



DAI-ICHI

**55th ANNUAL REPORT
2014-2015**

DAI-ICHI KARKARIA LIMITED

[CIN: L24100MH1960PLC011681]

Contents:	Page
Notice	2
Directors' Report	8
Corporate Governance Report	34
Standalone Financial Statements:	
Auditors' Report	42
Balance Sheet	46
Statement of Profit and Loss	47
Cash Flow Statement	48
Notes forming part of Financial Statements	50
Consolidated Financial Statements:	
Auditors' Report on Consolidated Financial Statements	77
Consolidated Balance Sheet	82
Statement of Consolidated Profit & Loss	83
Consolidated Cash Flow Statement	84
Notes forming part of Consolidated Financial Statements	86
Salient features of the Financial Statement of Subsidiary/Associate and Joint Venture	113

Annual General Meeting

Date & Time:

Friday, 31st July 2015 at 12.00 p.m.

Venue:

M. C. Ghia Hall,
Bhogilal Hargovindas Building,
4th Floor, 18/20 Kaikhushru Marg,
Mumbai 400 001

Book Closure Dates

July 25, 2015 to July 31, 2015

Dividend Payment Date

14th August, 2015

BOARD OF DIRECTORS:

Mrs. S. F. Vakil

*Chairperson &
Managing Director*

Mr. J. H. C. Jehangir

(resigned w.e.f. 16.01.2015)

Mr. A. H. Jehangir

Mr. K. D. Patel

Dr. A. M. Naik

Mr. K. M. Elavia

Financial Comptroller:

Mr. Nitin Nimkar

Company Secretary:

Mrs. Kavita Thadeshwar

Bankers:

Bank of India

HDFC Bank Ltd.

Kotak Mahindra Bank

Statutory Auditors:

Deloitte Haskins & Sells LLP,
Chartered Accountants, Mumbai

Solicitors:

Bharucha & Partners

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai – 400 020.
Tel: 2201 7130/2201 5895
email: investor@dai-ichiindia.com
website: www.dai-ichiindia.com

Works:

1. 105th Milestone, Mumbai-Pune Marg,
P.O. Kasarwadi, Pune – 411034.
2. Kurkumbh Industrial Area, Plot No. D-13,
Village Kurkumbh, Tal. Daund, Dist. Pune.

Registrars and Transfer Agents:

Sharex Dynamic (India) Private Ltd.
Unit 1, Luthra Industrial Premises,
Andheri-Kurla Road, Safed Pool,
Andheri (E), Mumbai – 400 072
Tel: 2851 5606/2851 5644
email: sharexindia@vsnl.com
website: www.sharexindia.com



NOTICE

NOTICE is hereby given that Fifty-Fifth Annual General Meeting of the Members of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Friday, the 31st day of July, 2015 at 12.00 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 Kaikhushru Dubash Marg, Mumbai – 400 001 to transact the following business:

Ordinary Business

1. To receive, consider and adopt:
 - (a) the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2015 and the Reports of Board of Directors and Auditors thereon; and
 - (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2015 and the Report of the Auditors thereon.
2. To declare a dividend for the year ended 31st March, 2015.
3. To appoint a Director in place of Mr. A. H. Jehangir (DIN: 00001752), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To ratify the appointment of Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, Firm's Registration No. 117366W/W-100018 as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors and the Auditors.

Special Business

5. To appoint Ms. Meher Vakil as Chief Operating Officer of the Company and in this regard 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(i)(f) of the Companies Act, 2013 (the “Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is accorded to Ms. Meher Vakil, a relative of Mrs. S. F. Vakil, Chairperson & Managing Director, to hold office or place of profit as Chief Operating Officer (COO) w.e.f. 1st September, 2015, as per the terms & conditions and remuneration set out in the Explanatory Statement, which is Annexed to the notice convening the Annual General Meeting.
FURTHER RESOLVED THAT the Company Secretary of the Company be and is hereby authorized to do all such acts and take such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”
6. To ratify the remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership No. 5599) appointed as Cost Auditor of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:
“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration of ₹ 1,20,000/- plus applicable taxes and reimbursement of actual out of pocket expenses payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership No. 5599), appointed by the Board of Directors, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2015, be and is hereby ratified.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Dai-ichi Karkaria Ltd.

Kavita Thadeshwar
Company Secretary

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

Place : Mumbai
Date : June 8, 2015

NOTES:

- (1) **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and vote on a poll instead of himself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy of any other person or member. The instrument of proxy in order to be effective, should be deposited at the registered office of the company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.**
- (2) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (3) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to Special Business to be transacted at the Annual General Meeting is annexed.
- (4) The Register of Members and Share Transfer Books of the Company will remain closed from July 25, 2015 to July 31, 2015 (both days inclusive) in connection with the Annual General Meeting.
- (5) Dividend as recommended by the Directors if declared at the meeting, will be payable to those Members whose names appear on the Register of Members as on 31st July, 2015. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by National Securities Depository Ltd and Central Depository Services (I) Ltd. for this purpose as on July 24, 2015. Date of payment will be August 14, 2015.
- (6) The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In cases where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. Members are therefore requested to update their NECS/Bank details with the Depositories/Share Registrar of the Company.
- (7) Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956 (which are still applicable as the relevant sections under the Companies Act, 2013 are yet to be notified) dividend for the financial year ended 31st March, 2008 and thereafter which remains unclaimed for a period of seven years will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government. The Shareholders who have not claimed or encashed their dividend warrants for the financial year 2008 and subsequent years are therefore requested to approach the Company in writing with their details to facilitate payment.
The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts. The Company has uploaded the information on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company viz. www.dai-ichiindia.com.
- (8) Members whose shareholding is in physical mode are requested to immediately notify any change in their addresses to M/s. Sharex Dynamic (India) Pvt. Ltd. at Unit – 1, Luthra Ind. Premises, Andheri Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 and members whose shareholding is in electronic mode are requested to direct change of their address notification to their respective Depository Participants.
The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participants with whom they maintained – their demat accounts. Members holding shares in physical form should submit their PAN to M/s Sharex Dynamic (India) Pvt. Ltd.
- (9) The Shareholders desiring any information as regards Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- (10) Members/proxies are requested to bring Attendance Slips and their copies of Annual Report along with them as copies of the Report will not be distributed at the meeting.



- (11) In support of “Green Initiative in Corporate Governance” announced by the Government of India and Clause 32 of the Listing Agreement with the Stock Exchange, Copy of Annual Report alongwith Notice, indicating the process and manner of remote e-voting are being sent by email to those Members whose email addresses have being available to the Depository Participants unless the Member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report alongwith Notice will be sent in the permitted mode.

The Company hereby requests the Members holding shares in electronic mode to update their email address with their Depository Participant(s). Members holding shares in physical mode are requested to update their email address by writing to the Registrar of the Company.

- (12) All documents referred to in the Notice & Explanatory Statement are open for inspection to the members at the Registered Office of the Company between 11 a.m. to 1 p.m. on all working days, except Saturday till the date of this Annual General Meeting.
- (13) In terms of clause 49 of the listing agreement, the information relating to directors retiring by rotation and seeking re-appointment/appointment is as under:

Mr. A. H. Jehangir

Brief resume and nature of expertise:

Mr. A. H. Jehangir is a Commerce Graduate and is one of the promoters of the Company. He is a Director of the company since 1986. Mr. Jehangir has experience of more than 25 years in investment business.

Mr. A. H. Jehangir holds 100 equity shares of the Company. Apart from Dai-ichi Karkaria Ltd., Mr. Jehangir holds directorship of the following companies:

Sr. No.	Name of the Company	Designation
1.	Amerado Trading Company	Director
2.	Wild Flower Trading Company	Director
3.	Jehangir Brand Management Pvt. Ltd.	Director

- (14) **Voting through Electronic means:** In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their voting rights at the 55th Annual General Meeting (AGM) by electronic means and the business may be transacted through ‘remote e-voting’ services provided by Central Depository Services (India) Ltd. (CDSL).

(A) The instructions for shareholders voting electronically are as under:

- (i) The remote e-voting period begins on **July 28, 2015 at 10 a.m.** and ends on **July 30, 2015 at 5.00 p.m.** During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **July 24, 2015** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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 printed on the Attendance Slip, in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 i.e. **DAI-ICHI KARKARIA 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same 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) **Note for Non-Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as 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 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.



- (xix) Those persons, who have acquired shares and have become Members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on cut-off date i.e. 24th July, 2015 shall view the Notice of the 55th AGM on the Company's website or on the website of CDSL. Such Members shall exercise their voting rights through remote e-voting by following the procedure as mentioned above or by voting at the AGM.
- (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.
- (xxi) M/s Ragini Chokshi & Co., Practicing Company Secretaries, has been appointed as a Scrutinizer to scrutinize the remote e-voting and voting process at the AGM in a fair and transparent manner. E-Voting is optional to the shareholders, the shareholders can alternatively vote in the AGM by physically attending the AGM.
The facility for voting, through ballot paper shall also be made available at the venue of the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.
A Member can opt for only one mode of voting i.e. either through e-voting or in physical form. If a Member casts his/her vote by both modes, then voting done through e-voting shall prevail and the vote by ballot shall be treated as invalid.
- (xxii) The Voting Results along with the Consolidated Scrutinizer's report shall be placed on the Company's website www.dai-ichiindia.com and on the website of CDSL not later than three days of conclusion of the AGM of the Company and communicated to the Bombay Stock Exchange (BSE).

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 REGARDING SPECIAL BUSINESS

Item No. 5:

On recommendation of the Nomination & Remuneration Committee & subject to the approval of Members, the Board of Directors have appointed Ms. Meher Vakil as a Chief Operating Officer (COO) of the Company, with effect from 1st September, 2015, on following terms and conditions:

a) Salary:

₹ 3,20,000/- (Rupees Three Lacs Twenty Thousand Only) per month with annual increments not exceeding 15% effective from 1st April each year, as may be decided by the Board/Committee thereof.

b) Perquisites, Allowances & Incentives:

- i. Rent free unfurnished accommodation or House Rent Allowance of 50 per cent of salary in lieu thereof.
- ii. Use of Company's car with driver.
- iii. Reimbursement of a telephone bill at residence and a cellular phone bill.
- iv. Reimbursement of membership fees of one club.
- v. Statutory benefits such as Medical Reimbursement, Leave Travel Allowance, Contribution to Provident Fund, Gratuity etc. as per the rules of the Company.
- vi. Performance linked incentive/bonus not exceeding ₹ 12,00,000/- (Rupees Twelve Lacs Only) at the end of each financial year, as may be determined by the Board of Directors/Committee thereof.

All allowances, perquisites, etc. shall be valued as per Income Tax Rules, 1962 as amended from time to time, wherever applicable.

Ms. Meher Vakil is a Bachelor of Arts in Economics with Double Concentration in Business Institutions from the Northwestern University, US and has relevant experience in Marketing and Business Development. Prior to her appointment as COO of the Company, she was a Director of Sales in a New York based Company.

As per the provisions of Section 188(1)(f) of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014, approval of members is required for appointment of a Related Party to office or place of profit at a remuneration exceeding the specified limits.

The resolution is recommended to the shareholders for passing as an Ordinary Resolution.

Except Mrs. S. F. Vakil, Chairperson & Managing Director and her relatives (to the extent of their shareholding interest in the Company), no Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6

The Board, on recommendation of the Audit Committee, has approved the appointment of Mr. Sudhir Govind Jog, Cost Accountant, (Membership No. 5599) to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2015, on a remuneration of ₹ 1,20,000/- plus applicable taxes and reimbursement of actual out of pocket expenses.

In accordance with the provisions of Sections 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration is required to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item No. 6 for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2015.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6.

By Order of the Board
For Dai-ichi Karkaria Ltd.

Kavita Thadeshwar
Company Secretary

Registered Office:

Liberty Building, Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

Place : Mumbai

Date : June 8, 2015

Route Map to the venue of the AGM





DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Fifty-Fifth Annual Report together with the audited accounts for the year ended March 31, 2015.

FINANCIAL RESULTS:

Operational Performance	2015 (₹ in millions)	2014 (₹ in millions)
Gross Revenue from operations	1116.63	1175.22
Less: Excise duty	93.93	97.48
Net Revenue from operations	1022.70	1077.74
PBDIT (before exceptional item)	159.66	110.21
PBDIT (after exceptional item)	234.19	170.36
EPS (₹)	19.84	16.79
Book Value of Shares (₹)	116.13	99.29

DIVIDEND:

The Directors are pleased to recommend a dividend of ₹ 2.00 per equity share and a special dividend of ₹ 0.50 per equity share aggregating to ₹ 2.50 per equity share of ₹ 10 each for the year ended 31st March, 2015. The dividend payout will aggregate to ₹ 18.63 million and the tax on distributable profits payable by the Company would amount to ₹ 3.72 million.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

INDUSTRY STRUCTURE & DEVELOPMENT: OPPORTUNITIES AND THREATS, RISKS AND CONCERNS

The Chemical Industry is a crucial constituent of the growing Indian Economy, providing the key raw materials for several industries, viz. for the Textile, Paint, Agro, Paper, etc.

With the Indian chemical industry projected to grow to \$ 190 billion by 2017-18, and the Specialty Chemical market growing at a healthy trend of 14 – 15% over the past 5 years, the future for this Industry is extremely bright.

With the growing middle class population and increasing purchasing power, a consumption driven demand for Specialty Chemicals and Polymers continues in spite of the challenging macroeconomic scenario we have experienced in India in the past year.

In addition, low per capita consumption in various industry segments, augurs a huge potential for the Specialty Chemical Industry. The Role of Specialty Chemicals in the expanding demand for innovative, performance based products remains significant.

The first half of the financial year, saw a gloomy outlook for the Indian economy still in the throes of a slowdown, with subdued demands, high interest rates, and double digit inflation.

With the political changes taking place in the Second Quarter, there has been a surge in optimism, resulting in improved sentiments. However there has yet to be noticeable changes at the ground level on investments.

Future growth is critically dependent on the Government's ability to persist with reforms and achieve a growth rate of 8%.

With the Indian economy on the brink of change the Chemical Industry, will be the first to scale new heights.

The new national program of "Make in India" designed to facilitate investment, foster innovation and enhance skill development will hopefully bring in tremendous changes and take the growth rate from 5% to 10%. This will require overcoming several challenges that exist today, viz. poor infrastructure and port facilities, transport bottlenecks, inadequate feedstock availability, complex tax structures, etc.

Financial Highlights:

The Total Sales Revenue for the Company for the year, was ₹ 1117 millions. The macro economic situation in the country in the past year has been challenging, resulting in only very modest growth in revenues over a few of the Company's business segments. On the other hand, projects stalled in the Coal & Iron ore and Mining sectors have negatively impacted the Sales from the Kurkumbh Division.

The EBITA margins show a pre-exceptional increase of 23 percent.

This is attributable to a change in product mix towards higher value-added products, increased use of production capacities, and savings from various efficiency programs instituted by the Company.

Profit before Tax has increased to ₹ 190.07 million from ₹ 153.71 million in 2013-14.

Sector-wise performance:

The traditional businesses of the Company have not shown any major growth and have remained stagnant over this past year. This is mainly due to the lackluster environment and poor performance of the Indian economy, showing marginal growth.

Though we have seen some organic growth in the areas of Rayon finishes and Emulsifiers for the Paint Industry, by and large the other Industrial segments have maintained market share, minimizing losses in revenue, against a weak economy.

The Company continues to supply its Joint Venture Partner with products for the oil field, both for the Indian market as well as exports to the Asia Pacific region.

The world demand for oil field chemicals is forecast to increase 6% per year as technological advances and the level of oil and gas exploration activities drive gains.

While the decline of oil prices in the second half of 2014 constitutes a setback the underlying factors which have led to a rapid growth in chemical demand should foster a strong rebound. While falling oil prices have made many projects economically unattractive in the short term, market forces like the growing energy demand, and depletion of easily recoverable oil and gas, will insure the longer term profitability of many high cost projects, and in turn the need for oil field chemicals.

The need for more environmentally friendly chemicals will continue to impact the market in many countries supporting demand for products which meet stringent environment and regulatory requirements.

Products identified as green, are biodegradable or bio-based with a low carbon footprint and low toxicity. In the past few years most chemical companies have recognized the need and committed to continuous improvement of environment performance.

The Company expects its Construction chemical portfolio to grow exponentially on the back of the new Government's focus on infrastructure and the 100% FDI in real estate. This is considered a sunrise industry which has grown at the rate of more than 12% p.a. between 2009 and 2014 and expected to grow at 15% p.a. for the next 5 years. As the Economy grows India's real estate and infrastructure needs for concrete admixtures will more than double. The increased end market growth together with usage intensity for high end applications to achieve faster and better performance (e.g. high rises, bridges, etc.) will drive usage of these chemicals.

The balanced portfolio of products has allowed the Company to enhance its bottom line during challenging times. Though the precipitous fall in oil prices has impacted many petro-chemical value chains, it has reduced raw material prices for the Company, bringing in new opportunities.

The Indian market is competitive and the Company must find innovative solutions that are cost effective and provide the customer with what they need. This keeps the Company on a growth path in niche segments, whilst garnering additional market share.

The Company will continue to focus on the development of an innovative and sustainable product portfolio. Developments that fall within this category would be APGs, APEO free based products on market needs, High performance Rayon additives, New generation Pigments, Cost effective PPDs, Cationic Polyacrylamides for Deoiler applications in the oilfield, New PPDs for Lube oils.

The Company's concern for energy management and energy consumption optimization measures, including the study of heating and cooling solutions, continues to be a serious focus.