hold office as an Additional Director up to the date of the AGM and is eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member proposing his candidature for the office of Director of the Company.

Further, based on the recommendation of the NRC and the outcome of the evaluation process, the Board of Directors have reappointed Mr. Vinay Chopra as the Managing Director of the Company for a further period of 3 years with effect from 16th July, 2019 to



15th July, 2022 and Ms. Sarita D'Souza as an Independent Director for a second term of 5 years with effect from 26th September, 2019 to 25th September, 2024, subject to the approval of Members.

At the forthcoming 30th AGM, Mr. Francesco L'Abbate retires by rotation and being eligible, offers himself for reappointment.

All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013.

The resolutions for the aforementioned appointments and reappointments along with the brief profiles of the appointees form part of the Notice of the 30th AGM and respective resolutions are recommended for the approval of the Members.

There has been no change in the KMP's during the year under review. Mr. Vinay Chopra, Managing Director, Mr. Deepak Nagvekar, Chief Financial Officer and Ms. Jyoti Bandodkar, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

Committees of the Board

The Board has 4 Committees: -

- i. Audit Committee
- ii. Nomination & Remuneration Committee
- iii. Stakeholder's Relationship Committee
- iv. Corporate Social Responsibility Committee

Details of all the committees along with their composition, terms of reference and meetings held during the year are provided in the Report on Corporate Governance, a part of this Annual Report.

Board Meetings

During the financial year, five meetings of the Board of Directors were held, the details of which are given in the Report on Corporate Governance, which forms part of the Board's Report.

Board Performance Evaluation

During the year, the Board carried out an annual evaluation of its performance as well as of the working of its committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire prepared separately for the Board, committees, Chairman and individual Directors. The Chairman's performance evaluation was carried out by Independent Directors at a separate meeting.

Board evaluation considers various aspects of the functioning of the Board such as Board members' understanding of their roles and responsibilities; adequacy of Board composition, Board meetings and the reporting process; time devoted by the Board to the Company's long-term strategic issues; quality and transparency of Board discussions; quality, quantity and timeliness of the information flow between Board members and Management etc.

Performance of the committees is evaluated on the basis of their effectiveness in carrying out their respective mandates, committee compositions, regularity of its meetings etc.

Peer assessment of Directors, based on parameters such as participation and contribution to Board deliberations, ability to guide the Company in key matters, and knowledge and understanding of relevant areas were received by the Board for individual feedback.

The Independent Directors of the Company held a separate meeting on 4th May, 2018 without the attendance of Non-Independent Directors and members of the Management. At the said meeting, they reviewed the performance of Non-Independent Directors and the Board as a whole, including the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors. Similarly, at a meeting of the Board of Directors held on 8th May, 2018, the Board evaluated the performance of each Independent Directors and the Committees represented by such Independent Directors in accordance with the parameters for such evaluation formulated by the Nomination and Remuneration Committee.

The outcome of the evaluation process was discussed and deliberated at the said Board meeting. The Board of Directors also expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board and its Committees and acknowledged that action plans to address key improvement areas are in progress.

7. DECLARATION FROM INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act that they meet the criteria of independence laid down in Section 149(6). In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be anticipated that could impair or impact their ability to discharge their duties.

8. AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee, number of meetings etc. are included in the Corporate Governance Report, which forms part of this Report. All the recommendations made by the Audit Committee during the year under review were accepted by the Board of Directors.

9. PARTICULARS OF REMUNERATION OF DIRECTORS, KMP's AND EMPLOYEES

Information as per Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration) Rules, 2014 is annexed as **Annexure I**.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not provided since there were no employees who



were drawing remuneration more than ₹ 8.5 lakhs per month during whole or part of the financial year under review.

The Company does not have any employee who was employed throughout the financial year or a part thereof and was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at the rate which in aggregate, is in excess of remuneration drawn by the Managing Director and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

10. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Directors confirm to the best of their knowledge and belief:

- a. that in the preparation of the Annual Financial Statements for the year ended 31st March, 2019, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual Financial Statements have been prepared on a going concern basis;
- e. that proper internal financial controls are in place and that such internal financial controls were adequate and operating effectively;
- f. that proper systems have been devised to ensure compliance with the provisions of the applicable laws and that such systems were adequate and operating effectively.

11. ADEQUACY OF INTERNAL FINANCIAL CONTROLS ('IFC')

The Board of Directors confirm having laid down internal financial controls and that such internal financial controls are adequate and were operating effectively with no significant deficiency or material weakness. The main aim of the IFC is to ensure that all the assets of the Company are safeguarded and protected, compliance of all laws applicable to the Company, proper prevention and detection of frauds and errors and all transactions are authorized, recorded and reported appropriately. These controls are routinely tested and certified by the Statutory as well as the Internal Auditors. The Audit Committee also periodically reviews the adequacy and effectiveness of the Company's internal control systems and monitors the implementation of the audit recommendations.

12. RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on 'arm's length' basis. During the year under review, the Company had entered into Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual turnover as per the last audited Financial Statements of the Company with De Nora Water Technologies, LLC, Singapore. These transactions were in the ordinary course of business of the Company and were at arm's length basis. The details of these transactions, as required to be provided under Section 134(3)(h) of the Act are disclosed in Form AOC-2 as **Annexure II** and forms part of this report.

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions which can be accessed on the Company's website at www.denoraindia.com/Company/Investors/ShareholderInformation/PoliciesCodes&Programs.

13. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013, and the rules framed thereunder, the Company has constituted a Corporate Social Responsibility Committee. The committee reviews and monitors the CSR projects and expenditure undertaken by the Company on a regular basis.

During the financial year 2018-19, the main thrust area of the Committee was assisting in promotion of education and employment enhancing vocation skills among underprivileged children and differently abled children, promotion of education of children from a weak economic background including sponsorship schemes for girl's education. The Company implements the CSR Projects directly. The details of such initiatives, CSR spend, CSR policy etc. have been provided as **Annexure III** to this Report.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Though the manufacturing activities of the Company involve consumption of energy, it is not of major significance and no additional investment is required to be made for reduction of energy consumption. However, efforts would be initiated by the Company to conserve energy in the best possible way in the future.

Research and Development ('R&D') & Technology absorption

The Company has an ongoing technical collaboration for Ion Exchange Membrane Electrolysers for chlor-alkali industry, electrochlorinators for water treatment and cathodic protection (anti corrosion) systems.



The Company did not incur any expenditure on R&D during the year under review.

Foreign Exchange Earnings & Outgo

Foreign Exchange Earnings - ₹ 276 Lakhs

Foreign Exchange Outgo - ₹ 1465.09 Lakhs

15. RISK MANAGEMENT

The Company has put in place a robust Risk Management framework to identify and evaluate business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The assessment of the risks covers business risks, operational risks, physical risks, regulatory risks, fraud risks, people risk, information risk, information technology risks and other risks which are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the Senior Management on a yearly basis. These are discussed at the meetings of the Audit Committee and the Board. These have also been reported and discussed in detail in the Management Discussion and Analysis Report, annexed to the annual report.

16. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Vigil Mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder and the Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. The detailed Policy may be accessed on the Company's website at the link www.denoraindia.com/Company/Investors/ShareholderInformation/PoliciesCodes&Programs. During the year under review, there has been no incidence reported to the Audit Committee under the aforesaid mechanism.

17. STATUTORY AUDITORS

M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) is the Statutory Auditor of the Company, who had been appointed by the Members of the Company for a term of 5 years i.e. from the conclusion of the 29th Annual General Meeting held on 26th September, 2018 until the conclusion of 34th Annual General Meeting of the Company to be held in the year 2023. Consequent to the amendment to the Companies Act, 2013, the Ministry of Corporate Affairs has dispensed with the requirement of ratification of Auditors' appointment by the Members every year. Hence, the resolution relating to ratification of Auditors' appointment is not included in the Notice of the ensuing Annual General Meeting.

The Auditors' Report to the Members on the Financial Statements for the year ended 31st March, 2019 forms part of the annual report and does not contain any qualification / reservations or adverse comments.

18. SECRETARIAL AUDIT

The Board of Directors had appointed Mr. Sadashiv V. Shet, Practicing Company Secretary as the Secretarial Auditor of the Company to conduct the Secretarial Audit for FY 2018-19 and his report is appended as **Annexure IV**. The said report does not contain any adverse remark, qualification or reservation.

19. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

20. ANNUAL RETURN

In accordance with Section 92(3) of the Companies Act, 2013, an extract of the Annual Return as on March 31, 2019 in the prescribed Form No. MGT - 9 is appended as '**Annexure V**' to this report.

21. CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Pursuant to the requirements of the Listing Regulations, a detailed report on Corporate Governance along with the Auditor's Certificate confirming thereon forms part of this Report as **Annexure VI**.

The Directors' comments on the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis, appended to the Board's Report as '**Annexure VII**'.

22. REMUNERATION POLICY & BOARD MEMBERSHIP CRITERIA

On the recommendation of the Nomination and Remuneration Committee, the Company has put in place a Nomination & Remuneration Policy for the Directors, Key Management Personnel and the Senior Management Employees. The salient feature of this policy is to lay down the criteria for membership to the Board and Senior Management positions in the Company and to ensure that the level and composition of remuneration paid to the Directors, KMPs and Senior Management Employees is reasonable and sufficient to attract, motivate and retain their high caliber talent.

The Policy is available on the Company's website www.denoraindia.com/Company/Investors/ShareholderInformation/PoliciesCodes&Programs. During the year under review, no changes were made to the above policy. Details of the remuneration paid to the Board of Directors is provided in the Corporate Governance Report.

23. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES

Details of investment, loans/advances and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 for the financial year 2018-19 are provided in the notes to the Financial Statements which forms part of this annual report.



The Company has not made any loan or advances in the nature of loans to its Holding Company or to Firms/ Companies in which the Directors are interested. Hence, disclosure pursuant to Regulation 34(3) read with Part A of Schedule V of the Listing Regulations is not required.

24. SUBSIDIARY COMPANIES

The Company does not have any subsidiary, associate company or a joint venture.

25. INDUSTRIAL RELATIONS

Relationship between the Management of the Company and Worker's Union continue to remain cordial. The Management's Discussion & Analysis gives an overview of the developments in Human Resources/Industrial Relations during the year.

26. COMPLIANCE WITH THE PROVISIONS OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee ("ICC") and has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. The ICC is composed of internal members and an external member who has extensive experience in the field. The Company is committed to provide a safe and respectable work environment to all its employees.

The following is reported pursuant to sub-clause 10(l) of Clause C of Schedule V of the Listing Regulations:

- a. Number of complaints of sexual harassment received/ filed during the year: Nil
- b. Number of complaints disposed off during the year: Nil
- c. Number of complaints pending as on end of financial year: Nil

27. DETAILS OF NODAL OFFICER

The details of the Nodal Officer appointed by the Company under the provisions of the IEPF are given below and the same are disseminated on the website of the Company viz., www.denoraindia.com.

Name of the Nodal Officer	Ms. Jyoti Bandodkar – Company Secretary
Phone No.	0832 3981151
Email ID	jyoti.bandodkar@denora.com
Correspondence Address	De Nora India Limited Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa 403 115

28. INVESTOR EDUCATION AND PROTECTION FUND

Details pertaining to the unpaid/unclaimed dividend and the shares transferred or due to be transferred to the Investor Education and Protection Fund are provided in the notes to the Notice of the Annual

General Meeting which forms part of this annual report.

29. GENERAL

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. No change in the nature of business of the Company during the financial year ended 31st March, 2019;
- b. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations;
- c. No material changes and commitments occurred during April 1, 2018 till the date of this Report which would affect the financial position of the Company;
- d. No issue of any equity shares with differential rights as to dividend, voting or otherwise;
- e. No revision in the financial statements;
- f. No issue of Sweat Equity Shares or Bonus Shares during the year under review;
- g. No Employee Stock Option and Employee Stock Purchase Schemes were launched during the year under review;
- h. During the year under review, the Company has not accepted any deposits from the public or it's employees;
- i. There were no instances of frauds reported by the Statutory Auditors or Secretarial Auditors of the Company during the year under review.

30. ACKNOWLEDGEMENT

The Board of Directors takes this opportunity to thank the employees, customers, dealers, members, suppliers, bankers, government authorities, stock exchanges and all other business associates for their consistent support and co-operation to the Company during the year under review and look forward to their support in future as well.

**For and on behalf of the Board of Directors
For De Nora India Limited**

Mr. Vinay Chopra
Managing Director
DIN: 06543610

Ms. Sarita D'Souza
Independent Director
DIN: 06949439

Place: Kundaim, Goa
Date: May 9, 2019



Annexure I

Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. **Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the Financial Year 2018-19 and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial Year 2018-19**

Median remuneration of all the employees of the Company for the financial year	4.84 lacs
Percentage increase in the median remuneration of employees in the financial year	7%
Number of permanent employees on the rolls of the Company as on March 31, 2019	68

Sr. No.	Name of Director	Designation	Remuneration (₹ in Lakhs)	Ratio of Directors remuneration to median remuneration	% increase in the remuneration in the FY 2018-19
I Executive Director					
1.	Mr. Vinay Chopra	Managing Director	38.68	7:99:1	-14.06%***
II Non-Executive Directors					
1.	Mr. Robert Scannell	Non – Executive Director	-	NA [#]	-
2.	Mr. Francesco L'Abbate	Non – Executive Director	-	NA [#]	-
3.	Mr. M. A. Sundaram*	Independent Director	-	NA [#]	-
4.	Ms. Sarita D'Souza	Independent Director	-	NA [#]	-
5.	Ms. Supriya Banerji	Independent Director	-	NA [#]	-
6.	Mr. Satish Dhume**	Non – Executive Director	-	NA [#]	-
III Key Managerial Personnel					
1.	Mr. Deepak Nagvekar	Chief Financial Officer	25.36	5:24:1	20.76%
2.	Ms. Jyoti Bandodkar	Company Secretary	7.02	1:45:1	4%

[#]The Independent Directors and the Non-Executive Directors do not receive any remuneration except sitting fees for attending Board/Committee Meetings.

* Resigned w.e.f. 30.03.2019

** Appointed w.e.f. 30.03.2019

***Owing to payment of Incentives of Rs. 9.71 lakhs paid in the FY 2018-19 against Rs. 16.62 lakhs paid in the FY 2017-18.

2. **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 increase was 7% for the financial year 2018-19. The salaries of the workmen are as per terms of wage settlement. For other staff, factors such as Indian Inflation, prevailing market rates and performance of the Company were considered while considering remuneration. Besides this, the guidelines of IDN on Performance Assessment were complied with.

3. **Affirmation that the remuneration is as per the remuneration policy of the Company**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors
For De Nora India Limited

Place: Kundaim, Goa
Date: May 09, 2019

Vinay Chopra
Managing Director
DIN : 06543610

Sarita D'Souza
Independent Director
DIN : 06949439



Annexure II

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contract/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

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

There were no contracts or arrangements or transactions entered into during the financial year ended March 31, 2019, which were not on arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the financial year ended March 31, 2019 are as follows:

Sr. No.	Name of the related party & Nature of relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions (₹ in Lakhs)	Duration of contracts/ arrangements/ transactions	Salient terms of contracts/ arrangements/ transactions	Date of approval by the Board, if any	Amount paid as advance (₹ in Lakhs)
1.	De Nora Water Technologies LLC, Singapore (Subsidiary of Ultimate Holding Company)	Purchase of Services	209.35	Ongoing, subject to renewal as per contractual terms	The related party transaction (RPT) entered during the year was in the ordinary course of business and on arm's length basis. The RPT is also subject to transfer pricing guidelines.	Since this RPT was in the ordinary course of business and at arm's length basis, approval of the Board was not required. However, necessary approval was granted by the Audit Committee and by the Board of Directors from time to time. Moreover, pursuant to the provisions of the Listing Regulations, the Members of the Company by passing an ordinary resolution at the 29 th Annual General Meeting held on 26 th September, 2018, accorded their approval for the Material RPT, entered into with De Nora Water Technologies LLC, Singapore up to ₹ 500 Lakhs for the FY 2018-19.	Nil

**For and on behalf of the Board of Directors
For De Nora India Limited**

Place: Kundaim, Goa
Date: May 09, 2019

Vinay Chopra
Managing Director
DIN : 06543610

Sarita D'Souza
Independent Director
DIN : 06949439



ANNUAL REPORT ON CSR ACTIVITIES

1. A Brief outline of the Company’s CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs:

De Nora India Limited strives to be a socially responsible Company and strongly believes in development which is beneficial to the society at large. As a corporate citizen, it is our co- extensive responsibility to commit effort and resource towards supporting the cause of disadvantaged and underprivileged people especially children by providing basic amenities for education, skill development and to keep the environment clean and safe for society. It is the Company’s intent to make a positive contribution to the society in which the Company exists and operates.

The objective of the Company’s CSR policy is to set guiding principles for carrying out CSR activities by the Company and to set up the process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

Weblink to CSR Policy: <http://www.denoraindia.com/Company/Investors/ShareholderInformation/PoliciesCodes&Programs>

2. The composition of the CSR Committee:

The current members of the CSR Committee of the Board are:

- a) Ms. Supriya Banerji - Chairperson/Non-Executive Independent Director
- b) Ms. Sarita D’Souza - Non-Executive Independent Director
- c) Mr. Robert Scannell - Non-Executive Director
- d) Mr. Vinay Chopra - Managing Director

3. Average Net Profit of the Company for last three financial years: ₹ 850.11 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 17.00 Lakhs

5. Details of CSR spent during the financial year:

- a) Total amount spent for the financial year: ₹ 17.00 Lakhs
- b) Amount unspent: Nil
- c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the activity covered (Clause No. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Over-heads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1.	Support to Schools/ Institutes for mentally & physically disabled children	Cl. (ii) – Promoting special education & employment enhancing vocational skills among differently abled	Old-Goa (North Goa); Saligao (North Goa); Curchorem (South Goa); Marcel (North Goa);	₹ 10,00,000/-	(1) Direct Expenditure – 100% (2) Over-heads – Nil	₹ 10,75,836/-	Direct



Sr. No.	CSR project or activity identified	Sector in which the activity covered (Clause No. of Schedule VII to the Companies Act, 2013 as amended)	Projects or programs 1) Local area or other 2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects or programs (2) Over-heads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
2.	Activities aimed at sponsoring education for children of financially poor background	Cl. (ii) Promoting education among children and livelihood enhancement projects	Sanvordem (South Goa); Kundaim (North Goa)	₹ 7,00,000/-	(1) Direct Expenditure – 100% (2) Over-heads – Nil	₹ 6,24,260/-	Direct
	TOTAL			₹ 17,00,000/-		₹ 17,00,096/-	

6. In case the Company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

Not Applicable

7. A responsibility statement of the CSR Committee:

The CSR Committee of the Company's Board states that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.

S/d
Mr. Vinay Chopra
Managing Director
(DIN: 06543610)

S/d
Ms. Supriya Banerji
Non-Executive, Independent Director
(Chairperson, CSR Committee)
(DIN: 05209284)

Place: Kundaim, Goa
Date: May 09, 2019



FORM NO. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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,
De Nora India Limited
Plot Nos. 184, 185 & 189,
Kundaim Industrial Estate,
Kundaim, Goa - 403 115

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DE NORA INDIA LIMITED**, (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 **DE NORA INDIA LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, 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 Company for the financial year ended on 31st March, 2019 and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;**Not applicable to the Company during the period under review.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008;**Not applicable to the Company during the period under review.**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**Not applicable to the Company during the period under review.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**Not applicable to the Company during the period under review.**



(vi) Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

The following other Laws applicable specifically to the Company are:

1. The Water (Prevention and Control of Pollution) Act, 1974 & The Water (Prevention and Control of Pollution) Cess Rules, 1978
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Environment (Protection) Act, 1986 & the Environment (Protection) Rules, 1986
4. The Noise Pollution (Regulation and Control) Rules, 2000;
5. Hazardous Wastes (Management and Handling) Rules, 1989;
6. Electricity Act, 2003 and Electricity Rules, 1956;
7. Standards of Weights and Measures (Enforcement) Act, 1985;
8. Lifting Operations and Lifting Equipment Regulations 1998;
9. Legal Metrology Act, 2009.
10. Competition Act, 2002
11. The Trademarks Act, 1999.

I further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of yearly compliance report by the respective departmental heads / Company Secretary/Internal Auditor, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws and other legislations.

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 Agreement entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

During the period under review the Company has 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.

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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 there are no instances of major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc.

Date: May 09, 2019
Place : Panaji- Goa

Sadashiv V Shet
Practicing Company Secretary
FCS No. 2477
C P No.: 2540



**FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2019**

[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:	L31200GA1993PLC001335
ii	Registration Date:	07.06.1989
iii	Name of the Company :	DE NORA INDIA LIMITED
iv	Category/Sub-Category of the Company:	Public Company limited by shares
v	Address of the Registered Office and contact details:	Plot. Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim - 403115, Goa, India Ph No.: 0832-3981100 Email-id: denoraindia@denora.com Website: www.denoraindia.com
vi	Whether listed Company	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent (RTA)	M/s. Bigshare Services Private Limited 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri (East), Mumbai 400059 Ph. No.: 022 62638200/62638204 Fax No.: 022 62638299; Email ID: info@bigshareonline.com Website: www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main Products/Services	NIC Code of the Product/ Services	% to total turn over of the Company
1	Anode and Cathode Recoating and Repair Services	998717	67%
2	Electro chlorinators and its Spares	84212190	6%
3	Cathodic Protection (Anti Corrosion) Systems and Chlorate Cells	81089090	25%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%of shares held	Applicable Section
1	Oronzio De Nora International B. V. Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands	Not Applicable	Holding Company	53.68	2(46)



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	0	0	0	0.00	0	0	0	0.00	0.00
b. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f. Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1):	0	0	0	0.00	0	0	0	0.00	0.00
(2) Foreign									
a. NRIs – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	2849500	0	2849500	53.68	2849500	0	2849500	53.68	0.00
d. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other...	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2):	2849500	0	2849500	53.68	2849500	0	2849500	53.68	0.00
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	2849500	0	2849500	53.68	2849500	0	2849500	53.68	0.00
B. Public Shareholding									
(1) Institutions									
a. Mutual Funds/UTI	0	0	0	0.00	0	0	0	0.00	0.00
b. Banks/FI	0	0	0	0.00	595	0	595	0.01	0.01
c. Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d. State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g. FII	0	0	0	0.00	0	0	0	0.00	0.00
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Investors	4503	0	4503	0.08	10000	0	10000	0.19	0.11
i. Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (B)(1):	4503	0	4503	0.08	10595	0	10595	0.20	0.12
(2) Non-Institutions									
a. Bodies Corporate									
i) Indian	167904	1256	169160	3.18	125221	1156	126377	2.38	(0.80)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals									
i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1454782	106471	1561253	29.41	1464352	99065	1563417	29.45	0.04
ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	453867	0	453867	8.55	646865	0	646865	12.19	3.64
c. NBFC	3374	0	3374	0.06	0	0	0	0.00	(0.06)



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	
d. Others									
i) Clearing Members	89672	0	89672	1.69	16861	0	16861	0.31	(1.38)
ii) Non Resident Indians (Non Repat)	58729	0	58729	1.11	54191	0	54191	1.02	(0.09)
iii) Non Resident Indians (NRI)	95079	7460	102539	1.93	0	7460	7460	0.14	(1.79)
iv) Non Resident Indians (Repat)	100	0	100	0.00	14384	0	14384	0.27	0.27
v) Trusts	0	0	0	0.00	155	0	155	0.00	0.00
vi) Investor Education and Protection Fund	15937	0	15937	0.30	18829	0	18829	0.35	0.05
Sub-Total (B)(2):	2339444	115187	2454631	46.23	2340858	107681	2448539	46.12	(0.11)
Total Public Shareholding (B) = (B)(1) + (B)(2)	2343947	115187	2459134	46.32	2351453	107681	2459134	46.32	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0.00	0.00	0	0	0.00	0.00	0.00
Grand Total (A+B+C)	5193447	115187	5308634	100.00	5200953	107681	5308634	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the period
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Oronzio De Nora International B. V.	2849500	53.68	0	2849500	53.68	0	0
	Total	2849500	53.68	0.00	2849500	53.68	0	(0.00)

iii) Change in Promoter's Shareholding

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year	% of total Shares of the Company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total Shares of the Company during the year
1.	Oronzio De Nora International B. V.	2849500	53.68		No change		2849500	53.68

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Shareholder's Name	Date	Change in the shareholdings (-) denotes sale	Shareholding at the beginning of the financial year		Cumulative Shareholding at the end of the financial year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	NITIN SAXENA	01/04/2018		0	0.00		
		15/02/2019	11150				
		22/02/2019	6997				
		01/03/2019	10387				
		08/03/2019	18577				
		15/03/2019	28268				
		29/03/2019	930				
		30/03/2019	36991				
		31/03/2019				113300	2.13



Sr. No.	Shareholder's Name For Each of the Top 10 Shareholders	Date	Change in the shareholdings (-) denotes sale	Shareholding at the beginning of the financial year		Cumulative Shareholding at the end of the financial year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2.	MADRAS PARAMESWARAN MANOJ MAHADEV	01/04/2018		82083	1.55		
		06/04/2018	1000				
		13/04/2018	917				
		25/05/2018	10000				
		17/08/2018	(162)				
		31/08/2018	(18838)				
		07/09/2018	(35000)				
		14/09/2018	(40000)				
		31/03/2019				0	0.00
3.	LALAN A. KAPADIA	01/04/2018		75000	1.41		
		31/03/2019				75000	1.41
4.	BHARAT AJAY KAPADIA	01/04/2018		75000	1.41		
		31/03/2019				75000	1.41
5.	PRABIR KUMAR GHOUSHAL	01/04/2018		12528	0.24		
		06/04/2018	2				
		13/04/2018	1				
		25/05/2018	11856				
		01/06/2018	2913				
		08/06/2018	1950				
		15/06/2018	2338				
		22/06/2018	1175				
		29/06/2018	2012				
		06/07/2018	1200				
		13/07/2018	4499				
		20/07/2018	4917				
		27/07/2018	5372				
		03/08/2018	2157				
		24/08/2018	208				
		31/08/2018	1852				
		07/09/2018	1033				
		14/09/2018	1005				
		02/11/2018	3				
		16/11/2018	1133				
		30/11/2018	50				
		14/12/2018	5				
		18/01/2019	312				
25/01/2019	7						
08/02/2019	23						
		31/03/2019				58551	1.10
6.	VIJAY GUPTA (HUF)	01/04/2018		36029	0.68		
		26/09/2018	500				
		11/01/2019	1500				
		01/02/2019	1000				
		31/03/2019					39029



Sr. No.	Shareholder's Name For Each of the Top 10 Shareholders	Date	Change in the shareholdings (-) denotes sale	Shareholding at the beginning of the financial year		Cumulative Shareholding at the end of the financial year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7.	AJITSINH GOKALDAS KHIMJI	01/04/2018		35000	0.66		
		31/03/2019				35000	0.66
8.	VIJAY PRAKASH GUPTA	01/04/2018		33037	0.62		
		31/03/2019				33037	0.62
9.	MAINAK BASU	01/04/2018		6079	0.11		
		04/05/2018	1103				
		11/05/2018	990				
		25/05/2018	2150				
		27/07/2018	1876				
		03/08/2018	6394				
		10/08/2018	420				
		24/08/2018	500				
		31/08/2018	4400				
		07/09/2018	702				
		14/12/2018	800				
		25/01/2019	2100				
		08/03/2019	2500				
		31/03/2019				30014	0.57
10.	KAMLESH RAMNIKLAL MEHTA	01/04/2018		21500	0.41		
		04/05/2018	8500				
		31/03/2019				30000	0.57
11.	DHRITI VIKRAM SHAH	01/04/2018		25000	0.47		
		31/03/2019				25000	0.47
12.	PHARMASYNTH FORMULATIONS LTD.	01/04/2018		22144	0.42		
		31/03/2019				22144	0.42
13.	JAIN PAL JAIN	01/04/2018		21896	0.41		
		02/11/2018	1000				
		23/11/2018	333				
		30/11/2018	1035				
		31/03/2019				24264	0.46
14.	NITIN KAPIL TANDON	01/04/2018		21000	0.40		
		31/03/2019				21000	0.40

vi) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director/Key Managerial Personnel	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Jyoti Bandodkar – Company Secretary	1	0.00	31.03.2019	At year end	0	0	1	0.00

Other than Ms. Jyoti Bandodkar, no other Director or Key Managerial Personnel holds any share in the Company during the year 2018-19.



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2018	0	0	0	0
a. Principal Amount	0	0	0	0
b. Interest due but not paid	0	0	0	0
c. Interest accrued but not due	0	0	0	0
Total (a+b+c)	0	0	0	0
Change in Indebtedness during the financial year	0	0	0	0
Addition	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year as on 31.03.2019	0	0	0	0
a. Principal Amount	0	0	0	0
b. Interest due but not paid	0	0	0	0
c. Interest accrued but not due	0	0	0	0
Total (a+b+c)	0	0	0	0

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager
		Mr. Vinay Chopra – Managing Director
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	24.06
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	1.54
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961	-
2.	Stock Options	-
3.	Sweat Equity	-
4.	Commission	
	- as % of profit	-
	- others, specify....	-
5.	Others-Incentive	9.71
	Pension/PF/Superannuation	3.37
	Total	38.68



B. Remuneration to other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. M. A. Sundaram	Mrs. Sarita D'Souza	Ms. Supriya Banerji	
1	Independent Directors				
	☐ Fee for attending Board/ Committee meetings	1,05,000	1,05,000	25,000	2,35,000
	☐ Commission	Nil	Nil		Nil
	☐ Others, please specify	Nil	Nil		Nil
	Total (1)	1,05,000	1,05,000		2,35,000
	Other Non-Executive Directors				
	☐ Fee for attending Board/ Committee meetings	35,000	5,000		40,000
	☐ Commission	Nil	Nil		Nil
	☐ Others, please specify	Nil	Nil		Nil
	Total (2)	35,000	5,000		40,000
	Total (B) = (1+2)				2,75,000
	Total Managerial Remuneration				NIL
	Overall Ceiling as per the Act	Not applicable as only sitting fees paid			

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(Amount in ₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Mr. Deepak Nagvekar CFO	Ms. Jyoti Bhandodkar CS	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-Tax Act, 1961	20.90	5.62	26.52
	(b) Value of perquisites u/s 17(2) of the Income-Tax Act, 1961	1.18	0.16	1.34
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961	-	-	-
2.	Stock Options	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5.	Others, specify....	0.30	0.24	0.54
	Pension/PF/Superannuation	2.98	1.00	3.98
	Total	25.36	7.02	32.38

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the breach of any sections of the Companies Act against the Company or its Directors or other officers during the financial year ended 31st March, 2019.

For and on behalf of the Board of Directors
De Nora India Limited

Place: Kundaim, Goa
Date: May 09, 2019

Mr. Vinay Chopra
Managing Director
DIN: 06543610

Ms. Sarita D'Souza
Independent Director
DIN: 06949439



Annexure VI

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and all employees of the Company for enhancement of shareholder value, keeping in view the interests of other stakeholders of the Company. Integrity, transparency and compliance with regulations in all dealings with government, customers, suppliers, employees and other stakeholders are the objectives of good corporate governance.

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. It pursues to carry its business operations in a fair, transparent and ethical manner and holds itself accountable and responsible to the society it belongs. Your Company is striving for excellence through adoption of best governance and disclosure practices which go beyond the statutory and regulatory requirements as it's endeavour is to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities.

2. Board of Directors

The Company has a balanced and diverse Board of Directors comprising of Executive, Non-Executive, Independent and Women Directors who are experienced, competent and highly renowned persons from the fields of manufacturing, finance & taxation, economics, law, governance etc. The Board plays an imperative role in the management, general affairs, strategic directions and performance of the Company. The Board has delegated the operational conduct of the business to the Managing Director of the Company who looks after the day to day affairs of the Company.

Composition and category of Directors

As on 31st March 2019, the Board consists of 6 Members comprising 5 Non-Executive Directors (3 Independent and 2 Non-Independent) and 1 Executive Director (Managing Director). The Independent Directors account for not less than 50% of the strength of the Board, as against minimum requirement of 33.33% as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. There are 2 Women Independent Directors on the Board of the Company. The names and categories of the Directors on the Board, the number of directorships and committee positions held by them in other companies as on 31st March, 2019 are given as below:

Name of the Director	Category of the Director	DIN of the Director	Committee Memberships [#]		No. of other Directorships [*]
			Member	Chairman	
Mr. M. A. Sundaram [§]	Non-Executive Independent Director	00144607	-	-	-
Mr. Vinay Chopra	Managing Director	06543610	-	-	-
Mr. Robert Scannell	Non-Executive Director	06818489	-	-	-
Ms. Sarita D'Souza	Non-Executive Independent Director	06949439	-	-	-
Ms. Supriya Banerji	Non-Executive Independent Director	05209284	-	-	-
Mr. Satish Dhume [^]	Chairman/Non-Executive Independent Director	00336564	-	-	-
Mr. Francesco L'Abbate	Non-Executive Director	08063332	-	-	-

^{*} Excludes directorships held in private limited companies, foreign companies and section 8 companies.

[#] Disclosure of Chairmanship & Membership includes only two committees viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies whether listed or not excluding De Nora India Limited.

[§] Mr. M. A. Sundaram resigned as Chairman/Director of the Company with effect from 30th March, 2019.

[^] Mr. Satish Dhume was appointed as an additional and Independent Director of the Company for a term of 5 years with effect from 30th March, 2019, subject to approval of the Members of the Company.

Board Meetings

Five Board meetings were held during the year under review and the intervening period between two meetings did not exceed 120 days. These meetings were held on 8th May, 2018, 6th August, 2018, 26th October, 2018, 10th December, 2018 and 5th February, 2019.

Agenda papers containing all necessary information/documents are made available to the Board/Committees in advance to enable the Board/Committees to discharge its responsibilities effectively and take informed decisions. Where it was not practicable to attach, or send the relevant information as a part of agenda papers, the same are tabled



at the meeting or/and the representations are made by the concerned managers to the Board, subject to compliance with legal requirements. The information as specified in Schedule II of the Listing Regulations is regularly made available to the Board, whenever applicable, for discussion and consideration.

Key Board Skills, Expertise and Attributes

The Board of Directors of the Company comprises of qualified members in terms of skills, knowledge, experience personal attributes etc. who contribute and guide the Management towards the effective functioning of the Company. All the Board members are committed to ensure that the Company complies with the highest standards of Corporate Governance.

The Board has identified the following skills/expertise/competencies of the Directors as required in the context of its business and operations and those actually available with the Board:

Skill areas	Description	Importance of Skill
Strategy	Ability to think strategically and identify opportunities and threats and develop effective strategies for the Company	Essential
Policy Decisions	Ability to identify key issues and opportunities for the Company and define appropriate policies within which the Organisation should operate	Essential
Finance	Should have the ability to: - Analyse Financial statements - contribute to strategic financial planning - Oversee Budgets & efficient use of resources - Oversee funding arrangements	Essential
Risk Management	Ability to identify risks in areas such as legal and regulatory compliance and monitor risk and compliance management framework	Essential
Commercial experience	A broad range of commercial and business acumen	Desirable
Board experience	Experience as a Director of a Company, preferably a listed Company	Desirable
Technical experience	Should have technical ability and knowledge to understand the Company's products, manufacturing process, technology etc.	Desirable

Independent Directors

Independent Directors are Non-Executive Directors as defined under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of the Listing Regulations. In terms of the aforesaid provisions, the Independent Directors are appointed for a period of 5 years by the Members of the Company at the General Meetings.

The Company has issued a formal letter of appointment to the Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the Company. Further, the Independent Directors have confirmed that they meet the criteria of Independence as mandated by the Listing Regulations and the Companies Act, 2013.

During the financial year under review, Mr. M. A. Sundaram resigned as the Independent Director of the Company with effect from 30th March, 2019, before the expiry of his tenure. In consonance with the Corporate Governance norms as prescribed by the latest amendment to the Listing Regulations which prohibited continuance of term of any Non-Executive Director who has attained the age of 75 years as on 01st April, 2019, Mr. Sundaram volunteered to resign from the Directorship of the Company due to the non-fulfilment of the above age criteria. Mr. Sundaram has confirmed that there was no other material reason/s other than the aforesaid reason for his resignation from the Directorship of the Company before the completion of his term of appointment.

During the financial year under review, the Independent Directors met on 04th May, 2018, to discuss the following:

- Review the performance of the Non-Independent Directors and the Board as a whole.
- Review the performance of the Chairperson of the Company.
- Assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The said meeting was conducted without the attendance of Non-Independent Directors and members of Management. Further, all the Independent Directors of the Company were present at the meeting.

The details of the familiarization programmes imparted to the Independent Directors are available on the website of the Company [https://www.denoraindia.com/Investors/ShareholderInformation/PoliciesCodes &Programs](https://www.denoraindia.com/Investors/ShareholderInformation/PoliciesCodes&Programs).

The Board of Directors hereby confirm that in its opinion the Independent Directors fulfil the conditions specified in the Listing Regulations and the Independent Directors are independent of the Management of the Company.



Other Disclosures

The necessary disclosures regarding directorships, memberships and chairmanships in various other Boards and Committees and shareholding in the Company have been made by all the Directors.

None of the Directors hold directorships in more than 8 listed Companies and neither of them served as an Independent Director in more than 7 listed companies. None of the Directors on the Board is a Member of more than 10 Committees and acts as a Chairman of more than 5 Committees across all Companies in which they are Directors.

Further, the Managing Director of the Company is not serving as an Independent Director on the Board of any other listed Company.

There is no inter-se relationship between any of the Directors of the Company and between Directors and the employees of the Company. None of the Directors held any shares in the Company during the year under review.

3. Board Committees

The Board of Directors has constituted the following Committees of Directors with adequate delegation of powers to discharge the Company's requisite business:

Audit Committee

The Company's Audit Committee comprises of 3 members, all being Non-Executive Directors with a majority being Independent Directors and the Chairman of the Audit Committee, Mr. Satish Dhume being a Non-Executive Independent Director. Ms. Sarita D'Souza and Mr. Robert Scannell act as the other Members of the Committee. Mr. M. A. Sundaram stepped down as the Chairman/member of the Committee w.e.f. 30th March, 2019. He was succeeded by Mr. Satish Dhume. All the Members of the Committee are financially literate.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions: -

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible;
- reviewing and examining with the Management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors

of the Company and approval of payment for any other services;

- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- reviewing with Management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Whistle Blowing mechanism of the Company

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

The Audit Committee meets the criteria laid down under Section 177 of the Companies Act, 2013, read with Regulation 18 of the Listing Regulations in terms of its composition, quorum for its meetings, functioning, role and powers etc.

The Committee members met four times during the financial year ended 31st March, 2019 viz: on 08th May, 2018, 06th August, 2018, 26th October, 2018 and 05th February, 2019.

The Company Secretary is the Secretary of the Audit Committee. The Managing Director, the Chief Financial Officer as well as the representatives of the Internal and Statutory Auditors of the Company attend the Committee meetings. The Internal Auditors and Statutory Auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee.

Nomination & Remuneration Committee ('N&RC')

The Nomination and Remuneration Committee comprises of 3 members, all being Non-Executive Directors and majority being Independent Directors. The Chairman of the Committee is a Non-Executive and Independent Director. Ms. Sarita D'Souza acts as the Chairperson and Mr. Robert Scannell and Mr. Satish Dhume are other members of the Committee. During the year, Mr. M. A. Sundaram ceased to be the member of the Committee and was succeeded by Mr. Satish Dhume with effect from 30th March, 2019.

The Committee met four times during the year under review on 4th May, 2018, 6th August, 2018, 10th December, 2018 and 05th February, 2019. The



Managing Director attends the meetings of the Committee. The Company Secretary is the Secretary to the Committee.

In terms of the provisions of Section 178(3) of the Act and Regulation 19(4) read with Part D of Schedule-II of the Listing Regulations, the Committee is responsible for formulating the criteria for determining qualification, positive attributes and independence of a Director, devising a policy on diversity of Board of Directors. The Committee is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

The Board has adopted the Policy on Board Diversity and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which are available on the Company's website viz. www.denoraindia.com.

In addition to the duties cast under Section 178 of the Act, the other responsibilities of this Committee are related to Board composition and succession, evaluation of Director's performance, remuneration and other functions.

Stakeholder's Relationship Committee ('SRC')

The Stakeholders' Relationship Committee comprises of 3 members. The Chairperson of the Committee, Ms. Supriya Banerji is a Non-Executive and Independent Director. Ms. Sarita D'Souza and Mr. Vinay Chopra, act as the other Members of the Committee. During the year, Mr. M. A. Sundaram ceased to be the Chairman/member of the Committee and was succeeded by Ms. Supriya Banerji.

The terms of reference of the Committee include resolving shareholder grievances including shareholder's complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of dividends declared, etc.

The SRC met thrice during the financial year ended 31st March, 2019 viz: on 4th May, 2018, 8th August, 2018 & 5th February, 2019. The Company Secretary is the Secretary to the Committee and is the Compliance Officer of the Company, pursuant to the requirements of the Listing Regulations.

Details of Member's / Investor's Complaints

The Company and the Registrar and Transfer Agent of the Company, Bigshare Services Private Limited attend to all the grievances of the Members. During the financial year ended 31st March, 2019, 66 grievances/ correspondences were received from the Members. All the grievances have been promptly redressed to the satisfaction of the Members and none of them were pending as on 31st March, 2019.

The details of complaints received, cleared / pending during the Financial Year 2018-19 are given below:

Nature of Complaints	Received	Cleared	Pending
Letters from SEBI / SCORES Site	6	6	0
Letters from Stock Exchanges	0	0	0
Letters from Depositories	0	0	0
Letters from Ministry of Corporate Affairs	0	0	0

Corporate Social Responsibility Committee ('CSR')

The Corporate Social Responsibility Committee comprises Ms. Supriya Banerji, as the Chairperson, Mr. Robert Scannell, Mr. Vinay Chopra and Ms. Sarita D'Souza as the Members of the Committee. Consequent to the resignation of Mr. M. A. Sundaram as the Director of the Company and Chairman/ Member of CSR Committee, there was a change in the composition of the CSR Committee during the year under review. The CSR Committee was reconstituted with the induction of a new member, Ms. Supriya Banerji with effect from 30th March, 2019. The Company Secretary acts as the Secretary to the Committee.

The role of the CSR Committee includes formulating and recommending to the Board the CSR Policy and CSR activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of Company in the area of CSR etc.

During the financial year ended 31st March, 2019, the Committee met four times on 04th May, 2018, 06th August, 2018, 26th October, 2018 and 05th February, 2019.

Share Transfer Committee ('STC')

The Share Transfer Committee has been formed to look into share transfer and related applications received from Members, with a view to accelerate the transfer procedures. The Committee comprises the Executive Director, the Chief Financial Officer and the Company Secretary. The Committee inter alia considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate etc. as per the request received from Members to ensure that share transfers, and other related requests are registered and returned within a period of 15 days from the date of receipt, provided the documents are complete in all respects.

Attendance of Directors / Members at Board and Committee Meeting(s)

The following table shows attendance of Directors at the Board and Members of the statutory Committee



Meeting(s) for the year ended 31st March, 2019. Attendance is presented as number of meeting(s) attended, out of the number of meeting(s) required to be attended.

Name	Board Meeting	Audit Committee Meeting	Corporate Social Responsibility Committee Meeting	Nomination & Remuneration Committee Meeting	Stakeholder's Relationship Committee Meeting
Mr. M. A. Sundaram [^]	5 of 5	4 of 4	4 of 4	4 of 4	3 of 3
Mr. Vinay Chopra	5 of 5	-	4 of 4	-	3 of 3
Mr. Robert Scannell	2 of 5	2 of 4	2 of 4	1 of 4	-
Ms. Sarita D'Souza	5 of 5	4 of 4	4 of 4	4 of 4	3 of 3
Ms. Supriya Banerji	5 of 5	-	-	-	-
Mr. Francesco L'Abbate	1 of 5	-	-	-	-
Mr. Satish Dhume*	-	-	-	-	-

[^] Mr. M. A. Sundaram ceased to be the Non-Executive Independent Director and Chairman of the Board w.e.f. 30.03.2019

* Mr. Satish Dhume was appointed as the Non-Executive Independent Director and Chairman of the Board w.e.f. 30.03.2019.

The last AGM of the Company held on 26th September, 2018 was attended by all the Members of the Board of Directors except Mr. Robert Scannell and Mr. Francesco L'Abbate who sought leave of absence from attending the meeting. Mr. M. A. Sundaram attended the Annual General Meeting ('AGM') in the capacity as the Chairman of the Board, Audit Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee. Ms. Sarita D'Souza attended the AGM in the capacity as the Chairperson of the Nomination & Remuneration Committee.

REMUNERATION OF DIRECTORS

Details of remuneration to Non-Executive Directors ("NEDs") during the year under review:

Amount in ₹

Sr. No.	Name of the Director	Sitting fees paid during FY 2018-19
1.	Mr. M. A. Sundaram [^]	1,05,000
2.	Mr. Francesco L'Abbate	5,000
3.	Mr. Robert Scannell	35,000
4.	Ms. Sarita D'Souza	1,05,000
5.	Ms. Supriya Banerji	25,000
6.	Mr. Satish Dhume*	-

[^] Mr. M. A. Sundaram ceased to be the Non-Executive Independent Director and Chairman of the Board w.e.f. 30.03.2019

* Mr. Satish Dhume was appointed as the Non-Executive Independent Director and Chairman of the Board w.e.f. 30.03.2019.

None of the NEDs had any pecuniary relationship or transaction with the Company other than the Director's sitting fees received by them during the year under review.

The NEDs including Independent Directors are entitled to sitting fees for attending the Board and Committee meetings, the quantum of which is determined by the Board subject to the overall limits prescribed under the Companies Act, 2013. The Non-Executive Directors/Independent Directors are not paid any commission on the Net Profits of the Company.

Details of remuneration to the Managing Director during the year under review:

Amount (₹) in lakhs

Name of the Director	Salary & Allowances	Perquisites & Benefits	Retirement Benefits	Performance linked Incentive	Total
Mr. Vinay Chopra	24.06	1.54	3.37	9.71	38.68

The remuneration of the Managing Director is determined by the Board, on the recommendation of the Nomination & Remuneration Committee, subject to the approval of the Members. The salient terms of appointment executed by the Company with the Managing Director, Mr. Vinay Chopra are as follows:



Period of appointment	16.07.2016 –15.07.2019
Remuneration	Upto a maximum of ₹ 50,00,000/- p.a. provided it is within the limits stipulated under the Act, rules made thereunder & Schedule V of the Act.
Incentive Remuneration	At the discretion of the Board within the limits stipulated above.
Benefits, perquisites and allowances (excluding Company's contribution to Provident Fund, Superannuation, Gratuity, Leave Encasement)	As may be determined by the Board from time to time within the above approved maximum limit of remuneration, read with the service rules of the Company.
Notice period	The contract of appointment may be terminated by either party giving to the other party three months' notice.
Severance fees	There is no separate provision for payment of severance fees.
Sitting Fees	Nil

The Company does not have any Stock Options Scheme for its Directors or employees.

Remuneration Policy and Performance evaluation criteria for Independent Directors

The Board had adopted a Nomination cum Remuneration Policy in accordance with Section 178 of the Companies Act, 2013, the rules made there under and the provisions of Regulation 19 of the Listing Regulations. The Policy provides for criteria and qualifications for appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel, remuneration to them, Board diversity etc. The policy has been amended from time to time to align it in requirement with the provisions of applicable laws, rules and regulations. The Nomination cum Remuneration Policy is available on the website of the Company; www.denoraindia.com/Company/Investors/ShareholderInformation/PoliciesCodes&Programs.

The key areas of performance evaluation of individual directors, including Independent Directors are knowledge of business, diligence and preparedness, effective interaction with others, constructive contribution to discussion and strategy, concern for stakeholders, ethical conduct issues etc. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Directors being evaluated had not participated.

GENERAL BODY MEETINGS

Year ended on	AGM	Day & Date	Location	Time	Special Resolution passed
31.03.2016	27 th	Wednesday, September 21, 2016	Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403 115	11.00 a.m.	Nil
31.03.2017	28 th	Wednesday, September 27, 2017			
31.03.2018	29 th	Wednesday, September 26, 2018			

No Special Resolution was passed by the Company last year through Postal Ballot. No Special Resolution is proposed to be passed through Postal Ballot as on the date of this report.

MEANS OF COMMUNICATION

Quarterly results: Quarterly, half-yearly and annual financial results are published in the 'Business Standard', English newspaper circulating in the whole of India and in 'Lokmat', Marathi newspaper and are also posted on the Company's website; www.denoraindia.com.

Annual Reports: The Annual Reports are emailed/posted to Members and others entitled to receive them. It is also available on the Company's website in a user-friendly and downloadable form.

NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (Listing Centre): Both NEAPS & Listing Centre are web based applications designed for corporates by the respective stock exchanges. The Company submits to NSE all disclosures/intimations, price sensitive information or such other matters which in its opinion are material and of relevance to the Members through NEAPS portal. Similar filings are also made to BSE on the Listing Centre.

Designated email-id: The Company has also designated email ID: secretarial@denora.com exclusively for investor servicing.

Company Website: Comprehensive information about the Company, its business and operations, press releases and investor information can be viewed at the Company's website www.denoraindia.com. An exclusive section on 'Investors' enables them to access information relating to the Company.

SEBI Complaint Redressal System (SCORES): The investor's complaints are also being processed through the



centralized web based complaint redressal system. Through SCORES, the investors can view online, the actions taken and current status of the complaints.

GENERAL SHARE HOLDER INFORMATION

a.	Annual General Meeting	Thursday, September 26, 2019 at 11.00 a.m. at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim - Goa
b.	Financial Year	April 1, 2018 to March 31, 2019
c.	Date of Book Closure	20 th September, 2019 to 26 th September, 2019 (both days inclusive)
d.	Dividend Payment Date (subject to approval of shareholders)	-
e.	Listing of Shares on Stock Exchanges	National Stock Exchange of India Ltd. Exchange Plaza, 5 th floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051
f.	Stock Code	DENORA EQ
g.	ISIN	INE244A01016
h.	Listing Fees	Paid to the above Stock Exchange for the year 2018-19
i.	Corporate Identification Number (CIN) of the Company	L31200GA1993PLC001335
j.	Registered Office & Plant location	Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403115
k.	Registrar and Share Transfer Agent	M/s. Bigshare Services Private Limited , 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai 400059. Ph. No.: 022 62638200/62638204 Fax No.: 022 62638299 email: http://www.bigshareonline.com/Contact.aspx ; info@bigshareonline.com website: www.bigshareonline.com
l.	Details of securities suspended	None
m.	Outstanding GDRs/Warrants/ADRs/Convertible Instruments, conversion dates and likely impact on equity	None
n.	Commodity Price Risk or Foreign Exchange Risk & Hedging Activities	Nil
o.	Address for correspondence	For Shares held in Physical Form: M/s. Bigshare Services Private Limited: 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai 400059. Ph. No.: 022 62638200/62638204 Fax No.: 022 62638299 Email: http://www.bigshareonline.com/Contact.aspx ; info@bigshareonline.com website: www.bigshareonline.com ; For Shares held in Demat Form: To the Depository Participant
p.	Details of Compliance Officer	Ms. Jyoti Bandodkar, Company Secretary Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403115 Tel. No. 0832 3981100; Email: denoraindia@denora.com
q.	E-mail id designated by the Company for Investor Complaints	secretarial@denora.com
r.	Credit Ratings for debt instruments/fixed deposit scheme	Not applicable



s.	Share Transfer System	97.97% of the equity shares of the Company are in dematerialized form. Transfer of these shares are done through the depositories with no involvement of the Company. For the transfer of shares held in physical form, the authority has been delegated to the Share Transfer Committee comprising Company's officials who generally consider and approve the share transfer requests as per request received. The shares sent for physical transfer are generally registered and returned within a period of 15 days from the date of receipt of request, subject to documents being valid and complete in all respects. As per the requirement of Regulation 40 (9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained half-yearly certificates from Practising Company Secretary for due compliance of share transfer formalities and filed the same with the Stock Exchanges.
t.	Details of Demat Suspense Account/ Unclaimed Suspense Account	Not applicable

Market Price Data

Month	National Stock Exchange		Bombay Stock Exchange	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-18	491.00	420.55	492.00	419.00
May-18	545.90	303.65	542.40	305.00
Jun-18	318.80	260.00	318.00	258.00
Jul-18	323.75	263.10	325.00	261.00
Aug-18	360.00	292.00	362.60	294.50
Sept-18	319.20	239.00	321.80	240.30
Oct-18	284.00	223.05	299.00	220.20
Nov-18	276.00	226.35	276.90	228.35
Dec-18	274.00	227.95	276.00	232.65
Jan-19	307.00	227.55	306.00	226.70
Feb-19	298.80	223.80	296.85	223.00
Mar-19	328.15	271.25	328.00	273.65

Share price performance in comparison to broad based indices – BSE Sensex & NSE Nifty

Month	De Nora India Limited		NSE Nifty		BSE Sensex	
	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-18	491.00	420.55	10759.00	10111.30	35213.30	32972.56
May-18	545.90	303.65	10929.20	10417.80	35993.53	34302.89
Jun-18	318.80	260.00	10893.25	10550.90	35877.41	34784.68
Jul-18	323.75	263.10	11366.00	10604.65	37644.59	35106.57
Aug-18	360.00	292.00	11760.20	11234.95	38989.65	37128.99
Sep-18	319.20	239.00	11751.80	10850.30	38934.35	35985.63
Oct-18	284.00	223.05	11035.65	10004.55	36616.64	33291.58
Nov-18	276.00	226.35	10922.45	10341.90	36389.22	34303.38
Dec-18	274.00	227.95	10985.15	10333.85	36554.99	34426.29
Jan-19	307.00	227.55	10987.45	10583.65	36701.03	35375.51
Feb-19	298.80	223.80	11118.10	10585.65	37172.18	35287.16
Mar-19	328.15	271.25	11630.35	10817.00	38748.54	35926.94



Shareholding as on 31.03.2019

Range of holding	Number of shares				Number of Shareholders			
	Physical	Demat	Total	%	Physical	Demat	Total	%
1-500	75786	665321	741107	13.960	692	6285	6977	91.310
501-1000	7455	285585	293040	5.520	10	364	374	4.895
1001-5000	9480	445240	454720	8.566	4	227	231	3.023
5001-10000	14960	208937	223897	4.218	2	31	33	0.432
10001-50000	-	424519	424519	7.997	-	21	21	0.275
50001 & above	-	3171351	3171351	59.740	-	5	5	0.065

Shareholding Pattern as on 31.03.2019

Particulars	Equity shares of ₹ 10 each	
	No. of Shares	%
Promoters (including Promoter Group)	2849500	53.68
Directors and their relatives	-	-
Financial Institutions/Banks	595	0.01
Clearing Members	16861	0.32
Corporate Bodies	126377	2.38
Trusts	155	0.00
Resident Individuals & HUF	2210282	41.64
Central/State Governments	-	-
Foreign Institutional Investors	-	-
Foreign Portfolio Investors – Corporate	10000	0.19
Non-Resident Indians	76035	1.43
IEPF A/c	18829	0.35
Total	5308634	100.00

Dematerialisation of shares and liquidity

Particulars of shares	Shares of ₹ 10 each		Shareholders	
	Number	% of total	Number	% of total
Dematerialized form				
NSDL	4181956	78.78	4060	53.13
CDSL	1018997	19.20	2873	37.60
Sub-Total	5200953	97.97	6933	90.73
Physical form	107681	2.03	708	9.27
Total	5308634	100	7641	100

OTHER DISCLOSURES

1. Transactions with related parties are disclosed in the notes annexed to the Audited Financial Statements and in Form AOC – 2 (as applicable) forming part of the Director's Report. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. A Policy on Related Party Transactions formulated pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the Board is available on the website of the Company at <http://www.denoraindia.com/Company/Investors/ShareholderInformation/PoliciesCodes&Programs>.
2. There was no non-compliance during the last three years by the Company on any matter related to Capital Market. There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any statutory authority.
3. The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said policy has been posted on the Company's website. The Company affirms that no personnel have been denied access to the Audit Committee.
4. All mandatory requirements as per Listing Regulations have been complied with by the Company. The status of compliance with the non-mandatory requirements, as stated under Part E of Schedule-II to the Listing Regulations is as under:



- The Non-Executive Chairman does not maintain any office at the expense of the Company.
 - The Company does not send half-yearly financial results including summary of the significant events in the last six months to the household of each shareholder as the financial results are published in the newspapers and posted on the website of the Company and the websites of NSE and BSE.
 - The Chairman of the Board is a Non-Executive Director and his position is separate from that of the Managing Director.
 - The Internal Auditor reports to the Audit Committee of Directors.
 - Company's financial statements are unqualified.
4. The Company does not have any Subsidiary Company.
 5. During the year, the Company did not raise any money through public issue, right issue, preferential issue or qualified institutions placement.
 6. During the year under review there was no instance where the Board of Directors had not accepted the recommendations of Board Committees.
 7. The total fees paid by the Company to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part for all the services rendered for the FY 2018-19 is ₹ 2,00,000/-.
 8. Certificate from Practising Company Secretary on Directors disqualifications is attached hereto.
 9. Under regulation 26(5) of SEBI Listing Regulations, 2015, the Senior Management has made periodical disclosures to the Board relating to all material financial and commercial transactions, where they had (or were deemed to have had) personal interest that might have been in potential conflict with the interest of the Company. The same was Nil for the year under review.
 10. Disclosure in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 is provided in the Director's Report.



AUDITOR'S COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
De Nora India Limited

I have examined the compliance of conditions of Corporate Governance by **DE NORA INDIA LIMITED** (the Company), for the financial year ended on 31st March, 2019, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.

Sadashiv V. Shet
PRACTISING COMPANY SECRETARY
CP No.: 2540; Membership No.: 2477

Place: Panjim, Goa
Date: May 09, 2019

DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and Senior Management of the Company, which has been posted on the website of the Company. It suitably incorporates the duties of the Independent Directors as laid down in the Companies Act, 2013.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the code of conduct framed by the Company for the Financial Year 2018-19 and a confirmation to that effect has been obtained from all the Directors and Senior Management.

For De Nora India Limited

Vinay Chopra
Managing Director
DIN: 06543610

Date: May 09, 2019
Place: Kundaim, Goa



PRACTICING COMPANY SECRETARY'S CERTIFICATE UNDER SUB-PARA 10(i) OF PART C OF SCHEDULE V OF SEBI (LODR), REGULATIONS, 2015

To,

The Members

DE NORA INDIA LIMITED

I, Sadashiv V Shet, Practicing Company Secretary, hereby certify that I have examined and verified the records, books and papers of the Company **DE NORA INDIA LIMITED** as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder, as regards the Directors of the Company for the Financial Year ended on 31st March, 2019.

I further certify that based on the examinations carried out by me and the explanations and representations furnished to me by the said Company, its officers and agents, none of the following Directors of the Company:

Sr. No.	Name of the Director	DIN	Category
1	Vinay Chopra	06543610	Managing Director
2	Robert Scannell	06818489	Non-Executive Director
3	Sarita Clifford D'Souza	06949439	Non-Executive cum Independent Director
4	Francesco L'Abbate	08063332	Non-Executive Director
5	Supriya Banerji	05209284	Non-Executive Independent Director
6	*Satish Dhume	00336564	Independent Director cum Chairman
7	**M A Sundaram	00144607	Independent Director cum Chairman

have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI or Ministry of Corporate Affairs or any such statutory authority as on 31st March, 2019.

* Appointed as Independent Director cum Chairman w.e.f. 30.03.2019 in place of Mr. M A Sundaram. However the form has not been filed due to technical error with DIN of Mr. Satish Dhume.

** Resigned from the Company w.e.f. 30.03.2019.

S/d

Sadashiv V. Shet

Practicing Company Secretary

CP No.: 2540; Membership No.: 2477

Date: May 09, 2019

Place: Panaji, Goa



Annexure VII

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

De Nora India Limited ('DNIL') started its operations in India in 1989 with technical and financial collaboration of 'Industrie De Nora' of Italy, mainly catering to chlor-alkali industry for manufacture and coating of anode and cathode for electrolytic process for several industrial applications such as water, pulp & paper manufacturing, surface finishing and plating industries and cathodic protection systems of steel structure, electrochlorination systems, platinized titanium anodes for surface finish application. DNIL continues its market presence in India with sea water electro chlorination products (Seaclor®).

Recoating of anode and cathode is a specialised process, formulation of which involves use of noble metals. These formulations and processes are proprietary and because of its affiliation to 'Industrie De Nora', the Company has the authority to use these formulations and processes, giving it the prominent market share in India. DNIL not only provides support to caustic soda industry customers in India but is also equipped to give technical support to electrolytic processes sector.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The chlor-alkali industry in India forms an important component of the basic chemicals industry. Caustic soda, soda ash, chlorine alongside hydrogen and hydrochloric acid comprise the chlor-alkali industry's components. These chemicals find their applications in several industries such as textiles, chemicals, paper, PVC, water treatment, alumina, soaps & detergents, glass, chlorinated paraffin wax, among others. The various technologies, which are being used in the chloralkali industries, include mercury, membrane cell and diaphragm cells. In India, membrane cell technologies are widely used for caustic soda production.

DNIL is the leading service provider of anode and cathode elements used in the membrane cell technology for electrolyzers. It performs recoating and mechanical repairs to the anode and cathode structures used in the membrane cell technology of the chlor-alkali industry. The dynamics of the chlor-alkali industry has a considerable effect on the overall performance of the Company.

DNIL is the industry leader in technology and in this challenging environment has made efforts to keep the cell technology competitive by reducing power consumption and has also set in motion initiatives to redefine its business model to maintain margins and to best deliver value to its stakeholders by ensuring continuous productivity and good financial performance.

OPPORTUNITIES AND THREATS

The Goa factory is equipped with all the necessary equipment and facilities to meet the demands of the chlor-

alkali industry. The Company continues to remain the market leader in the chlor-alkali and cathodic protection systems business. The main activity of the Company is dependent on recoating of electrodes for membrane cell electrolyzers in chlor-alkali plant, which is cyclic in nature because the life of the coating lasts for 6 to 8 years.

The income from recoating business contributes a major share in the Company's total income. The mercury cell plants have gradually been converted to membrane cell plants. The Company does not get the business of anode/cathodes coating at this conversion stage since these are inbuilt in the new cells and the complete set of cell elements are imported by the customers. The Company is not in the business of manufacturing membrane cell elements and the recoating business in respect of these anode/cathodes will happen only after 8 years.

The chlor alkali market in India is undergoing consolidation in recent past & entry of newer technology suppliers has put the Company in more challenging environment to continue to maintain its market share.

Dependency on the chlor alkali business has made the Company to seek opportunities in sea water electro chlorination. The seawater projects fructification (awarding of contracts) is becoming longer due to many uncertainties in the Indian market. Further, this business operates in an environment which is long in tenure, volatile and fraught with uncertainties which may impact the business and financial performance of the Company.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Till last financial year 2017-18, the Company operated in a single segment of manufacturing of electrolytic products. However, for the financial year ended March 31, 2019 the Company has reported an additional new segment of Water Technologies in terms of the provisions of the Indian Accounting Standards. An annual turnover of ₹ 3278.33 lakhs was registered by the Company during the year under review from the sale of its products.

OUTLOOK

The Company is looking forward to maintain its position of market leader in membrane recoating activity and cathodic protection systems. It also expects a steady growth in the manufacture and sales of De Nora Water Technology products during the current fiscal.

RISKS & CONCERNS

Risk management is embedded in all processes across the Company's operating framework. The Company's approach to addressing business risks is comprehensive and includes a framework for identifying, monitoring, assessing, mitigating and reporting such risks. Risk Control Matrix has been prepared for all the key processes and business transactions. The Board and the Audit Committee



periodically reviews the risk management framework and formulates strategies to mitigate those risks. The Senior Management team led by the Managing Director, is responsible to proactively manage risks with appropriate mitigation measures and implementation thereof.

Disruptive technology changes, drastic raw material price change, potential supply chain disruptions, and regulatory changes have been identified as the some of the main sources of risk for the coming year.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The responsibility for establishing and maintaining adequate internal control lies with the Management of the Company. This internal control mechanism comprises a well-defined organization, which undertakes time bound audits and reports its findings to the Audit Committee, documents policy guidelines and determines authority levels and processes. The Company also has an Internal Audit function to provide reasonable assurance regarding the effectiveness and efficiency of operations, safe guarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations. To ensure and review the effectiveness and implementation of the systems and operations, the Audit Committee regularly reviews them and further initiates corrective actions wherever deemed necessary.

The application systems for the business is backed by an integrated SAP Accounting System which provides complete integration of all transactions including financial transactions and statements. Process and systems are subject to Internal Audit through an annual internal audit plan approved by the Audit Committee. These are further supported by the Statutory Auditors who validate that the financial reporting is true and fair. The results of all audits are discussed with the Senior Management and reviewed by the Audit Committee on a quarterly basis.

FINANCIAL PERFORMANCE

The financial results of operations of the Company for the year under review are detailed in the Directors' Report. As per the same, the Company's operations have resulted in a pre-tax profit of ₹ 182.03 lakhs for the current year as against ₹ 307.35 lakhs for the previous financial year. The post-tax profit for the current year is ₹ 158.70 lakhs whereas it stood at ₹ 169.03 lakhs for 2017-18. The Earning per Share (EPS) (Basic & Diluted) of your Company for the financial year ended March 31, 2019 was at ₹ 2.99.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Key Financial Ratios	FY 2018-19	FY 2017-18	Change (%)	Reason
Debtors Turnover Ratio	6.40	5.08	26	Faster realisation
Inventory Turnover Ratio	2.76	4.57	40	Better management of inventory

Key Financial Ratios	FY 2018-19	FY 2017-18	Change (%)	Reason
Interest Coverage Ratio	-	-	-	-
Current Ratio	4.11	4.40	7	Marginal decrease due to change in working capital
Debt Equity Ratio	-	-	-	-
Return on Net Worth (%)	3.56	3.24	10	Improved overall Profitability
Operating Profit Margin (%)	5.55	11.28	51	Higher operational cost resulted in Lower operating profit
Net Profit Margin(%)	5.78	6.20	7	Higher Operational cost resulted in Lower operating profit

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS

The Company strives to maintain a cordial relationship with it's human resources and create a healthy working environment, since employees are considered the most important and valuable assets of the Company. Industrie De Nora has been continuously working on various initiatives to improve human resources skills, competencies and capabilities in all the Group Companies. Some key initiatives undertaken during the year 2018-19 in this direction are:

- Setting of individual targets for 2019, performance appraisals for 2018, WeDN (Satisfaction) survey, improved communication, De Nora Academy etc.
- Your Company has encouraged wholehearted participation of the employees and union in improving productivity as well as quality of its products.
- Industrial relations at the Company have been harmonious and peaceful with active involvement of the workmen
- As on March 31, 2019, there were 68 permanent employees on the rolls of the Company.

Employee & Industrial Relations

The focus on building cordial and harmonious relationship with employees of the Company has continued on a sustained basis. An environment of mutual trust, understanding and faith has been nurtured in line with the progressive philosophy of the organisation to work in a collaborative way and build togetherness to achieve the larger goals of building a great business organisation. It has ensured that employees give their best and align themselves fully to the business and organizational goals of the Company so as to create a bright future for every stakeholder.



KMPs/Senior Management Personnel & Other Staff

As recommended by the Nomination and Remuneration Committee (NRC), the Board has adopted a Remuneration Policy for KMPs/Senior Management Personnel. The remuneration is recommended by the NRC based on factors such as industry benchmarks, the Company's performance vis-à-vis the industry, performance/track record of the KMPs/Senior Management Personnel.

The Remuneration paid to other staff is based on the grade, role and position in the Company, the experience, qualification, skills and competencies of the related employees. There exists a global Compensation System (CS), led by human resources, which is set with the aim of:

- o being competitive to attract and retain talents on the local job markets where DNIL operates;
- o paying fairly for accountability and on merit
- o rewarding solid and outstanding performance, i.e. people results.

The objective is to ensure that the compensation motivates the employees to give their best performance.

CAUTIONARY STATEMENT

Statements in this 'Management Discussion and Analysis' describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include demand-supply conditions, raw material prices, changes in government regulations, tax regimes, economic developments within the country and outside the country and other factors such as litigation and labour negotiations.



INDEPENDENT AUDITOR'S REPORT

To The Members of
De Nora India Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of De Nora India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to financial statements including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Sr. No.	The Key Audit Matter	How the matter was addressed in our Audit
1.	<p>Revenue Recognition</p> <p>The Company's revenue is derived from sale and service activities relating to electrolytic and water technology products.</p> <p>The Company recognises revenue when performance obligations as per the underlying contracts are satisfied.</p> <p>The terms set out in the Company's sales contracts are varied which affect the timing of revenue recognition.</p> <p>Revenue recognition was identified as a Key Audit Matter because revenue is one of the key performance indicators and is subject to inherent risk of misstatement due to management judgement involved in the timing of revenue recognition.</p>	<p>Our audit procedures to assess the recognition of revenue included the following –</p> <p>a. Evaluating the design, implementation and operating effectiveness of internal controls over the existence, accuracy and timing of revenue recognition.</p> <p>b. Identifying the performance obligations under the contract to validate for the sample of transactions selected that the revenue is recognised and recorded in the period in which the performance obligation is satisfied.</p> <p>c. Performed substantive transactional testing for a sample of transactions and applied analytical procedures to validate the recognition of revenue.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including Annexures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matter

The financial statements of the Company for the year ended March 31, 2018, were audited by another auditor whose report dated May 08, 2018 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of these matters.

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 Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 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 C".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 40 to the financial statements.
 - ii. The Company did not have any long term contracts, including derivative contracts, for which there were 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.
3. In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its Directors during the year is within the limit prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Vinayak M Padwal

Partner

Membership No. 049639

Place : Kundaim, Goa
Date : May 09, 2019



ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF DE NORA INDIA LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For MSKA & Associates Chartered Accountants

ICAI Firm Registration No. 105047W

Vinayak M Padwal

Partner

Membership No.049639

Place: Kundaim, Goa

Date: May 09, 2019



ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DE NORA INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2019

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of De Nora India Limited on the Financial Statements for the year ended March 31, 2019]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) As explained to us, fixed assets have been physically verified by the Management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds comprising of immovable properties of land and building which are freehold are held in the name of the Company as on the Balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- ii. The inventory, except goods in transit, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of loans, investments, guarantees and security made.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits in accordance with the provisions of Sections 73 to 76 of the Act and the Rules framed thereunder. Accordingly, the provisions stated in paragraph 3(v) of the Order are not applicable to the Company.
- vi. The provisions of Sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and records examined by us, the Company has been generally regular in depositing undisputed statutory dues relating to investor education and protection fund, income tax, goods and service tax, custom duty, professional tax, provident fund, employees state insurance, and other statutory dues, as applicable, with the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which has not been deposited with the appropriate authorities on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3(ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records



of the Company, the Company has paid/provided for managerial remuneration during the year in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as specified in Nidhi Rules, 2014. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (Ind AS) 24, "Related Party Disclosures" specified under Section 133 of the Act, read with relevant rules issued thereunder.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any

preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3(xiv) of the Order are not applicable to the Company.

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

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Place : Kundaim, Goa
Date : May 09, 2019

Vinayak M Padwal
Partner
Membership No. 049639



ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DE NORA INDIA LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of De Nora India Limited on the Financial Statements for the year ended March 31, 2019]

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 with reference to financial statements of De Nora India Limited ("the Company") as of March 31, 2019 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an internal financial control with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Vinayak M Padwal
Partner

Place : Kundaim, Goa
Date : May 09, 2019

Membership No. 049639



BALANCE SHEET

As at 31 March, 2019

[All amount in INR, unless otherwise stated]

	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,25,84,846	6,54,38,237
Capital work-in-progress		25,98,807	-
Other intangible assets	6	5,67,52,196	7,25,44,783
Financial assets			
(i) Investments	7	12,86,500	14,23,000
(ii) Other financial asset	8	84,85,693	80,06,545
Deferred tax assets (net)	29	51,17,231	60,99,383
Other non-current assets	9	2,96,13,052	2,81,55,374
Total non-current assets		16,64,38,325	18,16,67,322
Current assets			
Inventories	10	16,95,19,612	6,83,23,755
Financial assets			
(i) Investments	7	13,47,02,852	20,13,24,706
(ii) Trade receivables	11	5,50,07,569	4,75,03,286
(iii) Cash and cash equivalents	12	1,52,79,157	82,81,160
(iv) Bank balances other than cash and cash equivalent	13	10,15,65,831	10,16,91,253
(v) Loans	14	12,50,726	13,33,647
Other current assets	15	1,61,87,365	2,06,62,775
Total current assets		49,35,13,112	44,91,20,582
TOTAL ASSETS		65,99,51,437	63,07,87,904
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	5,30,86,340	5,30,86,340
Other equity	17	47,91,68,356	47,06,80,710
Total Equity		53,22,54,696	52,37,67,050
Liabilities			
Non-current liabilities			
Provisions	18	76,07,263	50,51,487
Total non-current liabilities		76,07,263	50,51,487
Current liabilities			
Financial liabilities			
(i) Trade payables	19	3,22,04,677	4,51,84,733
(ii) Other financial liabilities	20	3,92,96,790	3,17,41,466
Provisions	18	40,55,577	1,39,02,345
Other current liabilities	21	4,45,32,434	1,11,40,823
Total current liabilities		12,00,89,478	10,19,69,367
Total liabilities		12,76,96,741	10,70,20,854
TOTAL EQUITY AND LIABILITIES		65,99,51,437	63,07,87,904
See accompanying notes to the financial statements	1-44		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

Vinayak Padwal

Partner

Membership No: 049639

Place : Goa

Date : May 09, 2019

For and on behalf of the Board of Directors

De Nora India Limited

CIN: L31200GA1993PLC001335

Vinay Chopra

Managing Director

DIN : 06543610

Deepak Nagvekar

Chief Financial Officer

Sarita D'Souza

Director

DIN : 06949439

Jyoti Bandodkar

Company Secretary

Place : Goa

Date : May 09, 2019



STATEMENT OF PROFIT AND LOSS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME			
Revenue from operations	22	32,78,33,674	27,25,59,038
Other income	23	3,98,61,536	3,25,93,144
Total income		36,76,95,210	30,51,52,182
EXPENSES			
Cost of raw material consumed	24	19,23,53,915	6,74,01,604
Purchase of Stock-in-trade		-	2,63,115
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	(7,26,29,565)	(51,39,895)
Excise duty on sales		-	22,60,465
Employee benefits expense	26	6,49,46,991	6,37,08,677
Depreciation and amortization expense	27	2,53,07,339	2,12,63,723
Other expenses	28	1,39,513,472	1,24,659,392
Total expenses		3,49,492,152	2,74,417,081
Profit before tax		18,203,058	30,735,101
Tax expense			
Current tax	29	10,24,373	63,94,531
Deferred tax	29	13,08,354	74,36,784
Total tax expense		23,32,727	1,38,31,315
Profit for the year		1,58,70,331	1,69,03,786
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of FVTOCI equity Securities		(1,36,501)	(3,06,500)
Remeasurement of net defined benefit liability		(11,72,546)	9,73,973
Income tax relating to the above items		3,26,202	(2,68,354)
Other comprehensive income for the year, net of tax		(9,82,845)	3,99,119
Total comprehensive income for the year		1,48,87,486	1,73,02,905
Earnings per share			
Basic earnings per share (INR)	30	2.99	3.18
Diluted earnings per share (INR)	30	2.99	3.18
See accompanying notes forming part of the financial statements	1-44		
The accompanying notes are an integral part of these financial statements			

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

Vinayak Padwal

Partner

Membership No: 049639

For and on behalf of the Board of Directors

De Nora India Limited

CIN: L31200GA1993PLC001335

Vinay Chopra

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DIN : 06949439

Deepak Nagvekar

Chief Financial Officer

Jyoti Bandodkar

Company Secretary

Place : Goa

Date : May 09, 2019

Place : Goa

Date : May 09, 2019



STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March, 2019 [All amount in INR, unless otherwise stated]

(A) Equity share capital

	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of [Face value] each issued, subscribed and fully paid				
Opening	53,08,634	5,30,86,340	53,08,634	5,30,86,340
Add: issue during the year	-	-	-	-
Closing	53,08,634	5,30,86,340	53,08,634	5,30,86,340

(B) Other equity

Equity component of compound financial instrument	Reserve and surplus					Items of OCI		Total
	Share options outstanding account	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	FVTOCI Reserve on equity instruments	Others	
Balance as at 1 April 2017	-	7,36,07,945	24,65,000	7,06,76,362	31,78,47,692	15,59,500	-	46,61,56,499
Profit for the year	-	-	-	-	1,69,03,786	-	-	1,69,03,786
Other comprehensive income	-	-	-	-	7,05,619	(3,06,500)	-	3,99,119
Total other comprehensive income for the year	-	-	-	-	33,54,57,097	(3,06,500)	-	17,303
Dividend on Equity Shares paid during the year	-	-	-	-	(1,06,17,268)	-	-	(1,06,17,268)
Dividend Distribution Tax paid	-	-	-	-	(21,61,426)	-	-	(21,61,426)
Balance as at 31 March 2018	-	7,36,07,945	24,65,000	7,06,76,362	32,26,78,403	12,53,000	-	47,06,80,710

Equity component of compound financial instrument	Reserve and surplus					Items of OCI		Total
	Share options outstanding account	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	FVTOCI Reserve on equity instruments	Others	
Balance as at 1 April 2018	-	7,36,07,945	24,65,000	7,06,76,362	32,26,78,403	12,53,000	-	47,06,80,710
Profit for the year	-	-	-	-	1,58,70,331	-	-	1,58,70,331
Other comprehensive income	-	-	-	-	(846,344)	(1,36,501)	-	(9,82,845)
Total other comprehensive income for the year	-	-	-	-	1,50,23,987	(1,36,501)	-	1,48,87,486
Dividend on Equity Shares paid during the year	-	-	-	-	(53,08,634)	-	-	(53,08,634)
Dividend Distribution Tax paid	-	-	-	-	(10,91,206)	-	-	(10,91,206)
Balance as at 31 March 2019	-	7,36,07,945	24,65,000	7,06,76,362	33,13,02,550	11,16,499	-	47,91,68,356

Refer note 9(c) for nature and purpose of reserves

The accompanying notes are an integral part of these financial statements

As per our report of even date
For **MSKA & Associates**
Chartered Accountants
Firm Registration No.: 105047W

Vinayak Padwal
Partner
Membership No: 049639

Place : Goa
Date : May 09, 2019

For and on behalf of the Board of Directors
De Nora India Limited
CIN: L31200GA1993PLC001335

Vinay Chopra
Managing Director
DIN : 06543610

Deepak Nagvekar
Chief Financial Officer

Jyoti Bandoolkar
Company Secretary

Place : Goa
Date : May 09, 2019



STATEMENT OF CASH FLOW

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
CASH FLOW FROM OPERATING ACTIVITIES:			
Profit before tax		1,82,03,058	3,07,35,101
Adjustments for:			
Depreciation and amortization expenses		2,53,07,339	2,12,63,723
Interest income		(77,90,734)	(70,73,301)
Provision for estimated loss (EPC Contract)		2,49,61,819	-
Liabilities written back		(23,00,000)	-
(Gain)/ loss on sale of fixed assets		17,722	9,79,515
Net unrealised gain on foreign exchange		2,00,584	(3,38,349)
Provision/ (Reversal) of Doubtful/ Bad Debts		7,38,000	(9,70,694)
Provision withdrawn for warranty (net)		(98,46,053)	(28,99,004)
Provision for obsolete Stock		-	2,15,554
Dividend received		(82,66,121)	(82,13,826)
Fair value change in Investment		(1,12,022)	(1,99,553)
Operating profit before working capital changes		4,11,13,592	3,34,99,166
Changes in working capital			
Decrease in trade payables		(1,29,80,056)	1,59,11,796
(Decrease)/ increase in inventories		(11,39,07,775)	(1,74,95,282)
(Decrease)/ increase in trade receivables		(82,42,283)	1,32,35,765
(Decrease)/ increase in other current liabilities		3,33,91,611	8,71,056
(Decrease)/ increase in non-current liabilities		49,16,889	(83,91,245)
Increase in provisions		25,55,061	11,21,479
(Increase)/ decrease in other financial liabilities		(29,98,440)	18,18,382
Decrease/ (increase) in other financial assets		(4,79,148)	(80,06,545)
Re-measurement of Net Defined Benefit Liabilities		(11,72,546)	9,73,973
Cash generated from operations		(5,78,03,095)	3,35,38,545
Income tax refund		52,91,401	-
Income tax paid		(80,23,703)	(1,46,10,668)
Net cash flows used in operating activities (A)		(60,535,397)	18,927,877



STATEMENT OF CASH FLOW

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
CASH FLOW FROM INVESTING ACTIVITIES:			
Payment for property, plant and equipment and intangible assets		(87,32,072)	(4,37,74,047)
Purchase of Investments		(9,32,66,126)	(2,83,61,786)
Proceeds from sales of investments		16,00,00,000	3,00,00,000
Proceeds from sale/ disposal of fixed assets		-	27,79,304
Net proceeds from fixed deposits		(1,25,422)	1,72,078
Interest received		77,90,733	70,73,301
Dividend received		82,66,121	82,13,826
Net cash flow from investing activities (B)		7,39,33,234	(2,38,97,324)
CASH FLOW FROM FINANCING ACTIVITIES:			
Dividend paid & Distribution Tax		(63,99,840)	(1,27,78,694)
Net cash flow from financing activities (C)		(63,99,840)	(1,27,78,694)
Net increase in cash and cash equivalents (A+B+C)		69,97,997	(1,77,48,141)
Cash and cash equivalents at the beginning of the year		82,81,160	2,60,29,301
Cash and cash equivalents at the end of the year		1,52,79,157	82,81,160
Cash and cash equivalents comprise (Refer note 12)			
Balances with banks			
On current accounts		1,43,86,140	76,93,534
Fixed deposits with maturity of less than 3 months		8,81,976	5,68,249
Cash on hand		11,041	19,377
Total cash and bank balances at end of the year		1,52,79,157	82,81,160
See accompanying notes to the financial statements			
The accompanying notes are an integral part of the financial statements.	1-44		

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

Vinayak Padwal

Partner

Membership No: 049639

For and on behalf of the Board of Directors

De Nora India Limited

CIN: L31200GA1993PLC001335

Vinay Chopra

Managing Director

DIN : 06543610

Sarita D'Souza

Director

DIN : 06949439

Deepak Nagvekar

Chief Financial Officer

Jyoti Bandodkar

Company Secretary

Place : Goa

Date : May 09, 2019

Place : Goa

Date : May 09, 2019



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

1 General Information

De Nora India Limited ("the Company" or "De Nora") was incorporated in June 1989 as Titanor Components Limited ('Titanor') and commenced business in November 1989. The Company's name was changed to De Nora India Limited on 27 June, 2007. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on National Stock Exchange (NSE) in India. The Company has its manufacturing facilities at Kundaim, Goa which is also its principal place of business and is involved in the business of manufacturing and servicing of Electrolytic products.

2 Significant accounting policies

Significant accounting policies adopted by the Company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Net defined benefit (asset)/ liability measured at fair value of plan assets less present value of defined benefit obligations.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.



Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Vehicles	5 years
Office Equipment	5 years
Computers	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property, plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property, plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer Software	3-5 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount, the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Revenue Recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.



Rendering of services

The Company primarily earns revenue from recoating / repairs of electrolytic products. Revenue from recoating / repairs of electrolytic products is recognized in accordance with the terms of the contract with customers when the related performance obligation is completed. The Company recognizes revenue from such contracts in proportion to the stage of completion of the transaction at the reporting date except in cases where the Company retains risk and rewards of ownership, which is in cases where installation is a significant part of the contract. In such cases revenue is recognized on installation. The stage of completion is assessed based on survey of the work performed.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities".

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividend from investment is recognised as revenue when right to receive is established.

2.6 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

2.7 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease



unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2.8 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress and manufactured finished goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Provision of obsolescence on inventories is considered on the basis of Management's estimate based on demand and market of the inventories.

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

The comparison of cost and net realizable value is made on item by item basis.

2.9 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects,



when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

2.11 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

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

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.



Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.



Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

(c) Other long term employee benefit obligations

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

2.14 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and



for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company operates in two reportable segments i.e "Electrode Technologies" and "Water Technologies".

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis.

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

5 Property, plant and equipment

	Gross block				Depreciation				Net block		
	As at 1 April 2018	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2019	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2019	As at 1 April 2018	
Owned assets											
Leasehold Improvement	10,84,260	-	-	-	10,84,260	19,542	-	-	58,574	10,25,686	10,45,228
Office building	17,31,381	-	-	-	17,31,381	43,194	-	-	1,29,460	16,01,921	16,45,115
Factory building	2,47,21,285	-	-	-	2,47,21,285	18,43,803	-	-	54,21,084	1,93,00,201	2,11,44,004
Plant and Machinery	4,33,75,986	45,11,548	17,82,296	-	4,61,05,238	43,14,908	17,64,576	-	1,07,86,030	3,53,19,208	3,51,40,288
Furniture and Fixtures	22,68,361	2,34,633	-	-	25,02,994	2,77,113	-	-	9,09,330	15,93,664	16,36,144
Vehicles	24,95,951	-	-	-	24,95,951	3,47,114	-	-	8,23,156	16,72,795	20,19,909
Office Equipment	40,77,197	2,65,434	-	-	43,42,631	6,47,996	-	-	26,36,145	17,06,486	20,89,048
Computers	16,77,373	1,26,419	-	-	18,03,792	4,80,035	-	-	14,38,907	3,64,885	7,18,501
Total	8,14,31,794	51,38,034	17,82,296	-	8,47,87,532	79,73,705	17,64,576	-	2,22,02,686	6,25,84,846	6,54,38,237

	Gross block				Depreciation				Net block		
	As at 1 April 2017	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2018	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2018	As at 1 April 2017	
Owned assets											
Leasehold Improvement	10,84,260	-	-	-	10,84,260	19,542	-	-	39,032	10,45,228	10,64,770
Office building	17,31,381	-	-	-	17,31,381	43,193	-	-	86,266	16,45,115	16,88,308
Factory building	2,40,34,088	6,87,197	-	-	2,47,21,285	18,43,804	-	-	35,77,281	2,11,44,004	2,23,00,611
Plant and Machinery	4,45,63,218	27,70,034	39,57,266	-	4,33,75,986	47,31,729	(7,54,880)	-	82,35,698	3,51,40,288	4,03,04,369
Furniture and Fixtures	21,55,486	1,12,875	-	-	22,68,361	2,73,745	-	-	6,32,217	16,36,144	17,97,014
Vehicles	18,14,601	14,42,375	7,61,025	-	24,95,951	3,49,295	(2,41,966)	-	4,76,042	20,19,909	14,45,888
Office Equipment	32,87,145	8,93,052	1,03,000	-	40,77,197	11,40,393	(65,626)	-	19,88,149	20,89,048	23,73,763
Computers	14,81,078	1,96,295	-	-	16,77,373	4,91,019	-	-	9,58,872	7,18,501	10,13,225
Total	8,01,51,257	61,01,828	48,21,291	-	8,14,31,794	89,92,720	(10,62,472)	-	1,59,93,557	6,54,38,237	7,19,87,948



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

6 Other intangible assets

	Gross block					Depreciation				Net block		
	As at 1 April 2018	Additions – being internally developed	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2019	As at 1 April 2018
Computer Software	8,51,88,415	-	15,41,047	-	-	8,67,29,462	1,26,43,632	1,73,33,634	-	-	5,67,52,196	7,25,44,783
Total	8,51,88,415	-	15,41,047	-	-	8,67,29,462	1,26,43,632	1,73,33,634	-	-	5,67,52,196	7,25,44,783

	Gross block					Depreciation				Net block		
	As at 1 April 2017	Additions – being internally developed	Additions/ Adjustments	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2018	As at 1 April 2017	For the year	Deductions/ Adjustments	Assets classified as held for sale	As at 31 March 2018	As at 1 April 2017
Computer Software	8,29,728	-	8,43,58,687	-	-	8,51,88,415	2,72,629	1,23,71,003	-	-	7,25,44,783	5,57,099
Total	8,29,728	-	8,43,58,687	-	-	8,51,88,415	2,72,629	1,23,71,003	-	-	7,25,44,783	5,57,099



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

7 Financial Assets - Investments

	As at 31 March 2019	As at 31 March 2018
Investment in equity instruments (fully paid-up)		
Quoted equity shares		
10,000 (31 March 2018 : 10,000) equity shares of Bank of Baroda of Rs 2 each, (31 March 2018 : Rs. 2 each) fully paid-up	12,86,500	14,23,000
Unquoted equity shares	-	-
Equity investments at fair value through other comprehensive income (FVOCI)	12,86,500	14,23,000
Investments at fair value through profit and loss (fully paid)		
- Investments in Mutual Funds (Quoted) (Refer footnote i)	13,47,02,852	20,13,24,706
	13,47,02,852	20,13,24,706
Current	13,47,02,852	20,13,24,706
Non- Current	12,86,500	14,23,000
	13,59,89,352	20,27,47,706
Aggregate book value of:		
Quoted investments	13,47,02,852	20,13,24,706
Unquoted investments	-	-
Aggregate market value of:		
Quoted investments	13,47,02,852	20,13,24,706
Unquoted investments	-	-
Aggregate amount of impairment in value of Investments	-	-

Footnotes:

i. Details of investments in Mutual Funds (Quoted) designated at FVTPL:

Particulars	Number of units (in thousands)		Amount (in thousands)	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
HDFC Cash Management Fund - Savings Plan - daily dividend reinvestment	47,429	1,02,310	5,04,47,678	10,88,21,304
HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvest	19,810	-	2,02,02,264	-
Tata Floater Fund - Plan A - weekly dividend payout	61,565	89,873	6,21,88,812	9,07,78,523
Tata Floater Fund - Growth Plan	649	649	18,64,098	17,24,879
	1,29,453	1,92,832	13,47,02,852	20,13,24,706

8 Other financial assets

	31 March 2019	31 March 2018
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	84,85,693	80,06,545
	84,85,693	80,06,545



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

9 Other non-current assets

	31 March 2019	31 March 2018
Capital advance*	58,045	-
Prepaid rent	-	-
Advance tax provision	2,95,55,007	2,81,55,374
Total other non-current other assets	2,96,13,052	2,81,55,374

* Value of contracts in capital account remaining to be executed as at 31 March 2019 [INR - 4,58,295/-] (31 March 2018: [INR - Nil])

10 Inventories

	31 March 2019	31 March 2018
Raw material in stock (At cost)	7,35,42,937	4,70,70,493
Raw material in transit	27,16,926	6,23,078
Work in progress in stock (At cost)	8,40,88,126	1,33,92,489
Finished goods in stock (At lower of cost and net realizable value)	91,71,623	72,37,695
	16,95,19,612	6,83,23,755

11 Trade receivable

	31 March 2019	31 March 2018
Secured, considered good	-	-
Unsecured		
-Considered good	5,50,07,569	4,75,03,286
-Considered doubtful	1,16,66,518	1,16,32,496
Less : Allowance for bad and doubtful debts	(1,16,66,518)	(1,16,32,496)
	5,50,07,569	4,75,03,286
Further classified as:		
Receivable from related parties (Refer note 32)	-	13,03,938
Receivable from others	5,50,07,569	4,61,99,348
	5,50,07,569	4,75,03,286

12 Cash and cash equivalents

	31 March 2019	31 March 2018
Balances with banks:		
On current accounts	1,43,86,140	76,93,534
In exchange earner's foreign currency accounts	8,81,976	5,68,249
Fixed deposits with maturity of less than 3 months	-	-
Cash on hand	11,041	19,377
	1,52,79,157	82,81,160

Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Cash and cash equivalents

	31 March 2019	31 March 2018
Balances with banks:		
On current accounts	1,43,86,140	76,93,534
In exchange earner's foreign currency accounts	8,81,976	5,68,249
Fixed deposits with maturity of less than 3 months	-	-
Cash on hand	11,041	19,377
	1,52,79,157	82,81,160
Less: Bank overdrafts	-	-
	1,52,79,157	82,81,160

13 Bank balances other than Cash and cash equivalent

	31 March 2019	31 March 2018
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date*	10,00,00,000	10,00,00,000
Earmarked Balances - Unpaid dividend #	15,65,831	16,91,253
* Lien on FDR amounting to Rs. 3,28,30,957/- for credit line of Rs. 180 Lakhs (31 March 2018 - Rs. 150 Lakhs)		
# Amount restricted in use on account of unpaid dividend		
	10,15,65,831	10,16,91,253

14 Current financial assets - Loans

	31 March 2019	31 March 2018
<u>Unsecured, considered good</u>		
Loan to Staff	8,50,017	6,90,224
Security deposits	4,00,709	6,43,423
	12,50,726	13,33,647

15 Other current assets

	31 March 2019	31 March 2018
Advance recoverable in kind	29,81,890	71,58,711
Balance with Government authorities	1,04,95,635	77,56,144
Revenue deposit with Customs authorities	2,27,623	2,27,623
Prepaid expenses	7,63,119	7,65,606
Other receivables	17,19,098	47,54,691
Total	1,61,87,365	2,06,62,775



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

16 Share capital

(a) Equity shares

	31 March 2019	31 March 2018
Authorized		
Equity shares of Rs. 10 each	10,00,00,000	10,00,00,000
	10,00,00,000	10,00,00,000
Issued, subscribed and paid up		
Equity Shares of Rs. 10 each fully paid	5,30,86,340	5,30,86,340
Total	5,30,86,340	5,30,86,340

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	31 March 2019		31 March 2018	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	53,08,634	5,30,86,340	53,08,634	5,30,86,340
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	53,08,634	5,30,86,340	53,08,634	5,30,86,340

(c) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

(d) Shares held by the holding Company

	31 March 2019	31 March 2018
Oronzio De Nora International B. V.	28,49,500	28,49,500

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

Name of the shareholder	31 March 2019		31 March 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of INR 10 each fully paid Oronzio De Nora International B. V.	28,49,500	53.68%	28,49,500	53.68%

17 Other equity

(A) Securities premium reserve (SPR)*

	31 March 2019	31 March 2018
Opening balance	7,36,07,945	7,36,07,945
Add / (Less) : Movement during the year	-	-
Closing balance	7,36,07,945	7,36,07,945

*SPR comprises of premium on issue of shares to be utilized in accordance with the Companies Act, 2013.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

(B) General Reserve (GR)*

	31 March 2019	31 March 2018
Opening balance	7,06,76,362	7,06,76,362
Add / (Less) : Movement during the year	-	-
Closing balance	7,06,76,362	7,06,76,362

* GR is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

(C) Capital Redemption Reserve (CRR)*

	31 March 2019	31 March 2018
Opening balance	24,65,000	24,65,000
Add/(Less): Movement during the year	-	-
Closing balance	24,65,000	24,65,000

* CRR up to the nominal value of shares is created out of distributable profit for buyback of shares as per the Act.

(D) Surplus/(Deficit) in the Statement of Profit and Loss

	31 March 2019	31 March 2018
Opening balance	32,26,78,403	31,78,47,692
Add: Net Profit for the current year	1,58,70,331	1,69,03,786
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	(8,46,344)	7,05,619
Dividend on Equity Shares	(53,08,634)	(1,06,17,268)
Corporate Tax paid on Dividend	(10,91,206)	(21,61,426)
Closing balance	33,13,02,550	32,26,78,403

(E) Investments FVTOCI Reserve on equity instruments

	31 March 2019	31 March 2018
Opening balance	12,53,000	15,59,500
Change in fair value of FVTOCI equity instruments	(1,36,501)	(3,06,500)
As at 31 March 2019	11,16,499	12,53,000
Total other equity	47,91,68,356	47,06,80,710

18 Provisions

	Long term		Short term	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Provision for employee benefits (Refer note 31)				
Provision for gratuity (unfunded)	38,49,601	18,54,961	-	-
Provision for leave encashment (unfunded)	37,57,662	31,96,526	82,777	83,492
	76,07,263	50,51,487	82,777	83,492
Other provisions				
Provision for warranties	-	-	39,72,800	1,38,18,853
	-	-	39,72,800	1,38,18,853
Total Provisions	76,07,263	50,51,487	40,55,577	1,39,02,345



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

19 Trade payables

	31 March 2019	31 March 2018
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,22,04,677	4,51,84,733
Total trade payables (I)	3,22,04,677	4,51,84,733

*Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

20 Other financial liabilities

	31 March 2019	31 March 2018
Other financial liabilities at amortised cost		
Accrual of expenses	2,80,77,249	2,53,02,934
Employee Payable	90,49,847	47,47,673
Unpaid Dividend	15,65,831	16,90,859
Capital creditors	6,03,863	-
Total other financial liabilities (II)	3,92,96,790	3,17,41,466
Total financial liability (I+II)	7,15,01,467	7,69,26,199

21 Other current liabilities

	31 March 2019	31 March 2018
Statutory due payable	81,92,167	79,04,721
Advance from customer	3,63,40,267	32,36,102
Total other current liabilities	4,45,32,434	1,11,40,823

22 Revenue from operations

	31 March 2019	31 March 2018
Sale of goods (inclusive of excise duty)	10,74,46,297	6,53,41,543
Sale of services	21,98,19,937	20,69,02,211
Sale of Scarp	5,67,440	3,15,284
Total revenue from operations	32,78,33,674	27,25,59,038

Sale of goods includes excise duty collected from customers of INR Nil (31 March 2018: INR 22,60,465). Sale of goods net of excise duty is INR 10,74,46,297 (31 March 2018: INR 6,30,81,078). Revenue from operations for periods up to 30 June, 2017 includes excise duty. From 1 July, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government, hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended 31 March, 2019 is not comparable 31 March, 2018.

23 Other income

	31 March 2019	31 March 2018
Interest income		
- On deposits with bank	70,44,998	70,24,931
- On income taxes	6,49,739	-
- On Others	95,997	48,370



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

	31 March 2019	31 March 2018
Dividend income		
- from current investments	82,66,121	82,01,826
- from non current investments	-	12,000
Other non operating income		
- Fair valuation adjustments of Investments designated as FVTPL*	1,12,022	1,99,553
Income from deputations services	1,08,15,671	1,15,56,418
Warranty provision written back	98,46,053	28,99,004
Writeback of provision for doubtful debts (net)	-	9,70,694
Miscellaneous income	7,30,935	16,80,348
Liabilities written back	23,00,000	-
Total other income	3,98,61,536	3,25,93,144

* FVTPL of investments represent fair valuation changes in mutual funds.

24 Cost of material consumed

	31 March 2019	31 March 2018
Inventory at the beginning of the year	4,76,93,571	3,55,53,738
Add: Purchases	22,09,20,207	7,95,41,437
Less: Inventory at the end of the year	(7,62,59,863)	(4,76,93,571)
Cost of raw material consumed	19,23,53,915	6,74,01,604
	19,23,53,915	6,74,01,604
Purchases of stock-in-trade	-	2,63,115

25 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	31 March 2019	31 March 2018
Inventories at the beginning of the year		
- Finished goods	72,37,695	58,52,655
- Work-in-progress	1,33,92,489	96,37,634
	2,06,30,184	1,54,90,289
Less: Inventories at the end of the year		
- Finished goods	91,71,623	72,37,695
- Work-in-progress	8,40,88,126	1,33,92,489
	9,32,59,749	2,06,30,184
Net decrease/ (increase)	(7,26,29,565)	(51,39,895)
Add: Increase decrease in excise duty on closing stock	-	-
	(7,26,29,565)	(51,39,895)

26 Employee benefits expense

	31 March 2019	31 March 2018
Salaries, wages, bonus and other allowances	5,28,98,768	5,22,58,453
Contribution to Provident Fund and ESI	52,81,111	49,35,487
Gratuity and compensated absences expenses (Refer note 31)	24,04,527	24,72,698
Staff welfare expenses	43,62,585	40,42,039
Total employee benefits expense	6,49,46,991	6,37,08,677

Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of PF. However, the Company believes that there is not likely to be material impact and hence has not provided for any additional liability as on March 31, 2019 in the books of account.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

27 Depreciation and amortization expense

	31 March 2019	31 March 2018
Depreciation (Refer note 5)	79,73,705	88,92,720
Amortization (Refer note 6)	1,73,33,634	1,23,71,003
Total depreciation and amortization expense	2,53,07,339	2,12,63,723

28 Other expenses

	31 March 2019	31 March 2018
Stores and spares consumed	1,09,62,661	1,03,63,617
Packing material consumed	1,46,881	1,09,610
Job work charges	40,96,613	11,56,020
Labour charges	1,43,36,245	1,21,11,873
Electricity and water	71,65,217	68,04,234
Rent	-	18,000
Rates and Taxes	5,26,425	12,21,513
Repairs and maintenance - Building	28,10,067	15,49,089
Repairs and maintenance - Machinery	18,01,514	18,56,686
Repairs and maintenance - others	84,58,249	1,34,44,687
Insurance	14,19,757	17,46,184
Provision for obsolete Stock	-	2,15,554
Provision for Bad & Doubtful Debts	7,38,000	-
Foreign exchange fluctuation	2,71,726	25,36,708
Travel and conveyance	1,62,36,100	1,68,76,732
Freight and forwarding	29,66,827	12,42,827
Communication, broadband and internet expenses	13,24,314	14,09,682
Loss on sale/disposal of fixed assets	17,722	9,79,515
Corporate Social Responsibility 'CSR' expenses	17,00,096	18,00,226
Printing & Stationery	6,97,309	6,76,793
Advertisement and sales promotion	9,23,057	7,93,833
Legal and professional charges*	4,58,94,791	3,51,25,729
Commission	-	30,103
Bank charges	11,51,600	80,779
Donation	11,000	11,001
Royalty	97,19,287	84,99,204
Miscellaneous expenses	61,38,014	39,99,193
Total other expenses	13,95,13,472	12,46,59,392

*Note : Comprises of Auditors remuneration (exclusive of GST/ service tax)

	31 March 2019	31 March 2018
As auditor:		
Statutory audit	23,50,000	26,50,000
In other capacity:		
Tax audit	2,00,000	-
Other matters	-	55,000
Reimbursement of expenses	1,87,688	4,53,304
Total	27,37,688	31,58,304



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

Expenditure incurred on corporate social responsibility activities:

The Expenditure incurred for complying with provisions for the CSR expenditure required under Section 135 of Companies Act, 2013 is as follows:

	31 March 2019	31 March 2018
Gross amount required to be spent by the company during the year	17,00,227	16,72,020
Amount Spent during the year on :		
- Promotion of education	17,00,096	12,01,000
- Promoting gender equality and empowering women	-	3,00,000
- Making available safe drinking water	-	2,99,000
Total	17,00,096	18,00,000

29 Income Tax

(A) Deferred tax relates to the following:

	31 March 2019	31 March 2018
Deferred tax assets		
On provision for employee benefits	32,88,909	14,14,815
On disallowance u/s 40A of Income Tax Act, 1961	26,21,578	-
On re-measurements gain/(losses) of post-employment benefit obligations	3,26,202	-
On others	11,05,233	13,65,342
Provision for warranty	11,05,233	38,07,439
Provision for doubtful receivables	21,40,392	21,10,438
Provision for inventory obsolescence	63,74,050	61,04,456
MAT credit entitlement	-	23,01,666
	1,69,61,597	1,71,04,156
Deferred tax liabilities		
On property, plant and equipment	1,17,13,189	1,06,37,368
On others	1,31,177	3,67,405
	1,18,44,366	1,10,04,773
Deferred tax income	51,17,231	60,99,383
Less: Deferred tax asset not recognized	-	-
Deferred tax asset, net	51,17,231	60,99,383

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

	31 March 2019	31 March 2018
Opening balance as of 1 April	60,99,383	1,38,04,521
Tax liability recognized in Statement of Profit and Loss	(61,14,201)	(1,00,94,636)
Tax liability recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	3,26,202	(2,68,354)
Tax asset recognized in Statement of Profit and Loss	48,05,847	26,57,852
MAT credit entitlement	-	-
Closing balance as at 31 March	51,17,231	60,99,383



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

(C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss

	31 March 2019	31 March 2018
Tax liability	61,14,201	1,00,94,636
Tax asset	(48,05,847)	(26,57,852)
	13,08,354	74,36,784

(D) Income tax expense

	31 March 2019	31 March 2018
- Current tax taxes	10,24,373	41,00,000
- Adjustments in respect of current income tax of previous year	-	22,94,531
- Deferred tax charge / (income)	13,08,354	74,36,784
Income tax expense reported in the statement of profit or loss	23,32,727	1,38,31,315

(E) Income tax expense charged to OCI

	31 March 2019	31 March 2018
Unrealised (gain)/loss on FVTOCI debt securities	-	-
Unrealised (gain)/loss on FVTOCI equity securities	-	-
Net loss/(gain) on remeasurements of defined benefit plans	(3,26,202)	2,68,354
Income tax charged to OCI	(3,26,202)	2,68,354

(F) Reconciliation of tax charge

	31 March 2019	31 March 2018
Profit before tax	1,82,03,058	3,07,35,101
Income tax expense at tax rates applicable (2018-19: 27.82%, 2017-18 : 27.55%)	50,64,091	84,67,520
Change in tax rates	-	23,00,000
Tax effects of:		
- Item not deductible for tax / (taxable)	19,93,810	20,75,348
- Others (exempt income)	(22,99,635)	(22,63,000)
Adjustment of current tax relating to previous years	-	22,94,531
Reversal of deductible temporary difference	-	9,56,916
MAT Credit Aailed	(24,25,538)	-
Income tax expense	23,32,728	1,38,31,315

30 Earnings/ Loss per share

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2019	31 March 2018
Profit attributable to equity holders	1,58,70,331	1,69,03,786
Weighted average number of equity shares for basic EPS	53,08,634	53,08,634
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	53,08,634	53,08,634
Basic loss per share (INR)	2.99	3.18
Diluted loss per share (INR)	2.99	3.18



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

31 Employee benefits

(A) Defined Contribution Plans

	31 March 2019	31 March 2018
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –		
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 26)	52,81,111	49,35,487

(B) Defined benefit plans

	31 March 2019	31 March 2018
a) Gratuity payable to employees	38,49,601	18,54,961
b) Compensated absences for Employees	38,40,439	32,80,018

i) Actuarial assumptions

	31 March 2019	31 March 2018
Discount rate (per annum)	7.45%	7.65%
Rate of increase in Salary	8.00%	8.00%
Expected average remaining working lives of employees (years)	10.23	10.81
Attrition rate	3.00%	3.00%

ii) Changes in the present value of defined benefit obligation and plan assets

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Present value of obligation at the beginning of the year	1,71,48,147	1,76,90,559
Interest cost	12,40,434	11,83,534
Past service cost	-	-
Current service cost	12,85,508	13,26,790
Benefits paid	(4,12,318)	(20,58,498)
Actuarial (gain)/ loss on obligations	11,50,643	(9,94,238)
Present value of obligation at the end of the year	2,04,12,414	1,71,48,147
Plan assets at the beginning of the year	1,52,93,186	1,59,37,191
Expected return of plan assets	11,69,929	11,47,478
Contributions	5,33,869	2,87,280
Benefits paid	(4,12,268)	(20,58,498)
Actuarial gain / (loss)	(21,903)	(20,265)
Plan assets at the end of the year	1,65,62,813	1,52,93,186

iii) Expense recognized in the Statement of Profit and Loss

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Current service cost	12,85,508	13,26,790
Past service cost	-	-
Interest cost	12,40,434	11,83,534
Expected return on plan assets	(11,69,929)	(11,47,478)
Settlements	(5,33,869)	-
Actuarial (gain) / loss on obligations	-	-
Total expenses recognized in the Statement of Profit and Loss*	8,22,144	13,62,846

*Included in Employee benefits expense (Refer Note 26). Actuarial (gain)/loss of Rs. 11,50,643/- (31 March 2018: Rs. (9,94,238/-)) is included in other comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

iv) **Assets and liabilities recognized in the Balance Sheet:**

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Present value of funded obligation as at the end of the year	2,04,12,414	1,71,48,147
Fair Value of Plan Assets	1,65,62,813	1,52,93,186
Net defined benefit asset / (liability) recognized in Balance Sheet*	38,49,601	18,54,961

*Included in provision for employee benefits (Refer note 18)

v) **Expected contribution to the fund in the next year:**

	31 March 2019	31 March 2018
Gratuity	14,97,669	8,43,735

vi) **A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:**

	Employee's gratuity fund	
	31 March 2019	31 March 2018
Impact on defined benefit obligation		
Discount rate		
100 basis points increase	2,20,25,904	1,85,77,832
100 basis points decrease	1,89,82,684	1,58,85,272
Rate of increase in salary		
100 basis points increase	1,89,76,889	1,58,77,896
100 basis points decrease	2,20,01,470	1,85,58,837

vii) **Maturity profile of defined benefit obligation:**

Year	Employee's gratuity fund	
	31 March 2019	31 March 2018
Apr 2017 - Mar 2018	23,51,090	18,66,638
Apr 2018 - Mar 2019	13,05,865	8,43,735
Apr 2019 - Mar 2020	14,97,669	11,69,084
Apr 2020 - Mar 2021	25,03,657	14,01,048
Apr 2021 - Mar 2022	15,90,275	20,66,937
Apr 2022 onwards	95,75,069	90,05,251

32 Related Party Disclosures: 31 March 2019

(A) Names of related parties and description of relationship as identified and certified by the Company:

Parent & Ultimate Holding Company

Industrie De Nora S.p.A

Holding Company

Oronzio De Nora International B.V.

Key Management Personnel (KMP)

Mr. Manjeri Anantaraman Sundaram (upto 30 March 19)

Chairman/Independent Director

Mr. Satish Dhume (w.e.f 30 March 19)

Chairman/Independent Director

Mr. Vinay Chopra

Managing Director

Mr. Robert Scannell

Non-Executive Director

Ms. Sarita D'Souza

Non-Executive/ Independent Director

Ms. Supriya Banerji

Non-Executive/ Independent Director

Mr. Francesco L'Abbate

Non-Executive Director

Ms. Jyoti Bandodkar

Company Secretary

Mr. Deepak Nagvekar

Chief Financial Officer



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

Other related parties with whom transactions have taken place during the year

De Nora Deutschland GmbH	Fellow subsidiary
De Nora Tech LLC	--do--
De Nora Water Technologies Texas, LLC	--do--
De Nora Water Technologies LLC - Singapore Branch	--do--
De Nora Water Technologies Inc, Colmar	--do--
De Nora Italy S.r.l Singapore Branch	--do--
De Nora Permelec Limited	--do--
De Nora Elettrodi (Suzhou) Co. Ltd	--do--
De Nora Italy S.r.L	--do--
YPK & Associates	Relative of Director

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	31 March 2019	31 March 2018
Purchase of raw material, trading goods and spares		
Ultimate Holding Company	-	2,25,360
Fellow subsidiaries	2,72,71,309	55,28,103
Commission paid		
Fellow subsidiaries	-	30,103
Purchase of services		
Ultimate Holding Company	3,09,83,122	3,64,49,153
Fellow subsidiaries	41,69,455	1,25,60,886
Purchase of intangible assets		
Ultimate Holding Company	15,42,978	-
Fellow subsidiaries	-	-
Payment of royalty		
Ultimate Holding Company	97,19,287	84,99,204
Sale of goods and services		
Ultimate Holding Company	-	56,835
Fellow subsidiaries	1,56,66,891	89,41,312
Recovery of expenses		
Fellow subsidiaries	1,08,15,671	1,15,56,418
Dividends paid		
Holding company	28,49,500	56,99,000
Commission & Sitting Fees to Non-Executive Directors		
Key Management Personnel	2,75,000	2,90,000
Key Management Personnel (KMP)		
Compensation of key management personnel		
Short term employee benefit	63,72,596	65,79,770
Post-employment benefits	7,34,766	6,93,039

(C) Amount due to/from related party as on:

	31 March 2019	31 March 2018
Receivables		
Ultimate Holding Company	-	-
Fellow subsidiaries	13,03,938	65,68,337
Payables		
Ultimate Holding Company	2,17,97,466	1,91,36,464
Fellow Subsidiaries	14,93,943	1,59,34,000



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

(D) Terms and conditions of transactions with related parties

The Company's international / domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to 31 March, 2018, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered into with 'associated enterprises' as defined in Section 92A of the Income Tax Act, 1961. The Management believes that the international transactions and specified domestic transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

33 Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, Operating Segments

A. Basis for segmentation:

Operating segments are identified as those components of the Company

- that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components;
- whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and performance assessment and
- for which discrete financial information is available.

The Company has two reportable segments as described under 'Segment Composition' below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements

B. Reportable segments:

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

C. Segment profit:

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's Board of Directors

D. Segment composition:

As per the criteria specified under Ind AS 108 - Operating Segments, the Company for first time has identified "Electrode Technologies" and "Water Technologies" as its Operating Segments as at the reporting date.

E. Information about reportable segments:

	2018-19	
	Electrode technologies	Water technologies
Revenue		
External Customers	32,09,08,093	3,15,26,189
Inter-segment	-	-
Total revenue	32,09,08,093	3,15,26,189
Segment profit	3,13,58,952	(1,02,84,224)
Segment assets	38,73,06,687	10,12,83,290
Segment liabilities	9,03,26,595	3,73,70,146



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

F. Reconciliation of information on reportable segments

	2018-19
Total revenue from reportable segments	35,24,34,282
Un-allocable income	1,52,60,928
Less: Inter-segment Revenue	-
Total revenue	36,76,95,210
Total profit before tax for reportable segments	2,10,74,728
Un-allocable expenditure net-off un-allocable income	(28,71,671)
Total profit before tax from operations as reported in Statement of profit and loss	1,82,03,057
Total assets from reportable segments	48,85,89,977
Un-allocated assets	17,13,61,460
Total assets as reported in Balance sheet	65,99,51,437
Total liabilities from reportable segments	12,76,96,741
Un-allocated liabilities	-
Total liabilities as reported in Balance sheet	12,76,96,741

G. Geographical information

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table.

	2018-19	2017-18
India	31,08,63,988	25,97,64,884
Outside India	1,69,69,686	1,27,94,154
Total	32,78,33,674	27,25,59,038

H. Major customers

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

	2018-19	2017-18
Customer A	4,81,39,281	4,77,89,852
Customer B	4,18,01,000	4,10,92,738
Customer C	4,01,73,260	3,17,75,072
Customer D	-	3,00,10,000
Customer E	-	2,47,73,500
Total	13,01,13,541	17,54,41,162

34 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

35 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy of assets

	31 March 2019	31 March 2018
(a) <u>Financial Assets measured at fair value</u> Level 1 (Quoted price in active markets) Investments in mutual funds FVTPL	13,47,02,852	20,13,24,706
(b) <u>Financial assets measured at FVTOCI</u> Level 1 Investments in equity instruments FVTOCI Investment in equity shares is designated as FVTOCI*	12,86,500	14,23,000

*The equity instruments which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss are strategic investments and the Company has considered this to be more relevant.

There have been no transfers between Level 1 and Level 2 during the period

	31 March 2019	31 March 2018
<u>Financial assets measured at amortized cost</u>		
Trade receivables	5,50,07,569	4,75,03,286
Loans	12,50,726	13,33,647
Cash and cash equivalents	1,52,79,157	82,81,160
Banks and other Cash and cash equivalents	10,15,65,831	10,16,91,253
Other financial assets	84,85,693	80,06,545
<u>Financial liabilities measured at amortized cost</u>		
Trade payables	3,22,04,677	4,51,84,733
Other Payables	3,92,96,790	3,17,41,466

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, short-term loans and advances, other financial assets, trade payables, other payables are considered to be the same as their fair values.

36 Financial risk management objectives and policies

The Company has exposure to the following risks arising from financial instruments:

- Market risk;
- Credit risk; and
- Liquidity risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors along with the top management are responsible for developing and monitoring the Company's risk management policies. The Company does not engage in trading of financial assets for speculative purposes.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are monitored & reviewed periodically to reflect changes in market conditions and the Company's activities. The Company, through its training, standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The key risks and mitigating actions are placed before Management of the Company who then evaluates and takes the necessary corrective action.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

(A) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The Company is exposed to market risk primarily related to foreign exchange rate risk. Thus, our exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is subject to the risk that changes in foreign currency values impact the Company's exports revenue and imports of raw material. The risk exposure is with respect to various currencies viz. USD, GBP and EURO. The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	31 March 2019		31 March 2018	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	2,345	14,560	62,791	71,634
	2,345	14,560	62,791	71,634
Financial liabilities				
Trade payables	21,593	2,94,982	1,88,604	4,12,025
	21,593	2,94,982	1,88,604	4,12,025
Net exposure to foreign currency risk (liabilities)	(19,248)	(2,80,422)	(1,25,813)	(3,40,391)

(b) Foreign currency sensitivity analysis

The sensitivity of profit and loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments. The following tables demonstrate the sensitivity to a reasonably possible change in USD and EUR exchange rates, with all other variables held constant:

	Impact on profit before tax	
	31 March 2019	31 March 2018
USD		
- Increase by 1%	(13,370)	(81,992)
- Decrease by 1%	13,370	81,992
EUR		
- Increase by 1%	(2,19,767)	(2,76,772)
- Decrease by 1%	2,19,767	2,76,772

(ii) Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds and equity shares. The price risk arises due to uncertainties about the future market values of these investments.

At 31 March, 2019, the investments in mutual funds amounts to Rs. 13,47,02,852 (31 March, 2018: Rs. 20,13,24,706). These are exposed to price risk.

The Company has laid policies and guidelines which it adheres to in order to minimize price risk arising from investments in equity mutual funds.

1% increase in prices would have led to approximately an additional Rs. 13.47 lakhs gain in the Statement of Profit and Loss (2017-18: Rs.20.13 lakhs gain). 1% decrease in prices would have led to an equal but opposite effect.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, cash and cash equivalents and deposits with banks, investment in securities and other financial instruments measured at amortized cost.

The carrying amounts of financial assets represents maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

However, the credit risk arising on cash and cash equivalents is limited as the Company invest in deposits with banks and financial institution with credit ratings and strong repayment capacity. Investment in securities primarily include investment in liquid mutual funds units and equity shares.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	31 March 2019	31 March 2018
Not due	2,52,80,936	3,07,28,643
Past due 1-180 days	2,10,13,798	1,04,16,540
Past due for more than 180 days	2,03,79,353	1,79,90,599
	6,66,74,087	5,91,35,782

Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Movement of provision for doubtful debts:

	31 March 2019	31 March 2018
Balance at the beginning of the year	1,16,32,496	1,26,69,896
Amount provided during the year (net of reversal)	7,38,000	30,02,106
Amounts written off	(7,03,978)	(40,39,506)
Balance at the end of the year	1,16,66,518	1,16,32,496

Cash and cash equivalent

As at the year end, the Company held cash and cash equivalents Rs 1,52,79,157 [31 March 2018 - Rs. 82,81,160]
The cash and cash equivalents are held with banks with good credit rating.

Other bank balances

Other bank balances are held with banks with good credit rating.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

Investments

The Company limits its exposure to credit risk by generally investing in liquid mutual funds and securities of counter parties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties.

Other financial assets

Other financial assets are neither past due nor impaired.

(C) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and liquid mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities

Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Carrying amount	Upto 1 year	Between 1 and 5 years	More than 5 years	Total
31 March 2019					
Trade payables	3,22,04,677	3,22,04,677	-	-	3,22,04,677
Other financial liability	3,92,96,790	3,92,96,790	-	-	3,92,96,790
	7,15,01,467	7,15,01,467	-	-	7,15,01,467
31 March 2018					
Trade payables	4,51,84,733	4,51,84,733	-	-	4,51,84,733
Other financial liability	3,17,41,466	3,17,41,466	-	-	3,17,41,466
	7,69,26,199	7,69,26,199	-	-	7,69,26,199

37 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2019	31 March 2018
Equity		53,22,54,696	52,37,67,050
Convertible preference share		-	-
Total equity	(i)	53,22,54,696	52,37,67,050
Borrowings other than convertible preference shares		-	-
Less: cash and cash equivalents		(1,52,79,157)	(82,81,160)
Total debt	(ii)	(1,52,79,157)	(82,81,160)
Overall financing	(iii) = (i) + (ii)	51,69,75,539	51,54,85,890
Gearing ratio	(ii)/ (iii)	0.00%	0.00%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March, 2019 and 31 March, 2018.



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

38 Provisions

Warranties/ recoating

The Company offers warranties for one of the critical parts of certain electro chlorinators and for some of its coating / recoating services for an initial period of two years followed by support contracts for a period of four years in the case of electro chlorinators and for a period of six years in the case of coating, eight years in case of recoating services during which period amounts are recoverable from the customers based on pre-defined terms. Estimated costs from warranty terms standard to the deliverable are recognised when revenue is recorded for the related deliverable. The Company estimates its warranty costs standard to the deliverable based on historical warranty claim experience and applies this estimate to the revenue stream for deliverables under warranty. Future costs for warranties applicable to revenue recognised in the current period are charged to the revenue account.

The warranty accrual is reviewed periodically to verify that it properly reflects the remaining obligation based on the anticipated expenditures over the balance of the obligation period. Adjustments are made when the actual warranty claim experience differs from estimates. Provisions include estimated costs of support maintenance contracts to the extent such estimated costs are expected to exceed the expected recovery during the obligation period. No assets are recognised in respect of the expected recovery on support contracts.

Factors that could impact the estimated claim information include the Company's productivity, costs of materials, power and labour and the actual recoveries on support contracts.

The movement in the provision for warranties/ recoating are summarised as under :

	31 March 2019	31 March 2018
Opening carrying amount	1,38,18,853	1,67,17,857
Additional provision during the year	-	-
Unused amounts reversed during the year	98,46,053	28,99,004
Closing carrying amount	39,72,800	1,38,18,853

39 Disclosure In Accordance With Ind AS - 11

	31 March 2019	31 March 2018
A. Contract revenue (net of excise)	-	-
B. Disclosure for contracts in progress:		
i. Aggregate amount of costs incurred	-	-
ii. Recognized profits (net of recognized losses)	-	-
iii. Retention money	-	-
C. Gross amount due from customers for contract work	-	-
D. Gross amount due to vendors for contract work	-	23,00,000

40 Contingencies and Commitments

	31 March 2019	31 March 2018
Contingent liabilities		
Claims in respect of excise matters*	-	11,32,341
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances), not provided for	4,00,250	-

41 During the year the Company has not capitalised any borrowing costs as per Ind AS 23 - "Borrowing costs".



NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March, 2019

[All amount in INR, unless otherwise stated]

- 42 As per Ind AS 36 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from fixed assets. Accordingly, no impairment loss has been provided for the year ended 31 March 2019 (31 March 2018: ₹ Nil) in the books.
- 43 In the opinion of the Board, the Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- 44 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

Vinayak Padwal

Partner

Membership No: 049639

For and on behalf of the Board of Directors

De Nora India Limited

CIN: L31200GA1993PLC001335

Vinay Chopra

Managing Director

DIN : 06543610

Sarita D'Souza

Director

DIN : 06949439

Deepak Nagvekar

Chief Financial Officer

Jyoti Bandodkar

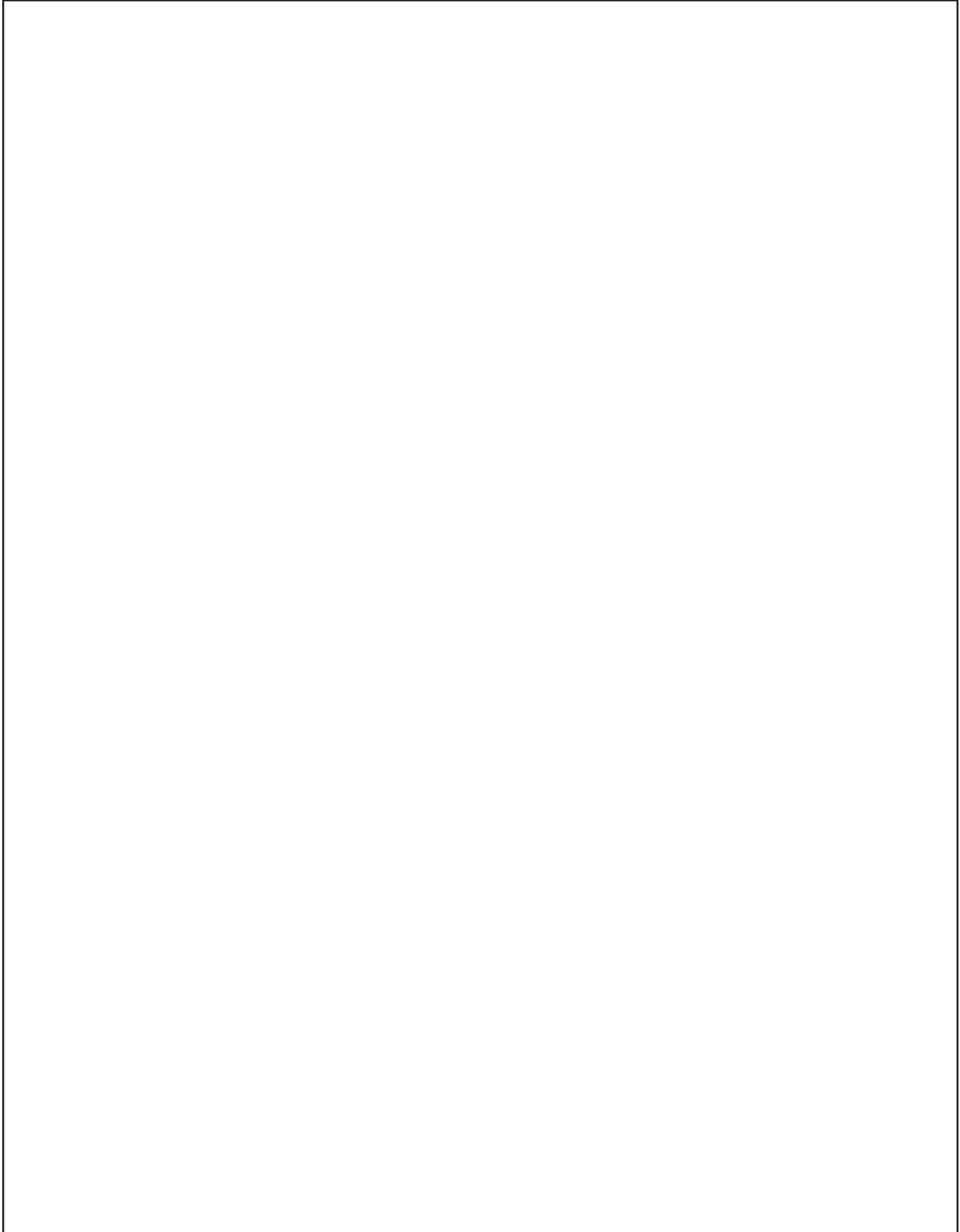
Company Secretary

Place : Goa

Date : May 09, 2019

Place : Goa

Date : May 09, 2019





SH- 13

Please fill this Nomination form in Duplicate after carefully reading the instructions given below:
NOMINATION FORM

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies
(Share Capital and Debentures) Rules, 2014]

To,
De Nora India Limited
Plot Nos. 184, 185 & 189, Kundaim Industrial Estate,
Kundaim, Goa – 403 115

I/We _____
residing at _____

the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) PARTICULARS OF NOMINEE

Name: _____		Date of Birth: ____/____/____		Signature of the Nominee
Father's/ Mother's/ Spouse's name: _____		Occupation: _____	Nationality: _____	
E-mail id: _____				
Phone No : _____	Relationship with the security holder: _____	_____		
Address: _____ _____			Pin code _____	

3) IN CASE NOMINEE IS A MINOR

Date of birth: ____/____/____	Date of attaining Majority: ____/____/____	Name of guardian: _____
Address of guardian: _____		Pincode : _____

Name of the Security Holder(s)	Signature
1. _____	_____
2. _____	_____
3. _____	_____
Name of witness Address: _____ Pincode _____	Signature of Witness with date _____
Place: _____	Date: ____/____/____



1. The Nomination can be made by individuals only holding shares singly or jointly. Non-individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The Member[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per Section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of any one of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving Members.
6. The nomination form filled in “**duplicate**” should be lodged with the Registrar and Share Transfer Agent of the Company i.e. **M/s. Bigshare Services Private Limited, (Unit: De Nora India Limited), 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments, Makwana Road, Marol, Andheri East, Mumbai 400059. Ph. No.: 022 62638200/62638204 Fax No.: 022 62638299.** The Registrar will return one copy of the nomination form to the Member after registering the nomination. The registration number allotted will be furnished in the said form.
7. The Member[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)
8. Nomination stands cancelled whenever the shares in the given folio are transferred / dematerialized. Also incase of change in folio due to consolidation/transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the Company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness certify that the nominator has signed the form in their presence. Furthermore, the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. A copy of photo identity proof (like PAN/Passport) of nominee is required.

FOR OFFICE USE ONLY		
Nomination Registration No.	Date of Registration	Signature of Employee with Code No.

If undelivered, please return to :

DE NORA INDIA LIMITED

Registered Office and Works:

Plot Nos. 184, 185 & 189, Kundaim Industrial Estate
kundaim, Goa - 403 115.