

## INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



### 36<sup>TH</sup> ANNUAL GENERAL MEETING

Date : 27th September, 2017  
Day : Wednesday  
Time : 12.30 p.m.  
Place : **Registered Office :**  
Bajwa Chhani Road,  
Behind G. S. F. C. Complex,  
Vadodara - 391 310.

### REGISTRAR & SHARE TRANSFER AGENTS :

SHAREX DYNAMIC (INDIA) PRIVATE LIMITED  
1ST FLOOR, LUTHRA INDUSTRIAL ESTATE,  
SAFED POOL, ANDHERI-KURLA ROAD,  
ANDHERI (EAST), MUMBAI - 400 093.

### BOARD OF DIRECTORS

**SHRI M. N. BHUVA** (Chairman & Managing Director)

SHRI B. T. MALLYA

SHRI NITIN SHAH

SMT. RANAK M. BHUVA

### AUDITORS

M/S. SHAH, SHAH & SHAH

### REGISTERED OFFICE :

BAJWA CHHANI ROAD,  
BEHIND G. S. F. C. COMPLEX,  
VADODARA - 391 310.  
(GUJARAT)

### ADMINISTRATIVE OFFICE

MAKER BHAVAN NO. 2,  
18, NEW MARINE LINES,  
MUMBAI - 400 020.

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## INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



### NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Members of **Indu Nissan Oxo Chemical Industries Limited** will be held at the Registered Office of the Company at Bajwa-Chhani Road, Behind G.S.F.C Compound, Vadodara -391310, Gujarat on Wednesday, 27th September, 2017 at 12.30 P.M. to transact the following Business: **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2017 together with the Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Mehool Bhuva [DIN: 00520892], who retires by rotation, and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s. Shah, Shah & Shah, Chartered Accountants (Firm Registration no. 116457W) as statutory auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the 34th AGM held on 15th September 2015, the appointment of M/s. Shah, Shah & Shah, Chartered Accountants (Firm Registration no. 116457W) as the statutory auditors of the Company to hold office till the conclusion of the 39th Annual General Meeting to be held for Financial Year ending 2020, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to fix such remuneration payable to them including any out of pocket expenses incurred, for the financial year 2017-18, as may be determined by the Audit Committee in consultation with the auditors and that such remuneration may be paid as may be agreed upon between the auditors and the Board of Directors.”

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

**Place: Mumbai  
Date: 14/08/2017**

**MEHOOL BHUVA  
Managing Director  
DIN: 00520892**

**REGISTERED OFFICE:**

*Bajwa-Chhani Road,  
Behind G.S.F.C Complex,  
Vadodara—391310 (Gujarat)*

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A proxy shall not have a right to speak at the AGM and shall not be entitled to vote except on poll.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, September 20, 2017 to Wednesday, September 27, 2017 (both days inclusive)**.
4. 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.
5. 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 at the Meeting.
6. Members who hold shares in electronic form are requested to write their Client ID and DP ID number and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the meeting to facilitate identification of membership at the AGM.
7. For convenience of members, an attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto. Members are requested to affix their signature at the space provided and hand over the attendance slips at the place of meeting. The proxy of a member should mark on the attendance slip as 'proxy'.

## INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



8. All documents referred to in the Notice are open for inspection at the Registered Office of the Company during office hours on all days except Sunday & public holidays between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
9. IF THE MEMBERS HAVE ANY QUERIES ON THE AUDITED ACCOUNTS, BOARD'S REPORT & AUDITOR'S REPORT, THE SAME SHOULD BE FORWARDED TO THE COMPANY IN WRITING AT ITS REGISTERED OFFICE AT LEAST 10 DAYS BEFORE THE MEETING SO THAT THE SAME CAN BE REPLIED AT THE TIME OF ANNUAL GENERAL MEETING TO THE MEMBERS' SATISFACTION.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by members at the AGM.
11. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
12. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days of notice in writing is given to the Company.
13. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re-appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment / re-appointment as required under the Companies Act, 2013 and the Rules thereunder
14. Members are requested to bring their copies of the reports to Annual General Meeting.
15. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with share certificates to the Registrar & Share Transfer Agent.
16. Members are requested to notify the change in their address, if any, immediately, so that all communications can be sent to the latest address. In case of members holding shares in physical form, all intimations regarding change of address and change of bank account details are to be sent to **M/s. Sharex Dynamic (India) Private Limited**, Unit: Indu Nissan Oxo Chemical Industries Limited, Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072. Members, who hold shares in electronic form, are requested to notify any change in their particulars like change in address, bank particulars etc. to their Depository Participants immediately.
17. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Income Tax Permanent Account Number ("PAN") by every participants transacting in the securities market, irrespective of the amount of such transaction. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or its Registrar and Share Transfer Agents.
18. In order to exercise strict control over the transfer documents, members are requested to send the transfer documents/ correspondence, if any, directly to:  
  
**SHAREX DYNAMIC (INDIA) PRIVATE LIMITED**  
**Unit: INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**  
Unit 1, Luthra Indl. Premises,  
Safed Pool, Andheri Kurla Road,  
Andheri (E), Mumbai: 400 072.  
Ph. 022 28515606 Fax: 022 28512885

# INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



## DIRECTOR'S REPORT

To,  
The Members,  
**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

Your Directors have pleasure in presenting their 36<sup>th</sup> Annual Report on the Audited Financial Statement of Accounts of Indu Nissan Oxo Chemical Industries Limited ["Company"] for the Financial Year ended March 31, 2017.

### 1. FINANCIAL RESULTS:

The summarized financial performance of the Company for the FY 2015-16 and FY 2016-17 is given below:

Particulars	Year ended	Year ended
	31 <sup>st</sup> March, 2017 (₹.)	31 <sup>st</sup> March 2016 (₹.)
Revenue from Operations	-	-
Other Income	54,75,312.00	19,78,120.00
Gross Income	54,75,312.00	19,78,120.00
Profit Before Interest, Depreciation, exceptional and extraordinary items and taxes	(17,08,290.00)	(34,67,023.00)
Exceptional & Extraordinary Item	25,44,520.00	-
Net Profit Before Tax	8,36,230.00	(34,67,023.00)
Provision for Tax -		
- Current Tax	-	-
- Taxation of Earlier Years	-	(59,68,472.00)
Net Profit After Tax	8,36,230.00	25,01,449.00
Proposed Dividend on Equity Shares	-	-
Tax on proposed Dividend	-	-
Transfer to General Reserve	-	-
Surplus/(Deficit) carried to Balance Sheet	8,36,230.00	25,01,449.00
Earnings Per Share	0.05	0.15

### 2. REVIEW OF OPERATIONS:

During the year under review, the Company has posted total Income of Rs. 54,75,312/- (Rupees Fifty Four Lakhs Seventy Five Thousand Three Hundred and Twelve only) as against total Income of Rs. 19,78,120/- (Rupees Nineteen Lakhs Seventy Eight Thousand One Hundred Twenty only) in the corresponding previous year.

### 3. FUTURE PROSPECT:

The company is trying to settle the outstandings with its secured creditors like NCD holders and Banks and is pursuing the possibility of revival of the company.

### 4. DIVIDEND AND RESERVES:

In view of inadequate profits during the year, your Board think fit not to recommend any dividend for the year ended 31<sup>st</sup> March 2017.

### 5. SHARE CAPITAL:

The Authorised Share Capital of the Company as on March 31, 2017 is Rs.50,00,00,000 (Indian Rupees Fifty Crore only) divided into 5,00,00,000 (Five Crore) Equity Shares of Rs. 10/- (Rupees Ten) Each and Paid-up Equity Share Capital of the Company is Rs. 16,50,00,000 (Indian Rupees Sixteen Crore Fifty Lakhs only), comprising of 16,50,00,000 (Sixteen Corer Fifty Lakhs) Equity shares of Rs. 10/- (Rupees Ten) each.

During the year under review, the Company has not issued any equity shares.

### 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

At the 35<sup>th</sup> Annual General Meeting held on September 02, 2016, Mrs. Ranak Mehool Bhuva, was re-appointed as the Director of the Company, liable to retire by rotation.

In accordance with section 152(6) of the Companies Act, 2013 and in terms of Articles of Association of the Company Mr. Mehool Bhuva [DIN: 00520892], Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

### 7. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3) (c) & 134(5) of the Companies Act, 2013, the Board of Directors of the Company hereby confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of



this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors have prepared the annual accounts on a going concern basis; and
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**8. PARTICULARS OF MANAGERIAL REMUNERATION:**

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 in respect of employees of the Company, is enclosed as **Annexure I** and forms part of this Report.

The Company has no employee on its pay roll during the year under review and hence details w.r.t. Section 197 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is not provided in this Report.

**9. NUMBER OF BOARD MEETINGS:**

A calendar of meetings is prepared and circulated in advance to the Directors. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the Listing Agreement / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further, **5 (Five) Board Meetings** were held during the financial year 2016-17, the dates of which are **May 28, 2016, July 21, 2016, November 14, 2016, February 01, 2017 and February 13, 2017.**

Name of the Directors	No. of Board Meetings attended
Mr. Mehool N.Bhuva	5
Mr. B.T.Mallya	5
Mrs. Ranak M.Bhuva	4
Mr. Nitinkumar Shah	4

**10. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The Directors expressed satisfaction with the evaluation process.

**11. AUDIT COMMITTEE**

Your Company has formed an Audit Committee as per the Companies Act, 2013 and the listing agreement / Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee possess strong knowledge of accounting and financial management.

During the Financial Year 2016-17, **Four (4)** meetings of the Committee were held on, **May 28, 2016, July 21, 2016, November 14, 2016 and February 01, 2017.**

Details of composition of the Committee and attendance during the year are as under:

S. N.	Name of Directors	Designation	No. of Meetings Attended
1.	Mr. B.T.Mallya	Chairman & Independent Director	4
2.	Mr. Nitinkumar Shah	Member & Independent Director	4
3.	Mr. Mehool N. Bhuva	Member & Managing Director	4

Further, the Audit Committee is functional as per the provision of Section 177 of Companies Act, 2013 and Rules made thereunder and as per Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances, etc.

**12. NOMINATION AND REMUNERATION COMMITTEE**

Your Company has formed a Nomination & Remuneration Committee to lay down norms for determination of remuneration of the executive as well



as non-executive directors and executives at all levels of the Company.

The Nomination and Remuneration Committee is functional as per the provision of Section 178 of Companies Act, 2013 and rules made thereunder and as per Clause 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the Financial Year 2016-17, **One (1)** meetings of the Committee were held on, **July 21, 2016**.

Details of composition of the Committee and attendance during the year are as under:

S. N.	Name of Directors	Designation	No. of Meetings Attended
1.	Mr. B.T.Mallya	Chairman & Independent Director	1
2.	Mr. Nitinkumar Shah	Member & Independent Director	1
3.	Mrs. Ranak Bhuva	Member & Non- independent	1

This Committee has powers to recommend / approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non Executive Directors, etc.

### 13. NOMINATION AND REMUNERATION POLICY

In terms of requirements prescribed under Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Policy inter-alia providing the terms for appointment and payment of remuneration to Directors and Key Managerial Personnel is annexed to this Report as **Annexure VI**.

However, considering the weak financial position of the Company, the Executive Directors have agreed not to partake with the salary during the year under review.

### 14. CONSTITUTION OF STAKEHOLDERS RELATIONSHIP COMMITTEE:

Your Company has formed a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders.

The Stakeholders Relationship Committee is functional as per the provision of Section 178 of Companies Act, 2013 and rules made thereunder and as per amended

clauses of Clause 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the Financial Year 2016-17, **Four (4)** meetings of the Committee were held on, **May 28, 2016, July 21, 2016, November 14, 2016 and February 01, 2017**.

Details of composition of the Committee and attendance during the year are as under:

S. N.	Name of Directors	Designation	No. of Meetings Attended
1.	Mr. B.T.Mallya	Chairman & Independent Director	4
2.	Mr. Nitinkumar Shah	Member & Independent Director	3
3.	Mrs. Ranak Bhuva	Member & Non- independent	3

The terms of reference are in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's / Investor's complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

The total numbers of complaints received during the year were Nil and there was no pending complaint as on 31<sup>st</sup> March, 2017.

### 15. INDEPENDENT DIRECTORS:

The Independent Director(s) have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as Independent Director, under the provisions of section 149 of the Companies Act, 2013 as well as Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 16. EXTRACT OF ANNUAL RETURN:

The details forming part of the Extract of the Annual Return in Form MGT-9, as required under Section 92 of the Companies Act, 2013 is included in this Report as **Annexure II** and forms part of this Report.



**17. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES:**

The Company does not have any subsidiary company and has not entered into joint venture with any other company.

**18. STATUTORY AUDITORS' AND AUDITORS' REPORT:**

At 34<sup>th</sup> Annual General Meeting held on 15<sup>th</sup> September 2015, **M/s Shah, Shah & Shah, Chartered Accountant** (Firm Registration no. 116457W) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held for the financial year 31<sup>st</sup> March 2020. In the terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the Auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of **M/s Shah, Shah & Shah, Chartered Accountants**, as Statutory Auditors of the Company, is placed for ratification by the Board of Directors.

In regard to the Company has received a Certificate from the Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**19. APPOINTMENT OF COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER:**

The Company is in process of appointing Company Secretary in whole time employment and Chief Financial Officer pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**20. RELATED PARTY TRANSACTIONS:**

The Company has entered into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2(76) of the said Act. Further all the necessary details of transaction entered with the related parties are attached herewith in Form No. AOC-2 for your kind perusal and information. (**Annexure III**).

**21. SECRETARIAL AUDIT:**

**In terms of Section 204 of the Act and Rules made there under, Ms. Reena Modi, Practicing Company Secretary, have been appointed Secretarial Auditors of the Company. The Secretarial Audit Report is enclosed as Annexure IV to this report.**

**22. EXPLANATION(S)/ COMMENT(S) PURSUANT TO SECTION 134(3)(f)(i)& (ii), IF ANY, OF THE COMPANIES ACT, 2013:**

**Re: Pursuant to Section 134(3)(f)(i):**

The Comments on the observation of the Auditors Report are given separately in the Annexures enclosed to this report, as **Annexure V**.

**Re: Pursuant to Section 134(3)(f)(ii)(Secretarial Audit Observations):**

- The Company is in process of appointing Company Secretary in whole time employment and Chief Financial Officer pursuant to Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- The financial position of the Company is very weak; however the Management is trying to pay off the outstanding dues of statutory authorities in due course of time.

**23. INTERNAL AUDIT & CONTROLS:**

The Company has in place adequate internal financial controls with reference to the financial statement. The Audit Committee of the Board periodically reviews the internal control systems with the management & Statutory Auditor. However, due to bad financial health of Company and current non-functionality of operations, Company has not appointed Internal Auditor.

**24. EMPLOYEES' STOCK OPTION PLAN:**

The Company has not provided stock options to any employee.

**25. RISK MANAGEMENT POLICY:**

The Company has laid down the procedure to inform the Board about the risk assessment and minimization procedures. These procedures are reviewed by the Board annually to ensure that there is timely identification and assessment of risks, measures to mitigate them, and mechanisms for their proper and timely monitoring and reporting.

The Company does not fall under the ambit of top 100 listed entities, determined on the basis of market capitalisation as at the end of the immediately previous financial year. Hence, compliance under Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable.



**26. VIGIL MECHANISM**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligation and Disclosure Regulations) 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy has been uploaded on the website of the Company at [www.indunissan.com](http://www.indunissan.com). The employees of the Company are made aware of the said policy at the time of joining the Company.

**27. CORPORATE SOCIAL RESPONSIBILITY**

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitute Corporate Social Responsibility Committee and frame policy thereof.

**28. DEPOSITS:**

The Company has neither accepted nor renewed any fixed deposits during the year under review under Section 76 of the Companies Act, 2013. There are no unclaimed deposits, unclaimed / unpaid interest, refunds due to the deposit holders or to be deposited to the Investor Education and Protection Fund as on March 31, 2017.

**29. LOANS & GUARANTEES:**

During the year under review, the Company has not provided any loan, guarantee, security or made any investment covered under the provisions of Section 186 of the Companies Act, 2013 to any person or other body corporate.

**30. CORPORATE GOVERNANCE CERTIFICATE:**

Good corporate governance is about maximizing shareholder value on a sustainable basis while ensuring fairness to all stakeholders, and fulfils its responsibilities to the community, customers, vendor-partners, investors, employees, government and society.

In compliance with Regulation 34(3) read with Schedule V(C) of the Listing Regulations, a Report on Corporate Governance forms part of this Annual Report. The Auditors' certificate certifying compliance with the conditions of corporate governance as prescribed under Schedule V(E) of the Listing Regulations is annexed to the Corporate Governance Report.

**31. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report, which gives a detailed state of affairs of the Company's operations form a part of this Annual Report.

**32. E-VOTING FACILITY:**

As a Company is under severe financial crunch, it is not able to pay its outstanding dues to agencies such as NSDL/CDSL, RTA and BSE, the compliance of evoting as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 cannot be met.

**33. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:**

As the Company has not carried out any business operations during the year under review as the plant of the Company is closed, hence the point regarding conservation of energy is not relevant to the Company.

During the year, the total foreign exchange earnings were Rs.5,31,772/- and foreign expenses incurred was Rs.199352/-

**34. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

The Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**35. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no significant and material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

**36. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report





**37. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT POLICY AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the year ended 31<sup>st</sup> March, 2017, there were no cases filed /reported pursuant to the Sexual Harassment at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

cooperation and hard work the Company is able to achieve the results. The Directors would also like to place on record their appreciation of the dedicated efforts put in by the employees of the Company.

**For and on behalf of the Board of Directors  
INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

**Place: Mumbai  
Date: 14/08/ 2017**

**MEHOOL BHUVA  
MANAGING DIRECTOR  
[DIN: 00520892]**

**38. ACKNOWLEDGEMENT**

The Directors would like to thank all shareholders, bankers and everybody else with whose help,

**BANTWAL MALLYA  
DIRECTOR  
[DIN: 00377057]**

**ANNEXURE - V**

**Information and explanation on reservation, qualification or adverse remarks contained in the Auditors' Report.**

- 1) Refer Note No. (a) of the Auditors' Report  
*In this connection, the company is in the process of implementing reconstructing scheme and has negotiated OTS with Non Convertible Debentures holder*
- 2) Refer Note No. (c) of the Auditors' Report  
*The sub Note No 2(a) of note no. 29 may be referred, however the Company's loan payable is legally time barred*
- 3) Refer Note No. (d) of the Auditors' Report  
*The Company Policy on Gratuity is in arrears, in view of which the company will settle the dues on actual basis and an estimated amount has been provided for the same in the books*
- 4) Refer note No.(e) of the Auditor's Report  
*The company has already completed an OTS with ARCIL for similar debt of another bank and is in negotiation with them for this amount of debt as well and hence does not expect any interest liability, further company is trying to get settlement with ARCIL*
- 5) Refer to note (f) of the Auditors' Report  
*The company is in negotiation with the bankers for settlement of their dues on the basis of principal amount and from the past experience of settlements of other*

*banks / Financial institution, the company does not expect any further provision of interest, other than what has been already provided for.*

- 6) Refer note (g) of the Auditors' Report  
*Regarding outstanding balance shown in accounts including interest from bankers, we are in negotiation with them for settlement based on the principal amount and regarding unsecured creditors, most of their, claims are disputed as well as time barred and hence company in its current position does not anticipate to provide for these amounts.*
- 7) Refer note (h) of the Auditors' Report  
*The closing stock if the company has been valued by independent Chartered Engineers on 13/10/2010 and as there is no movement, the same stock amount has been carried forward. A high cash balance was maintained in order to settle out contingencies for labour union and other statutory payments like customs & excise etc. Such balances have been reduced substantially in the subsequent period*
- 8) Refer Emphasis of matter (a) of the Auditors' Report- Customs Liability  
*The company's appeal had been admitted by CESAT however Custom's dept obtained a stay in high court for the same and for which the Company is awaiting for the Notice of hearing. The company on merit does not expect this liability to materialize.*
- 9) Refer Emphasis of matter (b) of the Auditors' Report  
*The company has filed a suit in the Rajasthan High Court for recovery of the amount receivable from RSEB*



**Annexure I**

**Information required under Section 197 of the Companies Act, 2013  
read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel)  
Amendment Rules, 2016**

- i. The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and
- ii. The percentage increase in remuneration of each Director, Managing Director & Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company in the financial year 2016-17

<b>Name &amp; Designation</b>	<b>Remuneration of each Director &amp; KMP for Financial Year 2016-17 (Rs.)</b>	<b>% increase/ decrease in remuneration in the Financial Year 2016-17</b>	<b>Ratio of remuneration of each Directors to median remuneration of employees</b>
<b>A. Directors</b>	NIL	Not Applicable	-
<b>B. Key Managerial Personnel</b>	NIL	Not Applicable	-

- iii. \*The percentage increase in the median remuneration of employees in the financial year 2016-17

<b>Particulars</b>	<b>Financial Year 2016 - 17 (Rs.)</b>	<b>Financial Year 2015 - 16 (Rs.)</b>	<b>Increase (%)</b>
Median remuneration of all employees	Not Applicable	Not Applicable	-

- iv. **The number of permanent employees on the rolls of Company.**

There were no permanent employees on the rolls of Company as on March 31, 2017.

- v. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

- vi. **Affirmation that the remuneration is as per the Remuneration Policy of the Company**

The Remuneration Policy of the Company is as per Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Note: Due to financial crunch company is not able to pay any remuneration.

**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**



**Information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016**

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016

Sl. No.	Name	Designation/ Nature of Duties	Remuneration Received [Rs.]	Qualification	Experience in years	Age in years	Date of commence- ment of employment	Last employment held	The percentage of equity shares held by the company
1	2	3	4	5	6	7	8	9	10

\* Due to financial crunch company is not able to pay any remuneration.

**For and on behalf of the Board of Directors  
INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

**MEHOOL BHUVA  
MANAGING DIRECTOR  
[DIN: 00520892]**

**BANTWAL MALLYA  
DIRECTOR  
[DIN: 00377057]**

**Place :Mumbai  
Date : 14.08.2017**



**Annexure II**

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
As on the financial year ended on 31st March, 2017  
INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

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

**I. REGISTRATION AND OTHER DETAILS :**

i.	CIN	L24110GJ1979PLC003549
ii.	Registration Date	08/11/1979
iii.	Name of the Company	INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED
iv.	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non Government Company
v.	Address of the Registered office and contact details	BAJWA-CHHANI ROAD, BEHIND G.S.F.C COMPLEX, VADODARA—391310 (GUJARAT) Tel. No. 0265-5544687 Email : inocil@yahoo.com Website : www.indunissan.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Sharex Dynamic (India) Pvt. Ltd</b> Registrar & Share Transfer Agent Unit: <i>Indu Nissan Oxo Chemical Industries Limited</i> Unit 1, Luthra Ind Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai, Maharashtra, 400072 Tel. No. 022 - 28515606 Email : Sharexindia@vsnl.com Website : www.sharexindia.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)

	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the co`mpany
1	Not Applicable	-	-

\* As the Company has not carried out any business operations during the Financial Year.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : NOT APPLICABLE**

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



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

l) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2016]				No. of Shares held at the end of the year[As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3841065	174330	4015395	24.34	3841065	174330	4015395	24.34	0.00
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>3841065</b>	<b>174330</b>	<b>4015395</b>	<b>24.34</b>	<b>3841065</b>	<b>174330</b>	<b>4015395</b>	<b>24.34</b>	<b>0.00</b>
<b>(2) Foreign</b>									
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 Corp.	0	0	0	0.00	0	0	0	0.00	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
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>3841065</b>	<b>174330</b>	<b>4015395</b>	<b>24.34</b>	<b>3841065</b>	<b>174330</b>	<b>4015395</b>	<b>24.34</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	45310	45310	0.27	0	45310	45310	0.27	0.00
b) Banks / FI	13380	13605	26985	0.16	13380	13605	26985	0.16	0.00
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	88365	2350	90715	0.55	88365	2350	90715	0.55	0.00
g) FIs	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
i) Others (specify)	0	500000	500000	3.03	0	500000	500000	3.03	0.00
<b>Sub-total (B)(1):-</b>	<b>101745</b>	<b>561265</b>	<b>663010</b>	<b>4.02</b>	<b>101745</b>	<b>561265</b>	<b>663010</b>	<b>4.02</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	0	0	0	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2122271	6599798	8722069	52.86	2122271	6599798	8722069	52.86	0.00
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	205425	236683	442108	2.68	205425	236683	442108	2.68	0.00

**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**


c) Others									
Non Resident Indians	0		0	0.00	0	0	0	0.00	0.00
NBFCs registered with									
RBI	0	0	0	0.00	0	0	0	0.00	0.00
Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	185742	2471676	2657418	16.11	185742	2471676	2657418	16.11	0.00
<b>Sub-total (B)(2):-</b>	<b>2513438</b>	<b>9308157</b>	<b>11821595</b>	<b>71.65</b>	<b>2513438</b>	<b>9308157</b>	<b>11821595</b>	<b>71.65</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>2615183</b>	<b>9869422</b>	<b>12484605</b>	<b>75.66</b>	<b>2615183</b>	<b>9869422</b>	<b>12484605</b>	<b>75.66</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>6456248</b>	<b>10043752</b>	<b>16500000</b>	<b>100.00</b>	<b>6456248</b>	<b>10043752</b>	<b>16500000</b>	<b>100.00</b>	<b>0.00</b>

## II) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Narendra I Bhuva (HUF)	2450000	14.85%	-	2450000	14.85%	-	0.00%
2	Mehool N Bhuva	1390965	8.43%	-	1390965	8.43%	-	0.00%

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1</b>	<b>Narendra I Bhuva (HUF)</b>				
	At the beginning of the year	2450000	14.85%		
	<b>Changes on -</b>				
		0	0.00%		
	At the End of the year	2450000	14.85%	2450000	14.85%
<b>2</b>	<b>Mehool N Bhuva</b>				
	At the beginning of the year	1390965	8.43%		
	Changes during period	0	0.0%	-	-
	At the End of the year	1390965	8.43%	1390965	8.43%

**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**



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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>INDO NIPPON CHEMICAL CO LTD</b>				
	At the beginning of the year	2263000	13.72%		
	Changes on -	0	0.00%	-	-
	At the End of the year	2263000	13.72%	2263000	13.72%
2	<b>ICICI TRUSTEESHIP SERVICES LTD</b>				
	At the beginning of the year	44500	0.027%		
	Changes on -	0	0.00%	-	-
	At the End of the year	44500	0.027%	44500	0.027%
3	<b>CANARA BANK TRUSTEE CANBANK MF</b>				
	At the beginning of the year	30400	0.018%		
	Changes on -	0	0.00%	-	-
	At the End of the year	30400	0.018%	30400	0.018%
4	<b>BALIGA INVESTMENTS PVT LTD</b>				
	At the beginning of the year	27000	0.016%		
	Changes on -	0	0.00%	-	-
	At the End of the year	27000	0.016%	27000	0.016%
5	<b>MEGA RESOURCES LTD</b>				
	At the beginning of the year	24000	0.015%		
	Changes on -	0	0.00%	-	-
	At the End of the year	24000	0.015%	24000	0.015%
6	<b>SHREYAM SECURITIES PVT LTD</b>				
	At the beginning of the year	17300	0.010%		
	Changes on -	0	0.00%	-	-
	At the End of the year	17300	0.010%	17300	0.010%
7	<b>SOUTHERN FIDELITY SECURITIES LTD</b>				
	At the beginning of the year	15750	0.010%		
	Changes on -	0	0.00%		
	At the End of the year	15750	0.010%	15750	0.010%
8	<b>BHUVA HOLDING LTD</b>				
	At the beginning of the year	14350	0.009%		
	Changes on -	0	0.00%	-	-
	At the End of the year	14350	0.009%	14350	0.009%
9	<b>ANDHRA BANK</b>				
	At the beginning of the year	12330	0.007%		
	Changes on -	0	0.00%	-	-
	At the End of the year	12330	0.007%	12330	0.007%
10	<b>EMPEROR TRAVELS &amp; TOURS PVT LTD</b>				
	At the beginning of the year	12000	0.007%		
	Changes on -	0	0.00%	-	-
	At the End of the year	12000	0.007%	12000	0.007%



v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Mehool N Bhuva</b>				
	<b>At the beginning of the year</b>	<b>1390965</b>	8.43%	<b>1390965</b>	8.43%
	<b>Changes on -</b>				
	Date wise Increase / Decrease in Promoters Shareholding during the yearspecifying the reasons for increase/decrease (e.g. allotment / transfer /bonus/ sweat equity etc.):	0	0.00%	0	0.00%
	<b>At the End of the year</b>	<b>1390965</b>	8.43%	<b>1390965</b>	8.43%

V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	38196944	10624800	0	48821744
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	38196944	10624800	0	48821744
Change in Indebtedness during the financial year				
? Addition	500000	6501400	0	7001400
? Reduction	0	0	0	0
Net Change	500000	6501400	0	7001400
Indebtedness at the end of the financial year				
i) Principal Amount	38696944	17126200	0	55823144
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	38696944	17126200	0	55823144



**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	<b>Gross salary</b>	NIL	NIL	NIL	NIL	NIL
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	NIL	NIL	NIL	NIL	NIL
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	NIL	NIL	NIL	NIL	NIL
	<b>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961</b>	NIL	NIL	NIL	NIL	NIL
2	<b>Stock Option</b>	NIL	NIL	NIL	NIL	NIL
3	<b>Sweat Equity</b>	NIL	NIL	NIL	NIL	NIL
4	<b>Commission</b>	NIL	NIL	NIL	NIL	NIL
5	<b>Others, please specify</b>	NIL	NIL	NIL	NIL	NIL
	<b>Total (A)</b>	NIL	NIL	NIL	NIL	NIL
	<b>Ceiling as per the Act</b>	NIL	NIL	NIL	NIL	NIL

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	<b>Independent Directors</b>	NIL	NIL	NIL	NIL
	<b>- Fee for attending board committee meetings</b>	NIL	NIL	NIL	NIL
	<b>Commission</b>	NIL	NIL	NIL	NIL
	<b>Others, please specify</b>	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	NIL	NIL	NIL	NIL
2	<b>Other Non-Executive Directors</b>	NIL	NIL	NIL	NIL
	<b>Fee for attending board committee meetings</b>	NIL	NIL	NIL	NIL
	<b>Commission</b>	NIL	NIL	NIL	NIL
	<b>Others, please specify</b>	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	NIL	NIL
	<b>Total (B)=(1+2)</b>	NIL	NIL	NIL	NIL
	<b>Total Managerial Remuneration</b>	NIL	NIL	NIL	NIL
	<b>Overall Ceiling as per the Act</b>	NIL	NIL	NIL	NIL



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel			
		CS	Company Secretart	CFO	Total
1	Gross salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board of Directors  
INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED

Place : Mumbai  
Date : 14.08.2017

MEHOOL BHUVA  
MANAGING DIRECTOR  
[DIN: 00520892]

BANTWAL MALLYA  
DIRECTOR  
[DIN: 00377057]



**Annexure - III**

**FORM NO. AOC-2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL.No.	Particulars	Related Party	
a)	Name (s) of the related party & nature of relationship	M/s Indo Nippon Chemical Company Limited	M/s. Bhuva Holdings Limited
b)	Nature of contracts/arrangements/transaction	Rent for office	Rent for Premises
c)	Duration of the contracts/arrangements/transaction.	3 years w.e.f. 1st April 2015	3 years w.e.f. 1st April 2015
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not exceeding Rs. 360000 p.a.	Not exceeding Rs. 178500 p.a.
e)	Date of approval by the Board	8th June, 2015	8th June, 2015
f)	Amount paid as advances, if any	-	-

**For and on behalf of the Board of Directors  
INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

Place : Mumbai  
Date : 14.08.2017

MEHOOL BHUVA  
MANAGING DIRECTOR  
[DIN: 00520892]

BANTWAL MALLYA  
DIRECTOR  
[DIN: 00377057]



**ANNEXURE IV**

**Form No.MR-3  
SECRETARIAL AUDIT REPORT  
For the financial year ended March 31, 2017**

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

To

**The Members**

**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

*Bajwa-Chhani Road,  
B/H,GSFC Compound  
Vadodara, Gujarat - 391310*

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED** (hereinafter called the Company). The 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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2017 ('Audit Period') complied with the statutory provisions listed hereunder, subject to specified observation mentioned below, however, 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 31<sup>st</sup> March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of

Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;**(Not Applicable to the Company during the Audit Period);**

- (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, since the Company is having its scrip suspended;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, is having its scrip suspended;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**(Not Applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not Applicable to the Company during the Audit Period);**and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not Applicable to the Company during the Audit Period);**
- (vi) Other laws applicable specifically to the Company:

Since the Company is non-operative and derives its income only from its Tank Terminating facility or consultancy charges, no other laws were specifically applicable during the year under audit period.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;

## INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



- (b) The Listing Agreement entered into by the Company with Stock Exchange(s) along with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable for respective periods

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the below mentioned observations;

- i. The Company has not duly complied with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The Company is not able to pay its outstanding dues to agencies such as NSDL/CDSL, RTA and BSE and hence its scrip is suspended as on date of issue of this report and also the ancillary compliances with respect to disclosure of shareholding is not complied,;
- iii. The Company is not able to comply with providing e-voting facility, as required under SEBI (LODR) Regulations, 2015 and the Act.

During the audit period under review, the Company was not able to engage Chief Financial Officer, Company Secretary (in pursuant to Section 203(1)(ii) of Companies Act, 2013) and an Internal Auditor (in pursuant to Section 138 of Companies Act, 2013).

### 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. No changes in the composition of the Board of Directors that took place during the period under review.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through unanimously during the meeting and their views are captured and recorded as part of the minutes.

### 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 were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, guidelines and standards and as informed to us by the management periodical hearings do take place for its admission by Board for Industrial and Financial Reconstruction (BIFR).

**For Reena S. Modi & Associates**

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**ACS No- A25346  
CP No- 12621**

**Place : Mumbai  
Date : 14/08/2017**



**ANNEXURE TO THE SECRETARIAL AUDIT REPORT**

To

**The Members**

**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

I further state that my said report of the even date has to be read along with this letter.

1. Maintenance of Secretarial/ Statutory Records is the responsibility of the Management of the Company. My responsibility is to express an opinion on these records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standard is the responsibility of management. My examination is limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Reena S. Modi & Associates**

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**ACS No- A25346**

**CP No- 12621**

**Place : Mumbai**

**Date : 14/08/2017**

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**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Company continues to negotiate the restructuring of its debts with the respective Banks and Financial Institutions.



**ANNEXURE - Vi**

**NOMINATION AND REMUNERATION POLICY**

**CONSTITUTION OF COMMITTEE**

The Board of Directors of the Company (the Board) constituted the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.”

**OBJECTIVE**

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees.

The Key Objectives of the Committee would be:

- To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

To formulation of criteria for evaluation of Independent Director and the Board.

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort,

performance, dedication and achievement relating to the Company’s operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan. To assist the Board in fulfilling responsibilities.

To Implement and monitor policies and processes regarding principles of corporate governance.

**APPLICABILITY**

Directors (Executive and Non Executive) Key Managerial Personnel

Senior Management Personnel

**DEFINITIONS:**

“**Act**” shall mean the Companies Act, 2013 and the Rules made thereunder, including the modifications, amendments, clarifications, circulars or re-enactment thereof.

“**Board**” means Board of Directors of the Company.

“**Committee** “ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“**Company**” means Indu Nissan Oxo Chemical Industries Limited.

“**Directors**” mean Directors of the Company.

“**Independent Director**” means a Director referred to in Section 149 (6) of the Companies Act, 2013.

“**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes –

- Managing Director, or Executive Director or manager and in their absence, a whole- time director; (includes Executive Chairman)

Company Secretary;

- 
- Chief Financial Officer; and

- Such other officer as may be prescribed.



“Policy” or “This policy” means Nomination and Remuneration Policy.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

“Senior Management” Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

*Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Listing Agreement as may be amended from time to time shall have the meaning respectively assigned to them therein.*

**ROLE AND POWER OF THE COMMITTEE:-**

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee:

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

Policy for appointment and removal of Director, KMP and Senior Management

- (i). Appointment criteria and qualifications
  - a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  - b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience

possessed by a person is sufficient / satisfactory for the concerned position.

- c. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(ii) Term / Tenure

- a. Managing Director/Whole-time Director:  
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b. Independent Director:  
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed





companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

- c. Evaluation  
The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).
- d. Removal  
Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.
- e. Retirement  
The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

- (i) General:  
The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required;

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act;

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director;

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- (ii) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- (iii) Remuneration to Non- Executive / Independent Director:

Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.



**Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

**Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company.

**MEMBERSHIP:-**

The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.

Minimum two (2) members shall constitute a quorum for the Committee meeting. Membership of the Committee shall be disclosed in the Annual Report.

Term of the Committee shall be continued unless terminated by the Board of Directors.

**CHAIRMAN:-**

Chairman of the Committee shall be an Independent Director;

Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee;

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman;

Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

**FREQUENCY OF MEETINGS**

The meeting of the Committee shall be held at such regular intervals as may be required.

**COMMITTEE MEMBERS' INTERESTS**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

**SECRETARY**

The Company Secretary of the Company shall act as Secretary of the Committee.

**VOTING**

Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

**IMPLEMENTATION**

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may Delegate any of its powers to one or more of its members.

**AMENDMENTS TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

**AMENDMENTS IN THE LAW**

Any subsequent amendment/modification in the listing agreement and/or other applicable laws in this regard shall automatically apply to this Policy.



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance is not merely the compliance of a set of regulatory laws and regulations but is a set of good and transparent practices that enable an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. It goes beyond building and strengthening the trust and integrity of the Company by ensuring conformity with the globally accepted best governance practices. The Securities and Exchange Board of India (SEBI) observes keen vigilance over governance and fulfillment of these regulations in letter and spirit, which entails surety towards sustainable development of the Company, enhancing stakeholders' value eventually.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is most often viewed as both the structure and the relationships which determine corporate direction and performance. The board of directors is typically central to corporate governance. Corporate governance refers to the mechanisms, processes and relations by which corporations are controlled and directed.

The Company firmly believes that corporate governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders and clients of the Company and the unquestioned integrity of all personnel involved or related to the Company. Corporate Governance contains a set of principles, process and systems to be followed by directors, Management and all Employees of the Company for increasing the shareholders' value, keeping in view interest of other stakeholders. While adhering to the above, the Company is committed integrity, transparency, accountability and compliance with laws in all dealings with shareholders, employees, the Government, customers, suppliers and other stakeholders.

### BOARD OF DIRECTORS

The Board of Directors ("the Board") facilitates effective fulfillment of the Board's tasks and provides leadership and guidance to the Company's management and helps in supervising the performance of the Company and helps achieving goals. The Board plays a crucial role enhancing and protecting the reputation of the organization are expected to exercise their duties in the best interests of shareholders and to maximize wealth.

The Board comprises of the members distinguished in various fields such as management, finance, law, marketing, technology and strategic planning. This provides reliability to the Company's functioning and the Board ensures a critical examination of the strategies and operational planning mechanisms adopted by the management across the globe.

The Company has an optimum combination of Directors on the Board and is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on March 31, 2017, the Board comprised of 4 Directors out of which 3 are Non-Executive Directors, 2 are Independent Directors and 1 is Executive Director.

Agenda papers of the Boards and its Committee meetings are circulated to the Directors well in advance of the meetings, supported with significant information as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for an effective and well-informed decision making during the meetings.

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. During the Financial Year 2016-2017, 5(Five) Board Meetings were held on **May 28, 2016, July 21, 2016, November 14, 2016, February 01, 2017 and February 13, 2017**. Time gap between any two meetings was not more than 120 days.

Details of the composition, category of the Directors, their attendance at the Board Meetings held during the year & Annual General Meeting (AGM) held on **02<sup>nd</sup> September, 2016**, Directorships and Committee Memberships are as under:

Name of the Director	Category	No. of Board Meetings Attended During the year	No. of Equity Shares held as on March 31, 2017	No. of Other Director-ship(s) as on 31-03-2017	Attendance at previous AGM Heldon September 02,2016 (Y-Yes, N-No)
Mr. Bantwal Trivikram Mallya	Independent Director	4	-	-	Y



Mr.Mehool Narendra Bhuva	Managing Director	5	1390965	3	Y
Ranak Mehool Bhuva	Non-Independent Director	4	-	2	N
Mr.Nitin kumar Shah	Independent Director	4	-	-	N

The Board periodically reviews the compliance report of all laws applicable to the Company. All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all Companies in which they are Directors.

The particulars of Directors, who are proposed to be re-appointed at the ensuing AGM, are given in the Notice convening the AGM.

**COMPOSITION OF THE COMMITTEE AUDIT COMMITTEE**

The Audit Committee comprises of experts specializing in accounting / financial management. During the Financial Year 2016-17, Four (4) meetings of the Audit Committee were held on **May 28, 2016, July 21, 2016, November 14, 2016 and February 01, 2017**. The time gap between any two meetings was not more than 4 months and the Company has complied with all the requirements as mentioned under the Listing Agreement and the Companies Act, 2013.

Details of the composition of the Committee and attendance during the year are as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Bantwal Trivikram Mallya	Chairman, Independent Director	4
Mr. Nitinkumar Shah	Member, Independent Director	4
Mr. Mehool Bhuva	Member, Managing Director	4

The terms of reference of the Audit Committee were enlarged by the Board in order to cover the matters specified under revised Regulation 18(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. This Committee has powers and roles comprising of Financial Reporting and disclosure, recommendation of appointment/removal of Auditors, reviewing of company's results, evaluation of Independent Directors performances.

**NOMINATION AND REMUNERATION COMMITTEE**

The Committee's composition and terms of reference are in compliance with provisions of section 178 of the Companies Act, 2013, Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

During the Financial Year 2016-17, One (1) meetings of the Committee were held on **July 21, 2016**.

Details of composition of the Committee and attendance during the year are as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Bantwal Trivikram Mallya	Chairman, Independent Director	1
Mr. Nitinkumar Shah	Member, Independent Director	1
Mrs. Ranak Bhuva	Member, Non-Independent Director	1

This Committee has powers to recommend/ approve remuneration, Identification of Persons who are qualified to become director, Recommend to the board their appointment and removal, approve remuneration of Non Executive Directors etc.

**Remuneration Policy for Key Managerial Personnel and other Employees of the Company**

As per listing regulation the Company is required to frame Remuneration Policy for Key Managerial Personnel and Other employees. The Nomination and Remuneration Committee are responsible for Identifying suitable person eligible to become director and recommend to the Board their appointment and removal. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. Due to severe financial crunch, Company is not providing any remuneration to Directors.



**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Four (4) meetings of the Committee were held during the year 2016-17 on **May 28, 2016, July 21, 2016, November 14, 2016 and February 01, 2017**. The details of composition of the Committee and attendance during the year are as under:

Name of the Director	Category	No. of Meetings Attended
Mr. Bantwal Mallya	Chairman, Independent Director	4
Mr. Nitinkumar Shah	Member, Independent Director	3
Mrs. Ranak Bhuva	Member, Non-Independent Director	3

The terms of reference were enlarged by the Board to be in line with Section 178 of the Companies Act, 2013 and Regulation 20 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews Shareholder's/ Investor' s complaints like non-receipt of Annual Report, physical transfer/ transmission/transposition, split/ consolidation of share certificates, issue of duplicate share certificates etc. This Committee is also empowered to consider and resolve the grievance of other stakeholders of the Company including security holders.

**GENERAL BODY MEETINGS**

Particulars about the last three Annual General meeting (AGM's) of the Company are:

Financial Year	Date	Location of the Meeting	Time	Special Resolu - tion(s) Passed
2013-2014	25 <sup>th</sup> September, 2014	Bajwa-Chhani Road, Behind G.S.F.C Complex, Vadodara—391310	9.30 A.M.	02
2014-2015	15 <sup>th</sup> September, 2015	Bajwa-Chhani Road, Behind G.S.F.C Complex, Vadodara—391310	12.30 P.M.	NIL
2015-2016	02 <sup>nd</sup> September, 2016	Bajwa-Chhani Road, Behind G.S.F.C Complex, Vadodara—391310	12.30p.m.	NIL

**TRAINING FOR BOARD MEMBERS**

Regulation 25(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to conduct familiarization programme enabling the Independent Directors

of the Company to understand the Company's business in depth that would facilitate their active participation in managing the Company.

The Company has adopted a system to familiarize its Independent Directors with the Company, to make them aware of their roles, rights & responsibilities in the Company, and nature of the industry in which the Company operates business model of the Company, etc.

**PERFORMANCE EVALUATION**

The performance evaluation process is a constructive mechanism for improving board effectiveness, maximizing strengths and tackling weaknesses, leading to an immediate improvement in performance throughout the organization. The Board of the Company has carried out the annual performance evaluation of its own performance, the Directors individually including the Chairman of the Board as well as the evaluation of the working of its Audit Committee, Nomination & Remuneration Committee, and Stakeholders Relationship Committee on parameters such as attendance and participation in the Meetings, preparedness for the meetings, understanding of the Company & the external environment in which it operates, contribution to strategic direction, raising of valid concerns to the Board, constructive contribution to issues, active participation at meetings and engaging with & challenging the management team without confronting or obstructing the proceeding of the Board and its Committee meetings of which the Director is a member pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors at its meeting. The Directors expressed their satisfaction with the evaluation process.

**DISCLOSURES**

**i. Related Party Transactions**

The transactions with related parties as per Accounting Standard AS-18 are set out in Notes to accounts under Note no. 29 (Other Note) forming part of financial statements. All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 27(2)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on



an arm's length pricing basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company

**ii. Accounting Standards**

The Guidelines/Accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in the preparation of financial statements of the Company.

**iii. Managing Director Certification**

Certification on financial statements pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained from the Managing Director of the Company. Extract of the same is given at the end of this Report.

**iv. Code of Conduct for Directors**

The Board has laid down Codes of Conduct for Executive Directors and for Non-Executive/Independent Directors of the Company. The Codes of Conduct have been circulated to the Board and the compliance of the same has been affirmed by them. A declaration signed by the MD in this regard is given at the end of this Report.

**v. Subsidiary Companies**

The Company has no material non-listed Indian Subsidiary Company as defined in Regulation 24 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**vi. Risk Management & Internal Control**

The board has ultimate responsibility for risk management and internal control, including for the determination of the nature and extent of the principal risks it is willing to take to achieve its strategic objectives and for ensuring that an appropriate culture has been embedded throughout the organization. The Company has implemented a comprehensive 'Enterprise Risk Management' framework in order to understand the risks they are exposed to, put controls in place to counter threats, and effectively pursue their objectives and further to anticipate, identify, measure, mitigate, monitor and report the risks, details of which are given in the Risk Management section under 'Management Discussion and Analysis Report' which forms part of this Annual Report. The team presents their key audit findings of every quarter to the Audit Committee. The management updates the members about the remedial actions taken or proposed for the same. The suggestions and comments from the Committee

members are vigilantly incorporated and executed by the Company.

**vii. Independent Directors**

The Independent Directors of the Company have the option and freedom to meet and interact with the Company's Management as and when they deem it necessary. They are provided with necessary resources and support to enable them to analyze the information/data provided by the Management and help them to perform their role effectively.

**MEANS OF COMMUNICATION**

The quarterly and annual financial results are normally published in Business Standard (Ahmedabad Edition) (English) and Vadodara Samachar (Baroda Edition) (Gujarati) Newspapers.

**GENERAL SHAREHOLDER INFORMATION**

**i. Annual General Meeting**

**Day, Date & Time** Wednesday, 27th September, 2017 at 12.30 P.M.

**Venue**

Bajwa-Chhani Road, Behind G.S.F.C Complex, Vadodara - 391310

**ii. Financial year**

**(April 1 to March 31)**

**Financial Calendar (Tentative) – Financial Year 2017-2018**

<b>1<sup>st</sup> Quarter</b>	On or before 15 <sup>th</sup> August, 2017
<b>2<sup>nd</sup> Quarter</b>	On or before 15 <sup>th</sup> November, 2017
<b>3<sup>rd</sup> Quarter</b>	On or before 15 <sup>th</sup> February, 2018
<b>4<sup>th</sup> Quarter</b>	On or before 30 <sup>th</sup> May, 2018
	Audited yearly result for the year ended March 2018- End of May 2018

**iii. Dividend**

In view of huge losses carry forwarded during the year, your Board think fit not to recommend any dividend for the year ended 31<sup>st</sup> March 2017

**iv. Stock Code / Symbol**

BSE Security Code	<b>500208</b>
ISIN in (NSDL and CDSL)	INE599C01019
Corporate Identity Number (CIN)	L24110GJ1979PLC003549
BSE Security ID	INDUNISS

## INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



### v. Market Price Data

Due to absence of trading in the Company's scrip, this information is not presented.

### vi. Registrar & Transfer Agent

**Sharex Dynamic (India) Pvt. Ltd. Registrar & Share Transfer Agent**

Unit 1, Luthra Industrial Premises,  
Safed Pool, Andheri Kurla Road,  
Andheri (East), Mumbai: 400072.

### iii. Distribution of shareholding as on March 31, 2017

Share Holding(Nominal Value) Rs.	Shareholders	
	No.	%
Upto 5,000	48086	94.99
5,001-10,000	1599	3.16
10,001-1,00,000	889	1.76
100,001 and above	47	0.9
<b>TOTAL</b>	<b>50621</b>	<b>100.00</b>

### Top 10 Shareholders as on March 31, 2017

SN	For Each of the Top 10 Shareholders	Shareholding as on 31 <sup>st</sup> March, 2017	
		No. of shares	% of total shares of the company
1.	INDO NIPPON CHEMICAL CO LTD	2263000	13.72
2.	ICICI TRUSTEESHIP SERVICES LTD	44500	0.027
3.	CANARA BANK TRUSTEE CANBANK MF	30400	0.018
4.	BALIGA INVESTMENTS PVT LTD	27000	0.016
5.	MEGA RESOURCES LTD	24000	0.015
6.	SHREYAM SECURITIES PVT LTD	17300	0.010
7.	SOUTHERN FIDELITY SECURITIES LTD	15750	0.010
8.	BHUVA HOLDING LTD	14350	0.009
9.	ANDHRA BANK	12330	0.007
10.	EMPEROR TRAVELS & TOURS PVT LTD	12000	0.007

*Note: - The data mentioned above w.r.t. shareholding is based on earlier data as available from RTA*

### viii. Dematerialization of Shares and Liquidity

According to the requirements of the Securities & Exchange Board of India (SEBI) the shares of the company are to be compulsorily traded in a dematerialized form. Consequently the company had written to its shareholders advising them that they had the option of converting their shareholdings from the physical form to the electronic form. As of 31.03.2017, a total number of 6462506 shares, representing 39.17% of the total shares of the company have been dematerialized.

### ix. Address for Correspondence

Maker Bhavan No.2, 18 New Marine Lines, Mumbai: 400 020.

**Place : Mumbai**

**Date : 14/08/2017**

## INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



### CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2015

To the Members of  
**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**  
Mumbai

We have examined the compliance of the conditions of Corporate Governance, by Indu Nissan Oxo Chemical Industries Limited having its Registered Office at Bajwa-Chhani Road, B/H GSFC Compound, Vadodara, Gujarat - 391310 as stipulated in SEBI (Prohibition of Insider Trading) Regulations, 2015 entered into by the said Company with the Stock exchange viz. BSE Ltd(BSE), for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has not entirely complied with the conditions of Corporate Governance as stipulated in SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

**For M/s. Deep Shukla & Associates**  
**Company Secretaries**

**(DEEP SHUKLA)**  
**FCS. No.5652**  
**(C.P.5354)**

**Place : Mumbai**  
**Date : 14/08/2017**

### CERTIFICATION FROM THE MANAGING DIRECTOR

To the Members of  
**INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**  
Mumbai

In pursuance to regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the best of our knowledge and belief, I hereby certify as under:

- a. I have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of my knowledge and belief:
  - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

There have been no

- i. Significant changes in internal control over financial reporting during the year;
- ii. Significant changes in accounting policies during the year;
- iii. Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

### FOR INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED

**MEHOOL BHUVA**  
**MANAGING DIRECTOR**  
**DIN: 00520892**

**Place: Mumbai**  
**Date: 14/08/2017**





**DECLARATION BY THE MANAGING DIRECTOR ON 'CODE OF CONDUCT'**

I hereby confirm that:

The company has adopted a Code of Conduct for all its employees, including the Managing Director. In addition, the company has adopted a code of conduct for its Non-Executive Directors. Both these Code are available on the Company's website ([www.indunissan.com](http://www.indunissan.com)).

The Company has obtained from all the members of the Board and senior management, affirmation that they have complied with the Code of Conduct as applicable to them. The Code Conduct and Business Ethics are posted on the Company's website .

**FOR INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED**

**MEHOOL BHUVA  
MANAGING DIRECTOR  
DIN: 00520892**

**Place: Mumbai  
Date: 14/08/2017**



## Independent Auditor's Report

To

The Members,  
**Indu Nissan Oxo Chemicals Industries Limited**

We have audited the accompanying financial statements of **Indu Nissan Oxo Chemicals Industries Limited**, which comprise of the Balance Sheet as at **March 31, 2017**, and the Statement of Profit and Loss, and Cash Flow Statement of the Company for the year ended on that date annexed thereto, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

We believe that the audit evidence we have sought and obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

- (a) *Attention is invited to sub-note No. 2 (d) of Note No. 29. The Company has defaulted in redemption of Debentures, which fell due on the 10th of July, 1998 aggregating to Rs.550.18 Lac and the amount of interest including penal interest calculated at simple interests accrued as of 31st March, 2013 is Rs.1422.04 Lac of which the Company has unilaterally written back interest element of RS. 1334.01 Lac mentioning that it is in process of negotiating with debenture holders as to the repayment of dues, and the Company does not anticipate any interest payment, and the same has been treated by the Company as other revenues. The Company has reached to settlement with the debenture holders post year end. The debenture holders have agreed to settle the amount payable @ 30% of principal amount outstanding subject to certain terms and conditions. The Company is in process of liquidating some of its assets and pay off the debenture holders. In case the Company is not able to pay the settled amount within stipulated period, the settlement may be cancelled by the debenture holders. The Company has approached BIFR for the permission to sell the assets, and is confident of getting the permission. The Company in anticipation of liquidating the assets and paying off the debenture holders has written back the balance amount not payable to capital reserve. The Company, following to settlement, does not anticipate additional interest liability as demanded by the debenture holders due to which Company has not provided interest for the current year as well as company has written back the interest of RS. 133,401,338 provided in the earlier years. The above position continues since last year*



where the Company has not been able to obtain any order from the BIFR. However, the Law on Sick Industrial companies is repealed, and the BIFR is dissolved. The powers of BIFR are now vested with NCLT for which the Company can make an application. We are unable to form our opinion on this as the entire matter is contingent and subject to approval of BIFR, and now NCLT, subject to the application being made and admitted for sale of assets, and further the Company is able to sell the assets post such approval in open market and fetch necessary amount to pay off the debenture holders, but for which entire settlement may get cancelled.

- (b) Attention is invited to sub-note No. 6 of Note No. 29 - Other Notes to Accounts regarding confirmation of account of various parties, the balances have been taken as per books of account. We, in the absence of confirmations, are unable to ascertain the nature of adjustments that may be required in respect of various accounts and the resultant effects thereof on the accounts.
- (c) Attention is invited to sub-note no. 2 (a) of Note No. 29 - Other Notes to Accounts. In respect of Inter Corporate Deposits received from Himalaya Machinery Limited, the Company had, based on legal opinion, written back interest amounting to Rs. 23.43 Lac during the financial year ended 31st March 2002. Further the Company has not provided any interest for the period 1.10.2000 to **31.03.2017** the interest of which works out to Rs. 191.8 Lac calculated at simple rests @ 27%. Including current year's interest of Rs. 11.64 Lac.
- d) Provision for Gratuity payable to employees has been made only up to 31st March, 2006 based on management estimates. Provision for gratuity and retirement benefits for the current year has not been made. In the absence of any actuarial valuation we are unable to quantify the impact of the same on the Statement of Profit and Loss. This practice of the Company is not in conformity with the AS-15. Attention is invited to sub-note no. 2 (h) of Note No. 29 as regards the decision of hon'ble Labour Court directing the Company to pay a sum of RS. 1299.61 Lac towards labor payments. The Company has filed miscellaneous application before the hon'ble Court for review instead of filing further appeal. Meanwhile, the Company has been able to reach to settlement with few of the employees and has paid agreed amount of gratuity to these employees as per settlement arrived. To that extent, the Company may have lower liability subject to hon'ble Court's directions. Considering the
- significance of amount, we are not able to form our opinion in this regard.
- (e) Attention is invited to sub-note no. 2 (b) of Note No. 29 of Other Notes to Accounts. Based on management's perception, the Company had written back Interest accrued on Working Capital Loans amounting to Rs 493 Lac during preceding financial years. We are informed that, the management is in negotiation with the bankers as regards repayment of the working capital loans at a reduced principal amount and no interest. However, no finality has been reached as to reduced payment of loan or for that matter, non payment of interest. No provision for interest payable on this account is made during the year, which the Company otherwise used to provide every year amounting to Rs. 52.98 Lac up to March 31, 2010 on an estimated basis. This year, no amount has been quantified by the management as not provided. During immediately preceding previous year, the Company had paid Rs. 500,000 as advance against this account to ARCIL which were shown as reduction in loan amount, and the final amount was shown at Rs. 12,066,944. However, the Company has not been able to reach the settlement, and deposit of Rs. 500,000 has been refunded to the Company. In absence of any supporting evidence available or for that matter any confirmation from the bankers, we are unable to express our opinion on this item;
- (f) Attention is invited to Note no. 7 (d) of Notes to Accounts. Based on management's perception, the Company has not provided for interest on term loan payable to Kotak Mahindra Bank. We are explained by the management that, it is in negotiation with the bankers as regards repayment of the term loan at a reduced amount than what has been standing to the credit of bankers, although no tangible and Convincing correspondence was made available to us. No finality has been reached as to reduced payment of loan as stated above. No provision for interest payable on this account is made during the year, which the Company otherwise used to provide every year amounting to Rs. 112.88 Lac up to March 31, 2011 on an estimated basis. This apart, interest provided uptill earlier years is shown as payable unlike writing back the same in lines with other bank and debentures. This year, no amount has been quantified by the management as not provided. In absence of any supporting evidence available or for that matter any confirmation from the bankers, we are unable to express our opinion on this item;
- (g) in absence of confirmations from creditors, especially



*secured creditors, we are unable to opine on the outstanding balances shown in accounts including interest provided and payable thereon.*

- (h) *The Company has not carried out physical verification of closing stock of Rs. 2.58 Lac, and the valuation is based on management's estimates, and no evidence of physical availability of stock was provided to us. The Management has informed us that in its view the stock is worthless and may not fetch material amount in view of which it has valued the stock at zero net realisable value. As regards cash in hand of RS. 3.23 Lac, we are informed that, the same is in possession of the Managing Director. In view of this, closing stock of Rs. 0 and cash in hand of Rs. 3.23 Lac are accepted as certified by the management;*
- (i) *Accounts of the Company are prepared on Going Concern basis although entire net worth is eroded, and there are no material business activities carried out by the Company. The Management was hopeful of revival of the Company with the help of BIFR. However, considerable period has elapsed after approaching BIFR which has now ceased, and the Company not making fresh application to NCLT for revival, we are unable to state whether the Company remains a going concern;*
- (j) *the combined effect of the above qualifications over financial results is not determinable in view of absence of relevant components and information from the management.*

#### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in case of the Balance Sheet, of the state of affairs of the Company as at **31st March 2017**;
- (ii) in case of Statement of Profit and Loss, of the **Profit** of the Company for the year ended on that date.
- (iii) in case of cash flow statement, of cash flow of the Company for the year ended on that date.

#### Emphasis of Matter

- (a) *Attention is invited to sub-note no. 2 (c) of Note No. 29 - Other Notes to Accounts. The Custom department had imposed penalty of Rs. 1000 Lac on the Company, which was disputed by the Company. On appeal before CESTAT, the said penalty was reduced to Rs. 700 Lac vide order dated March 31, 2011, Subsequently CESTAT removed the penalty levied by the department. At Present department is in appeal before Hon'ble High Court of Gujarat and hence no provision for this liability is made in the accounts, contending this being contingent liability. Our opinion is not qualified in respect of this matter.*
- (b) *Attention is invited to sub-note no. 2 (e) of Note No. 29 - Other Notes to Accounts. Amount receivable from RSEB (Rajasthan State Electricity Board) in respect of Assets given on Lease is shown at Rs.412.19 Lac against security deposit received from RSEB of Rs.653.09 Lac. We have been informed that Company has filed a suit against RSEB before Rajasthan High Court for the recovery of Rs.964.92 Lac inclusive of interest @ 20% after making adjustment of DPA (Deferred Payment Agreement) decision of which remains pending. Our opinion is not qualified in respect of this matter.*

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order
- As required by Section 143 (3) of the Act, we report that:
  - we have sought and obtained all the information and explanation, *except mentioned earlier in this report, more particularly confirmations from lenders and creditors, including the secured lenders / creditors*, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - in our opinion, proper books of account, except fixed asset and stock registers, as required by law have been kept by the Company so far as appears from our examination of those books;
  - the Balance Sheet, Statement of Profit and Loss, and Cash flow Statement dealt with by this



- Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) *The Company has defaulted in redemption of Debentures, which fell due on the 10th of July, 1998 aggregating to Rs.550.18 Lac and the amount of interest including penal interest calculated at simple rests accrued as of 31st March, 2013 is Rs.1422.04 Lac (of which the Company had unilaterally written back interest element of RS. 1334.01 Lac in the year ended 31st March 2013, and no provision is made for the year ending 31st March 2015), thereby, the directors of the Company are disqualified from being appointed as director under sub section 2 of section 164 of the Companies Act, 2013 (although the Company has reached to settlement with debenture holders, no payment has actually been made as stated in Basis for Qualified Opinion)*
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (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. We are informed that, the Company has pending litigations as described in accounts and our report which are likely to impact its financial position;
  - ii. The Company has made provisions, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, and these are in accordance with the books of account maintained by the Company.

**FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS**

**(Mehul Shah)  
PARTNER  
M. No. : 049361  
FRN : 116457W  
Mumbai : May 26, 2017**



**ANNEXURE “A” REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE**

IN CASE OF Indu Nissan Oxo Chemical Industries Limited

- (i) (a) The Company has not maintained proper records showing full particulars of, including quantitative details and situation, of fixed assets since the same is not updated.
- (b) As plant of the Company is not in operation, the Company has not carried out physical verification of the assets at periodic intervals. In respect of assets given on lease, no confirmation from the lessee has been produced before us, stating that the assets leased under the agreements are existing, but owing to dispute with the lessee, the same cannot be confirmed. The Company has written off some non existing assets during preceding years based on perception of the management.
- (c) As per records presented before us, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) We have been informed by the management that, Stock of goods have been physically verified by the management at reasonable intervals during the year; though no records of physical verification or valuation on the date of balance sheet were produced before us. The stock of stores, packing material, and semi finished goods is valued based on Chartered Engineers' Certificate dated 13/10/2010 as reduced by the stock sold during earlier year, and a further written off of value on the management's estimate as to net realizable value.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- (a) Since no loans are granted, the sub-clause dealing with terms and conditions being prejudicial to the companies Interest in not applicable.
- (b) Since no loans are granted, the sub-clause dealing with rate of interest and other terms and conditions of loans given by the company are not applicable.
- (c) Since no loans are granted, the sub-clause dealing with overdue amount more than ninety days, and reasonable steps taken by the

Company for recovery of the principal and interest is not applicable.

- (iv) As per records maintained and explanation given to us, the Company has not granted Loans to directors and other parties listed under section 185 of the Companies Act 2013 or for that matter given loans and made investments or given guarantees and securities in excess of limits prescribed by section 186 of the Companies Act 2013.
- (v) The Company has not accepted any deposits from public within the meaning of the provisions of section 73 or any other provisions of the Companies Act, 2013 and the rules made there under. We have been informed by the management that there has been no order passed by the Company law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company with respect to compliance of the provisions of section 73 or any other provisions of the Companies Act 2013. The Company has defaulted in repayment of debentures as mentioned in our report earlier.
- (vi) We have been informed by the management that, the Central Government has not prescribed the method of maintenance of cost records u/s. 148 (1) of the Companies Act, 2013 in relation to the Company.
- (vii) (a) The Company has defaulted in payment of undisputed statutory dues as given below. The extent of arrears of Statutory Dues outstanding exclusive of interest that may be charged by the Revenue Authorities (after adjusting pre-paid taxes) for more than six months as on the year end is as follows :

Nature of Statutory Dues	Amount (₹) (in lacs)
Investor Education and Protection Fund	16.26
Income Tax	119.47
Bajwa Gram Panchayat	13.34

The Company has not been collecting and paying employees profession tax. Similarly, Company's own profession tax has also not been paid. Similarly, the Company has not provided for Service Tax payable under Reverse Charge mechanism on directors' sitting fees. The amount of arrears and default has not been quantified by the Management.

The Company has requested the Income-tax Department to adjust refunds of subsequent



years against outstanding dues of earlier years for which, we are informed, no communiqué is received from the Income-tax Department except with respect to Assessment Year 1995-96 where the demand is adjusted against refund of Assessment Year 2010-11.

In the case of Income tax deducted at source, the Company has deducted tax on payment basis whereas provisions of chapter VXII-B of the Income-tax Act 1961 require deduction of tax on payment or credit in the books of account whichever is earlier. Details of payments wherein tax should have been deducted on credit basis are not available. Hence we are unable to state the exact amount of the defaulted tax deducted at source liability. The above mentioned amount is tax deducted at source on payments made but not deposited with the Central government. Rent paid in Court as described in Sub Note no. 2 (j) of Note No. 29, the Company has not made TDS stating that the same is merely a deposit with hon'ble Court as per directions.

- (b) As per information and explanation given to us, the following are details of disputed statutory dues that has not been paid to the concerned authorities.

	Name of the Statutory Dues	Forum where dispute is pending	Period to which the amount relates	Unpaid Amount (₹ in Lacs)
1	Income tax	ITAT-Ahmedabad	1999-00	0.63
2	Custom Duty	Gujarat High Cour	1995-96	700
3	Excise Penalty	CES Appellate Tribunal	2004-05 to 2007-08	0.41
4	Income tax Penalty	ITAT-Ahmedabad	2007-08	18.01
5	Income Tax Quantum	ITAT-Ahmedabad	2007-08	Nil , Because of Brought forward loss
6	Income tax Penalty	ITAT-Ahmedabad	2006-07	45.72

- (viii) (a) The Company has defaulted in redemption of debentures, which fell due on the 10th July 1998 aggregating to Rs 550.18 lacs and the amount of interest accrued as of date is Rs. 1422.04 Lac calculated on simple rests inclusive of penal interest as agreed upon in terms and conditions of issue of the debenture. As stated in our report,

the Company has not made provision for interest on debentures during the current year. the Company has unilaterally written back interest element of RS. 1334.01 Lac mentioning that it is in process of negotiating with debenture holders as to the repayment of dues, and the Company does not anticipate any interest payment, and the same has been treated by the Company as other revenues. The Company has reached to settlement with the debenture holders post year end. The debenture holders have agreed to settle the amount payable @ 30% of principal amount outstanding subject to certain terms and conditions. The Company is in process of liquidating some of its assets and pay off the debenture holders. In case the Company is not able to pay the settled amount within stipulated period, the settlement may be cancelled by the debenture holders. The Company has approached BIFR for the permission to sell the assets, and is confident of getting the permission. The Company in anticipation of liquidating the assets and paying off the debenture holders has written back the balance amount not payable to capital reserve. Since the event, in opinion of Company, is occurring after the balance sheet date that requires adjustment to the amount payable on balance sheet date, this adjustment is carried out. The Company, following to settlement, does not anticipate additional interest liability as demanded by the debenture holders due to which Company has not provided interest for the current year as well as company has written back the interest of RS. 133,401,338 provided in the earlier years. We are unable to form our opinion on this as the entire matter is contingent and subject to approval of BIFR, which is now ceased, and the Company not making application to NCLT for sale of assets, and further the Company is able to sell the assets post such approval in open market and fetch necessary amount to pay off the debenture holders, but for which entire settlement may get cancelled.

- (b) In respect of term loans from financial institution, the Company has defaulted in repayment of their dues. Following table brings out the amount of default and the period from which default is made:



Sr No	Term Loans from Finanacial Institutions	Principal (₹ In Lacs)	Interest (₹In Lacs)	Total (₹In Lacs)	Default commencing from	
					Principal	Interest
1	Kotak Mahindra Bank (taken over from IDBI Bank)	261.3	1447.44	1708.74	31-Mar-08	30-Sep-08
	<b>TOTAL</b>	<b>261.3</b>	<b>1447.44</b>	<b>1708.74</b>		

As stated in our report, the Company has not provided for interest payable on above loan during the current year. The figure of default in interest excludes interest not provided during the current year in absence of any confirmation from the bank to this effect.

Sr. No.	Cash Credits from Banks	Principal (₹In Lacs)	Interest (₹In Lacs)	Total (₹In Lacs)	Default commencing from	
					Principal	Interest
1	ARCIL (UBI)	125.67	Nil	125.67	30-Sep-98	30-Sep-98
	<b>TOTAL</b>	<b>125.67</b>	<b>Nil</b>	<b>125.67</b>		

In case of ARCIL, interest outstanding is indicated as zero in view of write back of interest payable during earlier years.

- (ix) We have been informed by the management that no money was raised by way of Initial Public offer or Further Public offer( including Debt instrument), and in case of term Loans the amount was applied for the purpose for which they are taken.
- (x) As informed by the management, there has not been noticed or reported any fraud on or by the Company or its officers or employees during the year.
- (xi) During the year the Company has not paid managerial remuneration. In view of this, the clause requiring reporting on managerial remuneration being paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act is not applicable.
- (xii) Since the Company is not a Nidhi Company, the provisions of this clause are not applicable to the Company.
- (xiii) In our view, and as per the explanation given to us by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 wherever applicable, and details have been disclosed in the Financial statements as

required by the applicable accounting standard.

- (xiv) we have been informed by the management that Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) As per the explanation given to us by the management, and as per records maintained, the Company has not entered into any non-cash transactions with directors or any persons connected with him as prescribed by section 192 of the Companies Act 2013.
- (xvi) In our view, the Company has not carried out any activities in nature of activities carried out by non banking financial companies, and thus is not required to get registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS**

**(Mehul Shah)  
PARTNER  
M. No. 049361  
FRN: 116457W**

**MUMBAI : May 26, 2017**





**ANNEXURE “B:” REFERRED TO IN REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE**

IN CASE OF Indu Nissan Oxo Chemical Industries Limited

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

We have audited the internal financial controls over financial reporting of **Indu Nissan Oxo Chemicals Industries Limited** (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2017:

1. The Company does not have Internal audit function being carried out following to financial health although it is under legal obligation to do so.
2. As stated in our Audit Report, many creditors, secured and unsecured, are subject to confirmation and reconciliation. The secured lenders have not given their account confirmations which involve significant amount payable. Under these circumstances, in our view there remains a material weakness in internal financial control over financial reporting.
3. The Company has not properly maintained fixed assets and inventory Registers / Records. We are informed that, these assets are not physically verified by the management on a regular / periodical intervals. In view of this, the objective of safeguarding of assets, in our view, is not met adequately.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS

(Mehul Shah)  
PARTNER  
M. No. 049361  
FRN: 116457W

Mumbai : May 26, 2017

INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



BALANCE SHEET AS AT 31st MARCH 2017

Particulars	Sch. No.	As at 31.3.2017 ₹	As at 31.3.2017 ₹	As at 31.3.2016 ₹	As at 31.3.2016 ₹
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' funds</b>					
(a) Share capital	1	165,000,000		165,000,000	
(b) Reserves and surplus	2	(603,601,597)	(438,601,597)	(604,437,826)	(439,437,826)
(c) Money received against share warrants		-		-	
<b>2 Share application money pending allotment</b>		-		-	
<b>3 Non-current liabilities</b>					
(a) Long-term borrowings	3	-		-	
(b) Deferred tax liabilities (Net)	4	-		-	
(c) Other Long term liabilities	5	-		-	
(d) Long-term provisions	6	-	-	-	-
<b>4 Current liabilities</b>					
(a) Short-term borrowings	7	55,823,144		48,821,744	
(b) Trade payables	8	230,986,789		234,422,229	
(c) Other current liabilities	9	228,064,328		232,850,463	
(d) Short-term provisions	10	11,637,145	526,511,406	11,946,545	528,040,981
<b>TOTAL</b>			87,909,809		88,603,154
<b>II. ASSETS</b>					
<b>Non-current assets</b>					
<b>1 (a) Fixed assets</b>	11				
(i) Tangible assets		4,399,548		21,434,112	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
		4,399,548		21,434,112	
(b) Non-current investments	12	-		-	
(c) Deferred tax assets (net)		-		-	
(d) Long-term loans and advances	13	67,841,473		64,241,473	
(e) Other non-current assets	14	-	72,241,021	-	85,675,585
<b>2 Current assets</b>					
(a) Current investments	15	-		-	
(b) Inventories	16	-		58,263	
(c) Trade receivables	17	-		-	
(d) Cash and Bank Balances	18	15,151,400		2,140,524	
(e) Short-term loans and advances	19	-		-	
(f) Other current assets	20	517,388	15,668,788	528,782	2,927,569
<b>TOTAL</b>			87,909,809		88,603,154
Contingent Liabilities & Commitments	21				
NOTES ON ACCOUNT	29				
AS PER OUR REPORT OF EVEN DATE <b>FOR SHAH, SHAH &amp; SHAH</b> CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD OF <b>INDU NISSAN OXO CHEMICALS INDUSTRIES LIMITED</b>			
(Mehul Shah) <b>PARTNER</b> FRN: 116457W M. No.: 049361		(M. N. Bhuvra) <b>Chairman &amp; Managing Director</b>			
Mumbai: May 26, 2017		(B. T. Mallya) <b>Director</b>			



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2017

Particulars	Sch. No.	As at 31.3.2017 ₹	As at 31.3.2017 ₹	As at 31.3.2016 ₹	As at 31.3.2016 ₹
I Revenue from operations	22		-		-
II Other income	23		5,475,312		1,978,120
III Total Revenue (I + II)			5,475,312		1,978,120
<b>IV Expenses:</b>					
Cost of Material Consumed	24	200,000		-	
Changes in the inventories of finished goods and WIP	25	58,263		-	
Employee benefits expense	26	850,105		1,027,932	
Finance costs	27	667,128		1,641	
Depreciation and amortization expense	11	103,834		505,895	
Withdrawn from Revaluation Reserves		0		-456,783	
Other expenses	28	5,304,272		4,366,459	
<b>Total expenses</b>			7,183,602		5,445,143
V Profit before exceptional and extraordinary items and tax (III-IV)			(1,708,290)		(3,467,023)
VI Exceptional items - Profit on sale of fixed Assets			2,544,520		-
VII Profit before extraordinary items and tax (V - VI)			836,230		-3,467,023
VIII Extraordinary Items			-		-
IX Profit before tax (VII- VIII)			836,230		(3,467,023)
X Tax expense:					
Provision for Taxation					
- Current Tax		-		-	
- Taxation of Earlier Years		-		-5968472	
- Deferred Tax		-		-	-5,968,472
XI Profit (Loss) for the period from continuing operations (VII-VIII)			836,230		2,501,449
XII Profit/(loss) from discontinuing operations			-		-
XIII Tax expense of discontinuing operations			-		-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-		-
XV Profit (Loss) for the period (XI + XIV)			836,230		2,501,449
XVI Earnings per equity share:					
(1) Basic		0.05		0.15	
(2) Diluted		0.05		0.15	
AS PER OUR REPORT OF EVEN DATE FOR SHAH, SHAH & SHAH CHARTERED ACCOUNTANTS		FOR AND ON BEHALF OF THE BOARD OF INDU NISSAN OXO CHEMICALS INDUSTRIES LIMITED			
(Mehul Shah) PARTNER FRN: 116457W M. No.: 049361 Mumbai: May 26, 2017		(M. N. Bhuvra) Chairman & Managing Director  (B. T. Mallya) Director			



**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017**

Disclosure pursuant to Note no. 6(A)(a,b & c) of Part I of Schedule III to the Companies Act, 2013

Share Capital	March 31, 2017		March 31, 2016	
	Numbers	₹.	Numbers	₹.
<b>Authorized</b>				
Equity Shares of RS. 10 each	50,000,000	500,000,000	50,000,000	500,000,000
<b>Issued</b>				
Equity Shares of RS. 10 each	16,500,000	165,000,000	16,500,000	165,000,000
<b>Subscribed &amp; Paid up</b>				
Equity Shares of RS. 10 each fully paid	16,500,000	165,000,000	16,500,000	165,000,000
<b>Subscribed but not fully Paid up</b>				
Equity Shares of RS. 10 each, not fully paid up	-	-	-	-
<b>Total</b>	16,500,000	165,000,000	16,500,000	165,000,000

Disclosure pursuant to Note no. 6(A)(d) of Part I of Schedule III to the Companies Act, 2013

Particulars - Equity Shares	March 31, 2017		March 31, 2016	
	Numbers	₹.	Numbers	₹.
Shares outstanding at the beginning of the year	16,500,000	165,000,000	16,500,000	165,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	16,500,000	165,000,000	16,500,000	165,000,000

Particulars - Preference Shares	March 31, 2017		March 31, 2016	
	Numbers	₹.	Numbers	₹.
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	-	-	-	-

Disclosure pursuant to Note no. 6(A)(f) of Part I of Schedule III to the Companies Act, 2013

NIL Equity Shares (NIL Previous year) are held by None, the holding Company.

Disclosure pursuant to Note no. 6(A)(g) of Part I of Schedule III to the Companies Act, 2013 (more than 5%)

Particulars - Shareholder	March 31, 2017		March 31, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mehool N. Bhuva	1,390,965	8.43%	1,390,965	8.43%
Narendra I. Bhuva (HUF)	2,450,000	14.85%	2,450,000	14.85%
Indo Nippon Chemical Co. Ltd	2,263,000	13.72%	2,263,000	13.72%



**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017**

Disclosure pursuant to Note no. 6(A)(i) of Part I of Schedule III to the Companies Act, 2013 (Following disclosure should be made for each class of Shares)					
Particulars	Year (Aggregate No. of Shares)				
	2012-13	2013-14	2014-15	2015-16	2016-17
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
Convertible Shares Warrants	-	-	-	-	-
<b>Preference Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
<b>Disclosure pursuant to Note no. 6(A)(k) of Part I of Schedule III to the Companies Act, 2013</b>					
<b>Unpaid Calls</b>	₹.				
By Directors	-				
By Officers	-				
Others	-				
<b>Disclosure pursuant to Note no. 6(A)(l) of Part I of Schedule III to the Companies Act, 2013</b>					
Particulars - Equity Shares	March 31, 2017		March 31, 2016		
	Numbers	₹.	Numbers	₹.	
Forfeited shares (amount originally paid up)	-	-	-	-	
Particulars - Preference Shares	March 31, 2017		March 31, 2016		
	Numbers	₹.	Numbers	₹.	
Forfeited shares (amount originally paid up)	-	-	-	-	
<b>Disclosure pursuant to Note no. 6 (A) (e, h, j) of Part I of Schedule III to the Companies Act, 2013</b>					
<b>Rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital.</b>					
Particulars	March 31, 2017		March 31, 2016		
	Number	Description	Number	Description	
<b>Equity Shares</b>	16,500,000	Parri Pasu	16,500,000	Parri Pasu	
Restrictions on the distribution of voting rights or with differential voting rights as to dividend		None		None	
		All shares have equal Voting Rights		All shares have equal Voting Rights	



**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	March 31, 2017		March 31, 2016	
	Number	Description	Number	Description
<b>Preference Shares</b>	-		-	
Preferential rights in respect of payments of fixed dividend and repayment of capital.	-	Not Applicable	-	Not Applicable
Voting rights or with differential voting rights as to dividend		Not Applicable		Not Applicable
Full or partial participating rights in surplus profits or surplus capital		Not Applicable		Not Applicable
Cumulative, non cumulative, redeemable, convertible, non-convertible		Not Applicable		Not Applicable

**Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment, including the terms and amounts**

Particulars	March 31, 2017		March 31, 2016	
	Number	Description	Number	Description
Equity Shares	-	-	-	-
Preference Shares	-	-	-	-

**Terms of any securities convertible into equity / preference shares issued along with the earliest date of conversion in descending order starting from the farthest such date.**

Particulars	March 31, 2017		March 31, 2016	
	Number	Description	Number	Description
Equity Shares	-	-	-	-
Preference Shares	-	-	-	-
Warrants / Bonds	-	-	-	-
Debentures	-	-	-	-



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note - 2 : RESERVES AND SURPLUS</b>		
Disclosure pursuant to Note no. 6(B) of Part I of Schedule III to the Companies Act, 2013		
Particulars	March 31, 2017	March 31, 2016
	₹	₹
<b>a. Capital Reserves</b>		
Opening Balance	38,674,799	38,674,799
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	<b>38,674,799</b>	<b>38,674,799</b>
<b>b. Capital Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>c. Securities Premium Account</b>		
Opening Balance	36,800,000	36,800,000
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilized for various reasons	-	-
Premium on Redemption of Debentures	-	-
For Issuing Bonus Shares	-	-
For Other Reasons (Please indicate)	-	-
Closing Balance	<b>36,800,000</b>	<b>36,800,000</b>
<b>d. Debenture Redemption Reserve</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>e. Revaluation Reserve</b>		
Opening Balance	4,111,047	4,567,830
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	4,111,047	456,783
Closing Balance	<b>0</b>	<b>4,111,047</b>
<b>f. Share Options Outstanding Account</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>g. Other Reserves (Specify nature and purpose)</b>		
Opening Balance	-	-
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	-	-
<b>h. Surplus</b>		
Opening balance	(684,023,672)	(686,525,122)
(+) Net Profit/(Net Loss) For the current year	836,229	2,501,450
(+) Transfer from Reserves                      Revaluation Reserve w/back	4,111,047	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>(679,076,396)</b>	<b>(684,023,672)</b>
<b>Total Reserves &amp; Surplus</b>	<b>(603,601,597)</b>	<b>(604,437,826)</b>





NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note - 3 : LONG-TERM BORROWINGS</b>		
Disclosure pursuant to Note no. 6(C) of Part I of Schedule III to the Companies Act, 2013		
Particulars	March 31, 2017	March 31, 2016
	₹	₹
<b>(a) Bonds/debentures</b> NIL (Previous Year: NIL) NIL% Debentures of RS. NIL each redeemable at Par on N.A.(secured by N. A.) (of the above, RS. NIL is guaranteed by Directors and / or others) Details of redeemed bonds/debentures which the Company has power to reissue: None	-	-
<b>(b) Term loans</b> From Banks	-	-
From other parties (Secured against Not Applicable) (of the above, RS. None is guaranteed by Directors and / or others) Terms of Repayment : Not Applicable	-	-
<b>(c) Deferred payment liabilities</b> (Secured by Not Applicable) (of the above, RS. None is guaranteed by Directors and / or others)	-	-
<b>(d) Deposits</b> (Secured By Not Applicable) (of the above, RS. None is guaranteed by Directors and / or others)	-	-
<b>(e) Loans and advances from related parties</b> (Secured By Not Applicable) (of the above, RS. None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable.	-	-
<b>(f) Long term maturities of finance lease obligations</b> (Secured By Not Applicable) (of the above, RS. None is guaranteed by Directors and / or others)	-	-
<b>(g) Other loans and advances (Specify Nature if any)</b> (Secured By Not Applicable) (of the above, RS. None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable.	-	-
<b>Total Secured Long Term Borrowings</b>	-	-
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</u>		
1. Period of default - None		
2. Amount - NIL		



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note - 3 : LONG-TERM BORROWINGS</b>		
Disclosure pursuant to Note no. 6(C) of Part I of Schedule VI to the Companies Act, 1956		
Particulars	March 31, 2017	March 31, 2016
	₹	₹
<b>Unsecured</b>		
<b>(a) Bonds/debentures</b> NIL (Previous Year: NIL) NIL % Debentures of RS. NIL each redeemable at Par on N.A. (of the above, RS. NIL is guaranteed by Directors and / or others) Details of redeemed bonds/debentures which the Company has power to reissue: None	-	-
<b>(b) Term loans</b> From banks From other parties (of the above, RS. None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable	-	-
<b>(c) Deferred payment liabilities</b> (of the above, RS. None is guaranteed by Directors and / or others)	-	-
<b>(d) Deposits</b> (of the above, RS. None is guaranteed by Directors and / or others)	-	-
<b>(e) Loans and advances from related parties</b> (of the above, RS. None is guaranteed by Directors) Terms of Repayment : Not Applicable	-	-
<b>(f) Long term maturities of finance lease obligations</b> (of the above, RS. None is guaranteed by Directors and / or others)	-	-
<b>(g) Other loans and advances (specify nature if any)</b> (of the above, RS. None is guaranteed by Directors and / or others) Terms of Repayment Not Applicable	-	-
<b>Total Unsecured Long Term Borrowings</b>	-	-
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (b) (e) &amp; (g)</u>		
1. Period of default - None		
2. Amount - NIL		
<b>Total Long Term Borrowings</b>	-	-



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

**Note 4 DEFERRED TAX ASSET (NET)**

The Company has not accounted for taxes on income in accordance with AS-22 – Accounting for Taxes on Income issued by Ministry of Corporate Affairs. Consequently, the net incremental deferred tax (liability) / asset is charged / credited to Statement of Profit and Loss. The year end position of taxes on income is as under:

Particulars	March 31, 2017	March 31, 2016
	₹	₹
<b>Deferred tax liability</b>		
Fixed Assets : Impact of Difference between tax depreciation and depreciation / amortization charged for financial reporting	-	-
Others	-	-
Gross deferred tax liability	-	-
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	-	-
Unabsorbed Depreciation as per Tax	-	-
Gross deferred tax asset	-	-
<b>Net deferred tax liability / (asset)</b>	-	-

**Note - 5 : OTHER LONG TERM LIABILITIES**

Disclosure pursuant to Note no. 6(D) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Trade Payables	-	-
(b) Others	-	-
<b>Total Other Long Term Liabilities</b>	-	-

**Note - 6 : LONG TERM PROVISIONS**

Disclosure pursuant to Note no. 6(E) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) <u>Provision for employee benefits</u>		
Superannuation (unfunded)	-	-
Gratuity (unfunded)	-	-
Leave Encashment (unfunded)	-	-
ESOP/ESOS	-	-
<b>Total (a)</b>	-	-
(b) <u>Others (Specify nature)</u>	-	-
<b>Total (b)</b>	-	-
<b>Total Long Term Provisions (a+b)</b>	-	-



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note - 7 : SHORT-TERM BORROWINGS</b>		
Disclosure pursuant to Note no. 6(F) of Part I of Schedule III to the Companies Act, 2013		
Particulars	March 31, 2017	March 31, 2016
	₹	₹
<b>Secured</b>		
<b>(a) Loans repayable on demand</b>		
From banks	-	-
from other parties		
(Secured By None)		
<b>(b) Loans and advances from related parties</b>		
(Secured By Not Applicable)	-	-
(of the above, RS. NIL is guaranteed by Directors and / or others)		
<b>(c) Deposits</b>		
(Secured By Not Applicable)	-	-
(of the above, RS. NIL is guaranteed by Directors and / or others)		
<b>(d) Other loans and advances</b>		
Term Loans from Bank		
Kotak Mahindra Bank Ltd	26,130,000	26,130,000
<p>(Secured on pari passu basis by mortgage charge on all immovable properties of the Company, present and future wherever situated and first charge on pari passu basis by way of hypothecation of all movable assets, except book debts, present and future, subject to prior charge created in favour of the Company's Bankers on stock of raw material, finished and semi-finished goods, consumable stores, book debts for its working Capital requirements.)</p> <p>Terms of Repayment Period of Maturity Immediate</p> <p>Number and amount of Installments due Default in repayment Rate of Interest No interest is provided being NPA Other significant terms</p> <p>The Company has defaulted in repayment of this loan. It has not provided for interest payable during the current year as the Company is in negotiation with the bankers as regards repayment of the term loan at a reduced amount than what has been standing to the credit of bankers.</p> <p>Working Capital Loans</p> <p>Arcil - Union Bank of India</p>		
(Working Capital Loans are secured on first charge by way of hypothecation of all stocks and second charge on Plant & Machinery)	12,566,944	12,066,944
Period of Maturity Immediate		
Number and amount of Installments due Default in repayment		
Rate of Interest No interest is provided being NPA		
Other significant terms		



**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016**

**Note - 7 : SHORT-TERM BORROWINGS**

Disclosure pursuant to Note no. 6(F) of Part I of Schedule VI to the Companies Act, 1956

Particulars	March 31, 2017	March 31, 2016
	₹	₹
The Company has defaulted in repayment of this loan. It has not provided for interest payable during the current year as the Company is in negotiation with the bankers as regards repayment of the working capital loans at a reduced principal amount and no interest.		
<b>Total Secured Short Term Borrowings</b>	38,696,944	38,196,944
<u>In case of continuing default as on the balance sheet date in repayment of loans and interest with respect to (a) (b) &amp; (d)</u>		
1. Period of default - More than Five years		
2. Amount - 38,696,944		
<b>Unsecured</b>		
<b>(a) Loans repayable on demand</b>	-	-
from banks		
from other parties		
(of the above, RS. NIL is guaranteed by Directors and / or others)		
<b>(b) Loans and advances from related parties</b>	12,826,200	-
(of the above, RS. NIL is guaranteed by Directors and / or others)		
<b>(c) Inter Corporate Deposits</b>	4,300,000	10,624,800
(of the above, RS. NIL is guaranteed by Directors and / or others)		
The Company has defaulted in repayment of RS. 4,300,000 of these loans for which the lender has filed suit against the Company.		
<b>(d) Other loans and advances</b>	-	-
<b>Total Unsecured Short Term Borrowings</b>	17,126,200	10,624,800
<b>Total Short Term Borrowings</b>	<b>55,823,144</b>	<b>48,821,744</b>

**Note - 8 : TRADE PAYABLES**

Disclosure pursuant to Note no. 6(D) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Trade Payables	219,497,115	219,005,614
(b) Others	11,489,674	15,416,615
<b>Total Trade Payables</b>	<b>230,986,789</b>	<b>234,422,229</b>



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note 9 OTHER CURRENT LIABILITIES</b>		
Disclosure pursuant to Note no. 6(G) of Part I of Schedule III to the Companies Act, 2013		
Particulars	March 31, 2017	March 31, 2016
	₹	₹
(a) Current maturities of long-term debt	-	-
(b) Current maturities of finance lease obligations	-	-
(c) Interest accrued but not due on borrowings	-	-
(d) Interest accrued and due on borrowings	144,744,289	144,744,289
(e) Income received in advance	-	-
(f) Unpaid dividends	1,626,188	1,626,188
(g) Application money received for allotment of securities and due for refund	-	-
interest accrued on (g) above	-	-
Number of shares proposed to be issued: _____		
<b>Amount of premium (if any):</b> ___-_____		
Terms and conditions of shares proposed to be issued: -		
Date by which shares shall be allotted: _____		
Whether the Company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money		
The period overdue from the last date of allotment is _____; reason being _____		
(h) Unpaid matured deposits and interest accrued thereon	-	-
(i) Unpaid matured debentures and interest accrued thereon	16,385,151	16,385,151
(l) 14% Non Convertible Debentures are secured by First Legal Mortgage in English Form on all the Company's movable and immovable properties, present & future, situated at Bajwa Dist. Vadodara in the state of Gujarat and a floating charge on all other movable and immovable properties, present & future, subject to prior charge created in favour of the Company's Bankers on stock of raw-materials, finished and semi-finished goods, consumable stores, book debts, for its working capital requirements.		
(ii) The 14% Non convertible Debentures are redeemable in 5(five) equal annual installments on the expiry of 5th, 6th, 7th, 8th & 9th years from date of allotment i.e. 1990-91 at a premium of 5% of the face value of debenture .I.e. Rs.5/- payable with the third installment.		
The Company has defaulted in redemption of installments and interest. During the year under consideration, the Company has written back accrued interest of RS. 133,401,338 on these debentures and carried to other Revenues account as in view of the management this amount is not likely to be paid in view of the settlement proceedings going on with the debenture holders.		
The Company has reached to settlement with the debenture holders post year end. The debenture holders have agreed to settle the amount payable @ 30% of principal amount outstanding subject to certain terms and conditions. The Company is in process of liquidating some of its assets and pay off the debenture holders. In case the Company is not able to pay the		



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016

Particulars	March 31, 2016	March 31, 2015
	₹	₹
settled amount within stipulated period, the settlement may be cancelled by the debenture holders. The Company has approached BIFR for the permission to sell its assets, and is confident of getting the permission. The Company in anticipation of liquidating the assets and paying off the debenture holders has written back the balance amount not payable to capital reserve. Since the event, in opinion of Company, is occurring after the balance sheet date that requires adjustment to the amount payable on balance sheet date, this adjustment is carried out.		
(j) Other payables - Duties and Taxes	-	4,786,135
(k) Interest Free Deposit - RSEB (of the above, RS. NIL is guaranteed by Directors and / or others)	65,308,700	65,308,700
The Company has defaulted in repayment of this sum. Against this, the Company has given deposit of RS. 41,219,473 to the said party that is treated as Long Term Loans and Advances in Accounts. The Company has filed suit against this Party.		
<b>Total Current Liabilities</b>	<b>228,064,328</b>	<b>232,850,463</b>

**Note - 10 : SHORT TERM PROVISIONS**

Disclosure pursuant to Note no. 6(H) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017	March 31, 2016
	₹	₹
<b>(a) Provision for employee benefits</b>		
Salary & Reimbursements	-	-
Contribution to PF	-	-
Gratuity (Unfunded)	-	-
Leave Encashment (funded)	-	-
Superannuation (funded)	-	-
ESOP/ESOS	-	-
(b) Others	-	-
<b>(b) Others (Specify nature)</b>		
Provision for Taxation (Net of Taxes Paid)	11,637,145	11,946,545
Provision For Fringe Benefit Tax	-	127,120
<b>Total Short Term Provisions</b>	<b>11,637,145</b>	<b>11,946,545</b>

<b>Note 11 FIXED ASSETS</b>									
Disclosure pursuant to Note no. I (i), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part of Schedule III to the Companies Act, 2013									
Particulars	Gross Block			Accumulated Depreciation				Net Block	
	April 1, 2016	Additions/ (Disposals)	March 31, 2017	April 1, 2016	Depreciation for the year	On disposals	March 31, 2017	April 1, 2016	March 31, 2017
	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>a. Tangible Assets</b>									
Land	21,090,830	(16,930,730)	4,160,100	-	-	-	-	21,090,830	4,160,100
Buildings	57,190,594	-	57,190,594	57,169,081	20,438	-	57,189,519	21,512	1,074
Plant and Machinery & elec. Installation	1,153,624,866	-	1,153,624,866	1,153,599,595	1,599	-	1,153,601,194	25,271	23,672
Moulds	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	8,089,264	-	8,089,264	7,818,998	69,973	-	7,888,971	270,266	200,293
Vehicles	-	-	-	-	-	-	-	-	-
Office equipment	3,653,211	-	3,653,211	3,626,978	11,824	-	3,638,802	26,233	14,409
Others (specify nature)	-	-	-	-	-	-	-	-	-
Assets under lease (specify nature)	-	-	-	-	-	-	-	-	-
<b>Total (Current Year)</b>	<b>1,243,648,764</b>	<b>(16,930,730)</b>	<b>1,226,718,034</b>	<b>1,222,214,652</b>	<b>103,834</b>	<b>-</b>	<b>1,222,318,486</b>	<b>21,434,112</b>	<b>4,399,548</b>
<b>Total (Previous Year)</b>	<b>1,243,555,464</b>	<b>93,300</b>	<b>1,243,648,764</b>	<b>1,221,708,757</b>	<b>498,019</b>	<b>7,876</b>	<b>1,222,214,652</b>	<b>21,846,707</b>	<b>21,434,112</b>
<b>b. Intangible Assets</b>									
Goodwill	-	-	-	-	-	-	-	-	-
Brands /trademarks	-	-	-	-	-	-	-	-	-
Computer software	-	-	-	-	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-	-	-	-	-
Mining rights	-	-	-	-	-	-	-	-	-
Copyrights, and patents and other intellectual property rights, services and operating rights	-	-	-	-	-	-	-	-	-
Recipes, formulae, models, designs and prototypes	-	-	-	-	-	-	-	-	-
Licenses and franchise	-	-	-	-	-	-	-	-	-
SAP Software	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>c. Capital Work In Progress</b>									
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>d. Intangible assets under Development</b>									
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disclosure pursuant to Note no.I (iv) and J (iii) of Part I of Schedule III to the Companies Act, 2013</b>									
Where sums have been written off on a reduction of capital or revaluation of assets or where sums have been added on revaluation of assets,									
Particulars	Year								
	2009-10 ₹	2010-11 ₹	2011-12 ₹	2012-13 ₹	2013-14 ₹				
<b>Asset details:</b>									
Balance as at 1st April	-	-	-	-	-				
Impairment/ Revaluation	-	-	-	-	-				
Balance as at 31st March	-	-	-	-	-				

NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED







NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note : 12 - NON CURRENT INVESTMENTS</b>		
Disclosure pursuant to Note no. K (i) of Part I of Schedule III to the Companies Act, 2013		
Particulars	March 31, 2017	March 31, 2016
	₹	₹
<b>A Trade Investments (Refer A below)</b>		
(a) Investment Properties	-	-
(b) Investment in Equity instruments	-	-
(c) Investments in preference shares	-	-
(d) Investments in Government or Trust securities	-	-
(e) Investments in debentures or bonds	-	-
(f) Investments in Mutual Funds	-	-
(g) Investments in partnership firms*	-	-
(h) Other non-current investments (specify nature)	-	-
<b>Total Trade Investments (A)</b>	-	-
<b>B Other Investments (Refer B below)</b>		
(a) Investment Properties	-	-
(b) Investment in Equity instruments	-	-
(c) Investments in preference shares	-	-
(d) Investments in Government or Trust securities	-	-
(e) Investments in debentures or bonds	-	-
(f) Investments in Mutual Funds	-	-
(g) Investments in partnership firms*	-	-
(h) Other non-current investments (specify nature)	-	-
<b>Total Other Investments (B)</b>	-	-
<b>Grand Total (A + B)</b>	-	-
Less : Provision for diminution in the value of Investments	-	-
<b>Total Non Current Investments</b>	-	-
Particulars	March 31, 2017	March 31, 2016
	₹	₹
Aggregate amount of quoted investments (Market value of ₹. NIL (Previous Year RS. NIL))	-	-
Aggregate amount of unquoted investments (Market value of ₹. 0 (Previous Year RS. 0))	-	-

### A. Details of Trade Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted/ Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (RS.)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			2017	2016			2017	2016	2017	2016		
1	2	3	4	5	6	7	8	9	10	11	12	13
a	Investment Properties											
b	Investment in Equity Instruments											
c	Investments in Preference Shares											
d	Investments in Government or Trust securities											
e	Investments in Debentures or Bonds											
f	Investments in Mutual Funds											
g	Investments in partnership firms*											
h	Other non-current investments (specify nature)											
	Total											





**B. Details of Other Investments**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (RS.)		Whether stated at Cost?	If Answer to Column (9) is 'No' - Basis of Valuation
			2017	2016			2017	2016	2017	2016		
1	2	3	4	5	6	7	8	9	10	11	12	13
a	Investment Properties											
b	Investment in Equity Instruments											
c	Investments in Preference Shares											
d	Investments in Government or Trust securities											
e	Investments in Debentures or Bonds											
f	Investments in Mutual Funds											
g	Investments in partnership firms*											
h	Other non-current investments (specify nature)											
	Total											

* G. Investment in Not Applicable (Name of the Firm)	
Name of the Partners	Share of Capital
Partner 1 Partner 2	
<b>Total Capital</b>	-



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note : 13 - LONG TERM LOANS AND ADVANCES</b>				
Disclosure pursuant to Note no. L (i),(ii) and (iii) of Part I of Schedule III to the Companies Act, 2013				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
<b>a. Capital Advances</b>				
<b>Total (a)</b>		-		-
<b>b. Loans and advances to related parties (refer Note 2)</b>				
<b>Total (b)</b>		-		-
<b>c. Other loans and advances</b>				
Considered Good		-		-
Considered Doubtful - Under litigation		67,841,473		64,241,473
<b>Total (c)</b>		67,841,473		64,241,473
<b>Total Long Term Loans and Advances</b>		67,841,473		64,241,473
<p>Above amount includes RS. 22,000,000 paid to the Commissioner of Customs towards disputed dues. The Company has won in at the Appellate Stage, but the Revenue Department has moved hon'ble High Court against the order of hon'ble lower Appellate Authority by granting a stay against the order and permitting the Customs Department to retain the amount paid under dispute by not granting the refund. The disputed amount is shown as a contingent liability.</p> <p>Indo Nippon Chemical co Ltd (INCC) has filed a L.E.&amp;C.Suit No.97/126 of 2000 in hon'ble Small Causes Court of Mumbai against the Company to vacate leased premises that the Company has been using, and as per the Court order dated 08.05.2013, the Company was directed to deliver possession of suit premises to INCC. The Company has filed an appeal with the Revision Bench which stayed the above order subject to the Company depositing Rs 2,00,000 over and above the Rs 30,000 that it continues to deposit in the Small causes court as rent. The Company accepted this order partly and continued to deposit the Rs. 30,000 rent per month in court; however went into appeal against the other part of the order in High Court of Mumbai which allowed the company to pay arrears at the rate of Rs. 1,00,000 per month which was to be deposited by the company within two weeks from the order date 17thFeb2014 which has been complied with, and the Company has paid Rs 10 Lac for 10 months for the period May 2013 to Feb 2014 and Rs 30,000 per month for 8 months amounting to Rs 2,40,000 for the period May2013 to Dec2013 and continues to pay Rs 30,000 per month as rent. Hence the contingent liability of the company would continue to be Rs. 1,00,000 per month from March2014 till the matter is heard and finally decided by the Revision Bench of Small Causes Court ,Mumbai. Above amount includes Rs. 1,000,000 as aforesaid as an advance.</p>				
<b>Disclosure pursuant to Note no. L (iv) of Part I of Schedule III to the Companies Act, 2013</b>				
Loans and advances to related parties	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-
	-		-	
*Either severally or jointly				



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

**Note : 14 - OTHER NON CURRENT ASSETS**

Disclosure pursuant to Note no.M (i),(ii) and (iii) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
a. Long term trade receivables				
<b>Total (a)</b>		-		-
b. Security Deposits				
Secured, considered good				
Deposits with various authorities	-	-	-	-
<b>Total (b)</b>		-		-
c. Others (specify nature)				
<b>Total (c)</b>		-		-
d. Debts due by related parties				
<b>Total (d)</b>		-		-
<b>Total Other Non-Current Assets</b>		-		-

Disclosure pursuant to Note no. M (iii) (iii) of Part I of Schedule III to the Companies Act, 2013

Details of debts due by related parties

Particulars	March 31, 2017	March 31, 2016
	₹.	₹.
Directors *	-	-
Other officers of the Company *	-	-
Firm in which director is a partner *	-	-
Private Company in which director is a member	-	-
<b>Total debts due by related parties</b>	-	-

\*Either severally or jointly



**Note 15 CURRENT INVESTMENTS**

Disclosure pursuant to Note no.N (i) and (ii) of Part I of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017 ₹	March 31, 2016 ₹
(a) Investment in Equity instruments	-	-
(b) Investments in preference shares	-	-
(c) Investments in Government or Trust securities	-	-
(d) Investments in Debentures or Bonds	-	-
(e) Investments in Mutual Funds	-	-
(f) Investments in partnership firms*	-	-
(g) Other non-current investments (specify nature)	-	-
<b>Gross Total</b>	-	-
Less: Provision for diminution in the value of Investments	-	-
<b>Total Current Investments</b>	-	-
Particulars	March 31, 2017 ₹	March 31, 2016 ₹
Aggregate amount of quoted investments (Market value ₹ __) (Previous Year ₹ __)	-	-
Aggregate amount of unquoted investments (Previous Year ₹ __)	-	-



**Details of Current Investments**

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares/ Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation
			2017	2016			2017	2016	2017	2016	
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10	-11	-12
(a)	Investment in Equity Instruments										
(b)	Investments in Preference Shares										
(c)	Investments in Government or Trust securities										
(d)	Investments in Debentures or Bonds										
(e)	Investments in Mutual Funds										
(f)	Investments in partnership firms*										
(g)	Other non-current investments (specify nature)										
	<b>Total Current Investments</b>								-	-	

**\*G. Investment in \_\_\_\_\_ (Name of the Firm)**

Name of the Partners	Share of Capital
Partner 1	-
Partner 2	-
<b>Total Capital</b>	-



<b>Note : 16 - INVENTORIES</b>				
Disclosure pursuant to Note no.O (i), (ii) and (ii) of Part I of Schedule III to the Companies Act, 2013				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
a. Raw Materials and components (Valued at lower of cost or net realisable value)	-	-	-	-
Goods-in transit	-	-	-	-
b. Work-in-progress (Valued at lower of cost or net realisable value)	-	-	-	-
Goods-in transit	-	-	-	-
c. Finished goods (Valued at lower of cost or net realisable value)	-	-	58,263	-
Goods-in transit	-	-	-	58,263
e. Stores and spares (Valued at lower of cost or net realisable value)	-	-	200,000	-
Goods-in transit	-	-	-	200,000
f. Loose Tools (Valued at Not Applicable)	-	-	-	-
Goods-in transit	-	-	-	-
g. Packing Material (Valued at lower of cost or net realisable value)	-	-	-	-
Goods-in transit	-	-	-	-
<b>Total Inventories</b>		-		258,263
<b>Note : 17 - TRADE RECEIVABLES</b>				
Disclosure pursuant to Note no.P (i), (ii), (iii) and (iv) of Part I of Schedule III to the Companies Act, 2013				
Particulars	March 31,	March 31,		
	2017	2016	₹.	₹.
A. Trade receivables outstanding for a period less than six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	-	-	-	-
<u>Less:</u> Provision for doubtful debts	-	-	-	-
Sub Total (A)	-	-	-	-
B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Unsecured, considered doubtful	30,265,157	30,265,157	30,265,157	30,265,157
<u>Less:</u> Provision for doubtful debts	30,265,157	30,265,157	30,265,157	30,265,157
Sub Total (B)	-	-	-	-
<b>Total Trade Receivables (A+B)</b>			-	-



INDU NISSAN OXO CHEMICAL INDUSTRIES LIMITED



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

Details of Debts Due from Related Parties				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
Directors *	-	-	-	-
Other officers of the Company *	-	-	-	-
Firm in which director is a partner *	-	-	-	-
Private Company in which director is a member	-	-	-	-
<b>Total Debts Due by Related Parties</b>	-	-	-	-
*Either severally or jointly				
<b>Note : 18 - CASH AND BANK BALANCES</b>				
Disclosure pursuant to Note no.Q (i), (ii), (iii), (iv) and (v) of Part I of Schedule III to the Companies Act, 2013				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
<b>CASH AND CASH EQUIVALENTS</b>				
<b>A. Balances with banks*</b>				
Royal Bank of Scotland	-	-	-	-
The Ratnakar Bank Limited	13,202,709	-	16,223	-
B. Cash on hand	322,503	-	498,113	-
C. Cheques, drafts on hand	-	-	-	-
<b>Total Cash and cash equivalents (A+B+C)</b>	13,525,212	-	514,336	-
<b>D. OTHER BANK BALANCES</b>				
Earmarked Balances - unpaid dividend accounts)	1,626,188	-	1,626,188	-
Margin money	-	-	-	-
Security against borrowings	-	-	-	-
Guarantees	-	1,626,188	-	1,626,188
Fixed deposit with banks (Maturity with less than 12 months)	-	-	-	-
E. Others (specify nature)	-	-	-	-
<b>Total Cash and Bank Balances (A+B+C+D)</b>	15,151,400	-	2,140,524	-
<b>Note : 19 - SHORT TERM LOANS AND ADVANCES</b>				
Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule III to the Companies Act, 2013				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
<b>A. Loans and advances to related parties (refer note 2)</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
Doubtful	-	-	-	-
Less: Provision for doubtful loans and advances	-	-	-	-
<b>Sub Total (A)</b>	-	-	-	-
<b>B. Others</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	-	-
To be recoverable in cash or in kind for the value to be received.	-	-	-	-
Doubtful	-	-	-	-
Less: Provision for doubtful _____	-	-	-	-
<b>Sub Total (B)</b>	-	-	-	-
<b>Total Short-term loans and advances (A+B)</b>	-	-	-	-



**NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017**

Disclosure pursuant to Note no.R (iv) of Part I of Schedule III to the Companies Act, 2013 Details of Loans and advances to related parties				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
Directors *		-		-
Other officers of the Company *		-		-
Firm in which director is a partner *		-		-
Private Company in which director is a member		-		-
<b>Total Loans and advances to related parties</b>		-		-
*Either severally or jointly				
<b>Note : 20- OTHER CURRENT ASSETS</b> Disclosure pursuant to Note no.R (i), (ii) & (iii) of Part I of Schedule III to the Companies Act, 2013				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
<b>Taxation</b>				
<b>Non-Taxation</b>				
Advance Provident Fund Paid	2,800			
Service Tax Input Credit	178,638		192,832	
Deposits to various authorities	335,950	517,388	335,950	528,782
<b>Total Other Current Assets</b>		517,388		528,782
<b>Note : 21 - CONTINGENT LIABILITIES AND COMMITMENTS</b> Refer sub-note No. 2 of Note No. 29.				
<b>SPECIFIC DISCLOSURES</b>				
<b>1 : Disclosure pursuant to Note no. 6(U) of Part I of Schedule III to the Companies Act, 2013</b>				
Particulars	Total	Per share		
	₹..	₹.		
Dividends proposed to be distributed to equity shareholders	-	-		
Dividends proposed to be distributed to preference shareholders	-	-		
Arrears of fixed cumulative dividends on preference shares	-	-		
<b>2 : Disclosure pursuant to Note no. 6(V) of Part I of Schedule III to the Companies Act, 2013</b>				
Where in respect of an issue of securities made for a specific purpose, the whole or part of the amount has not been used for the specific purpose at the balance sheet date, Indicate below how such unutilized amounts have been used or invested.				
Not Applicable				
<b>3 : Disclosure pursuant to Note no. 6(W) of Part I of Schedule III to the Companies Act, 2013</b>				
If, in the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion, shall be stated.				
Name of Assets	Realisable Value	Value in Balance Sheet	Opinion of Board	
		Not Applicable		



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

**Note : 22 - REVENUE FROM OPERATIONS**

Disclosure pursuant to Note no. 2 of Part II of Schedule III to the Companies Act, 2013

In respect of a company other than a finance company revenue from operations shall disclose separately in the notes revenue from

Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
Sale of products	-		-	
Sale of services	-		-	
Other operating revenues	-		-	
<b>Gross Revenue</b>		-		-
Less: Excise duty	-		-	
Less: CST	-	-	-	-
<b>Net Revenue From Operations</b>		-		-

In respect of a finance company, revenue from operations shall include revenue from

Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
Interest; and	-		-	
Other financial services	-		-	
<b>Net Revenue From Operations</b>		-		-

**Note : 23 - OTHER INCOME**

Disclosure pursuant to Note no. 4 of Part II of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
Interest Income (in case of a company other than a finance company)	992,384			
Interest on NSC	-	992,384	-	-
Dividend Income		-		-
Net gain / (loss) on sale of investments		-		-
Other non-operating income (net of expenses directly attributable to such income)	2,484			
Terminalling Charges	720,000		603,000	
Court Fees Refund	-		17,515	
Exchange Rate Difference	0		-	
Provision for doubtful debts written back	-		-	
Interest on Income Tax Refund	-		219,321	
Creditors written back	2,298,693		1,138,284	
Consultancy Charges	1,461,751		-	
		4,482,928		1,978,120
<b>Total Other Income</b>	<b>5,475,312</b>		<b>1,978,120</b>	



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note : 24 - Cost of Material Consumed</b>				
Disclosure pursuant to Note no. 3 of Part II of Schedule III to the Companies Act, 2013				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
<u>Materials Consumed</u>				
<u>Opening Stock</u>				
Raw Materials	-	-	-	-
Packing Materials	-	-	-	-
Consumables including Spare Parts	200,000	-	200,000	-
		<b>200,000</b>		<b>200,000</b>
Add : Cost of Purchases (Fuel)		-		-
<u>Less : Closing Stock</u>				
Raw Materials	-	-	-	-
Packing Materials	-	-	-	-
Consumables including Spare Parts	200,000	-	200,000	-
	-	-	-	-
<b>Cost of Material consumed</b>		<b>200,000</b>		<b>200,000</b>
<b>Note : 25 - (INCREASE) / DECREASE IN INVENTORIES</b>				
Disclosure pursuant to Note no. 3 of Part II of Schedule III to the Companies Act, 2013				
Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
<b>Inventories at the end of the year</b>				
Work-in-progress	-	-	-	-
Finished Goods	-	-	58,263	58,263
<b>Inventories at the beginning of the year</b>				
Work-in-progress	-	-	-	-
By-Products	-	-	-	-
Finished Goods	58,263	58,263	58,263	58,263
<b>Net (Increase) / Decrease in Inventories</b>		<b>58,263</b>		<b>-</b>



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

**Note : 26 EMPLOYEE BENEFIT EXPENSES**

Disclosure pursuant to Note no. 5(1)(a) of Part II of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
(a) Salaries, Wages and bonus Other Employees Directors' Remuneration		831,200 -		1,009,483 -
(b) Contributions to - Provident fund Superannuation scheme	2,400 -		2,400 -	
(c) Gratuity fund contributions	-		-	
(d) Social security and other benefit plans for overseas employees	-		-	
(e) expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	-		-	
(f) Staff welfare expenses	16,505	18,905	16,049	18,449
<b>Total Employee Benefit Expenses</b>		<b>850,105</b>		<b>1,027,932</b>

**Note : 27 FINANCE COST**

Disclosure pursuant to Note no. 3 of Part II of Schedule III to the Companies Act, 2013

Particulars	March 31, 2017		March 31, 2016	
	₹.	₹.	₹.	₹.
<b>Interest Charges</b> Interest On term Loan Interest on Late Payment Interest on Debentures	- 665,542 -		- -	- -
<b>Other borrowing costs</b> Bank Charges and commission incl LC/others Car hire Purchase Finance charges	1,587 -	1,587	1,641 -	1,641
Applicable net loss (gain) on foreign currency transactions and translation		-		-
<b>Total Finance Cost</b>		<b>667,128</b>		<b>1,641</b>



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

<b>Note : 28 OTHER EXPENSES</b>				
<b>Particulars</b>	<b>March 31, 2017</b>		<b>March 31, 2016</b>	
	<b>₹.</b>	<b>₹.</b>	<b>₹.</b>	<b>₹.</b>
<b>1. Manufacturing Expenses</b>				
Power & Fuel	-		-	
Repairs & Maintenance -P&M Factory	-		9,909	9,909
<b>2. Administrative &amp; Other Expenses :</b>				
Audit Fees	174,613		11,400	
Communication Expenses	246,286		350,382	
Custodial Charges	291,874		-	
Donations	8,701		43,601	
Electricity Expenses	41,140		42,089	
Insurance Charges	15,000		-	
Legal and Professional Fees	1,013,500		1,162,298	
Memberships and Subscriptions	128,724		141,159	
Office Expenses	124,785		218,889	
Rent, Rates and Taxes	675,253		558,415	
Income tax payments and Int on TDS	250		3,893	
Repairs & Maintenance -Others	156,385		266,598	
Security Expenses	604,900		553,937	
Service Tax	(87,015)		-	
Sundry Expenses	930,255		119,392	
Travelling Expenses	685,230		592,443	
Testing Charges - Foreign Assignment	-		-	
Vehicle Expenses	9,990	5,019,870	8,723	4,073,219
<b>3. Selling &amp; Distribution Expenses</b>				
Advertisement	284,402	284,402	283,331	283,331
<b>Total Other Expenses</b>		<b>5,304,272</b>		<b>4,366,459</b>



NOTES TO ANNUAL ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

**NOTE : 29 - OTHER NOTES**

- A) The Company had been declared as a sick Company under the provisions of clause (o) of Sub section (1) of section 3 of Sick Industrial Companies (Special Provisions) Act,1985 (1 of 1986) by the Honorable Board For Industrial And Financial Reconstruction vide order dated 26th September,2005. BIFR had ordered for change in management in the Company against this appeal was filed with AAIFR, who has passed a judgment in Company's favour and matter has been reverted back to BIFR. However, the Law on Sick Industrial companies is repealed, and the BIFR is dissolved. The powers of BIFR are now vested with NCLT for which the Company can make an application.
- B) The Labour Union has filed a case against the Company under Payment of Wages Act, for recovery of wages for the period from July'05 to Nov'05 before the Hon. Labour Court, Baroda. The Court has issued order dated 17/2/2006 for attaching certain Plant and machinery at its factory in Baroda. The order was executed on 20th February, 2006.

Since the Plant & Machinery was attached, the Company could not continue the production and the management had issued notice to employees that the employees would be called upon for work as and when required and that no salary is payable from 20th February, 2006 till the time the production is restarted. Accordingly the Company had provided the salary for its employees in factory till 20th February, 2006.

**1. SIGNIFICANT ACCOUNTING POLICIES:**

**ACCOUNTING CONCEPTS:**

The Company follows mercantile system of accounting, and recognises income and expenses on accrual basis that are of significant nature. The financial statement have been prepared to comply in all material respect with the mandatory Accounting standards issued by the Ministry of Corporate Affairs, in accordance with Indian Generally Accepted Accounting Policies and as per the provision of the Companies Act 2013 unless otherwise stated.

**PROPERTY, PLANT, AND EQUIPMENTS:**

Property, Plant, and Equipments are carried at cost, except certain assets revalued in the year 1996-97 referred to in the note No. 3 below, inclusive of inward freight, duties, taxes, interest and expenses up to putting the assets in use, less accumulated depreciation (except freehold land).

**DEPRECIATION:**

(i) The Company provides depreciation in respect of Plant & Machinery on Straight line method and other assets on written down value method from the date of Acquisition.(ii) Freehold land being non depreciable, is carried at original cost.(iii) Assets costing less than Rs. 5,000/- each have been fully depreciated in the year of acquisition.(iv) Depreciation on all other assets for the year has been provided at the rates prescribed in schedule II to the Companies Act, 2013.

**INVESTMENTS:**

A current investment is an investment that is by its nature readily realizable and is intended to be held for not more than one year from the date on which such investment is made. A long term investment is an investment other than a current investment. An investment property is an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of, the investing enterprise. Long term investments and are stated at cost. The carrying amount for current investments is the lower of cost and fair value.

**BORROWING COSTS:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, the assets that take substantial period of time to get ready for intended use, are capitalised as part of the cost of such assets.



**INTANGIBLE ASSET:**

An asset is treated as intangible asset if it is an identifiable non-monetary asset, without physical substance, held for use in the production or supply of goods or services, for rental to others, or for administrative purposes. Intangible Assets are stated at cost of acquisition less accumulated amortization.

**INVENTORIES:**

These are valued as under: (i) Raw material – At cost. (ii) Stores & Spares and Packing Material: At net realizable value. (iii) Catalyst: At cost subject to useful life based on technical evaluation. (iv) Semi-finished products: At lower of cost or net realizable price of finished goods after deducting the estimated expenses of conversion (v) Finished Products: At cost or net realizable value, whichever is lower. (vi) By products: At realizable / replacement value, being cost of by products not determined. The Company follows the accounting practice whereby the excise duty payable on the finished goods and products is accounted for only on clearance of goods from the bonded warehouse. Accordingly, no provision is being made for excise duty payable on finished goods, by products and semi – finished goods not cleared from the bonded warehouse at the close of the accounting year. However, non-provision of this liability does not affect profit/loss for the year.

**FOREIGN EXCHANGE TRANSACTIONS:**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non Monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss.

**CASH FLOW STATEMENT:**

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of the past or future cash receipts or payments. The cash flows from regular revenue generating, investing & financing activities of the company are segregated.

**REVENUE RECOGNITION:**

(i) Sales: There is no sales during the year. (ii) Lease rentals: The income from finance lease is recognized as per the contracted terms.

**RETIREMENT BENEFITS:**

The Company does not have defined employee retirement policy as the employee strength does not exceed the statutory minimum.

**IMPAIRMENT OF ASSETS:**

An asset is treated as impaired when the carrying cost of the Asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The Impairment loss recognized in prior accounting periods is increased / reversed where there has been change in the estimate of recoverable amount. The recoverable value is the higher of the net selling price and value in use.

**USE OF ESTIMATES:**

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities on the date of financial statements, the reported amount of revenues and expenses and the disclosures relating to contingent liabilities as on the date of financial statements. Actual results





could differ from those of estimates. Any revision in accounting estimates is recognized in accordance with the respective accounting standard.

**EARNINGS PER SHARE:**

The Company reports basic and diluted earnings per share in accordance with AS-20 "Earnings Per Share". Basic earnings per share are computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of Equity Shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares.

**PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Contingent liabilities as defined in AS-29 "Provisions, Contingent Liabilities and Contingent Assets" are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability.

**LEASES:**

Assets leased by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the Inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement of profit and loss on a straight-line basis unless another systematic basis is more representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

**TAXES ON INCOME:**

Tax expenses comprise both current & deferred taxes. Current tax is determined as the tax payable in respect of taxable income for the year. Deferred tax for the year is recognised on timing difference; being difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured assuming the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable / virtual certainty of realisation.

**2. Contingent liabilities not provided for:**

- (a) A civil suit has been filed by one of the parties for recovery of unsecured loans. On the basis of legal advice, the Company disputes the said liability of Rs. 10,340,450/- claimed by the party as the same is time barred. The Company has not provided any interest till date. In this respect the Company has a contingent liability of Rs. 1,88,23,000/- inclusive of interest & principal.
- (b) The Company has filed a counter claim against Union Bank of India for Rs. 7,200,000 and interest there on which approximately is Rs. 43,800,000 as on 31st March 07. The amount payable to the ARCIL (UBI) as on 31st March, 2011 on principle basis is Rs. 12,566,944. Interest payable till March 31, 2010 was Rs. 4,92,99,845. The Company has written back interest on working capital loan amounting to Rs 4,92,99,845 in earlier years. The Company has not provided for any interest payable on this account during the year. In past the Company has settled working capital loan of one of the financial institutions at much below the principle amount and without interest. The Company is in negotiation with other Financial Institutions also to settle the remaining working capital loan below the principle amount. In view of this, the Company does not anticipate any interest liability of past as well as for the current year. Hence, no provision for current year's interest is made, and the past liability has been written back to Statement of Profit and Loss. During last year, the Company had paid Rs.



500,000 as advance against this account to ARCIL which is shown as reduction in loan amount, and the final amount is shown at Rs. 12,066,944. However, ARCIL has not accepted the proposal for settlement and has refunded Rs. 5,000,000 to the Company which has been credited to the loan account. The Company is trying again for settlement.

- (c) The Customs Department is in appeal before High court of Gujarat against the order of CESTAT for waiver of penalty levied by the customs department amounting to Rs. 10,00,00,000. This was earlier reduced to Rs.7,00,00,000. The Company has deposited Rs. 2,20,00,000 with Customs Authorities as deposit against the said disputed penalty. At present, The Honorable High court of Gujarat has given a stay on the matter. As per the CESTAT order and on merit the Company does not expect this liability to materialize and accordingly Rs.7,00,00,000 is a contingent liability and the same has not been provided in the books.
- (d) The Trustees of Debenture holders as well as some debenture holders have filed suit against the Company for recovery of principle amount of debentures as well as interest based on compounded rests. As per records available with the Company, the amount demanded approximately is Rs. 85,800,000 inclusive of interest by on of the debenture holders. The Company had provided for interest including penal interest of 16% only on simple interest earlier. The Company had reached a settlement with the debenture holders. The debenture holders had agreed to settle the amount payable @ 30% of principal amount outstanding subject to certain terms and conditions. The Company has liquidated some of its assets to pay off the debenture holders after taking necessary approvals from BIFR. However since after taking of the approval BIFR has been dissolved. The Company is in negotiations with the NCD Holders. The Company does not anticipate additional interest liability as demanded by the debenture holders due to which Company has not provided interest for the current year as well as company has written back the interest of RS. 133,401,338 provided in the earlier years.
- (e) The Company has entered into finance lease transactions, i.e. purchase and lease back of the assets with Rajasthan State Electricity Board (RSEB) dated 30.09.1995 and 30.03.1996. As per the terms of the agreements there was a Deferred Payment arrangement (DPA) payable in installments towards payment of purchase consideration by the Company to RSEB, and the lease rentals are being receivable from RSEB over a period from 1995-2004. The Company had defaulted in payment of installments of DPA payable to RSEB and RSEB has withheld the lease amount payable by them to the Company.

The Company has received a notice from Rajasthan Rajya Vidyut Prasaran Nigam Ltd. (Formerly known as RSEB) raising a demand of approximately Rs.71,590,000 and interest @ 20% p.a based on monthly rests. The Company has raised a claim for lease rental receivable of approximately Rs.40,800,000 on RSEB after adjusting all balance purchase price of leased assets. The Company has filed a suit in the Rajasthan High Court for recovery of Lease Rentals from R.S.E.B of approximately Rs. 96,492,000 including Interest @ 20%p.a., after adjusting the DPA amount. The Company does not expect any liability on this account.

(f) Other Disputed Statutory liabilities:

Sr. No	Name of the Statutory Dues	Forum where dispute is pending	Period to which amount relates	Unpaid Amt ₹
1	Income Tax	ITAT - Ahmedabad	1999-00	63,000
2	Income Tax Penalty	ITAT - Ahmedabad	2007-08	1,801,250
3	Income Tax Penalty	ITAT - Ahmedabad	2006-07	4,571,700



- (g) Income-tax matters of the Company for Assessment Year 1996-97 and 1997-98 were pending before hon'ble ITAT, Ahmedbad. Hon'ble ITAT has decided some issues in favour of the Company, some against the Company, and some were sent back to the Assessing Officer for re-verification. The Revenue had preferred appeal before hon'ble Gujarat High Court. Hon'ble High Court dismissed appeals of Revenue except upholding disallowance on account of travel expenses. Appeal effect for this is given by the Revenue, and a revised demand of Rs. 1,340,470 is raised for Assessment Year 1997-98 and Rs. 52,590 for Assessment Year 1996-97. The Company has already provided almost equivalent liability in accounts. These amounts remain to be adjusted against tax refunds due to the Company. The required refund adjustment is pending from the side of Revenue. The Company does not anticipate any further liability in view of availability of past refunds.
- (h) Hon'ble Labour Court, Baroda under the Payment of Wages Act has directed the Company to pay RS. 129,961,108 to various workers. The Company has filed Miscellaneous Application before the hon'ble Court to review its decision as according to the Company, it has already settled some of the labour dues.
- (i) The Company has preferred an appeal before hon'ble Customs, Excise, and Service Tax Appellate Tribunal for a penalty of RS. 41,424 levied and confirmed by the lower authorities for the period 2004-05 to 2007-08.
- (j) Indo Nippon Chemical co Ltd (INCC) has filed a L.E.&C.Suit No.97/126 of 2000 in hon'ble Small Causes Court of Mumbai against the Company to vacate leased premises that the Company has been using, and as per the Court order dated 08.05.2013, the Company was directed to deliver possession of suit premises to INCC. The Company has filed an appeal with the Revision Bench which stayed the above order subject to the Company depositing Rs 2,00,000 over and above the Rs 30,000 that it continues to deposit in the Small causes court as rent. The Company accepted this order partly and continued to deposit the Rs. 30,000 rent per month in court; however went into appeal against the other part of the order in High Court of Mumbai which allowed the Company to pay arrears at the rate of Rs. 1,00,000 per month which was to be deposited by the company within two weeks from the order date 17th February 2014 which has been complied with, and the Company has paid Rs 10 Lacs for 10 months for the period May 2013 to February 2014 and Rs. 30,000 per month for Eight months amounting to Rs. 2,40,000 for the period May 2013 to December 2013 and continues to pay Rs. 30,000 per month as rent. Thereafter as per the order of Hon'ble Bombay High Court the Company has further deposited an amount of Rs.36 lacs for the period form March, 2014 to March, 2017. As per the final order of Hon'ble High Court, the Company has been asked to deposit Rs. 2,00,000 per month from May 2013 onwards till the hearing is completed. The Company in the above case is in process of filing the Appeal against the above said final order in the Hon'ble Supreme Court of India. Hence the contingent liability of the company could be additional Rs. 1,00,000 per month from May 2013 till the matter is heard and finally decided by Supreme Court of India

### 3. Revaluation of Fixed Assets

- (i) Based on the valuation report of M/s.Bahulikar Associates, Chartered Engineers and environmental Consultants and in order to reflect replacement cost of buildings and Plants & Machineries originally installed and Plants & Machineries acquired on expansion in 1990-91, the Company had revalued the same as on 31.03.1997. As a result of such revaluation the value of building has been increased by Rs.3,04,33,000. (Net) {Gross block Rs.33,047,000 lacs Less: accumulated depreciation till 31.3.97 Rs.2,614,000} and value of Plant & Machinery has been increased by Rs. 356,635,000 (net), {gross block Rs. 412,148,000, less accumulated depreciation upto 31.3.97 of Rs. 55,513,000}. The resultant increase in value as on 31.3.97 of Rs. 3,870,68,000, thus had been Transferred to revaluation reserve. In view of the considerable reduction in book value of fixed assets, the Company has written back the Revaluation Reserve.
- (ii) Depreciation provided up to last year included depreciation on difference between the revalued cost of the assets and original WDV of the said assets. However, since depreciation on revalued plant and machinery has been fully adjusted against revaluation reserve, there is no additional depreciation as such during the year as compared to the previous year. The balance amount of Revaluation Reserve standing to the credit on this account is credited to Statement of Profit and Loss by reduction in depreciation charge.
4. As a part of restructuring package, the Company had entered into an agreement with one of the creditors to restructure the Company's liabilities of US \$ 66,31,140.27 equivalents amounting to Rs.290,121,000 as on 31.3.2000 due and payable to them as under:



- (a) Out of the total amount payable Rs. 60,000,000 have been waived by the said creditor.
- (b) The Company's liability in terms of US dollars payable to the said creditor has been converted in terms of Rupee at prevailing exchange rate as on 31.3.2000.
- (c) The said creditor has deferred an amount of Rs.230,100,000 due and payable to it, Subsequent, to the agreement, the Company had paid Rs. 23,500,000, and the balance outstanding payable is Rs. 206,619,439.

Since the amount is fixed in Rupee terms, the amount is not revalued at exchange rate prevailing at the year end.

5. In the opinion of the management, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provision for all known liabilities is adequate and is made on the basis of information available and not in excess of the amount reasonably necessary.
6. Except in few cases where balance confirmations are available, the remaining balances under the heads Secured Loans, Unsecured Loans, Sundry Debtors, Sundry Creditors, Other Liabilities, Loans & Advances and Deposits are shown as appearing in books of account and are subject to reconciliation / adjustment, if any.
7. A. Payment of remuneration to Managing director prescribed under Schedule V to the Companies Act, 2013. The Company proposed to its Chairman & Managing Director to consider waiver of salary in view of the difficult financial position of the Company. Accordingly, the Chairman & Managing Director accepted the proposal and agreed for not to provide salary for year ending on March 31, 2017.
- B. In the absence of operating profit during the year, no commission is payable to the Managing Director and hence computation of net profit u/s 198 has not been given.
8. (i) Income Tax assessments are completed up to Assessment Year 2013-14.
- (ii) In view of carry forward losses, no provision for tax has been provided for the current year. The Company has decided not to make any provisions for deferred tax assets based on principle of Prudence, which requires Company to make provision for deferred tax assets only if it expects to realize them in future. However the Company doesn't expect to have taxable income in the near future against which the deferred Tax assets can be realized. Consequently the Company has not made provisions for deferred tax assets arising due to timing difference in the books of account as required by the Accounting Standard 22 – Taxes on Income.
9. In view of the Accounting Standard 18 – “Related Party Disclosures” issued by the Ministry of Corporate Affairs, the following is details of transactions and nature of relationships.

Name of the Related Party	Nature of Relation	Nature of Transaction	Transaction Amount ₹.	Amount Receivable/ (Payable) as on 31.03.2017 ₹.
Indo Nippon Chemical Company Ltd.	Associate Company	Rent – Mumbai Office	360,000	-
Mehool International Limited	Associate Company	Supply of Raw Material	-	(206,619,439)
M/s Bhuva Holdings	Associate Company	Rent for Premises	178,500	(3,018,884)
Mehool Bhuva	Managing Director	Current Liability	(190,000)	-
Mehool Bhuva	Managing Director	Opening Balance	(6,324,800)	
		Loan-Received	21,177,600	
		Loan-Repayment	14,676,200	(12,826,200)



10. As required by SEBI circular no.2/2003 of 10th January, 2003 the following disclosures have been made:
- (i) Loans and advances in the nature of Loans to subsidiaries: Rs. NIL.
  - (ii) Loans & Advances in the nature of Loans to Associates: Rs. NIL.
  - (iii) Loans and advances in the nature of loans where there is no repayment schedule, no interest or interest below Section 186 of the Companies Act 2013: Rs. NIL
11. The Company has written back liabilities not payable during the year to the extent of Rs. 2,298,693 (Previous year Rs. 1,138,283) that has improved the bottom line at end of the year.
12. Debenture Redemption Reserve is brought at par with outstanding debentures on the balance sheet date by transferring the necessary amount Profit and Loss Appropriation. The said outstanding balance is considered as per the letter from the Debentureholders.
13. The Company has written and requested the Income Tax Department to adjust refunds of past years against Unpaid undisputed dues on account of direct taxes. The Company is awaiting the reply barring one case where adjustment is made by the IT Department and reduced liability of the Company. Meanwhile, the Company has accounted for interest of Rs. 219,321 (previous year Rs. 0) on income-tax refund that was adjusted by the Income-tax Department against past demands which the Company was intimated during the course of assessment for Assessment Year 2013-14. Since this amount is already added by the Assessing officer in income of Assesment Year 2013-14 for which the Company had no notice, the same has not been treated as prior period item although the Company is not required to pay any tax on this sum now.
14. The Company has to its credit unclaimed dividends and debenture money to the tune of Rs. 16,26,188 which is due to be transferred to Investors' Protection Fund of the Government of India. The Bankers are refusing to transfer these sums in view of non availability of names of the beneficiaries. The Company is attempting to its level best to sort the issue out.
15. All the expenses debited to Statement of Profit and Loss are incurred for the purpose of business or revival of operations of the Company. The amounts paid to or incurred by the directors and employees of the Company are paid / incurred under contractual agreement or customary, and according to the management, none of the expenses of personal nature are debited to statement of profit and loss.
16. Information pursuant to Schedule III to the Companies Act 2013 is given in these accounts to the extent applicable in view of the Management.
17. Previous year's figures have been regrouped and rearranged wherever necessary so as to make them comparable with that of the current year.
18. Auditors' remuneration in accordance with paragraph 5A (j) of part II of Schedule III to the Companies Act, 2013 is as under:

Particulars	2016-17	2015-16
As Auditors	174,613	112,360
Taxation matters,	-	-
Company law matters	-	-
Management services	-	-
Other Services	-	-
Reimbursement of expenses	-	-
	<b>174,613</b>	<b>112,360</b>



19. Earning per share is calculated as under :

Particulars	March 31, 2017	March 31, 2016
<b>Basic earning per share</b>		
Net profit after Taxation	836,230	2,501,449
Number of shares issued (Nominal Value RS.10)	16,500,000	16,500,000
Basic earning per share	0.5	0.15
<b>Diluted earning per share</b>		
Net profit after Taxation	836,230	2,501,449
Number of shares issued (Nominal Value RS.10)	16,500,000	16,500,000
Diluted earning per share	0.05	0.15

20. "The Micro, Small and Medium Enterprise Development Act, 2006" has repealed the provision of interest on delayed payment to small scale and ancillary industrial undertaking Act, 1993. The management does not find it necessary to provide for interest on delayed payments to the suppliers covered by the said Act in view of insignificant amount and probability of its outgo.

21. Disclosure of Provisions as required by AS-29 is as under:

Particulars	Opening Balance	Additional	Amount Used &	Closing Balance
	₹.	₹.	₹.	₹.
Income-tax	11,946,545	0	309,400	11,637,145

22. Value of imports calculated on C.I.F basis by the company during the financial year in respect of –

		March 31, 2017	March 31, 2016
i	Raw materials;	-	-
ii	Components and spare parts	-	-
iii	Capital goods	-	-
iv	Trading Goods	-	-

23. Other Expenses in Foreign Currency:

		March 31, 2017	March 31, 2016
i	Royalty, Know-how, Professional and Consultation fees, Interest, and Other matters	199,352	217,767
ii	Total value if all imported / indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption	-	-
iii	Amount remitted in foreign currencies on account of dividends with a specific mention of the total number of non-resident shareholders, the total number of shares held by them on which the dividends were due and the year to which the dividends related;	-	-



iv	Earnings in foreign exchange classified under the following heads, namely		
i	Export of goods calculated on F.O.B. basis	-	-
ii	Royalty, know-how ,professional and consultation fees;	-	-
iii	Interest and dividend	-	-
iv	Other income, indicating the nature thereof	-	-

24. Information on Sales and Earnings in Foreign Exchange

Particulars	March 31, 2017 (₹)	March 31, 2016 (₹)
Consultation Charges (Earning in Foreign Exchange)	531,772	-
Work in Progress	-	-
<b>Grand Total</b>	<b>531,772</b>	<b>-</b>

25. The Company has only one reportable business segment hence no further disclosure is required under Accounting Standard-17 on "Segment reporting".

26. Disclosures required under Accounting Standard-19 on "Leases".

**Finance Lease - Assets Given on Lease**

The Company has dispute with RSEB [Note 2 (e)] above, and the matter is pending before hon'ble Court, the Company is not receiving any payment from the Lessee. The Company has depreciated entire amount of assets given on lease to RSEB amounting to Rs. 188,270,340.

<b>Operating Lease - Assets Taken on Lease</b>	March 31, (₹.) 2017	March 31, (₹.) 2016
Total of future minimum lease payments under non-cancellable operating leases for each of the following periods: Not later than one year; Later than one year and not later than five years; Later than five years;	538,500	538,500
Total of future minimum sublease payments expected to be received under non-cancellable subleases at the balance sheet date	0	0
Lease payments recognised in the statement of profit and loss for the period, with separate amounts for minimum lease payments and contingent rents	538,500	538,000
Sub-lease payments received (or receivable) recognised in the statement of profit and loss for the period	0	0
General description of the lessee's significant leasing arrangements including, but not limited to, the following: Basis on which contingent rent payments are determined; Existence and terms of renewal or purchase options and escalation clauses; and Restrictions imposed by lease arrangements, such as those concerning dividends, additional debt, and further leasing.	0	0



<b>Operating Lease - Assets Taken on Lease</b>	March 31, (₹.) 2017	March 31, (₹.) 2016
Gross carrying amount	720,000	603,000
Accumulated depreciation	0	0
Accumulated impairment losses	0	0
the depreciation recognised in the statement of profit and loss for the period	0	0
Impairment losses recognised in the statement of profit and loss for the period	0	0
impairment losses reversed in the statement of profit and loss for the period;	0	0
Future minimum lease payments under non-cancellable operating leases in the aggregate and for each of the following periods	0	0
Not later than one year;	720,000	603,000
Later than one year and not later than five years;	720,000	603,000
Later than five years;	720,000	603,000
Total contingent rents recognised as income in the statement of profit and loss for the period	0	0

27. Notes "1" to "29" form an integral part of the accounts and have been duly authenticated.

FOR AND ON BEHALF OF THE BOARD OF  
**INDU NISSAN OXO CHEMICALS INDUSTRIES LIMITED**

(M. N. Bhuva)  
**Chairman & Managing Director**

Place : Mumbai  
Date : May 26, 2017

(B. T. Mallya)  
**Director**





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	As at 31.3.2017		As at 31.3.2016	
	(₹.)	(₹.)	(₹.)	(₹.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit Before Tax and Extraordinary Item		836,230		(3,467,023)
Adjustments for :				
Depreciation	103,834		49,112	
Interest expense	667,128		1,641	
Interest Income	(992,384)		(219,321)	
Revaluation Reserve Written Back	-		-	
Unrealised Exchange Rate Difference	-		-	
Profit on Sale of fixed Assets	(2,544,520)	(2,765,942)	-	(168,568)
<b>Operating Profit Before Working Capital Changes</b>		<b>(1,929,712)</b>		<b>(3,635,592)</b>
<b>Changes in Working Capital:</b>				
Inventories	258,263			
Sundry Debtors	-		20,020,761	
Loans and Advances/Deposits	(3,588,606)		(178,960)	
Sundry Creditors	(8,221,575)		(4,260,291)	
Other Liabilities	(309,400)	(11,861,318)	(6,201,539)	9,379,972
<b>Cash Generated from Operations</b>		<b>(13,791,030)</b>		<b>5,744,380</b>
Net Direct Taxes Paid		-		5,968,472
Cash Flow Before Extraordinary Items		<b>(13,791,030)</b>		<b>11,712,852</b>
Extraordinary Items		-		-
<b>Net cash flow from operating activities</b>		<b>(13,791,030)</b>		<b>11,712,852</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets		(93,300)		
Interest Income	992,382		219,321	
Sale of Fixed Assets	19,475,250	20,467,632	-	126,021
<b>Net cash used in investing activities</b>		<b>20,467,632</b>		<b>126,021</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>				
Investment maturity	-		-	
Proceeds from Borrowings (Net)	7,001,400		(11,706,190)	
Interest expense	(667,128)	6,334,272	(1,641)	(11,707,831)
<b>Net cash used in financing activities</b>		<b>6,334,272</b>		<b>(11,707,831)</b>
<b>Net Cash Inflow/ (outflow) (A+B+C)</b>		<b>13,010,874</b>		<b>131,042</b>
<b>Opening Cash and Cash equivalents</b>		<b>514,336</b>		<b>383,293</b>
<b>Closing Cash and Cash equivalents</b>		<b>13,525,212</b>		<b>514,336</b>

AS PER OUR REPORT OF EVEN DATE  
FOR SHAH, SHAH & SHAH  
CHARTERED ACCOUNTANTS

(Mehul Shah)  
PARTNER  
FRN :116457W  
M. No. : 049361  
Mumbai : May 26, 2017

FOR AND ON BEHALF OF THE BOARD OF  
INDU NISSAN OXO CHEMICALS INDUSTRIES LIMITED

(M. N. Bhuvra)  
Chairman & Managing Director

(B. T. Mallya)  
Director

**Attendance Slip**

36<sup>th</sup> Annual General Meeting  
**Indu Nissan Oxo Chemical Industries Limited**

[CIN: L24110GJ1979PLC003549]

Registered office: Bajwa-Chhani Road, Behind G.S.F.C Compound, Vadodara -391310, Gujarat, INDIA  
Phone: 9978286359 | email: inocil@yahoo.com | Web site: www.indunissan.com

Date	Venue	Time
September 27, 2017	Bajwa-Chhani Road, Behind G.S.F.C Complex, Vadodara—391310 (Gujarat)	12.30 P.M

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Folio No. \_\_\_\_\_ \*DP ID No. \_\_\_\_\_ \*Client ID No. \_\_\_\_\_

Name of the Member Mr. /Mrs. \_\_\_\_\_ Signature \_\_\_\_\_

Name of the Proxy holder Mr. /Mrs. \_\_\_\_\_ Signature \_\_\_\_\_

*\* Applicable for investors holding shares in electronic form.*

I certify that I am the registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the 36<sup>th</sup> Annual General Meeting of the Company held on **Wednesday, September 27, 2017** at 12:30 P.M. at Bajwa-Chhani Road, Behind G.S.F.C Compound, Vadodara -391310, Gujarat, India.

\_\_\_\_\_  
**Signature of the Member/ Proxy**

*Note: Electronic copy of the Notice of the Annual General Meeting with the Attendance slip and Proxy form is being sent to all the members whose email id is registered with the Company/ Depository Participant unless any meeting has been requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Extra-ordinary General Meeting can print copy of this Attendance Slip.*

*Physical copy of the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email Id is not registered or has requested for hard copy.*

**36<sup>th</sup> Annual General Meeting  
Indu Nissan Oxo Chemical Industries Limited**

[CIN: L24110GJ1979PLC003549]

Registered office: Bajwa-Chhani Road, Behind G.S.F.C Compound, Vadodara -391310, Gujarat, INDIA  
Phone: 9978286359 | email: inocil@yahoo.com | Web site: www.indunissan.com

**Form No. MGT-11**

**FORM OF PROXY**

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

Name of the member(s) :	Email Id :
Registered Address:	Folio No.
	*DP Id
No of Shares held	*Client Id :

*\*Applicable for investors holding shares in electronic form.*

I/We, being a member(s) of \_\_\_\_\_ shares of Indu Nissan Oxo Chemical Industries Limited hereby appoint:

1. Mr./Mrs. : \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_
2. Mr./Mrs. : \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_
3. Mr./Mrs. : \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **Wednesday, September 27, 2017** at 12:30 PM at Bajwa-Chhani Road, Behind G.S.F.C Compound, Vadodara -391310, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

**\*\* I wish my above Proxy to vote in the manner as indicated in the box below:**

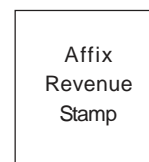
Sl. No.	Resolutions	Number of Shares held	For	Against
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2017 together with the Reports of the Board of Directors and Auditor's thereon			
2.	Re-appointment of Mr. Mehool Bhuvra, who retires by rotation and being eligible offers himself for reappointment			
3.	Ratification of appointment of M/s. Shah, Shah & Shah., Chartered Accountants, Mumbai as Auditors			

**\*\* This is optional. Please put a tick mark (x) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all of the Resolutions, the proxy will be entitled to vote in the manner he/ she thinks appropriate. If a member wishes to abstain from voting on particular resolution, he/she should write "Abstain" across the boxes against the Resolution.**

Signature(s) of the Member(s)

1. \_\_\_\_\_ 2. \_\_\_\_\_  
3. \_\_\_\_\_

**Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017**



**Notes:**

1. The Proxy to be effective should be deposited at the registered office of the company not less than Forty Eight (48) Hours before commencement of the meeting.
2. A proxy need not be a member of the company.
3. In the case of the Joint holders, the vote of the senior who tenders vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of the Members.
4. The form of proxy confers authority to demand or join in demanding a poll.
5. The submission by amember of this formof proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.

36<sup>th</sup> Annual General Meeting  
**Indu Nissan Oxo Chemical Industries Limited**  
[CIN: L24110GJ1979PLC003549]

Registered office: Bajwa-Chhani Road, Behind G.S.F.C Compound, Vadodara -391310, Gujarat, INDIA  
Phone: 9978286359 | email: inocil@yahoo.com | Web site: www.indunissan.com

**BALLOT/POLL FORM**

(The members who are not able to attend the 36<sup>th</sup> Annual General Meeting can send their assent or dissent in writing in respect of the resolution set out in the Notice by sending the duly filled and signed ballot/ Poll Form to **Ms. Reena Modi, Practicing Company Secretary (the Scrutinizer) at c/o. Sharex Dynamic (India) Private Limited Registrar & Share Transfer Agent, Unit 1, Luthra Indl. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai: 400 072.**

Name of the member(s) :	Email Id :
Registered Address:	Folio No.
	*DP Id
No of Shares held	*Client Id :

*\*Applicable for investors holding shares in electronic form.*

I/ We hereby exercise my/our vote in respect of the Ordinary resolutions as specified in the Notice of Indu Nissan Oxo Chemical Industries Limited dated August 14, 2017 to be passed through Ballot/ Poll for the businesses stated in the said Notice by conveying my/our assent or dissent to the said Resolution in the relevant box below:

Sl. No.	Resolutions	Number of Shares held	For	Against
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2017 together with the Reports of the Board of Directors and Auditor's thereon			
2.	Re-appointment of Mr. Mehool Bhuva, who retires by rotation and being eligible offers himself for reappointment			
3.	Ratification of appointment of M/s. Shah, Shah & Shah, Chartered Accountants, Mumbai as Auditors			

**Place :**

**Date :**

-----  
**Signature of Member/ Beneficial owner**