



**DAI-KI**

**Specialty Chemicals**

**61st ANNUAL REPORT**

**2020-2021**



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### **61st Annual General Meeting**

#### **Date & Time:**

Thursday, August 26, 2021 at 11:30 a.m. (IST) through Video Conferencing/ Other Audio Visual Means ("VC/OAVM")

### **BOARD OF DIRECTORS:**

Mrs. Shernaz Vakil	Chairperson & Managing Director
Ms. Meher Vakil	Whole-time Director & COO
Mr. Adi Jehangir	Non-Executive Director
Mr. Ashok Hiremath (w.e.f. 9.9.2020)	Independent Director
Dr. Anil Naik (upto 29.7.2020)	Independent Director
Mr. Behram Sorabji (upto 8.6.2020)	Independent Director
Mr. Kavas Patel	Independent Director
Mr. Keki Elavia	Independent Director

### **Chief Financial Officer:**

Mr. Shailesh Chauhan

### **Company Secretary:**

Mrs. Kavita Thadeshwar (Upto 10.3.2021)  
Mr. Ankit Shah (w.e.f. 11.3.2021)

### **Bankers:**

Axis Bank Ltd.  
HDFC Bank Ltd.  
Bank of India

### **Statutory Auditors:**

B S R & Co. LLP, Mumbai

### **Solicitors:**

Bharucha & Partners

### **Registered Office:**

Liberty Building,  
Sir Vithaldas Thackersey Marg,  
Mumbai - 400 020.  
Tel: 2201 7130/2201 5895  
E-mail: [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com)  
Website: [www.dai-ichiindia.com](http://www.dai-ichiindia.com)

### **Works:**

1. D-2/20, GIDC - II, Dahej, Vagra,  
District Bharuch, Gujarat - 392 130.
2. Kurkumbh Industrial Area, Plot No. D-13,  
Village Kurkumbh, Tal. Daund, Dist. Pune 413 105.

### **Registrars and Transfer Agents:**

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083.  
Tel: 022 - 49186000/022 - 49186006  
Fax: 022 - 4918 6060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**NOTICE**

**NOTICE** is hereby given that Sixty-First Annual General Meeting of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Thursday August 26, 2021 at 11:30 a.m. (IST) through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) facility, to transact the following business:

**Ordinary Business****1. To receive, consider and adopt:**

- a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Reports of Board of Directors and Auditors thereon; and
- b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 and the Report of the Auditors thereon.

**2.** To declare a dividend on equity shares for the financial year ended March 31, 2021.

**3.** To appoint a Director in place of Ms. Meher Vakil (DIN: 07778396), who retires by rotation and, being eligible, offers herself for re-appointment.

**Special Business**

**4.** To appoint Mr. Ashok Hiremath (DIN: 00349345) as an Independent Director and in this regard to consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act (including any statutory modification(s) or re-enactment(s) thereof) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mr. Ashok Hiremath (DIN: 00349345), who was appointed by the Board of Directors as an Additional Director of the Company with effect from September 9, 2020, and who holds office up to the date of this Annual General Meeting of the Company and who being eligible for appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term commencing from September 9, 2020 upto the conclusion of 65th Annual General Meeting.

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

**5.** To ratify remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599) appointed as Cost Auditor of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599), appointed by the Board of Directors, to conduct the audit of the cost records of the Company amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of actual out of pocket expenses incurred in connection with the Cost Audit of the Company for the financial year ending March 31, 2022, be and is hereby ratified.

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

**6.** To approve Material Related Party Transactions for Sale of Goods to ChampionX Dai-ichi India Private Limited and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), Regulations 2015 (‘Listing Regulations’), as amended till date (including statutory modification(s) or re-enactment thereof for the time being in force), and the Company’s policy on Related Party Transactions, approval of the Members of the



Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee of the Board), to enter into transactions for Sale of Goods to ChampionX Dai-ichi India Private Limited (“CXDI”) a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations on such terms and conditions as the Board may deem fit up to a maximum aggregate value of ₹ 25 Crores (Rupees Twenty-Five Crores Only) at arm’s length basis and in the ordinary course of business for the financial year 2021-22.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution are hereby approved, ratified and confirmed in all respects.”

**Registered Office:**

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

Place: Mumbai

Date: May 10, 2021

By Order of the Board  
For **Dai-ichi Karkaria Limited**

**Ankit Shah**  
**Company Secretary**

**NOTES:**

1. In view of the continuing Covid-19 pandemic and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020 and 02/2021 dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January 2021 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15th January 2021 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“The Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 61st Annual General Meeting (“AGM”) of the Company is being conducted on August 26, 2021 at 11:30 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) facility, which does not require physical presence of members at a common venue. The deemed venue for the 61st AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Corporate Members can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. Since the AGM will be held through VC/OAVM facility, the Route Map is not annexed in this Notice.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 the Companies Act, 2013.
6. Central Depository Services (India) Limited (“CDSL”) will be providing facility for voting through remote e-voting, for participation in the 61st AGM through VC/OAVM facility and e-voting during the 61st AGM.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the below Instructions. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
8. In line with the MCA Circulars, the Notice of the 61st AGM along with the Annual Report for F.Y. 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 61st AGM has been uploaded on the website of the Company at [www.dai-ichiindia.com](http://www.dai-ichiindia.com) under ‘Investors’ section and may also be accessed on the websites of BSE Limited at [www.bseindia.com](http://www.bseindia.com). and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).

9. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of business to be transacted with respect to the item of Special Business is annexed hereto.
10. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company's Registrar and Transfer Agent, Link Intime India Private Limited for assistance in this regard.
11. Members whose shareholding is in physical mode are requested to immediately notify any change pertaining to their postal address, e-mail address, telephone/mobile numbers, Bank Mandate details, etc. to M/s. Link Intime India Private Limited, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 or email at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) and members whose shareholding is in electronic mode are requested to direct change of the aforesaid details to their respective Depository Participants. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participants with whom they maintained their demat accounts. Members holding shares in physical form should submit their PAN to M/s. Link Intime India Private Limited.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members may register their nomination by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. Members are requested to submit the said form to their Depository Participants in case the shares are held in electronic form and to the Registrar at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) in case the shares are held in physical form, quoting their folio number.
13. (i) In pursuance of Regulation 42 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company will remain closed from August 20, 2021 to August 26, 2021 (both days inclusive) for the purpose of Annual General Meeting & Dividend. The dividend recommended by the Board of Directors, if approved at 61st AGM, payment of such Dividend will be made on or after August 31, 2021, to those Members whose names are registered as such in the Register of Members of the Company/ Beneficiary list provided by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on August 19, 2021, subject to deduction of tax at source where applicable.
- (ii) Pursuant to Finance Act 2020, Dividend income will be taxable in the hands of Shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from Dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their Permanent Account Number (PAN) with the Company / Linkintime India Private Limited, Registrar and Transfer Agent (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).
- A separate e-mail will be sent at the registered e-mail id of the Members describing about the detailed process to submit/upload the documents/declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time will be provided for submitting the documents/declarations by the Members who are desiring to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company [www.dai-ichiindia.com](http://www.dai-ichiindia.com).
- (iii) A Resident Individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by updating the details on the following link provided by the Company's RTA namely [www.linkintime.co.in/client-downloads.html](http://www.linkintime.co.in/client-downloads.html) latest by August 18, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
- (iv) Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending it on the link provided by the Company's RTA namely [www.linkintime.co.in/client-downloads.html](http://www.linkintime.co.in/client-downloads.html) latest by August 18, 2021.
14. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. Also, pursuant to the provisions of IEPF Rules, all the corresponding shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.



The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at [www.dai-ichiindia.com](http://www.dai-ichiindia.com). Accordingly, Members who have not encashed Dividend for the financial year ended 31st March, 2014 or any subsequent dividend declared by the Company, are advised to write to the Company / Registrar of the Company immediately.

15. Details of members whose shares are transferred to IEPF Suspense Account till date are uploaded on website of the Company at [www.dai-ichiindia.com](http://www.dai-ichiindia.com). Shareholders can however claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making an online application in Form No. IEPF-5, the details of which are available at [www.iepf.gov.in](http://www.iepf.gov.in).
16. Electronic copy of all the documents referred to in the accompanying Notice of the 61st AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.dai-ichiindia.com](http://www.dai-ichiindia.com).
17. In compliance with the provisions of Section 108 of the Companies Act, 2013, (the Act), Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members remote e-Voting facility in respect of the business to be transacted at the 61st AGM and facility for those Members participating in the 61st AGM to cast vote through e-voting system during the 61st AGM.

**A. THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The remote e-voting period begins on Monday, August 23, 2021 at 10 a.m. (IST) and ends on Wednesday, August 25, 2021 at 5 p.m. (IST) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 19, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date through remote e-voting, would not be entitled to vote during the AGM.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email-id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL/ NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>



<p>Individual Shareholders holding securities in demat mode with <b>NSDL</b></p>	<p><b>A. NSDL IDEAS Facility</b>  <b>If you are already registered for NSDL IDEAS facility :</b>                      1) Please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.                      2) Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section.                      3) A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.                      4) Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-voting during the meeting.  <b>If the user is not registered for IDEAS e-Services, follow the below steps:</b>                      1) Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.                      2) Select “Register Online for IDEAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>                      3) Please follow steps as given in Point 1-4 above  <b>B. E-voting website of NSDL</b>                      1) Visit the e-Voting website of NSDL.                      2) Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.                      3) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.                      4) A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.                      5) After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>1) You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.                      2) After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.                      3) Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.





**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and in Physical form.</b>
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field as mentioned in instruction (3).</li></ul>

- 7) After entering these details appropriately, click on “SUBMIT” tab.
- 8) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- 9) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- 10) Click on the EVSN for the relevant Company **DAI-ICHI KARKARIA LIMITED** on which you choose to vote.
- 11) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- 12) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- 13) After selecting the resolutions you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- 14) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- 15) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- 16) If a demat account holder has forgotten the login password then enter the User ID and the image verification code and click on “Forgot Password” & enter the details as prompted by the system.
- 17) Facility for Non-Individual Shareholders and Custodians-Remote Voting
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer by e-mail on its registered e-mail address to [ragini.c@rediffmail.com](mailto:ragini.c@rediffmail.com) and to the Company at the email address viz; [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com) (designated email address of the Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES/ COMPANY FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. **For Physical Shareholders** - Please provide Folio no., Certificate no., Shareholder name, PAN, Mobile number and E-mail ID and also upload the image of share certificate and PAN card in PDF or JPEG format (up to 1MB) at [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) on RTA website i.e. [www.linkintime.co.in](http://www.linkintime.co.in) in the Investor Services tab. Alternatively they can provide necessary details like Folio number, Name of shareholder, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com) or RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) The Company/RTA shall co-ordinate with CDSL and provide the login credentials to such shareholders.
2. **For Demat Shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP) and updation of email id & mobile no. is mandatory for Individual Demat shareholders for e-voting & joining virtual meetings through Depository.

**C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. The procedure and link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
2. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
3. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 days prior to meeting i.e. on or before August 19, 2021** mentioning their name, demat account number/folio number, email id, mobile number at [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com). The Shareholders desiring any information are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
9. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid, as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

Those persons, who have acquired shares and have become Members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on cut-off date i.e. August 19, 2021 can view the Notice of the 61st AGM on the Company's website or on the website of CDSL. Such Members shall exercise their voting rights through remote e-voting by following the procedures as mentioned above or by voting at the AGM.

M/s Ragini Chokshi & Co., Practicing Company Secretaries, has been appointed as a Scrutinizer to scrutinize the remote e-voting process and process of e-voting during the 61st AGM in a fair and transparent manner. Remote e-voting is optional to the shareholders, the shareholders can alternatively undertake the process of e-voting during the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

A Member can opt for only one mode of voting i.e. either through remote e-voting or e-voting during the AGM. If a Member casts his/her vote by both modes, then voting done through remote e-voting shall prevail and the e-voting done during the AGM shall be treated as invalid.

The Voting Results along with the Consolidated Scrutinizer's report shall be placed on the Company's website [www.dai-ichiindia.com](http://www.dai-ichiindia.com) and on the website of CDSL within two days from the conclusion of the AGM of the Company and communicated to BSE Limited.

- 18) In terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) details of Director seeking appointment/ re-appointment at the 61st Annual General Meeting:

<b>Name of the Director</b>	<b>Ms. Meher Vakil (DIN: 07778396)</b>	<b>Mr. Ashok Hiremath (DIN: 00349345)</b>
Age	35 years	65 years
Brief resume, Qualification and Expertise	Ms. Meher Vakil has a BA in Economics and Business Institutions from Northwestern University, Illinois, USA. She has an experience in Marketing and Business Development.	Mr. Ashok Hiremath, has a Master's degree in Engineering from University of Oxford and a Post Graduate Diploma in Chemical Engineering from University College, University of London. Mr. Hiremath has 41 years of experience in the Chemical Industry.

Terms and conditions of appointment/ reappointment	Appointed as Whole-time Director for a period from April 1, 2019 to March 31, 2022, liable to retire by rotation.	As per the resolution at Item No. 4 of Notice of AGM dated May 10, 2021 read with explanatory statement thereto.
Last drawn remuneration	₹ 1,26,02,873/- for F.Y. 2020-21, which includes Salary, Perquisites and Performance linked incentives.	₹ 2,35,000/- (Sitting fees for Board & Committee meeting for F.Y. 2020- 21)
Date of first appointment on the Board	1.4.2019	9.9.2020
No. of share held	Nil	Nil
Relationship with Directors inter-se	Ms. Meher Vakil, Whole-time Director is a daughter of Mrs. Shernaz Vakil, Chairperson & Managing Director of the Company.	Not related to any Director/Key Managerial Personnel
Number of Board Meeting attended during FY 2020-21	4 (four) Board meetings held and attended during F.Y. 2020-21.	3 (three) Board meetings held and attended during his tenure in F.Y. 2020-21.
List of Directorships held in other companies/ LLP	i. Natch Products and Services Private Limited	i. Astec Lifesciences Limited ii. Behram Chemicals Private Limited iii. Opus Chemicals Private Limited iv. Sahbhaghi Financial Advisory Private Limited v. Altimax Financial Services Private Limited vi. Astec Crop Care Private Limited vii. Cabernet Trading and Advisors LLP
Chairman/ Member of the Committees of Boards of other companies	Nil	Astec Lifesciences Limited; i. Chairman- Risk Management Committee ii. Chairman- CSR Committee iii. Member- Audit Committee iv. Member- Managing Committee

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

**Item no. 4**

The Board of Directors (“Board”) upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Ashok Hiremath, (DIN: 00349345) as an Additional Independent Director of the Company, with effect from September 9, 2020. Pursuant to the provisions of Section 161 of the Act, Mr. Hiremath will hold office up to the date of this Annual General Meeting (“AGM”) and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, proposing the candidature of Mr. Hiremath for the office of Director.

Based on the recommendation of the Nomination & Remuneration Committee and considering the background and experience of Mr. Hiremath, the Board considers the appointment of Mr. Hiremath as Independent Director of the Company, will be beneficial to the Company.

Accordingly, it is proposed to appoint Mr. Hiremath as Independent Director of the Company, not liable to retire by rotation and to hold office for a term commencing from September 9, 2020 upto the conclusion of 65th Annual General Meeting.

In the opinion of the Board, Mr. Hiremath, fulfils the conditions for appointment as Independent Director as specified in the Act and the Listing Regulations. The profile and specific areas of expertise of Mr. Hiremath are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Hiremath, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice. The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

**Item no. 5**

The Board, on recommendation of the Audit Committee, has approved the appointment of Mr. Sudhir Govind Jog, Cost Accountant (Membership No. 5599) to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2022, on a remuneration of ₹ 1,50,000/- (plus applicable taxes and reimbursement of actual out of pocket expenses).

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

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item no. 5 for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022.



None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, in the resolution set out at Item No. 5 of the Notice. The Board recommends the Ordinary Resolution set out at item no. 5 of the Notice for approval by the Members.

**Item No. 6**

Pursuant to the provisions of Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, ("Listing Regulations") all material related party transactions shall require approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹ 97.42 Crores for the financial year 2020-21 and 10% of which is equal to ₹ 9.74 Crores. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered for the financial year 2021-22.

Dai-ichi Karkaria Limited has a Joint venture with CTI Chemicals Asia Pacific Pte. Ltd., in ChampionX Dai-ichi India Private Limited (CXDI) in the ratio of 50:50 and both the Joint Venture partners supply key raw materials to CXDI. During F.Y. 2021-22, the Company expects to enter into transactions for Sale of Goods to CXDI with an estimated value of ₹ 25 Crores (Rupees Twenty-Five Crores Only). The transactions proposed to be carried out will be on an arm's length basis, in the ordinary course of business and in the best interest of the Company.

Accordingly, on recommendation of Audit Committee, the Board of Directors in meetings held on May 10, 2021 have approved the above mentioned related party transactions to be entered into with CXDI subject to the approval of Members. Members' approval is sought by way of Ordinary Resolution under Section 188 of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations, to enable the Company to enter into the transactions with CXDI in one or more tranches during the financial year 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transactions proposed to be entered with CXDI are as follows:

Name of the Related Party	ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Limited)
Name of the Director/KMP who is related	Mrs. Shernaz Vakil, Chairperson and Managing Director and Mr. Kavas Patel, Director of the Company are also the Directors of ChampionX Dai-ichi India Private Limited
Nature of Relationship	Associate/Joint Venture Company as per Section 2(76)(viii) of the Companies Act 2013.
Estimated Amount	₹25 Crores (Rupees Twenty-Five Crores Only)
Nature/Material terms/ Particulars of transactions	The transaction involves Sale of goods pursuant to Joint Venture Agreement entered with CXDI.
Any other information relevant or important for Members to take a decision on the proposed resolution	All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

None of the other Directors and / or Key Managerial Personnel except Mrs. Shernaz Vakil and Mr. Kavas Patel and their relatives, if any to the extent of their Directorship in both the Companies are concerned or interested, financially or otherwise in the resolution as set out in Item no. 6. The Board recommends the Ordinary Resolution set out at item no. 6 of the Notice for approval by the Members.

**Registered Office:**

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

Place: Mumbai

Date: May 10, 2021

By Order of the Board  
For **Dai-ichi Karkaria Limited**

**Ankit Shah**  
**Company Secretary**

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Sixty-First Annual Report together with the audited accounts for the year ended March 31, 2021.

**FINANCIAL RESULTS:**

(₹ in Lakhs)

Particulars	As on 31st March, 2021	As on 31st March, 2020
Revenue from operations	9742	10717
Other Income	629	384
Total Income	10371	11101
Profit/ (Loss) before Depreciation/Amortization, Interest and Tax	(726)	(124)
Profit/ (Loss) after exceptional item before tax	5718	(2494)
Earnings per equity share:	66.83	(33.47)
Basic and Diluted (₹ 10/- each)		
Book Value of shares (₹)	199.39	132.37

**DIVIDEND:**

The Directors are pleased to recommend a dividend of ₹ 3 per equity share of ₹ 10/- each for the year ended March 31, 2021, subject to the approval of Members at the ensuing Annual General Meeting. The dividend payout will aggregate to ₹ 223.54 lakhs.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the Dividend after deduction of tax at source.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

The year 2020-21 was meant to be a very promising year for the company.

We had finally resolved our Labour issues at Kasarwadi, we had agreement for sale of our land, we had a strong order book and strengthened our collaboration with our partners, and were finally hopeful that we could settle down to business. Unfortunately, the pandemic struck, and the world was thrown into uncertainty. It was a year of unprecedented disruption and pandemic induced challenges.

Fortunately, however for the company, we were very quickly able to scramble back and start production. We were making a key product that goes into the manufacturing of Hazmat suits and were permitted to start production in spite of the lockdown. With this we were able to also complete some of our export orders and continue business in spite of the very challenging circumstances. Many of our domestic customers continued to be under lockdown till June, and we were working at 40% capacity for several months. By the month of October, we were close to 80% capacity. And accepting new business from our partners for export. The development work carried out jointly with our partners, was slowly resulting in bulk business.

As we approached the end of the year, we unfortunately faced another serious hurdle. This time there was a fire incident that set us back. However, with amazing speed and flexibility our team was able to start production at 5 different sites within a short period of time. We were able to complete a lot of our export commitments without much disruption to our customers.

In Fact, in March 21, we reached the highest ever sales turnover for the month, and we are proud to say that we exceeded our targets.

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

The year ahead for the country will depend on how well we are able to control the pandemic and withstand the sporadic regional lockdowns, and unprecedented supply chain disruptions.

Many industries have shown great resilience through innovative RESETS, in the face of collapsing demand, and surging raw material costs.

With WFH initiatives and enhanced digitization in the business processes, most companies have tried to make the best of a difficult and uncertain situation.

Location is no longer a barrier, but can now be used to activate secondary supplier relationships, as the company has done recently to enhance capacity.

There has been an economic unlock, but once again with rising cases the uncertainties loom large.

Though surveys talk of a 7.5% to 11% growth trajectory in the coming year, and India is touted to be one of the fastest growing major economies, the significant uncertainty around epidemiology and policy factors would greatly determine the outcome.





### **Overall Performance:**

Our performance for the financial year 20-21 was impacted due to two major events – the pandemic and the fire incident at our facility. While the pandemic greatly affected the business in Q1 and Q2, the unfortunate incident in one section of the plant affected the sales in Q3 and Q4. Timely action in identifying outsourcing sites and starting operations at these sites has helped us to reduce the impact of the drop in Sales, which otherwise would have been much more. Despite such hurdles, the company was able to post an all-time-high top-line for the month of March'21. We expect to maintain this tempo in the upcoming quarters, and look forward to a significantly better FY 22.

### **Vertical-wise Performance:**

In the Agro vertical the sales were lower by around 15% in volume terms. On the positive side, we developed a new speciality product. The product was commercialized during the first quarter of FY20/21 and we were able to bag a good share of this import substituent in Q4. Also, contract orders for emulsifiers have increased to nearly 50 tons this season.

Our key business of emulsifier for bio-pesticides was affected both due to the global impact of COVID 19 as well as due to the fire incident. However, we were able to quickly resume manufacturing of this key product and service the outstanding orders. The agro segment is likely to remain steady in the next two quarters and remains an area of focus and growth.

In the area of Construction Chemicals, we were able to develop and supply our new range of Superplasticizers. The construction industry was one of the most affected ones due to the lockdown, which also impacted the demand for our additives. Subsequently, the fire incident impacted the key machinery to manufacture our waterproofing additive, which resulted in loss of sales in this segment.

In the Home & Personal Care vertical, the business saw a growth in the sales of the speciality emulsifiers to the leading Spice Export Houses this year. We expect this business to continue growing in the upcoming year. Our Kosher and Halal certifications are renewed.

In the Oilfield segment which is a vital segment for our company, we were able to post a 10% growth despite it being one of the worst years for the Oil & gas industry. Identifying multiple sites for outsourcing of production, managing the resources to handle the manufacturing at these sites, and getting an increase in prices from our customers are the key factors which helped us avoid any break in our exports. We were able to develop and commercialize some key products for our partners in this segment. We expect good growth in the Oil field sector in FY 2021-22.

In the Paints & Coatings segment, our performance has been reasonably stable compared to last year despite the many hurdles. We received contract orders from a key domestic customer for an import substituent product. The export business of anionic emulsifiers for Paint units in Bangladesh and the Gulf region witnessed an increase of more than 50%.

In the area of Rayon, we are supplying our products to all the major Rayon producing units in the country. All these units were under prolonged shutdown due to the pandemic, leading to low demand in the textiles segment. This severely impacted the local sales though we could revive the export orders in Q3 and Q4. The industry also had to face an acute shortage of key raw materials required for the formulation of Finishing chemicals. We were able to retain all our key customers during this difficult phase.

In the Sizing chemicals vertical, we achieved a major breakthrough in Q1 as one of our large customers required our specialized products for their fabrics to be made into haz-mat suits for PPE. This had resulted in bagging a contract order for the first quarter. Subsequently, the key machinery for the main high-volume Sizing product was damaged during the fire incident, resulting in loss of sales in Q3 & Q4. We have made necessary arrangements to manufacture this product beginning Apr'21, and we should be able to get back all the key customers. Recently we have also got a breakthrough in this sector with leading units in Surat and Ahmedabad.

The Textile Auxiliaries vertical was affected in a big way as the processing units were majorly impacted by the pandemic in the first two quarters, and the remaining two quarters were impacted by the fire incident. Our range of textile finishing softeners which contribute a major component of sales in this segment were affected by the fire incident due to the damage to the specialised reactors. We have restarted the softeners business from March'21, and we should be able to regain the lost sales in the coming months.

### **KEY FINANCIAL RATIOS:**

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the significant changes (i.e. changes exceeding 25%) in the key financial ratios along with explanations are given below:



Particulars	As at 31.3.2021	As at 31.3.2020	Variance	Explanation for variance
Interest Coverage Ratio	-1.71	-1.04	64%	Due to repayment of Term Loan of Axis/HDFC Bank
Debt Equity Ratio	0.14	1.10	87%	Due to repayment of Term Loan of Axis/HDFC Bank
Operating Profit/ Loss Margin (%)	-26%	-16%	62%	Due to Fire incidence at Dahej on November 22, 2020.
Return on Net Worth (%)	34%	-25%	236%	Due to Profit from Sale of Land

**JOINT VENTURE / ASSOCIATE/ SUBSIDIARY COMPANIES:**

Dai-ichi Karkaria Limited has a Joint venture with CTI Chemicals Asia Pacific Pte. Ltd., in ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Limited) in the ratio of 50:50.

The Company has a Subsidiary, Dai-ichi Gosei Chemicals (India) Limited. The Annual accounts of the Subsidiary Company are placed on the website of the Company and will be provided to the members on request.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and applicable Accounting Standards, the Consolidated Financial Statements of the Company with its Joint Venture Company, ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Limited) and Subsidiary Company, Dai-ichi Gosei Chemicals (India) Limited., duly audited by the Statutory Auditors are attached to the financials.

Statements containing salient features of the financial statement of subsidiary/ associate company/ joint venture are attached to the financials.

**DIRECTORS AND KMP:**

Ms. Meher Vakil retires from the Board of Directors by rotation, in pursuance of the provisions of the Companies Act, 2013 and Articles of Association of the Company. Being eligible she has offered herself for re-appointment. The Board of Directors recommends her re-appointment. The information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standards is given in the Notice of the 61st Annual General Meeting.

Mr. Behram Sorabji, Independent Director of the Company resigned from Directorship of the Company w.e.f. closing of business hours of June 8, 2020 on account of his pre-occupation and ongoing health issues. He has confirmed that there are no other material reasons for his resignation. The Board acknowledges his significant contribution as a Board & Committee Member of the Company during his tenure.

Dr. Anil Naik, Independent Director of the Company expired on July 29, 2020. His sudden and unexpected passing away will be an irreparable loss to the Company and the Board of Directors.

Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors, at its meeting held on September 9, 2020, appointed Mr. Ashok Hiremath as an Additional Independent Director of the Company. A resolution seeking shareholders' approval for his appointment as Independent Director for a term commencing from September 9, 2020 upto the conclusion of 65th Annual General Meeting, forms a part of the Notice.

The Members of the Company had appointed Mr. Kavas Patel and Mr. Keki Elavia as Independent Directors under the Companies Act, 2013, not liable to retire by rotation and to hold office upto the conclusion of 63rd Annual General Meeting. All the Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial 2020-21, Mrs. Kavita Thadeshwar resigned as a Company Secretary and Compliance officer of the Company w.e.f. closing of business hours of March 10, 2021. Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors, at its meeting held on February 13, 2021, appointed Mr. Ankit Shah as Company Secretary and Compliance officer of the Company w.e.f. March 11, 2021.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are Mrs. Shernaz Vakil, Chairperson & Managing Director, Ms. Meher Vakil, Whole-time Director, Mr. Shailesh Chauhan, Chief Financial Officer and Mr. Ankit Shah, Secretary of the Company.



### **DIRECTORS' RESPONSIBILITY STATEMENT:**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- a) In the preparation of the annual accounts, for the financial year ended March 31, 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2021 and of the profit and loss of the company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a 'going concern' basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively;
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

### **DETAILS OF INTERNAL FINANCIAL CONTROLS:**

The Board of Directors have laid down Internal Financial Controls within the meaning of the explanation to Section 134(5)(e) ("IFC") of the Companies Act, 2013. The Board believes the Company has sound IFC commensurate with the nature and size of its business. Business is however dynamic. The Board is seized of the fact that IFC are not static and are in fact a fluid set of tools which evolve over time as the business, technology and fraud environment changes in response to competition, industry practices, legislation, regulation and current economic conditions. There will therefore be gaps in the IFC as Business evolves. The Company has a process in place to continuously identify such gaps and implement newer and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations.

### **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, individual directors and its committees. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairperson & Managing Director and Whole-time Director of the Company was evaluated, taking into account the views of executive and non-executive directors.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **NUMBER OF MEETINGS OF THE BOARD AND COMMITTEES OF THE BOARD:**

Details regarding Board/Committees, its composition, number of meetings held, terms of reference, policies adopted are provided under the Corporate Governance Report forming part of the Annual Report.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Companies Act, 2013. In view of average net losses for the last three financial years as computed under Section 198 of the Companies Act, 2013, it was not mandatory for the Company to undertake Corporate Social Responsibility activities during the financial year 2020-21.

Pursuant to section 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy Rules), 2014, Annual Report comprising specified details is enclosed as '**Annexure I**' to the Directors' Report.

Details regarding CSR Committee, its composition, committee meeting held, terms of reference, policy adopted are provided under the Corporate Governance Report forming part of the Annual Report.

### **MATERIAL DEVELOPMENTS ON HUMAN RESOURCES INCLUDING NUMBER OF PEOPLE EMPLOYED:**

All manpower requirements are assessed and filled in a timely manner. The Company has a sound knowledge pool of experienced employees, which helps it to maintain consistency in performance across all disciplines. It has built a team of dedicated employees, who work with commitment and a sense of belonging towards the growth of the Company.

Following areas are given special attention to enhance performance of the employees.

- Identification of Training & development needs and upgrade job specific skills.
- Compensation, recognition & rewards.
- Career growth plan through annual assessment.
- Supporting employment related legislative compliance.
- Promoting excellence in human resource management.
- The promotion of an atmosphere of mutual respect, fairness and concern.
- Company has extended its facility for Apprentice Scheme, to needy and economical weak youths for pursuing special industrial training.

**COVID-19 Management:**

- Temperature machine and sanitizer dispenser has been installed at the security gate so that employees, contract workmen and visitor proceed further after proper sanitization & temperature measurement.
- Only important visitors are allowed and all of them have to share relevant information as per guidelines instructed by the local administration.
- Any employee / visitor coming from other state need to carry negative RT-PCR report to get entry within the premises. Payment for this test is reimbursed by the organisation to the employees.
- COVID-19 positive employees have been quarantined as per the recommendation of concerned doctor and payment for the quarantine period is ensured.

**Toll Manufacturing:**

- Based on the requirement of toll manufacturing, employees with appropriate skill sets have been deployed at different sites to supervise and ensure quality production.

As on 31st March, 2021, the total numbers of employees on the payrolls of the company are 162.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The information required pursuant to Section 197(12) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may email to the Company in this regard.

**AUDITORS:****STATUTORY AUDITORS:**

B S R & Co. LLP were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 57th Annual General Meeting upto the conclusion of 62nd Annual General Meeting of the Company. The Auditors' Report for the year under review does not contain any qualifications, reservations or adverse remarks.

**INTERNAL AUDITORS:**

Mazars Business Advisors Private Limited, Chartered Accountants, are the Internal Auditors of the Company. The Management regularly reviews the findings of the Internal Auditors and effective steps to implement any suggestions/observations of the Internal Auditors are taken and monitored regularly. In addition, the Audit Committee of the Board regularly addresses significant issues raised by the Internal Auditors.

**SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Kaushik M. Jhaveri & Co., a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the F.Y. 2020-21 is annexed herewith as '**Annexure II**'. There are no qualification or adverse remark in their Report.

**COST AUDITORS:**

As per Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors on recommendation of the Audit Committee, approved the appointment of Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599), Pune as the Cost Auditor to conduct audit of the cost records of the Company for the financial year ending March 31, 2022. The Company has received written consent and certificate of eligibility in accordance with Section 148 read with Section 141 and other applicable provisions of the Act and Rules made thereunder.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2022 is being placed at the 61st AGM.

**LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The Company has not provided any loan or given any guarantee/security to any person. Details of investment made by the Company are provided in the financial statements, under Investment Schedule.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the F.Y. 2020-21 that would require shareholder's approval under the Listing Regulations.

The approval of Members is being sought for Material Related Party Transactions for Sale of Goods to ChampionX Dai-ichi India Private Limited for FY 2021-22 at the ensuing AGM.



The Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Details of Related Party Transaction Policy are provided in Corporate Governance Report.

**ANNUAL RETURN:**

As required under Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2021 is available on the website of the Company at [http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Draft-Annual-Return\\_2020-21.pdf](http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Draft-Annual-Return_2020-21.pdf)

**CORPORATE GOVERNANCE:**

A separate report on Corporate Governance in pursuance to SEBI (Listing Obligations and Disclosure Requirements) Regulations, is attached as a part of the Annual Report along with the certificate from Vinod Kothari & Company, Practicing Company Secretaries on its compliance.

**LISTING:**

The Equity Shares of your company are presently listed on BSE Limited and the Company has paid the annual listing fees for the financial year 2021-22.

**HEALTH, SAFETY & ENVIRONMENT:**

Health, Safety & Protection of the Environment are the priority areas for the Company. The Company continues to put special emphasis in this area at every stage, from conception and design of new products, optimization of process, to commercial manufacturing and delivery of goods to the customers. Recently company has successfully completed DNV-GL Periodic Audit of ISO 14001:2018 & OHSAS ISO 45001:2018 and received the certification in F.Y. 2020-21.

**a) Health:**

A special committee ensures good sanitation and hygienic condition in the plant and canteen. Medical examination of all the employees is carried out annually. Six monthly medical examinations are conducted for the employees who are working in Hazardous Areas. Health awareness trainings and programs are being conducted regularly. Company is practicing all government guidelines and precautions to ensure the employees remain safe during COVID-19. Thermal scanning, sanitization, social distancing and usage of N95 masks are made mandatory. Special programs are conducted to bring awareness amongst employees regarding COVID-19. RT-PCR test is mandatory for guests and visitors. The company has insured all its employees for COVID-19 treatment.

**b) Safety:**

Internal and External Safety Audit, regular inspections pertaining to risks and hazards for Ethoxylation/ Propoxylation process are carried out as per the provisions of Factories Act. New DCS system has been installed for Ethoxylation/ Propoxylation process to ensure enhanced safety features and automation to nullify human errors. HAZOP Study and Risk Assessment are carried out to identify the potential hazards as proactive measures to enhance safety. Appropriate corrective actions are implemented.

Un-planned Mock drills are conducted to ensure the Emergency preparedness as per the requirement of The Factories Act, 1948 & planned Mock drills are conducted to train the employees.

Every year Safety week is celebrated from 4th March to 11th March during which competitions, lectures and training sessions are organized to inculcate and enforce the need for a safe working environment and Emergency Planning.

“Goal Zero” campaign is started to achieve Zero accident, Zero incident & Zero pollution.

Despite having all safety measures in place, there was an unfortunate fire incident in one section of the plant in the month of Nov'20. There was no injury or loss of life during this incident. A detailed investigation was carried out along with a thorough safety audit of the plant. The necessary corrective and preventive actions have been put in place to ensure that no such incidents repeat in the future.

**c) Environment:**

Regular environment monitoring is carried out to ensure pollution levels for air and water are below the specified limits by the State Pollution Control Board. Strict adherence to environment rules is ensured by conducting inspections and environment audit.

Environment programs and trainings conducted to inculcate a sense of conservation of environment.

Effluent Treatment Plant is upgraded with SUF (submersible ultra-filtration) technology and treated effluent is used in various processes, thus, increasing water conservation. Vacuum pumps have been upgraded with closed loop circulation to minimize the water consumption. This has resulted in reduction of 1500 KL/month.

**INDUSTRIAL RELATIONS:**

The Industrial relations at Dahej and Kurkumbh Plants remained cordial and amicable during the financial year 2020-21.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, is annexed as **'Annexure III'**

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the F.Y. 2020-21;

- No of complaints received: Nil
- No of complaints disposed off: Nil

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation of the contribution made by the employees of the Company. The Directors wish to convey their appreciation to the Banks, dealers and other business associates and the shareholders for their continuous trust and support.

**CAUTIONARY NOTE:**

Certain statements in the Directors' Report and Management Discussion and Analysis section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

For and on behalf of the Board

Place: Mumbai  
Date: May 10, 2021

**Mrs. Shernaz Vakil**  
Chairperson & Managing Director



**ANNEXURE 'I' TO THE DIRECTORS' REPORT**  
**Report on Corporate Social Responsibility (CSR) Activities**

**1. Brief outline on CSR Policy of the Company:**

The Company had formulated CSR Policy pursuant to the requirements of Section 135 of the Companies Act, 2013 read with the Rules made thereunder. The Board of Directors of the Company at its meeting held on November 5, 2014, had adopted the CSR Policy.

The salient features of the CSR Policy are CSR philosophy and vision, Constitution, Composition and activities of CSR Committee, activities where CSR could be undertaken, Amount of expenditure to be incurred on the CSR activities, Mode of Implementation, Monitoring of CSR policy.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Keki Elavia	Chairman/ Independent Director	1	1
2.	Mrs. Shernaz Vakil	Member/ Managing Director	1	1
3.	Mr. Adi Jehangir	Member/ Non-Executive Director	1	1
4.	Mr. Kavas Patel	Member/ Independent Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company – **The Composition of CSR Committee and CSR Policy can be accessed to <http://www.dai-ichiindia.com/investors>.**

**In view of average net losses for the last three financial years as computed under Section 198 of the Companies Act, 2013, the Company was not mandated to undertake Corporate Social Responsibility projects/ activities during the financial year 2020-21.**

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year - **Not Applicable**
6. Average net loss of the company as per section 135(5)- **Loss of ₹ 1187.62 Lakhs**
- 7 (a) 2% percent of average net profit of the company as per section 135(5)- **Nil**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- **Not Applicable**
- (c) Amount required to be set off for the financial year, if any- **Not Applicable**
- (d) Total CSR obligation for the financial year (7a+7b- 7c) - **Not Applicable**
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
Not Applicable					

- (b) Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**
- (c) Details of CSR amount spent against other than ongoing projects for the financial year: **Not Applicable**

- (d) Amount spent in Administrative Overheads: **Nil**
- (e) Amount spent on Impact Assessment: **Not Applicable**
- (f) Total amount spent for the Financial Year: **Not Applicable**
- (g) Excess amount for set off, if any: **Not Applicable**
- 9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**
- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**
- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):  
**Not Applicable**

Place: Mumbai  
Date: May 10, 2021

**Mrs. Shernaz Vakil**  
Chairperson & Managing Director

**Mr. Keki Elavia**  
Chairman of the CSR Committee Meeting





## ANNEXURE 'II' TO THE DIRECTORS' REPORT

FORM NO.MR- 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

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

To,  
The Members,  
Dai-ichi Karkaria Limited

Liberty Building,  
Sir Vithaldas Thackersey Marg,  
Mumbai – 400020.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dai-ichi Karkaria Limited (CIN: L24100MH1960PLC011681)** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of 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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Dai-ichi Karkaria Limited** for the financial year ended on 31<sup>st</sup> March, 2021 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 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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2009; - **(Not Applicable to the Company during 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 audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;**(Not Applicable to the Company during 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 audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**(Not Applicable to the company during audit period)**

(vi) The Management of Company has identified Other applicable Acts/ Laws applicable to the Company as per **Annexure-A**

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Mr. Behram Sorabji (DIN:02035239) Independent Director of the Company, resigned from Directorship of the Company w.e.f. closing of business hours of June 8, 2020 on account of his pre – occupation and ongoing health issues.

Dr. Anil Naik (DIN:00002670) ceased to be an Independent Director of the Company w.e.f July 29, 2020 due to sad and sudden demise.

Mr. Ashok Hiremath (DIN: 00349345), was appointed as an Additional Non-Executive & Independent Director on the Board of the Company, not liable to retire by rotation, for a period of 5 years w.e.f. September 9, 2020.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the board and committee meetings are carried through with requisite majority and recorded in the minutes accordingly.

**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 such event took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred above, except as stated below: -

1. The Company has completed the sale of the Kasarwadi Land Parcel situated at 105th Milestone, Mumbai-Pune Road, P.O. Kasarwadi, Pune 411034. on 5<sup>th</sup> March, 2021 and at a total consideration amounted to ₹ 153,50,00,000/- (Rupees One Hundred Fifty Three Crores Fifty Lakhs Only).

During the period under review I could not physically visit the office and factory premises of the Company due to lockdown situation in the Country imposed by the Respective Government in view of the global pandemic of COVID-19.

**For Kaushik M.Jhaveri & Co.,**

**Kaushik Jhaveri**  
**Practising Company Secretary**  
**FCS No.: 4254/CP No.: 2592**  
**UDIN: F004254C000255197**

**Date: May 7, 2021**  
**Place: Mumbai**



## **Annexure - A to Secretarial Audit Report of Dai-ichi Karkaria Limited for the year ended 31<sup>st</sup> March, 2021**

List of other Acts/Laws as amended time to time applicable to the Company:

1. The Water (Prevention and Control of Pollution) Act, 1974
2. The Water (Prevention and Control of Pollution) Cess Act, 1977
3. The Air (Prevention and Control of Pollution) Act, 1981
4. The Batteries (Management & Handling) Rules, 2001
5. The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989
6. The Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008
7. The Environment (Protection) (Second Amendment) Rules, 1992
8. The Legal Metrology Act, 2009 & General Rules 2011
9. The Electricity Act, 2003
10. The Motor Vehicles Act, 1988
11. The Plastic Manufacture, Sale & Usage Rule 1999
12. The Ozone Depleting Substances (Regulation & Control) Rules, 2000
13. The Public Liability Insurance Act, 1991
14. The Indian Gas Act, 1995
15. The Petroleum Act, 1934
16. The Factories Act, 1948 and Gujarat Factories Rules, 1963
17. The Employees' Provident Acts & Misc. Provisions Act, 1952
18. The Employment Exchange (Compulsory Notifications of Vacancies) Act, 1959
19. The Weekly Holidays Act, 1942
20. The Equal Remuneration Act, 1976
21. The Contract Labour (Regulation & Abolition) Act, 1946
22. The Maternity Benefit Act, 1961 & the Gujarat Maternity Benefit Rules, 1965
23. The Bombay Labour Welfare Fund Act, 1953 and The Labour Welfare Fund (Gujarat) Rules, 1962
24. The Payment of Wages Act, 1936
25. The Payment of Gratuity Act, 1972
26. The Payment of Bonus Act, 1965
27. The Minimum Wages Act, 1948
28. The Employees' State Insurance Act, 1963
29. The Apprentices Act, 1961
30. The Workmen's Compensation Act, 1923
31. The Sexual Harassment of Women at Workplace (Prevention, Prohibition Redressal) Act, 2013

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

**Annexure-B to Secretarial Audit Report of  
Dai-ichi Karkaria Limited for the year ended 31<sup>st</sup> March 2021**

**To,  
The Members,  
Dai-ichi Karkaria Limited**

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

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

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

**For Kaushik M.Jhaveri & Co.,**

**Kaushik Jhaveri  
Practising Company Secretary  
FCS No.: 4254/ CP No.: 2592  
UDIN: F004254C000255197**

**Date: May 7, 2021  
Place: Mumbai**



## ANNEXURE 'III' TO THE DIRECTORS' REPORT

**INFORMATION REQUIRED AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2021.**

**Form A & B Report:**

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

### **FORM 'A' FOR DISCLOSURE OF CONSERVATION OF ENERGY**

#### **I. Conservation of Energy:**

##### **(a) ENERGY CONSERVATION MEASURES TAKEN:**

- i. Chilling plants are operated in Night shift to avail concessional rate benefits.
- ii. ETP treated water recycled for cooling tower makeup resulting saving of GIDC fresh water considerably.
- iii. Imported coal is used for boiler fuel to get higher calorific value advantage.
- iv. Steam and water leaks are arrested on priority.
- v. Boiler feedwater is heated by adding steam condensate from nearby steam drain point.
- vi. Vacuum pump water cooling arrangement is done in the PPD plant to recirculate the same water for use.
- vii. Additional 10 KL treated water storage facility is provided for ETP.

##### **(b) ADDITIONAL INVESTMENT PROPOSAL IF ANY, BEING IMPLEMENTED FOR REDUCTION OF ENERGY:**

- i. Pure Steam condensate recovery system from EO plant and blow down flash steam, utilization for preheat the boiler feed water is proposed.
- ii. Additional VFD's planned in ETP area and Cooling towers of PPD plant.
- iii. Solar power plant of 350-400 KW in capex model.
- iv. Implementation of IIOT module (Industrial Internet of things)

##### **(c) IMPACT OF THE MEASURES AT (a) & (b) ABOVE FOR REDUCTION OF ENERGY CONSERVATION AND CONSEQUENT IMPACT ON THE COST OF PRODUCTION OF GOODS.**

The above measures will result in energy, manpower, water saving and consequent reduction in the cost of production.

##### **(d) TOTAL ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM A:**

(₹ in Lakhs)

Sr. No	Description	2020-21	2019-20
<b>A.</b>	<b>Power and fuel consumption</b>		
<b>1.</b>	<b>ELECTRICITY</b>		
(a)	Purchased		
	Units (KWH)	<b>34,76,146</b>	39,49,782
	Purchased cost of units (₹)	<b>244.43</b>	298.26
	Rate per unit purchased	<b>7.03</b>	7.55
(b)	Own generation		
(i)	Through Diesel Generator		
	No of units Generated (KWH)	<b>32843.9</b>	22249.9
	Diesel Oil consumed (KL)	<b>38.16</b>	22.88
	Cost of Diesel Oil consumed (₹)	<b>29.01</b>	15.92
	Cost of Diesel/Unit generated (₹)	<b>88.32</b>	71.57
(ii)	Through Steam Turbine Generator	<b>NIL</b>	NIL

<b>2.</b>	<b>COAL USED</b>		
	No of Units consumed (MT)	<b>2348.330</b>	2499.542
	Purchase cost (₹)	<b>170.00</b>	175.96
	Rate per unit (₹/MT)	<b>7.24</b>	7.04
<b>3.</b>	<b>FURNACE OIL</b>		
	Furnace oil consumed (KL)	<b>106.710</b>	104.663
	Cost of Furnace oil consumed (₹)	<b>32.87</b>	37.48
	Average rate (₹/Lt.)	<b>30.81</b>	35.81
<b>4.</b>	<b>BIO-FUEL BRIQUETTES</b>		
	Bio fuel briquettes consumed (MT)	<b>NIL</b>	120.627
	Cost of B.F. briquettes consumed (₹)	<b>NIL</b>	10.86
	Average rate (₹/MT)	<b>NIL</b>	9.0
<b>B</b>	<b>Consumption per unit of production in MT</b>		
	Electricity-KWH/Ton	<b>529.812</b>	342.518
	Furnace Oil -(Lt./ Ton)	<b>16.112</b>	10.257
	Briquettes – (Ton / Ton)	<b>NIL</b>	0.012
	Coal - (Ton/Ton)	<b>0.355</b>	0.245

**FORM 'B' FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION****II. RESEARCH & DEVELOPMENT:****1. Specific areas in which research & development activities were carried out by the Company:**

- i. **Surfactants & Specialty Chemicals:** New products in the Secondary Finish, Textile Softeners, Paints – Dispersant & Wetting agent, RMC & Cement Grinding, Cleaning formulation, Pesticides, Specialty thickener for pigment, Additives for Spice industry are developed and some of which are already commercialized.
- ii. **Oilfield Chemicals and other related products:** Certain downstream and upstream chemical products are developed as per the Customer requirements. Products include various crude oil PPDs, corrosion inhibitors, metal passivators, viscosity reducer cum PPD. Processes are standardized and production of certain products is scaled up. Some of the products are already commercialized.

**2. Benefits derived from research and development projects:**

Some of the new ranges (application & industry-wise) are resulting into higher volume of business and improving the market share in various areas.

**3. Future Plan of research & development activities:**

R&D will continue to focus on the development of new products in the areas of specialty products in various fields as has been done so far including Oil field.

**4. Expenditure on R&D during the year**

Capital – ₹ Nil

Recurring- ₹ 108.46 Lakhs

Total R&D expenditure as a percentage of turnover: 1.11%

**5. Technology absorption, adaptation and Innovation**

- a. In the process of new products development and improving process and quality of existing products the Company absorbs and adapts to new technologies on a continuous basis.
- b. During last 5 years no technology was imported.

**III. Foreign Exchange Earning and Outgo:**

Foreign Exchange received: ₹ 3,795.09 Lakhs

Foreign Exchange paid for imports and other remittance: ₹ 1,452.72 Lakhs



## CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2020-21.

### CORPORATE GOVERNANCE DISCLOSURE

In compliance with Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice as followed by Company:

#### 1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Since its inception, the company has been founded on moral and ethical codes that strongly emphasize total transparency and complete value based governance. The Company understands that Corporate Governance is a combination of voluntary practices and full compliance with laws and regulations leading to effective control and management of the organization. Good corporate governance leads to long term shareholder value and enhances interest of stakeholders. The Company continues to place uncompromising emphasis on integrity and regulatory compliances. The company is committed to providing high quality products and services to its customers and stakeholders.

#### 2. BOARD OF DIRECTORS:

As on 31<sup>st</sup> March, 2021, Board of Directors consisted of 6 (Six) Directors. The Board comprises of a Managing Director, Whole-time Director and four Non- Executive Directors. Out of four Non-Executive Directors, three are Independent Directors. The Managing Director and the Whole-time Director are the Woman Directors. The Board's composition is in conformity with the applicable provisions of Companies Act, 2013 as well as Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange.

##### Number of Board Meetings:

During the financial year under review 4 (Four) Board Meetings were held on 8<sup>th</sup> June, 2020, 9<sup>th</sup> September, 2020, 9<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021.

##### Composition, Attendance and Shareholding of Directors:

The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting (AGM) and their shareholding as at 31st March 2021 in the Company are as follows:

Name of Director	Board meetings Attended	Attendance at last AGM	No. of Directorships in other Boards#	No. of Chairmanship/ Membership in other Board Committees \$	Name of the other Listed Companies in which Directors of the Company are Directors & category of Directorship.
<b>Promoter- Executive Director</b>					
Mrs. Shernaz Vakil Chairperson & Managing Director (DIN: 00002519)	4	Yes	2	1/0	Nil
Ms. Meher Vakil Whole-time Director & COO (DIN: 07778396)	4	Yes	Nil	Nil	Nil
<b>Promoter- Non - Executive Director</b>					
Mr. Adi Jehangir (DIN: 00001752)	3	Yes	Nil	Nil	Nil
<b>Independent Non - Executive Director</b>					
Mr. Ashok Hiremath (DIN: 00349345) (appointed w.e.f. 9.9.2020)	3	N.A.	1	0/1	Managing Director : Astec Lifesciences Limited
Dr. Anil Naik (DIN: 00002670) (expired on 29.7.2020)	1			N.A.	
Mr. Behram Sorabji (DIN: 02035239) (resigned w.e.f. 8.6.2020)	1			N.A.	
Mr. Kavas Patel (DIN: 00002634)	4	Yes	2	3/0	Independent Director • Tasty Bite Eatables Limited



Name of Director	Board meetings Attended	Attendance at last AGM	No. of Directorships in other Boards#	No. of Chairmanship/ Membership in other Board Committees \$	Name of the other Listed Companies in which Directors of the Company are Directors & category of Directorship.
Mr. Keki Elavia (DIN: 00003940)	4	Yes	8	4/5	Independent Director: <ul style="list-style-type: none"> <li>• Goa Carbon Limited</li> <li>• Britannia Industries Limited</li> <li>• Grindwell Norton Limited</li> <li>• The Bombay Dyeing and Manufacturing Company Limited</li> <li>• Sterling &amp; Wilson Solar Limited</li> </ul>

# The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

\$ Chairmanships/ Memberships of Audit Committees and Stakeholders Relationship Committees of all other Public limited Companies have been considered.

Except Ms. Meher Vakil, Whole-time Director & COO who is daughter of Mrs. Shernaz Vakil, Chairperson & Managing Director of the Company, none of the directors are relatives of any other director.

Mrs. Shernaz Vakil holds 37,69,179 (50.58%) and Mr. Adi Jehangir holds 100 (0.00%) Equity Shares of the Company. No other Director holds any shares in the Company. The Company has not issued any convertible instruments.

#### **Familiarization Programme for Independent Directors:**

Details of familiarization of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through web link [http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Familiarisation-Programme\\_2020-21.pdf](http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Familiarisation-Programme_2020-21.pdf)

#### **Confirmation as regards independence of Independent Directors:**

Based on the annual confirmations received from the Independent Directors and due assessment of the veracity undertaken by the Board, in terms of Regulation 25(9) of the Listing Regulations, the Board is of the opinion that the Independent Directors fulfil the criteria or conditions specified under the Act and under the Listing Regulations and are independent from the management.

#### **Resignation / Cessation of Independent Director:**

- Mr. Behram Sorabji, Independent Director of the Company resigned from Directorship of the Company w.e.f. closing of business hours of 8th June, 2020 on account of his pre-occupation and ongoing health issues. He has confirmed that there are no other material reasons for his resignation. The Board acknowledges his significant contribution as a Board & Committee Member of the Company during his tenure.
- Dr. Anil Naik, Independent Director of the Company expired on 29th July, 2020. His sudden and unexpected passing away was an irreparable loss to the Company and the Board of Directors.

#### **Meeting of Independent Directors:**

As mandated by the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate meeting of Independent Directors was held on 10<sup>th</sup> May, 2021 for annual evaluation of the following;

- Performance of non-independent directors and the Board of Directors as a whole;
- Performance of the Chairperson & Managing Director and Whole-time Director of the Company, taking into account the views of executive directors and non-executive directors;
- Quality, quantity and timeliness of flow of information between the Company's management and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties.

The Board of Directors also evaluated performance of the Board, the Committees and Individual Directors (including Independent Directors), without participation of the relevant director.

#### **Board of Directors skills/expertise/competencies:**

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with each of the members of the Board of Directors:



Skill Areas	Mrs. Shernaz Vakil	Ms. Meher Vakil	Mr. Adi Jehangir	Mr. Kavas Patel	Mr. Keki Elavia	Mr. Ashok Hiremath
Leadership Experience	√	√	√	√	√	√
Risk Assessment	√	√	√	√	√	√
Strategy & Planning	√	√	√	√	√	√
Governance	√	√	√	√	√	√
Financial expertise	√	√	√	√	√	√

**Board and Director's evaluation and criteria for evaluation:**

During the year, the Board has carried out an annual evaluation of its own performance, performance of the Directors, as well as the evaluation of the working of its Committees.

The NRC has defined the evaluation criteria, procedure and time schedule for the performance evaluation process for the Board, its Committees and Directors. The criteria for evaluation of Board, individual Directors and Committees include, inter alia, the following:

Board Evaluation	Evaluation of Independent Directors	Committee Evaluation
<ul style="list-style-type: none"> <li>Board Structure - qualifications, experience and competencies</li> <li>Meetings – regularity, frequency, agenda, discussion and recording of minutes</li> <li>Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest</li> <li>Accounting systems - Integrity of accounting and financial reporting systems, independent audit, Internal Financial Controls.</li> </ul>	<ul style="list-style-type: none"> <li>Professional qualifications and experience</li> <li>Knowledge, skills and competencies</li> <li>Fulfillment of functions, ability to function as a team</li> <li>Attendance</li> <li>Commitment, contribution, integrity and independence</li> </ul> <p>In addition to the above, the Chairperson of the Board Meetings evaluated on key aspects of the role, including effectiveness of leadership and ability to steer meetings, impartiality and ability to keep shareholders' interests in mind.</p>	<ul style="list-style-type: none"> <li>Mandate and composition</li> <li>Effectiveness of the Committee</li> <li>Structure of the Committee</li> <li>Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes</li> <li>Independence of the Committee from the Board and contribution to decisions of the Board</li> </ul>

**3. BOARD COMMITTEES:**

The Company follows procedures & practices in conformity with the Code of Corporate Governance. In keeping with the spirit of the Code, the Board had constituted the following committees:

**(i) Audit Committee:**

The terms of reference cover the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013.

The Audit Committee comprises of Mr. Kavas Patel as Chairman, Mr. Keki Elavia and Mr. Ashok Hiremath as members.

During the financial year under review, 4 (Four) Audit Committee Meetings were held on 8<sup>th</sup> June, 2020, 9<sup>th</sup> September, 2020, 9<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings attended
Mr. Kavas Patel	4
Dr. Anil Naik (expired on 29.7.2020)	1
Mr. Behram Sorabji (resigned w.e.f. 8.6.2020)	1
Mr. Keki Elavia	4
Mr. Ashok Hiremath (appointed w.e.f. 9.9.2020)	3

The statutory auditors and the internal auditors of the Company are invited to join the Audit Committee Meetings. The Company Secretary acts as Secretary to the Committee.

**(ii) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee consists of Mr. Adi Jehangir as Chairman, Mrs. Shernaz Vakil, Mr. Kavas Patel, Mr. Ashok Hiremath and Ms. Meher Vakil as members.

The terms of reference cover the matters specified for Stakeholders Relationship Committee under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies

Act, 2013. The terms of reference broadly include approval of share transfers, transmissions, issue of duplicate share certificates, consolidation/ split of share certificates, taking note of demat position and matters related to Investors Grievances as and when received.

The Committee had three meetings during the financial year under review on 29th October, 2020, 23rd November, 2020 and 9th February, 2021, details of attendance are as follows:

Name of the Director	No. of meetings attended
Mr. Adi Jehangir	3
Mrs. Shernaz Vakil	1
Mr. Kavas Patel	0
Mr. Ashok Hiremath	2
Ms. Meher Vakil	0

Mr. Ankit Shah, Company Secretary & Compliance Officer acts as Secretary to the Committee. There are no pending complaints/ grievances received during the F.Y. ended 31st March, 2021.

**(iii) Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of Mr. Kavas Patel as Chairman, Mr. Ashok Hiremath, Mr. Keki Elavia and Mrs. Shernaz Vakil as members.

The terms of reference cover the matters specified for Nomination and Remuneration Committee under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013. The terms broadly include recommending to the Board the setup and composition of the Board and its committees, the appointment / re-appointment of Directors and Key Managerial Personnel, setting the criteria for evaluation of the performance of the Board, its Committees and individual Directors, recommend to the Board the Remuneration Policy for Directors and Key Managerial Personnel.

During the financial year under review, meetings were held on 8th June, 2020, 9th September, 2020 and 13th February 2021. The attendance at the Nomination and Remuneration Committee is as under:

Name of the Director	No. of meetings attended
Mr. Kavas Patel	3
Dr. Anil Naik (Expired on 29.7.2020)	1
Mr. Ashok Hiremath (appointed w.e.f. 9.9.2020)	1
Mr. Behram Sorabji (Resigned w.e.f. 8.6.2020)	1
Mr. Keki Elavia	3
Mrs. Shernaz Vakil	3

The policy which was approved and adopted by the Board of Directors is uploaded on the Company's website at the following link: <http://www.dai-ichiindia.com/wp-content/uploads/2014/08/NRC-Policy-2.pdf>

**(iv) Corporate Social Responsibility (CSR) Committee:**

The Company has constituted the Corporate Social Responsibility Committee as mandated by Section 135 of the Companies Act, 2013. The Committee comprises of Mr. Keki Elavia as Chairman, Mr. Adi Jehangir, Mrs. Shernaz Vakil and Mr. Kavas Patel as members.

The terms of reference cover the matters specified under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014 and other relevant provisions. Broadly the terms include formulating and recommending to the Board a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy and monitoring the CSR Policy.

During the financial year under review, meeting was held on 8th June 2020. The attendance at the Corporate Social Responsibility (CSR) Committee is as under:

Name of the Director	No. of meetings attended
Mr. Keki Elavia	1
Mr. Adi Jehangir	1
Mrs. Shernaz Vakil	1
Mr. Kavas Patel	1

The policy which was approved and adopted by the Board of Directors has been uploaded on the Company's website at the following link: <https://www.dai-ichiindia.com/wp-content/uploads/2014/08/CSR-Policy.pdf>



#### 4. REMUNERATION PAID TO DIRECTORS OF THE COMPANY:

##### a) Executive Directors:

The Company pays remuneration by way of salary, perquisites and performance incentive to Mrs. Shernaz Vakil, Chairperson & Managing Director (CMD) and Ms. Meher Vakil, Whole-time Director (WTD) & COO of the Company. The amount of performance incentive is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company and performance of CMD & WTD during the financial year.

Following are the details of remuneration paid for the financial year ended 31<sup>st</sup> March, 2021:

(Amount in ₹)

Particulars	Mrs. Shernaz Vakil	Ms. Meher Vakil
Salary	96,60,000	69,00,000
Perquisites	95,89,588	40,02,873
Performance Linked Incentive	20,00,000	17,00,000
<b>Total</b>	<b>2,12,49,588</b>	<b>1,26,02,873</b>
Service Contract / Notice Period	Term of 3 years w.e.f. 1st April, 2019 to 31st March, 2022/ 3 months' notice period	

##### b) Non-Executive Directors:

The sitting fees paid to the Directors during the year under review are as under:

(Amount in ₹)

Name of Directors	Fees for Board meeting	Fees for other Committees
Mr. Adi Jehangir	Sitting fees waived off	
Dr. Anil Naik (Expired on 29.7.2020)	50,000	35,000
Mr. Ashok Hiremath (appointed w.e.f. 9.9.2020)	1,50,000	85,000
Mr. Behram Sorabji (Resigned w.e.f. 8.6.2020)	50,000	35,000
Mr. Kavas Patel	2,00,000	1,40,000
Mr. Keki Elavia	2,00,000	1,40,000
<b>Total</b>	<b>6,50,000</b>	<b>4,35,000</b>

##### 5. a) GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under

Financial year	Date	Time (IST)	Location
2017 – 2018	8.8.2018	11:30 a.m	M.C. Ghia Hall, Mumbai
2018 – 2019	13.8.2019	11:30 a.m	M.C. Ghia Hall, Mumbai
2019 – 2020	30.7.2020	11:30 a.m	Video Conferencing Deemed Venue: Registered Office

Special Resolutions passed at the last three Annual General Meetings

Date of AGM	Purpose
13.8.2019	Appointment of Mr. Behram Sorabji as an Independent Director.

b) **POSTAL BALLOT:** During the financial year ended 31<sup>st</sup> March 2021, no resolution was passed through postal ballot and as on date none of special resolution is proposed to be conducted through postal ballot.

##### 6. RELATED PARTY TRANSACTIONS:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year, were under ordinary course of business and on an arm's length basis.

Details of Related Party Transactions are disclosed in the notes to the financial statements. The policy approved and adopted by the Board of Directors has been uploaded on the Company's website at the following link: <http://www.dai-ichiindia.com/wp-content/uploads/2014/08/RPT-Policy-1.pdf>

##### 7. MEANS OF COMMUNICATION:

- Quarterly results are taken on record by the Board of Directors and submitted to the stock exchange in terms of the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Quarterly results have been published in Free Press Journal and Nav Shakti.
- Website of the company is [www.dai-ichiindia.com](http://www.dai-ichiindia.com)
- Exclusive email id for investor correspondence/grievance redressal is [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com)

- e. No presentations have been made to institutional investors or to analysts.  
 f. The Management Discussion and Analysis Report forms part of Directors' Report.

**8. GENERAL SHAREHOLDER INFORMATION:**

**A. Annual General Meeting:**

Date, Time and Venue:	Thursday, August 26, 2021 at 11:30 a.m. (IST) through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 & January 13, 2021. Deemed Venue for Meeting: Registered office of the Company at Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai- 400020.
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**B. Financial Calendar (tentative):**

<b>Financial Year:</b>	<b>1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022</b>
First Quarter Results:	Second week of August, 2021
Half Yearly Results:	Second week of November, 2021
Third Quarter Results:	Second week of February, 2022
Audited results for the year ending 31 <sup>st</sup> March, 2022:	Fourth week of May, 2022

**C. Date of Book Closure:**

August 20, 2021 to August 26, 2021.

**D. Dividend Payment Date:**

on or after August 31, 2021.

**E. Listing on Stock Exchanges**

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

Payment of Annual Listing Fee:  
financial

The Company had paid the annual listing fees for the financial year 2021-22

**F. Stock Code -**

526821

Demat ISIN Number for NSDL & CDSL

INE928C01010

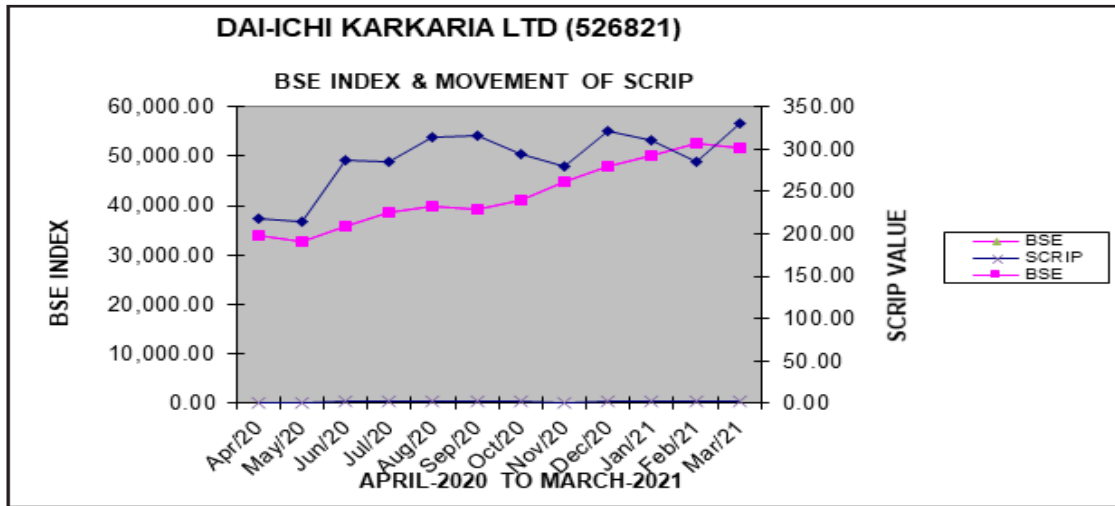
**G. Market Price Data:**

High/Low Share price of the Company during the last financial year on the BSE Limited. (Face value ₹ 10/-)

Month	High (₹)	Low (₹)
April 2020	218.00	168.00
May 2020	215.00	182.20
June 2020	287.00	178.25
July 2020	285.40	187.35
August 2020	314.45	232.35
September 2020	315.40	257.00
October 2020	295.00	257.50
November 2020	280.00	244.15
December 2020	321.85	243.05
January 2021	310.50	253.55
February 2021	284.80	235.00
March 2021	331.20	252.50



#### H. Stock performance:



#### I. Registrar and Share Transfer Agents:

Registrars & Transfer Agents

Link Intime India Private Limited.

C 101, 247 Park, L B S Marg,

Vikhroli West, Mumbai 400 083.

022 – 49186000/022 - 49186060

Telephone No.

E-mail address:

[rt.helpdesk@linkintime.co.in](mailto:rt.helpdesk@linkintime.co.in)

#### J. Share Transfer System:

The Company follows a fortnightly cycle for processing and updating share transfers. The share transfer register and demat reports are approved by share transfer committee.

#### K. Distribution of Shareholding as on 31<sup>st</sup> March, 2021:

No. of shares slab	Number of shareholders	(%) of shareholders	Number of shares	(%) of shares
upto to 100	2887	57.69	163915	2.20
101 to 200	720	14.39	129864	1.74
201 to 500	766	15.31	279405	3.75
501 to 1000	309	6.17	234655	3.15
1001 to 5000	252	5.04	553083	7.42
5001 to 10000	39	0.78	277602	3.73
10001 to 100000	23	0.46	545567	7.32
100001 to above	8	0.16	5267138	70.69
<b>TOTAL</b>	<b>5004</b>	<b>100</b>	<b>7451229</b>	<b>100</b>

#### L. Shareholding Pattern as on 31<sup>st</sup> March, 2021:

Categories of Shareholders		No. of shares held	%
<b>A</b>	<b>Promoters Holding</b>		
	Indian Promoters	4755446	63.82
	Foreign Promoters	Nil	Nil
	Persons acting in concert	Nil	Nil
	<b>Sub Total</b>	<b>4755446</b>	<b>63.82</b>
<b>B</b>	<b>Non-Promoters Holding</b>		
	Institutional Investors:	-	-
(i)	Mutual Funds and UTI	-	-
(ii)	Alternate Investment Funds	32423	0.44
(iii)	Banks, Financial Institutions, Insurance Companies	31	0.00

(iv)	Flls	-	-
	<b>Sub Total</b>	<b>32454</b>	<b>0.44</b>
	<b>Others:</b>		
(i)	Private Corporate Bodies	269268	3.61
(ii)	Indian Public (including HUF)	2225753	29.87
(iii)	NRIs	77334	1.04
(iv)	Any other (Clearing Members & IEPF)	90974	1.22
	<b>Sub Total</b>	<b>2663329</b>	<b>35.74</b>
	<b>GRAND TOTAL</b>	<b>7451229</b>	<b>100.00</b>

**M. Dematerialisation of shares:**

As on 31<sup>st</sup> March 2021, 73,43,202 equity shares representing 98.55% of the paid-up share capital is held in dematerialized form. Transaction in the equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

**N. Plant locations:**

- A. D-2/20, GIDC - II, Dahej, Vagra,  
District Bharuch, Gujarat - 392 130.
- B. Kurkumbh Industrial Area, Plot No. D-13,  
Village Kurkumbh, Tal. Daund, Dist. Pune 413 105.

**O. Address for correspondence:** For information on share transactions in electronic form and physical form and general correspondence:

Link Intime India Private Limited at  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083.  
Tel: 022 – 49186000/022 - 49186006  
Fax: 022 - 4918 6060  
E-mail: [mnt.helpdesk@linkintime.co.in](mailto:mnt.helpdesk@linkintime.co.in)

Compliance Officer of the Company is  
Mr. Ankit Shah (Company Secretary)  
3<sup>rd</sup> Floor, Liberty Building,  
S. V. T. Marg, New Marine Lines,  
Mumbai – 400 020  
Tel: 2201 7130 / 2201 5895  
Fax: 2209 6976  
Email: [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com)

**P.** The Company has not issued any debt instruments or invited any fixed deposits or floated any scheme or proposal for mobilization of funds. Accordingly, there are no credit ratings obtained by the Company on such instruments / deposits / schemes.

The ratings given by CRISIL for short-term borrowings and long-term borrowings of the Company are CRISIL A4+ and CRISIL BB/Stable respectively.

**Q.** The Company does not have any exposure to commodity price risk or hedging activities. The details of derivative instruments and unhedged foreign currency exposures are disclosed in the Notes of Annual Financial Statements.**9. DISCLOSURES:**

- There were no materially significant related party transactions that may have potential conflict with the interest of the Company. The policy for dealing with related party transaction is uploaded on the website of the Company at the following link: <http://www.dai-ichiindia.com/wp-content/uploads/2014/08/RPT-Policy-1.pdf>
- The policy for determining 'material' subsidiaries is uploaded on the website of the Company at the following link: <http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Policy-for-determining-Material-Subsidiary.pdf>
- During the past 3 (three) years there have been no instances of non-compliance by the Company with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital markets.
- The Company has a Vigil Mechanism / Whistle Blower Policy. No personnel have been denied access to the audit committee to lodge their grievances. The policy is uploaded on the website of the Company at the following link: <http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Vigil-Mechanism-Policy-2.pdf>





- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. The Company has not adopted the non-mandatory requirements of the Listing Regulations.
- The Company has in place a Risk Management Policy which identifies elements of risk and the measures to counter it. The policy is reviewed by the Board every year, at the first Board Meeting held after the commencement of the financial year.
- The Company has not raised/utilised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations.
- The Company has received a certificate dated May 7, 2021 from Kaushik M. Jhaveri & Co. Company Secretaries in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.
- The Board has accepted all the recommendations of the Committees of the Board given from time to time during the financial year under review.
- The details of the total fees paid to B S R & Co. LLP, Chartered Accountants, Statutory Auditor of the Company during the financial year ended 31<sup>st</sup> March, 2021 is given below;

<b>Particulars</b>	<b>Amount (₹ in lakhs)</b>
Statutory Audit fees	20.00
Tax Audit	2.00
Other Services including quarterly review and certification	15.25
<b>Total</b>	<b>37.25</b>

- Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for the financial year ended 31<sup>st</sup> March, 2021;

No of complaints filed	NIL
No of complaints disposed off	NIL
No of complaints pending	NIL

- There are no shares that were required to be transferred to the demat suspense account or unclaimed suspense account.
- The Company has complied with all the requirements of the corporate governance report as specified in sub-paras (2) to (10) of Part C of Schedule V of the Listing Regulations.
- All mandatory requirements are complied with.

#### **10. CODE OF CONDUCT:**

During the financial year under review, the Board of Directors has adopted the Code of Conduct for Directors and Senior Management. The Code has also been posted on the Company's website at the following link: <http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Code-of-conduct.pdf> The said Code has been communicated to the Directors and the Members of the Senior Management and they have also affirmed the compliance thereto.

Sd/-

Chairperson and Managing Director

#### **11. CERTIFICATE ON CORPORATE GOVERNANCE:**

The Company has obtained a certificate from Practicing Company Secretary confirming compliances with conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**To,**  
**The Members of**  
**DAI-ICHI KARKARIA LIMITED**  
 Liberty Building, Sir Vithaldas Thackersey Marg,  
 Mumbai - 400020.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **DAI-ICHI KARKARIA LIMITED** having **CIN: L24100MH1960PLC011681** and having registered office at **Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai- 400020** (hereinafter referred to as **"the Company"**), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Adi Hirji Jehangir	00001752	19/02/1986
2	Mrs. Shernaz Firoze Vakil	00002519	26/02/1979
3	Mr. Kavas Dara Patel	00002634	26/04/2001
4	Mr. Keki Manchersha Elavia	00003940	22/02/2011
5	Ms. Meher Firoze Vakil	07778396	01/04/2019
6	Mr. Ashok Vishwanath Hiremath	00349345	09/09/2020

Ensuring the eligibility for the appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Kaushik M. Jhaveri & Co.,**

**Kaushik M. Jhaveri**  
**Practising Company Secretary**  
**FCS No.: 4254**  
**CP No.: 2592**  
**UDIN: F004254C000255296**

**Date: May 7, 2021**  
**Place: Mumbai**



## CERTIFICATE ON CORPORATE GOVERNANCE

**To**  
**The Members,**  
**Dai-ichi Karkaria Limited**  
**Mumbai**

We have examined the compliance of Corporate Governance by Dai-ichi Karkaria Limited ("the Company") for the financial year ending on March 31, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations, 2015") basis examination of documents provided in Annexure I.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in 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 its affairs.

**For M/s Vinod Kothari & Company**  
**Practicing Company Secretaries**  
**Unique Code: P1996WB042300**

**Vinita Nair**

Senior Partner

Membership No.: F10559

CP No.: 11902

UDIN: F010559C000254594

Peer Review Certificate No.: 781/2020

Place: Mumbai

Date: May 7, 2021

### ANNEXURE I LIST OF DOCUMENTS

1. Signed Minutes (except for last meeting) and Agenda papers of:
  - Board Meetings;
  - Annual General Meeting;
  - Audit Committee Meetings;
  - Nomination and Remuneration Committee Meetings;
  - Stakeholders Relationship Committee Meetings;
  - Corporate Social Responsibility Committee Meeting;
  - Independent Director Meeting Minutes;
2. Policies as available on the website;
3. Annual Disclosures received from Directors pursuant to Section 184(1);
4. Declaration by Independent Directors;
5. Omnibus approval granted in Audit Committee Meeting;
6. Details of remuneration paid to KMP;
7. Draft CG Report for FY 2020-21;
8. Details of other directorship as reflecting in Director's Master Data on MCA and stock exchange filing for corporate governance;
9. Proof of submission of quarterly compliance report on corporate governance to stock exchange on sample basis.

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
Dai-ichi Karkaria Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Dai-ichi Karkaria Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

**Description of Key Audit Matters**

The key audit matters	How the matter was addressed in our audit
<p><b>Loss due to fire</b> Refer to Note 48(a) to the standalone financial statements. In November 2020, a fire broke out at the Company's plant at Dahej, Gujarat destroying the plant and machinery and inventories at site. As a result of the incident, the Company recognised loss due to fire of ₹ 4,932 lakhs (₹ 4,326 lakhs towards plant and machinery, ₹ 581 lakhs towards inventories and ₹ 25 lakhs towards other expenses) as an exceptional item in the standalone financial statements. The Company is insured for fire incidents and has submitted its claim with the insurance company for the losses suffered. The claim is being evaluated by the insurance company and thus no income is recognised in the financial statements. This as a key audit matter considering the estimation of loss involves significant judgement.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and examined the list of assets and inventories destroyed during the fire incident.</li> <li>• Compared the list of assets and inventories destroyed with the insurance claim submission made by the company.</li> <li>• Assessed completeness of plant and machinery destroyed by examining the asset location as mentioned in the fixed asset register with the reported location of fire.</li> <li>• Agreed the value of plant and machinery and inventories destroyed with the value in books of accounts (fixed assets register and inventory module) of the Company on the date of fire.</li> <li>• Performed inquiries with the management about the progress of claims made with the Insurance Company.</li> <li>• Visited the plant location to assess the level of damage to the plant and machinery and inventories.</li> </ul>
<p><b>Revenue Recognition</b> The Company recognises revenue from sale of products when the control over the products has been transferred to the customer based on the specific terms and conditions of the sales contracts entered into with respective customers. We have identified Revenue Recognition as a key audit matter as revenue is a key performance indicator. Also, there is a presumed fraud risk of revenue being overstated through manipulation on</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards.</li> <li>• Tested the design, implementation and operating effectiveness of the Company's general Information Technology (IT) controls and key IT application controls by involving our IT specialists.</li> <li>• Performed substantive procedures including testing of recognition of revenue in the appropriate period by</li> </ul>



The key audit matters	How the matter was addressed in our audit
the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations.	selecting statistical samples of revenue transactions recorded during and at the end of the financial year. <ul style="list-style-type: none"> <li>• Examined the underlying documents, which included sales invoices/contracts and dispatch/shipping documents for the selected transactions.</li> <li>• Assessed the manual journals posted in the revenue ledger to identify any unusual items.</li> </ul>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

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

**Management's and Board of Directors' Responsibilities for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the audit of the standalone financial statements**

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

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

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

- our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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:

- The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements;
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
- The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248WW-100022

**Balajirao Pothana**  
Partner

Membership No: 122632  
UDIN: 21122632AAAAAP3707

Mumbai  
10 May 2021





**Annexure A to the Independent Auditor's report on the standalone financial statements of Dai-ichi Karkaria Limited for the year ended 31 March 2021**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and building that are freehold, as disclosed in Note 4 to the standalone financial statements, are held in the name of the Company. In respect of leasehold land, we have verified the lease deed duly registered with the appropriate authorities with the Company as lessee.
- ii. The inventory, except for goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been suitably dealt with in the books of accounts.
- iii. In our opinion and according to the information and explanations given to us, 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 Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made, guarantees given and security provided, as applicable. The Company has not granted any loans.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. In our opinion, and according to the information and explanations given to us, the Company is not required to maintain cost records as per Section 148(1) of the Act read with the Companies (Cost Record and Audit) Rules, 2014. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax and Value added tax which have not been deposited as on 31 March 2021 on account of disputes are given below:



Name of the statute	Nature of the dues	Amount of demand under dispute (₹)	Amount paid under protest (₹)	Amount under dispute not deposited (₹)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax, interest and penalty	2,981,358	-	2,981,358	FY 2005-06	High Court
Income-tax Act, 1961	Income-tax, interest and penalty	183,969	-	183,969	FY 2006-07	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	29,539,577	7,500,000	22,039,577	FY 2008-09	ITAT
Income-tax Act, 1961	Income-tax, interest and penalty	23,943,546	-	23,943,546	FY 2008-09	CIT (A)
Income-tax Act, 1961	Income-tax, interest and penalty	1,662,680	-	1,662,680	FY 2010-11	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	3,458,400	-	3,458,400	FY 2011-12	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	1,978,861	-	1,978,861	FY 2012-13	CIT (A)
Income-tax Act, 1961	Income-tax and interest	584,845	-	584,845	FY 2016-17	CIT (A)
Service tax under Finance Act	Service tax	5,444,777	-	5,444,777	FY 2008-09 to FY 2011-12	High Court
Service tax under Finance Act	Service tax	6,168,350	-	6,168,350	April 2013 to June 2017	Addl. Commissioner Central Excise & Service Tax
The Central Sales Tax Act, 1956 and The Maharashtra Value Added Tax Act, 2002	Tax and interest thereon	974,037	99,952	874,085	FY 2014-15	Joint Commissioner of State Tax
The Central Sales Tax Act, 1956	Tax and interest thereon	484,403	259,039	225,364	FY 2017-18	Joint Commissioner of State Tax

There are no dues of Duty of Customs, Duty of Excise and Cess which have not been deposited as on 31 March 2021 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- ix. According to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.



- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**  
Partner  
Membership No: 122632  
UDIN: 21122632AAAAAP3707

Mumbai  
10 May 2021

**Annexure B to the Independent Auditors' report on the standalone financial statements of Dai-ichi Karkaria Limited for the year ended 31 March 2021.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.**

**(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Dai-ichi Karkaria Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

**Auditors' Responsibility**

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

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

**Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.



### **Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

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

For **B S R & Co. LLP**  
**Chartered Accountants**

Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**  
**Partner**

Membership No: 122632  
UDIN: 21122632AAAAAP3707

Mumbai  
10 May 2021

## Standalone Balance Sheet as at 31 March 2021

(₹ in lakhs)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
<b>A. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment .....	4	10,455	15,328
(b) Capital work-in-progress .....		49	267
(c) Intangible assets .....		6	11
(d) Financial assets .....			
(i) Investments in Subsidiary & Joint Venture .....	5(a)	68	70
(ii) Other Investments .....	5(b)	1	1
(iii) Other non-current financial assets.....	6	281	275
(e) Deferred tax assets (net) .....	7	1,056	1,076
(f) Non current Tax assets (net) .....	8	414	387
(g) Other non-current assets .....	9	85	129
<b>Total non-current assets</b> .....		<b>12,415</b>	<b>17,545</b>
<b>CURRENT ASSETS</b>			
(a) Inventories .....	10	2,447	2,040
(b) Financial Assets .....			
(i) Investments .....	11	416	104
(ii) Trade receivables .....	12	2,377	2,042
(iii) Cash and Cash Equivalents .....	13	1,159	79
(iv) Bank balances other than (iii) above .....	14	379	279
(v) Other Financial assets .....	15	159	135
(c) Assets held for sale.....	4	54	505
(d) Other Current assets .....	16	2,307	2,203
<b>Total Current assets</b> .....		<b>9,298</b>	<b>7,387</b>
<b>TOTAL ASSETS</b> .....		<b>21,713</b>	<b>24,932</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital .....	17	745	745
(b) Other Equity .....	18	14,112	9,118
<b>Total Equity</b> .....		<b>14,857</b>	<b>9,863</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	19(a)	2	6,778
(ii) Other financial liabilities.....	19(b)	62	57
(b) Provisions .....	20	155	165
(c) Other non-current liabilities.....	21	18	25
<b>Total Non-Current Liabilities</b> .....		<b>237</b>	<b>7,025</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	22	2,005	2,357
(ii) Trade Payables .....			
Total outstanding dues of Micro Enterprises and Small Enterprises .....	23	127	78
Total outstanding dues to other than Micro Enterprises and Small Enterprises .....	23	3,754	2,782
(iii) Other Financial Liabilities .....	24	483	2,087
(b) Provisions.....	25	131	149
(c) Other Current liabilities.....	26	119	591
<b>Total Current Liabilities</b> .....		<b>6,619</b>	<b>8,044</b>
<b>TOTAL EQUITY AND LIABILITIES</b> .....		<b>21,713</b>	<b>24,932</b>

Notes forming part of the Standalone financial statements

1-49

The accompanying notes are an integral part of these Standalone financial statements

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**

Partner

Membership No: 122632

Place : Mumbai

Date : 10 May 2021

**For and on behalf of the Board of Directors****Dai-Ichi Karkaria Limited****CIN: L24100MH1960PLC011681****S. F. Vakil**Chairperson and Managing Director  
(DIN: 00002519)**Shailesh Chauhan**Chief Financial Officer  
Membership No. 116610  
Place : Mumbai  
Date : 10 May 2021**Meher Vakil**Director  
(DIN: 07778396)**Ankit Shah**Company Secretary  
Membership No. A35008



## Standalone Statement of Profit and Loss for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Income</b>			
Revenue from operations.....	27	9,742	10,717
Other income.....	28	629	384
<b>Total income.....</b>		<b>10,371</b>	<b>11,101</b>
<b>Expenses</b>			
Cost of materials consumed.....	29	7,011	7,448
Changes in inventories of finished goods, semi finished goods and work-in-progress.....	30	(277)	(297)
Employee benefits expense.....	31	1,476	1,615
Finance costs.....	32	920	1,024
Depreciation and amortisation expense.....	33	851	946
Other expenses.....	34	2,887	2,459
<b>Total expenses.....</b>		<b>12,868</b>	<b>13,195</b>
<b>Loss before tax &amp; exceptional items.....</b>		<b>(2,497)</b>	<b>(2,094)</b>
<b>Exceptional items (Refer Note 48)</b>			
Loss by Fire.....		4,932	-
Profit on sale of Land (Net).....		(13,147)	-
Cost for settlement of litigations.....		-	400
<b>Profit / (Loss) after exceptional items and before tax.....</b>		<b>5,718</b>	<b>(2,494)</b>
Current tax.....		770	-
Deferred tax (net).....		(31)	-
<b>Total Tax Expenses .....</b>		<b>739</b>	<b>-</b>
<b>Profit / (Loss) for the year</b>		<b>4979</b>	<b>(2494)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligation.....		22	(13)
Income tax related to items that will not be reclassified to profit or loss....		(6)	-
<b>Other comprehensive income for the year, (net of income tax).....</b>		<b>16</b>	<b>(13)</b>
<b>Total comprehensive income for the Year.....</b>		<b>4,995</b>	<b>(2,507)</b>
Earnings per equity share Basic and Diluted (of ₹ 10/- each) .....	39	<b>66.83</b>	<b>(33.47)</b>

Notes forming part of the Standalone financial statements 1-49  
 The accompanying notes are an integral part of these Standalone financial statements  
 As per our report of even dated attached

**For B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**  
 Partner  
 Membership No: 122632

Place : Mumbai  
 Date : 10 May 2021

**For and on behalf of the Board of Directors**  
**Dai-ichi Karkaria Limited**  
 CIN: L24100MH1960PLC011681

**S. F. Vakil**  
 Chairperson and Managing Director  
 (DIN: 00002519)

**Shailesh Chauhan**  
 Chief Financial Officer  
 Membership No. 116610

**Meher Vakil**  
 Director  
 (DIN: 07778396)

**Ankit Shah**  
 Company Secretary  
 Membership No. A35008

Place : Mumbai  
 Date : 10 May 2021

**Standalone Statement of Changes in Equity  
for the Year ended 31 March 2021**

**A - Equity share capital**

(₹ in lakhs)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the reporting year	74,51,229	745	7,451,229	745
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	74,51,229	745	7,451,229	745

**B - Other Equity**

Particulars	Reserves and Surplus					Items of OCI	Total other equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of Defined benefit plans	
Balance as at 1 April 2019	77	2,594	16	519	8,479	(61)	11,624
Profit for the year	-	-	-	-	(2,494)	-	(2,494)
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	(13)	(13)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>(2,494)</b>	<b>(13)</b>	<b>(2,507)</b>
<b>Transactions with owners of the company</b>							
Interim Dividend on Equity Shares	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>77</b>	<b>2,594</b>	<b>16</b>	<b>519</b>	<b>5,985</b>	<b>(74)</b>	<b>9,118</b>
Profit for the year	-	-	-	-	4,979	-	4,979
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	16	16
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>4,979</b>	<b>16</b>	<b>4,995</b>
<b>Transactions with owners of the company</b>							
<b>Balance as at 31 March 2021</b>	<b>77</b>	<b>2,594</b>	<b>16</b>	<b>519</b>	<b>10,964</b>	<b>(58)</b>	<b>14,112</b>

Notes forming part of the Standalone financial statements 1-49

The accompanying notes are an integral part of these Standalone financial statements

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**

Partner

Membership No: 122632

Place : Mumbai

Date : 10 May 2021

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

**Dai-Ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director  
(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer  
Membership No. 116610

Place : Mumbai

Date : 10 May 2021

**Meher Vakil**

Director  
(DIN: 07778396)

**Ankit Shah**

Company Secretary  
Membership No. A35008





## Standalone Statement of Cash Flow for the year ended 31 March, 2021

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>A) Cash Flow from Operating Activities:</b>		
Profit / (Loss) after exceptional items before tax	5,718	(2,494)
Adjustments for:		
Depreciation and amortisation	851	946
Loss of Property plant and equipment by fire	4,326	-
Loss of inventory by fire	581	-
Profit on sales of Land (net)	(13,147)	-
Loss / (Profit) on sale of investments (net)	-	34
Profit on sales of property, plant and equipment	(1)	(8)
Liabilities no longer payable written back	-	108
Inventory Assets Written off During the Year	10	54
Net loss on Investments at fair value through profit and loss	-	10
Profit on sale of investments	(1)	-
Provision for impairment of investment in subsidiary	2	-
Provision for Non-moving inventories	5	-
Provision for doubtful trade receivables	14	-
Profit on Revaluation of Investments	(11)	-
Dividend income	(140)	(6)
Interest income	(191)	(22)
Interest expenses	920	1,024
Unrealised foreign currency loss/(gain) on revaluation (net)	-	(36)
<b>Subtotal of Adjustments</b>	<b>(6,782)</b>	<b>2,105</b>
<b>Operating profit before working capital changes</b>	<b>(1,064)</b>	<b>(389)</b>
Changes in working capital:		
Adjustments for increase/decrease in:		
Decrease/(Increase) in trade receivables	(349)	(349)
Decrease/(Increase) in other financial assets and other assets	(88)	417
Decrease/(Increase) in inventories	(1,004)	(389)
Increase in trade payable, other financial liabilities and other liabilities	1,109	714
Increase/(Decrease) in provisions	(6)	43
<b>Subtotal of Adjustments</b>	<b>(338)</b>	<b>435</b>
<b>Cash generated from operations</b>	<b>(1,402)</b>	<b>46</b>
Add: Income tax (paid) / refund	(752)	50
<b>Net cash from/(used in) operating activities</b>	<b>(2,154)</b>	<b>96</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchases of property, plant and equipment	(74)	(711)
Proceeds from sale of property, plant and equipment	10	8
Proceed from sale of land	13,097	500
(Investment) / Proceeds from current investments	(300)	265
Movement in bank deposits having maturity of more than 3 months	(100)	(9)

**Standalone Statement of Cash Flow for the year ended 31 March, 2021 (Contd.)**

Particulars	(₹ in lakhs)	
	For the year ended 31 March, 2021	For the year ended 31 March, 2020
Dividend received	140	6
Interest received	191	28
<b>Net Cash from/(used in) investing activities</b>	<b>12,964</b>	<b>87</b>
<b>C Cash Flow from Financing Activities:</b>		
Repayment towards non-current borrowings (net)	(2,035)	(1,565)
Proceeds from non-current borrowings (net)	-	1,052
(Repayment) / Proceeds from current borrowings (net)	(6,776)	952
Dividends and corporate dividend tax paid	-	-
Interest paid	(920)	(1,024)
<b>Net cash from/(used in) financing activities</b>	<b>(9,731)</b>	<b>(586)</b>
<b>D Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>1,079</b>	<b>(403)</b>
<b>E Cash and cash equivalents as at beginning of the year</b>	<b>79</b>	<b>494</b>
Net Comprehensive Expense	-	(13)
<b>F Cash and cash equivalents as at end of the year (D+E)</b>	<b>1,159</b>	<b>79</b>

\* Amount below Rupees One Lakh

Reconciliation of liabilities from financing activities	Non-current borrowing (including current portion) (a)	Current borrowings (b)	Total liabilities from financing activities (a + b)
Opening Balance (as at 1 April 2020)	8,465	2,357	10,821
Add : Proceeds during the year	-	-	-
Less : Repayment during the year	8,452	352	8,804
<b>Closing Balance (as at 31 March 2021)</b>	<b>13</b>	<b>2,005</b>	<b>2,018</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"
- Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.
- Cash and cash equivalents are cash and bank balance as per balance sheet (Refer note no 13)

As per our report of even date attached.  
**For B S R & Co. LLP**  
 Chartered Accountants  
 Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**  
 Partner  
 Membership No: 122632

Place : Mumbai  
 Date : 10 May 2021

**For and on behalf of the Board of Directors**  
**Dai-Ichi Karkaria Limited**  
**CIN: L24100MH1960PLC011681**

**S. F. Vakil**  
 Chairperson and Managing Director  
 (DIN: 00002519)

**Shailesh Chauhan**  
 Chief Financial Officer  
 Membership No. 116610  
 Place : Mumbai  
 Date : 10 May 2021

**Meher Vakil**  
 Director  
 (DIN: 07778396)

**Ankit Shah**  
 Company Secretary  
 Membership No. A35008



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021

(Currency: ₹ in Lakhs)

### 1. Company overview

Dai-ichi Karkaria Limited ('the Company') is domiciled in India with its registered office situated at 3rd Floor, Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai 400 020, India. The Company was incorporated on 13 May 1960 under the provisions of Indian Companies Act, 1956 and its equity shares is listed on Bombay Stock Exchange (BSE) in India. The Company is engaged in manufacturing of specialty chemicals.

The manufacturing activities of the Company are carried out from its plants located at Dahej (Gujrat) and Kurkumbh, District Pune (Maharashtra).

### 2. Basis of preparation

#### A. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 10 May 2021.

Details of the Company's accounting policies are included in Note 3

#### B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakh, unless otherwise stated.

#### C. Basis of measurement

These standalone financial statements have been prepared on the historical cost basis, except for the following items:

Items	Measurement basis
i) Certain Financial assets and liabilities	Fair value
ii) Net defined benefit asset / (obligation)	Fair Value of plan assets less present value of defined benefit obligations

#### D. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of its activities and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### E. Use of estimates and judgements

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the standalone financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key sources of estimation of uncertainty at the date of the standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, recoverability of deferred tax assets, provision and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

#### Useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)**

assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

**Recoverability of deferred tax assets**

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

**Fair value Measurement of financial instrument**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained in detail under note 3 (A).

**Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

**3. Significant Accounting Policies****A. Financial instruments**

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

**Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)

### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition.

The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

The Company has made an election to present subsequent changes in the fair value of equity investments as other income in the statement of profit and loss.

### Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

### Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

### Derecognition of financial instruments

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between assets carrying amount and the sum of consideration received or receivable or the cumulative gain or loss that had been recognised in the statement of profit and loss.

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

## B. Impairment

### Financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has computed the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### Non-financial assets

#### Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

## C. Property, plant and equipment / Depreciation

### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)**

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, and other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress:-Projects under which Property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**(iii) Expenditure during construction period**

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

**(iv) Depreciation**

Depreciation of property, plant and equipment is calculated using the straight-line method. Freehold land is not depreciated.

Depreciation is charged on the cost of the property plant and equipment less estimated residual value over the useful lives as per Schedule II of the Companies Act, 2013, this useful life are shown below. Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the date on which the asset is ready for use (disposed-off).

Asset	Management estimate of useful life (years)
Leasehold land	Amortised over the lease period
Leasehold improvements	Amortised over lower of the lease period or 7 years
Building	3-60
Road	3-10
Plant and machinery	10-20
Furniture and fixture	10
Vehicles	8
Office equipment	3-10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

**D. Intangible assets****(i) Recognition and measurement**

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)

### (iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Software	6 years
----------	---------

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### E. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of raw materials are computed basis the moving average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished products and work-in-progress, costs includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

### F. Employee benefits

#### i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company's contributions to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and is charged to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employee.

#### iii. Defined benefit plan

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Re measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

#### Gratuity

The Company's liability towards Gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income in the period in which they occur.



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)****iv. Other long- term employee benefits – Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation determined based on percentage unit credit method with independent actuarial valuation as at the balance sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

**G. Provisions, contingent liabilities and contingent assets**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are recognised at the best estimates of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, when appropriate, the risks specific to the liabilities.

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

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**H. Revenue****i. Sale of goods**

Revenue is measured at the fair value of consideration received or receivable net off trade discounts, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer. Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**ii. Rendering of services**

Revenue for job work services is recognised as and when services are rendered, in accordance with the terms of the contract. The amount recognised as revenue is exclusive of goods and service tax (GST) and its net of returns and trade discounts.

**iii. Rental income**

Rental income is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

**iv. Export benefits**

Export benefits available under prevalent schemes are accrued when no significant uncertainty exist regarding its ultimate collection.

**v. Dividend**

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

**vi. Interest income**

Interest income is recognised using the effective interest rate method.



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)

### I. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

#### Minimum alternate tax Credit Entitlement

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes a deferred tax asset on the MAT credit available only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the deferred tax asset created on MAT credit entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### J. Borrowing costs

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### K. Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)****L. Foreign currency transactions**

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

**M. Investment in subsidiary and joint venture**

The Company's investment in its subsidiary and joint venture are carried at cost.

**N. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

**O. Others**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)

4. Property, plant and equipment, capital work in progress and Intangible Assets (₹ in lakhs)

Particulars	Gross block			Accumulated depreciation/amortisation			Net Block	
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	For the year	Deductions	As at 31 March 2021
<b>A. Tangible Assets</b>								
Leasehold Land	1,233	-	-	1,233	56	13	-	1,164
Buildings Residential	46	-	-	46	29	4	-	13
Buildings: Non Residential								
Own lease	4,550	-	1,155	3,395	368	137	114	3,004
Road	610	-	25	585	138	58	8	397
Plant & Machinery	10,576	302	3,604	7,274	1,479	604	334	5,524
Furniture & Fixtures	191	*	5	186	41	15	1	131
Laboratory, Office and Factory Equipment and Air conditioners	322	7	3	326	138	7	2	183
Vehicles	118	-	1	117	82	8	*	27
<b>Scientific Research- Capital Expenditure :</b>								
Buildings - Non Residential	1	-	-	1	*	*	-	*
Plant & Machinery	7	-	-	7	4	*	-	3
Furniture & Fixtures	*	-	-	*	-	-	-	*
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	*	-	-	9
<b>Total Tangible Assets</b>	<b>17,664</b>	<b>309</b>	<b>4,793</b>	<b>13,179</b>	<b>2,334</b>	<b>846</b>	<b>458</b>	<b>10,455</b>
<b>B. Intangible Assets</b>								
Computer Software	38	-	-	38	28	5	-	6
<b>Total</b>	<b>17,702</b>	<b>309</b>	<b>4,793</b>	<b>13,217</b>	<b>2,362</b>	<b>851</b>	<b>458</b>	<b>10,461</b>
C. Capital Work-in-Progress								<b>49</b>

\*Amount below Rupees One Lakh

### Notes

- Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Company
- The Company intends to dispose off its land parcel at Kasarwadi with Book Value of ₹ 54 lakhs (31 March 2020: ₹ 505 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale" and shown as a deduction from Property, plant and equipment in current year. The Company expects the fair value less cost to sell to be higher than the carrying amount. No impairment loss was recognised on above reclassification.

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)****4. Property, plant and equipment, capital work in progress and Intangible Assets** (₹ in lakhs)

Particulars	Gross block			Accumulated depreciation/amortisation			Net Block		
	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	For the year	Deductions	As at 31 March 2020	As at 31 March 2020
<b>A. Tangible Assets</b>									
Leasehold Land	1,203	30	-	1,233	43	13	-	56	1,177
Freehold Land	505	-	505	-	-	-	-	-	-
Buildings Residential	46	-	-	46	24	5	-	29	17
Buildings: Non Residential									
Own lease	4,530	20	-	4,550	216	152	-	368	4,182
Road	610	-	-	610	80	58	-	138	472
Plant & Machinery	10,282	363	69	10,576	885	664	69	1,480	9,096
Furniture & Fixtures	191	-	-	191	25	16	-	41	150
Laboratory, Office and Factory Equipment and Air conditioners	322	-	1	321	120	18	1	137	184
Vehicles	118	-	-	118	68	14	-	82	36
<b>Scientific Research- Capital Expenditure :</b>									
Buildings - Non Residential	1	-	-	1	* -	-	-	* -	1
Plant & Machinery	7	-	-	7	3	-	-	3	4
Furniture & Fixtures	* -	-	-	* -	* -	* -	* -	* -	* -
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	* -	* -	* -	* -	9
<b>Total Tangible Assets</b>	<b>17,824</b>	<b>413</b>	<b>575</b>	<b>17,662</b>	<b>1,464</b>	<b>940</b>	<b>70</b>	<b>2,334</b>	<b>15,328</b>
<b>B. Intangible Assets</b>									
Computer Software	38	-	-	38	21	6	-	27	11
<b>Total</b>	<b>17,862</b>	<b>413</b>	<b>575</b>	<b>17,700</b>	<b>1,485</b>	<b>946</b>	<b>70</b>	<b>2,361</b>	<b>15,339</b>
<b>C. Capital Work-in-Progress</b>									<b>267</b>

\* Amount below Rupees One Lakh



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>5(a). Investments - Non-current</b>		
<b>In Equity Shares, Unquoted (at cost)</b>		
<b>In Subsidiary and Joint Venture</b>		
(i) Dai-ichi Gosei Chemicals (India) Limited. 48,500 shares (31 March 2020 : 48,500 shares).....	5	5
(ii) ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Ltd.).....	68	68
1,125,000 shares (31 March 2020 : 1,125,000 shares)	73	73
Less : Provision for diminution in value of investment - Investment in Equity Shares of Dai-ichi Gosei Chemicals (India) Limited .....	5	3
<b>Total</b>	<b>68</b>	<b>70</b>
<b>5(b). Other Investments</b>		
<b>(a) Unquoted:</b>		
<b>The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss)</b>		
4,000 shares (31 March 2020 : 4,000 shares) .....	1	1
	<b>1</b>	<b>1</b>
<b>6. Financial Assets - Non-current</b>		
(Unsecured and considered good)		
To parties other than related parties		
Security Deposits .....	273	268
Margin Money Deposits with maturity greater than 12 months.....	8	7
<b>Total</b>	<b>281</b>	<b>275</b>
<b>7. Deferred tax assets (net)</b>		
<b>Deferred Tax Assets</b>		
Insurance claim receivable.....	1,064	-
Retirement benefits.....	95	103
Loss allowance on trade receivables.....	11	6
Bonus.....	10	8
MAT Credit entitlement.....	42	87
Income tax loss.....	795	2,204
Indexation of land.....	5	454
Others.....	5	6
<b>Total deferred tax assets (a)</b>	<b>2,027</b>	<b>2,868</b>

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Deferred tax liabilities</b>		
Property, plant and equipment and Intangible assets .....	969	1,146
Fair valuation of investments .....	2	2
<b>Total deferred tax liabilities (b) .....</b>	<b>971</b>	<b>1,148</b>
<b>Net deferred tax assets (a-b) .....</b>	<b>1,056</b>	<b>1,720</b>
<b>Deferred tax assets recognised (net).....</b>	<b>1,056</b>	<b>1,076</b>
<b>8. Non Current Tax Assets</b>		
(Unsecured, considered good)		
Advance Tax (Net of provision ₹ 4,362 lakhs (31 March 2020 : ₹ 3,534 lakhs))	414	387
<b>Total</b>	<b>414</b>	<b>387</b>
<b>9. Other non current assets</b>		
(Unsecured, considered good)		
Balance with Government Authorities .....	83	98
Prepaid expenses .....	2	32
<b>Total</b>	<b>85</b>	<b>129</b>
<b>10. Inventories</b>		
(At lower of cost and net realisable value)		
Raw Materials (including goods-in-transit ₹ 157 Lakhs ;31 March 2020 ₹ Nil)	950	787
Packing material.....	58	73
Work-in-progress.....	26	16
Finished Goods (including goods-in-transit ₹ 346 Lakhs; 31 March 2020 ₹ 4 Lakhs)	852	802
Semi finished goods.....	444	215
Spare and consumables.....	118	146
<b>Total</b>	<b>2,447</b>	<b>2,040</b>
Note: Inventories are hypothecated against cash credit facility from bank		
<b>11. Current investments</b>		
<b>(a) In equity instruments (at fair value through profit and loss)</b>		
<b>(i) Quoted:</b>		
2,412 shares (31 March 2020 : 2,412 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited .....	9	5
8,100 shares (31 March 2020 : 8,100 shares) of ₹ 10 each fully paid up in Bank of India .....	5	3
2,000 shares (31 March 2020 : 2,000) of ₹ 2 each in Bharat Seats Limited.....	1	1
<b>(ii) Unquoted</b>		
1,000 shares (31 March 2020 : 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vitthal Co-operative Bank Limited .....	* -	* -





**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
2,500 shares (31 March 2020 : 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited .....	* -	* -
<b>(b) In Mutual funds (at fair value through profit and loss)</b>		
Quoted Mutual Funds : .....	401	95
<b>Total</b>	<b>416</b>	<b>104</b>
1) Aggregate value of quoted investments .....	416	104
2) Aggregate market value of quoted investments .....	416	104
* Amount below Rupees One Lakh		
<b>12. Trade receivables (Unsecured)</b>		
Considered good .....	2,377	2,042
Considered doubtful .....	39	26
Less :- Loss allowance .....	(39)	(26)
<b>Total</b>	<b>2,377</b>	<b>2,042</b>
(i) Of the above, dues include amount due from related parties ₹ 253 lakhs (31 March 2020: ₹ 158 lakhs)		
(ii) Trade Receivables include ₹ 385 Lakhs (31 March 2020: ₹ 459 Lakhs) due from the one customer.		
(iii) Trade receivables are hypothecated against cash credit facility from bank		
<b>13. Cash and cash equivalents</b>		
Cash on Hand	* -	* -
Balances with Banks		
(i) In current accounts .....	1,112	48
(ii) In Exchange Earners Foreign Currency (EEFC) account .....	45	29
(iii) Deposits with maturity of less than three months .....	2	2
<b>Total</b>	<b>1,159</b>	<b>79</b>
* Amount below Rupees One Lakh		
<b>14. Bank balances other than cash and cash equivalents</b>		
Unpaid dividend .....	17	20
Deposits with original maturity of more than three months but less than 12 months (Balances held as margin money against guarantees and other commitments)	362	259
<b>Total</b>	<b>379</b>	<b>279</b>
<b>15. Other financial assets - current</b>		
(unsecured, considered good)		
From parties other than related parties:		
Export Incentive receivable .....	159	135
Interest Receivable on investments and deposits .....	* -	* -
<b>Total</b>	<b>159</b>	<b>135</b>
* Amount below Rupees One Lakh		

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
<b>16. Other current assets</b> (unsecured, considered good)				
Prepaid expenses .....		344		69
Advance to suppliers .....		96		339
Advance to employees .....		1		-
Balances with government authorities .....		1,866		1,795
<b>Total</b>		<b>2,307</b>		<b>2,203</b>

\* Amount below Rupees One Lakh

**17. Share capital**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>(A) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights .....	10,000,000	1,000	10,000,000	1,000
<b>(B) Issued, Subscribed and fully paid</b>				
Equity shares of ₹ 10/- each with voting rights .....	7,451,229	745	7,451,229	745
<b>Total</b>	<b>7,451,229</b>	<b>745</b>	<b>7,451,229</b>	<b>745</b>

**(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Opening balance .....	7,451,229	745	7,451,229	745
Add / (Less): Equity shares issued / bought back during the year	-	-	-	-
<b>Closing Balance</b> .....	<b>7,451,229</b>	<b>745</b>	<b>7,451,229</b>	<b>745</b>

**(D) Details of equity shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Mrs. S. F. Vakil .....	3,769,179	50.58	3,769,182	50.58

E) There were no equity shares allotted as fully paid up pursuant to contracts without payment received in cash, there were no bonus shares allotted and there were no equity shares bought back, during the period of 5 years immediately preceding the Balance Sheet date.

F) The Company has one class of equity shares having par value of ₹ 10/- per share. The dividend proposed by the Board of Directors is subject to the approval of the members at the ensuing AGM of the company, except in case of interim dividend which is paid as and when declared by the Board of Directors.

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



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>18. Other equity</b>		
(a) Capital reserve		
Balance as at the commencement and end of the year .....	77	77
(b) Capital redemption reserve		
Balance as at the commencement and end of the year .....	16	16
(c) Securities premium account		
Balance at the commencement and end of the year.....	2,594	2,594
(d) General reserve		
Balance as at the commencement and end of the year .....	519	519
(e) Retained Earnings		
Balance as at the commencement of the year .....	5,985	8,479
Add: Profit for the year .....	4,979	(2,494)
Balance as at the end of the year	<u>10,964</u>	<u>5,985</u>
(f) Other items of other comprehensive income / expenses		
Balance as at the commencement of the year .....	(74)	(61)
Add: Remeasurements of employment benefit obligation .....	22	(13)
Less :Income tax related to items that will not be reclassified to profit or loss .	(6)	-
Balance as at the end of the year .....	<u>(58)</u>	<u>(74)</u>
<b>Total</b>	<u><b>14,112</b></u>	<u><b>9,118</b></u>

**Nature and Purpose of Reserves**

- (a) Capital reserve  
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.
- (b) Capital redemption reserve  
A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of company's own shares pursuant to Section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.
- (c) Securities premium account  
Securities premium reserve is credited when shares are issued at a premium. It is utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.
- (d) General reserve  
General reserve is a free reserve, which is created by transferring funds from retained earnings to be used time to time to transfer profits from retained earnings for appropriation purposes.
- (e) Retained Earnings  
Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve and payment of dividend.
- (f) Other items of other comprehensive income  
Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset.
- (g) Dividends declared by the Company are based on profits available for distribution. On 10 May 2021, the Board of Directors of the Company have proposed a final dividend of ₹ 3 per share in respect of the year ended 31 March 2021 subject to the approval of shareholders at the Annual General Meeting.

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>19(a). Non - current financial liabilities - borrowings</b>		
(a) Term loans from banks - Secured (Refer Note (i) below) .....	-	6,765
(b) Vehicle loan from bank - Secured (Refer Note (ii) below).....	2	11
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below) .....	-	2
<b>Total</b>	<b>2</b>	<b>6,778</b>

**Note (i)**

The term loan from Axis Bank and HDFC Bank has been repaid during the year and no dues certificates has been obtained from the banks

**Note (ii)**

The term loans are secured by hypothecation of the vehicles purchased under the loans.

**Vehicle Loan from Bank**

Name of lender	Original Loan amount	Rate of Interest %	EMI Amount	Total Nos. of EMI Nos.	Outstanding EMI Nos.
HDFC Bank Ltd.	38	10.00%	80,740	60	14

**Note (iii)**

Under the package scheme of incentive for industries in backward area, the Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing 1 August 2000 upto an amount of ₹ 484 lakhs for the Kurkumbh plant at Pune. The deferred amount is recognized as non - current financial liabilities-borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal instalments which commenced from year 2011.

The deferred sales tax liability is payable in annual instalments as below:

Particulars	As at 31 March 2021	As at 31 March 2020
Financial Year 2020-21 .....	-	6
Financial Year 2021-22 .....	2	2
<b>Total</b>	<b>2</b>	<b>8</b>

**Note (iv)**

The Company has not defaulted on repayment of interest and loans as at the balance sheet date.

**Note (v)**

**Current maturities of long term borrowings**

Particulars	As at 31 March 2021	As at 31 March 2020
- Term loans from banks & others .....	9	1,689
- Deferred sales tax liabilities .....	2	6



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021(Contd.)**

(₹ in lakhs)

**Particulars**

**19(b). Non - current financial liabilities - others**

	As at 31 March 2021	As at 31 March 2020
Security Deposit.....	62	57
<b>Total</b>	<b>62</b>	<b>57</b>

**20. Provision - non current**

Provision for employee benefits		
Gratuity.....	44	43
Compensated absences .....	111	122
<b>Total</b>	<b>155</b>	<b>165</b>

**21. Other Non-Current liabilities**

Deferred Rent.....	18	25
<b>Total</b>	<b>18</b>	<b>25</b>

**22. Current financial liabilities - borrowings**

Loan From Director.....	750	694
Cash credit (secured).....	1,255	1,663
<b>Total</b>	<b>2,005</b>	<b>2,357</b>

Note :-

- 1) Loan from Director carries interest rate of 9.15% per annum
- 2) Cash Credit Facility from Axis Bank is secured by inventories and trade receivables of the Company, rate of interest is 3 months MCLR + 1.20%

**23. Trade payables- Current**

i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below) .....	127	78
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises .....	3,754	2,782
<b>Total</b>	<b>3,881</b>	<b>2,860</b>

**Note**

Micro enterprises and small enterprises

Information in respect of micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

The following disclosures are made for the amounts due to the micro, small and medium enterprises:

(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year .....	117	75
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year .....	-	-

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .....	-	-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act) .....	8	3
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year .....	2	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid .....	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

\* Amount below Rupees One Lakh

**24. Other financial liabilities - current**

Current maturities of long term borrowings		
- Term loans from banks & others .....	9	1,689
- Deferred sales tax liabilities .....	2	6
Unpaid dividends** .....	17	20
Employee benefits payable .....	320	254
Security deposits .....	4	5
Payables on purchase of property, plant and equipment .....	131	113
<b>Total</b>	<b>483</b>	<b>2,087</b>

\*\* There are no amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013.

**25. Provisions - current**

Provision for Employee Benefits		
Gratuity .....	45	63
Compensated Absences.....	85	86
<b>Total</b>	<b>131</b>	<b>149</b>

**26. Other current liabilities**

Advance from customers.....	57	22
Advance for Asset held for Sale.....	-	500
Payable to statutory authorities (TDS, provident fund, ESIC).....	55	63
Deferred Rent.....	7	6
<b>Total</b>	<b>119</b>	<b>591</b>

**27. Revenue from operations**

	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Sale of products .....	9,610	10,613
(b) Sale of services (Job work) .....	10	12
(c) Other operating revenues (Refer Note (i) below) .....	122	92
<b>Total</b>	<b>9,742</b>	<b>10,717</b>
(i) Other operating revenues comprises:		
Scrap sales .....	118	77
Others .....	4	15
<b>Total</b>	<b>122</b>	<b>92</b>



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

### Note: Ind AS 115 – Revenue from Contracts with Customers

(A) The Company is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Company does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from contract with customer as per Contract price.....	9,658	10,672
Less: Discounts and other adjustments.....	(15)	(3)
Less:- Sales Returns / Credits / Reversals.....	(33)	(56)
Revenue from contract with customer as per statement of profit and loss	<u>9,610</u>	<u>10,613</u>

### Disaggregation of revenue- Revenue from major products

Particulars	Revenue for the year ended 31 March 2021	Revenue for the year ended 31 March 2020
R-54560 (DAITROLITE PDC 1309 M 45) PCK-180	1,341	1,065
DAITROLITE PDL 96 - PCK - ISO TANK	460	999
POLYSORGEN - 85 -PCK-1000	283	406
DAITROLITE FIOD MT - 50 - PCK - 180	478	367
NOIGEN BA 55 PCK 200	250	338
Others	6,797	7,438
	<u>9,610</u>	<u>10,613</u>

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>28. Other income</b>		
Interest income - others (Refer Note (i) below).....	191	22
<b>Dividend income from</b>		
-Current investment.....	-	3
-Joint venture.....	135	-
-Others.....	5	3
Profit on sale of investments.....	1	-
Profit on Revulation of Investments.....	11	-
Export Incentive.....	131	117
Rent Received.....	124	31
Profit on sales of property, plant and equipment.....	1	8
Other (Note (ii)).....	31	199
<b>Total</b>	<u>629</u>	<u>384</u>
<b>Note (i)</b> Interest income comprises:		
Interest from banks on deposits .....	18	18
Interest income from long term investments .....	-	4
Others Interest ( interest on delayed payment of consideration from land sale etc) .....	173	* -
	<u>191</u>	<u>22</u>
<b>Note (ii)</b> Other non-operating Income .....		
Netgain on foreign currency transactions and translation.....	31	91
Liabilities no longer payable written back.....	*-	108
<b>Total</b>	<u>31</u>	<u>199</u>

\* Amount below Rupees One Lakh



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>29. Cost of materials consumed</b>		
Opening Stock.....	903	870
Add : Purchases.....	7,115	7,481
Less : Closing Stock.....	(1,008)	(903)
<b>Total</b>	<b>7,011</b>	<b>7,448</b>
Raw Materials consumed comprise :		
Ethylene Oxide .....	1,636	1,648
Fatty Alcohol, Phenol & Glycol .....	1,659	1,665
Oils & Fatty Acids .....	261	493
Acrylamide .....	342	274
Amines .....	133	203
Other items .....	2,979	3,165
<b>Total</b>	<b>7,011</b>	<b>7,448</b>
<b>30. Changes in inventories of finished goods, Semi finished goods and work-in-progress</b>		
<b>Inventories at the end of the year</b>		
Finished goods .....	852	806
Semi finished goods .....	444	224
Work-in-progress .....	26	16
	<b>1,322</b>	<b>1,045</b>
<b>Inventories at the beginning of the year</b>		
Finished goods .....	806	490
Semi finished goods .....	224	253
Work-in-progress.....	16	5
	<b>1,045</b>	<b>748</b>
<b>Net (increase) / decrease</b>	<b>(277)</b>	<b>(297)</b>
<b>31. Employee Benefits Expense</b>		
Salaries, wages and bonus .....	1,297	1,442
Contribution to provident and other funds.....	97	92
Staff welfare expenses .....	82	81
<b>Total</b>	<b>1,476</b>	<b>1,615</b>
<b>32. Finance costs</b>		
Interest expenses - On borrowings .....	870	993
- Others .....	50	31
<b>Total</b>	<b>920</b>	<b>1,024</b>
<b>33. Depreciation and amortisation expense</b>		
Depreciation on Property, plant and equipment.....	846	940
Amortisation of intangible asset .....	5	6
<b>Total</b>	<b>851</b>	<b>946</b>



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>34. Other expenses</b>		
Consumption of stores and spare parts .....	169	54
Power and fuel.....	546	609
Repairs to Buildings.....	7	4
Repairs to Plant and Machinery.....	89	28
Repairs to Others.....	72	150
Effluent Treatment Expenses.....	54	9
Job work Charges.....	472	-
Insurance.....	39	45
Rates and Taxes, excluding, taxes on income.....	144	71
Traveling Expenses.....	44	53
Legal and Professional Fees.....	123	226
Payment to Auditors		
Audit fees.....	20	25
Tax Audit.....	2	2
Other Services (Limited Review).....	15	10
Out of Pocket Expenses.....	*	2
Freight and forwarding on sales.....	407	328
Commission on sales.....	68	107
Contract Labour Charges.....	286	317
Directors' fees .....	11	10
Security Charges.....	81	99
Provision for impairment of investment in subsidiary.....	2	-
Loss on sale on investment.....	-	34
Provision for Non-moving Inventory.....	5	-
Inventory Assets Written off During the Year.....	10	54
Loss on Revaluation of Investments.....	-	10
Provision for doubtful trade receivables.....	14	22
Miscellaneous Expenses.....	207	190
<b>Total</b>	<b>2,887</b>	<b>2,459</b>

\* Amount below Rupees One Lakh

**35. Contingent Liabilities and Capital Commitments**

**a) Contingent Liabilities**

Sr. No	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Claims against the Company not acknowledged as debt: Octroi (classification of raw materials)* * Includes ₹ 142 lakhs (31 March 2020: ₹ 142 lakhs) for which bank guarantee has been given and shown under note below 35 (vi)	243	243
(ii)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with High Court (Determination of nature of receipt)	30	30
(iii)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Income Tax Authorities	550	545
(iv)	Disputed Sales Tax demands for set off claimed	15	-
(v)	Service Tax (Dispute on availment of cervat on exempt goods)	86	86
(vi)	Guarantees issued to others by Bank secured by counter guarantee of the Company and by charge on the property, plant and equipment, inventories and trade receivables of the company	347	386
(vii)	Bonds for availing duty exemption under Exemption Entitlement certificate Scheme	109	89
	<b>Total</b>	<b>1,380</b>	<b>1,379</b>

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)****b) Capital Commitments**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant and equipment (net of advances)	222	-

**36. Details on derivative instruments and unhedged foreign currency exposures**

- I. There were no outstanding forward exchange contracts entered into by the Company during the financial year and outstanding as at 31 March 2021 ₹ Nil (31 March 2020 : Nil)
- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 March 2021		As at 31 March 2020	
	(INR in Lakhs)	(USD in Lakhs)	(INR in Lakhs)	(USD in Lakhs)
Receivables	1,051	15	954	13
(Payables)	(201)	(3)	(132)	(2)

**37. Corporate Social Responsibility expenditure**

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The Company was required to spend the gross amount of ₹ NIL (31 March 2020: ₹ 7 lakh) during the year on corporate social responsibility activities.

**38. Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:****i) Defined contribution plans:**

The Company makes contributions towards provident fund and Employees State Insurance Scheme Contributions which are defined benefit contribution plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Company make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The Company has no obligations other than to make the specified contributions.

The Company has recognised the following amounts in the statement of Profit and Loss

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Contribution to Provident Fund .....	78	74
- Contribution to Employee State Insurance Corporation .....	* -	1
<b>Total</b>	<b>78</b>	<b>75</b>

\* Amount below Rupees One Lakh



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)

### ii) Defined benefit plan:

The Company earmarks liability towards funded Group Gratuity and provides for payment to vested employees as under:

a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The Company also provided for protected Gratuity calculated based on additional 15 days of service for all employees upto 1 December 2003.

The Company has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2021 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amount recognised in company's financial statement as at 31 March 2021.

(₹ in lakhs)

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
i)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost.....	16	17
	Interest Cost.....	12	18
	Actuarial (gain)/losses.....	(19)	(2)
	Benefits paid.....	(30)	(76)
	PVO at the beginning of the year .....	192	235
	PVO at end of the year.....	171	192
ii)	Change in fair value of plan assets:		
	Expected return on plan assets.....	7	13
	Return on plan assets.....	3	(12)
	Contributions by the employer.....	11	8
	Benefits paid.....	(30)	(76)
	Fair value of plan assets at beginning of the year.....	105	172
	Fair value of plan assets at end of the year.....	96	105
iii)	Analysis of Defined Benefit Obligation :		
	Defined Benefit Obligation at the end of the year.....	171	192
	Provision for protected gratuity.....	14	19
	Fair Value of Plan assets at the end of the year.....	96	105
	Net income for the period recognised in OCI.....	-	-
	Net Liabilities recognized in the Balance Sheet.....	89	106

**Notes forming part of Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
	<b>Current / Non current classifications</b>		
	Current .....	<b>45</b>	63
	Non current .....	<b>44</b>	43
	<b>Total</b>	<b>89</b>	106
iv)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year.....	<b>171</b>	192
	Provision for protected gratuity.....	<b>14</b>	19
	Fair Value of plan assets.....	<b>96</b>	105
	Funded status.....	<b>96</b>	105
	Net (liability) recognised in the balance sheet .....	<b>89</b>	106
V)	Expense recognised in the statement of profit or loss:		
	Current Service cost .....	<b>16</b>	17
	Net interest.....	<b>5</b>	5
	Expense recognised in the statement of profit or loss.....	<b>21</b>	22
VI)	Other comprehensive income (OCI):		
	Actuarial Loss/(Gain) recognised for the period.....	<b>(19)</b>	(2)
	Return on plan assets excluding interest income.....	<b>(3)</b>	12
	Total actuarial Loss/(Gain) recognised in OCI.....	<b>(22)</b>	10
VII)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	<b>5.18%</b>	6.24%
	Expected return on plan assets	<b>5.18%</b>	6.24%
	Salary escalation rate (%)	<b>7.00%</b>	7.00%
	Attrition	<b>21.80%</b>	15.00%
	Mortality Table	<b>Indian Assured Live Mortality (2006-08)</b>	Indian Assured Live Mortality (2006-08)

\* Amount below Rupees One Lakh

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



## Notes forming part of Standalone financial statements for the year ended 31 March 2021 (Contd.)

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below :

(₹ in lakhs)

Experience adjustments	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
<b>Gratuity</b>					
Expected gain / (loss) adjustments on plan liabilities	20	8	34	12	29
Experience gain / (loss) adjustments on plan assets	3	(12)	(7)	2	(1)
Defined Benefits at the end of the year	171	192	257	394	428
Plan Assets at the end of the year	96	105	172	315	311
Funded status Deficit	(75)	(87)	(84)	(79)	(117)
Contribution expected to be paid to the plan during next financial year	45	48	30	60	45

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

### Sensitivity Analysis

Particulars	As at 31 March 2021	As at 31 March 2020
Delta Effect of +1% Change in Rate of Discounting .....	(4)	(5)
Delta Effect of -1% Change in Rate of Discounting .....	4	6
Delta Effect of +1% Change in Rate of Salary Increase .....	4	5
Delta Effect of -1% Change in Rate of Salary Increase .....	(3)	(5)
Delta Effect of +1% Change in Rate of Employee attrition .....	* -	* -
Delta Effect of -1% Change in Rate of Employee attrition .....	1	* -

\* Amount below Rupees One Lakh

### 39. Earnings per share (EPS)

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Profit / (Loss) after tax attributable to equity shareholders	₹ in lakhs      A	4,979	(2,494)
Weighted average number of equity shares outstanding during the year	Nos.      B	7,451,229	7,451,229
Basic and diluted earnings per equity share	In ₹      (A / B)	66.83	(33.47)
Face value per equity share	In ₹	10	10

### 40. Dividend paid and proposed:

No Dividends on equity shares were declared and paid by the Company during the year

The Board of Directors have recommended dividend of ₹ 3 per Equity Share of Face Value of ₹ 10 each for the financial year ended 31 March 2021, subject to approval of the Shareholders at the ensuing Annual General meeting of the Company.

### 41. Segment Reporting

The Company's management, pursuant to 'Ind AS 108 – Operating Segments' has concluded that the Company has only one reportable segment which is Specialty Chemicals. Accordingly, no separate disclosures of segment information have been made.

### 42. Related party disclosures

Description of relationship	Names of related parties
(i) Subsidiary	Dai-ichi Gosei Chemicals (India) Limited (DGCIL)

**Notes forming part of Standalone financial statements for the year ended 31 March 2021 (Contd.)**

Description of relationship	Names of related parties
(ii) Jointly controlled entities (JCE)	ChampionX Dai-ichi India Private Ltd. (CXDI)
(iii) Key Management Personnel (KMP)	i) Mrs. S. F. Vakil - Chairperson and Managing Director (SFV)
	ii) Ms. Meher F. Vakil - COO- Daughter of Managing Director (MFV)
	iii) Mr. A H Jehangir (AHJ)
	iv) Dr. Anil Naik (Independent Director) (AMN) upto 29 July 2020
	v) Mr. Kavas Patel (Independent Director) (KP)
	vi) Mr. Keki Elavia (Independent Director) (KE)
	vii) Mr. Ashok V. Hiremath (Independent Director) (AVH) w.e.f. 9 September 2020
	viii) Mr. Behram Sorabji (Independent Director) (BS) upto 9 June 2020
	ix) Mr. Shailesh Chauhan (Chief Financial Officer) (SC)
	x) Mrs. Kavita Thadeshwar (Company Secretary) (KT) upto 10 March 2021
	xi) Mr. Ankit P Shah (Company Secretary) (AS) w.e.f 11 March 2021
	xii) Mr. Nitin Nimkar (Chief Financial Officer) (NN) upto 30 June 2019
(iv) Relatives of KMP	i) Mr. Firoze Adi Vakil - Husband of Managing Director (FAV)
	ii) Mr. Jahangir F. Vakil - Son of Managing Director (JFV)
	iii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
	iv) Mr. Matthew I. Taff - Husband of Ms. Meher F Vakil (MT)
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Limited (IOCL)
	ii) Rose Investments Limited (RIL)
	iii) General Pharmaceuticals Pvt. Ltd. (GPPL)
	iv) Netal India Limited (NIL)
	v) Neterwala Consulting & Corporate Services Limited (NCCL)
	vi) Chemicals and Ferro Alloys Pvt. Ltd (CFAPL)
	vii) Uni Klinger Limited (UKL)
	viii) Natch Products & Services Pvt. Ltd. (NPSPL)
(vi) Enterprises over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation (MSNF)

(₹ in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (CXDI)	KMP	Relatives of KMP	Entities in which KMP/ relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
<b>Purchase of goods:</b>							
IOCL	-	-	-	-	199	-	199
	-	-	-	-	(215)	-	(215)
GPPL	-	-	-	-	46	-	46
	-	-	-	-	(36)	-	(36)

\*Amount below Rupees One Lakh





Notes forming part of Standalone financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (CXDI)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
UKL	-	-	-	-	1	-	1
	-	-	-	-	(1)	-	(1)
NPSPL	-	-	-	-	-	-	-
	-	-	-	-	(1)	-	(1)
<b>Sale of goods:</b>							
CXDI	-	1,176	-	-	-	-	1,176
	-	(926)	-	-	-	-	(926)
GPPL	-	-	-	-	31	-	31
	-	-	-	-	(32)	-	(32)
IOCL	-	-	-	-	-	-	-
	-	-	-	-	(2)	-	(2)
<b>Sale of service (Job Work):</b>							
IOCL	-	-	-	-	8	-	8
	-	-	-	-	(15)	-	(15)
<b>Rendering of services/ Reimbursement of expenses:</b>							
CXDI	-	7	-	-	-	-	7
	-	(9)	-	-	-	-	(9)
IOCL	-	-	-	-	1	-	1
	-	-	-	-	-	-	-
CFAPL	-	-	-	-	-	-	-
	-	-	-	-	* -	-	* -
GPPL	-	-	-	-	2	-	2
	-	-	-	-	-	-	-
MFV	-	-	-	-	2	-	2
	-	-	-	-	-	-	-
<b>Receiving of services/ Reimbursement of expenses :</b>							
MFV	-	-	2	-	-	-	2
	-	-	(6)	-	-	-	(6)
SFV	-	-	7	-	-	-	7
	-	-	(7)	-	-	-	(7)
CFAPL	-	-	-	-	-	-	-
	-	-	-	-	* -	-	* -
GPPL	-	-	-	-	2	-	2
	-	-	-	-	(2)	-	(2)

\*Amount below Rupees One Lakh

## Notes forming part of Standalone financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (CXDI)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
<b>Rent</b>							
SFV	-	-	29	-	-	-	29
	-	-	(28)	-	-	-	(28)
<b>Remuneration :</b>							
SFV	-	-	212	-	-	-	212
	-	-	(167)	-	-	-	(167)
MFV	-	-	126	-	-	-	126
	-	-	(90)	-	-	-	(90)
NN	-	-	-	-	-	-	-
	-	-	(34)	-	-	-	(34)
SC	-	-	42	-	-	-	42
	-	-	(20)	-	-	-	(20)
KT	-	-	31	-	-	-	31
	-	-	(33)	-	-	-	(33)
AS	-	-	1	-	-	-	1
	-	-	-	-	-	-	-
<b>Directors' Sitting Fees :</b>							
AHJ	-	-	-	-	-	-	-
	-	-	(1)	-	-	-	(1)
AMN	-	-	1	-	-	-	1
	-	-	(1)	-	-	-	(1)
KP	-	-	3	-	-	-	3
	-	-	(3)	-	-	-	(3)
KE	-	-	3	-	-	-	3
	-	-	(2)	-	-	-	(2)
AVH	-	-	2	-	-	-	2
	-	-	-	-	-	-	-
BS	-	-	1	-	-	-	1
	-	-	(2)	-	-	-	(2)
<b>Dividend received :</b>							
CXDI	-	135	-	-	-	-	135
	-	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>							
<b>Investments :</b>							
CXDI	-	68	-	-	-	-	68
	-	(68)	-	-	-	-	(68)
DGCL	-	-	-	-	-	-	-
	(2)	-	-	-	-	-	(2)

\*Amount below Rupees One Lakh



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (CXDI)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
<b>Trade receivables:</b>							
CXDI	-	244	-	-	-	-	244
	-	(130)	-	-	-	-	(130)
IOCL	-	-	-	-	(4)	-	(4)
	-	-	-	-	(14)	-	(14)
GPPL	-	-	-	-	9	-	9
	-	-	-	-	(14)	-	(14)
<b>Deposits for office :</b>							
KMP	-	-	32	-	-	-	32
	-	-	(32)	-	-	-	(32)
<b>Trade payable :</b>							
CXDI	-	2	-	-	-	-	2
	-	-	-	-	-	-	-
IOCL	-	-	-	-	148	-	148
	-	-	-	-	(157)	-	(157)
UKL	-	-	-	-	-	-	-
	-	-	-	-	(2)	-	(2)
NIL	-	-	-	-	-	-	-
	-	-	-	-	* -	-	* -
GPPL	-	-	-	-	11	-	11
	-	-	-	-	(8)	-	(8)
CFAPL	-	-	-	-	-	-	-
	-	-	-	-	* -	-	* -

\* Amount below Rupees One Lakh

Note: Figures in bracket relate to the previous year

(₹ in lakhs)

<b>Payment of sitting fees to Independent directors</b>	<b>Year ended 31 March 2021</b>	Year ended 31 March 2020
Sitting fees .....	<b>11</b>	10

**Key management personnel compensation**

Key management personnel compensation comprised the following :

(₹ in lakhs)

<b>Particulars</b>	<b>Year ended 31 March 2021</b>	Year ended 31 March 2020
Post-employment benefits .....	<b>39</b>	39
Other long-term benefits .....	<b>75</b>	72

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

All other related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

**43. Interest in joint ventures**

Jointly controlled entity (JCE):							
Name of JCE and country of incorporation	% of interest / ownership	Amount of interest based on accounts for the year ended 31 March 2021					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
ChampionX Dai-ichi India Private Ltd (formerly known as Nalco Champion Dai-ichi India Pvt. Ltd.-	50	2,854	2,854	2,186	1,872	1,018	-
Previous year	50	2,851	2,851	2,107	1,859	713	-

**44. Financial instruments – Fair values and risk management**

**A. Accounting classification and fair values**

The Company uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

**Level 1:** inputs to valuation are quoted (unadjusted) prices in active markets for identical assets and liabilities;

**Level 2:** inputs to valuation are other than quoted prices included in level 1 that are observable for asset or liability, either directly or indirectly;

**Level 3:** inputs are not based on observable market data. Fair value are determined in whole or in part using a valuation model based on assumption that are either supported by prices from observable current market transaction in the same instruments nor are they based on available market data.

The carrying value of financial instruments by categories is as follows :

(₹ in lakhs)

	As at 31st March 2021							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1,159	1,159	-	-	-	-
Other bank balances	-	-	379	379	-	-	-	-
Investments	416	-	-	416	416	-	-	416
Non current investments (other than in subsidiary and joint venture)	-	-	1	1	-	-	-	-
Other Non current financial assets	-	-	281	281	-	-	-	-
Trade receivables	-	-	2,377	2,377	-	-	-	-
Other current financial assets	-	-	159	159	-	-	-	-
	<b>416</b>	-	<b>4,355</b>	<b>4,771</b>	<b>416</b>	-	-	<b>416</b>
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	13	13	-	-	-	-
Current borrowings	-	-	2,005	2,005	-	-	-	-
Other Non-Current financial liabilities	-	-	62	62	-	-	-	-
Trade payables	-	-	3,881	3,881	-	-	-	-
Other current financial liabilities	-	-	446	446	-	-	-	-
	-	-	<b>6,407</b>	<b>6,407</b>	-	-	-	-



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)

	As at 31st March 2020							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	79	79	-	-	-	-
Other bank balances	-	-	279	279	-	-	-	-
Investments	104	-	-	104	104	-	-	104
Other Non current financial assets	-	-	275	275	-	-	-	-
Trade receivables	-	-	2,042	2,042	-	-	-	-
Other current financial assets	-	-	135	135	-	-	-	-
	<b>104</b>	-	<b>2,810</b>	<b>2,914</b>	<b>104</b>	-	-	<b>104</b>
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	8,472	8,472	-	-	-	-
Current borrowings	-	-	2,357	2,357	-	-	-	-
Other Non-Current financial liabilities	-	-	57	57	-	-	-	-
Trade payables	-	-	2,860	2,860	-	-	-	-
Other current financial liabilities	-	-	2,087	2,087	-	-	-	-
	-	-	<b>15,833</b>	<b>15,833</b>	-	-	-	-

### B. Measurement of fair values

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value

- a) The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.

#### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

#### Trade and other receivables

Trade receivables are consisting of a large number of customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At 31 March 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2021	31 March 2020
India .....	1,365	1,088
Other regions .....	1,051	954
	2,416	2,042

**Impairment**

At March 31, 2021, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

	31 March 2021	31 March 2020
Neither past due nor impaired		
Past due 1-180 days .....	2,381	2,019
Past due more than 180 days .....	35	23
	2,416	2,042

Management believes that the un-impaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

(₹ in lakhs)

	31 March 2021	31 March 2020
Balance as at the beginning of the year.....	26	3
Impairment loss recognised.....	13	22
Amounts written off / (back).....	-	-
Balance as at the end of the year.....	39	26

**ii. Liquidity risk**

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

The majority of the Company's Trade receivables are due for maturity within 60 days from the date of billing to the customer. Further, the general credit terms for Trade payables are approximately 45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Company. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

31 March, 2021	Contractual cash flows					
	Carrying amount	Total	less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Vehicle loan from bank	11	11	9	2	-	-
Working capital loans from banks	1,255	1,255	1,255	-	-	-
Loan From Director	750	750	750	-	-	-
Trade payables	3,881	3,881	3,881	-	-	-
<b>Other Current financial liabilities</b>	<b>437</b>	<b>437</b>	<b>437</b>	-	-	-
31 March, 2020	Carrying amount	Total	less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	8,467	8,467	1,694	2,547	4,226	-
Working capital loans from banks	1,663	1,663	1,663	-	-	-
Loan From Director	694	694	694	-	-	-
Trade payables	2,860	2,860	2,860	-	-	-
Other Current financial liabilities	398	398	398	-	-	-

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

Company's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in lakhs)

	31 March 2021	31 March 2020
<b>Fixed-rate instruments</b>		
Financial assets - bonds	-	1
Financial liabilities - vehicle loans	(11)	(19)
	(11)	(18)
<b>Variable-rate instruments</b>		
Financial liabilities - term loan and cash credit	(1,255)	(10,801)
	(1,255)	(10,801)
<b>Total</b>	<b>(1,266)</b>	<b>(10,819)</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Fair value sensitivity analysis for variable rate instruments**

(₹ in lakhs)

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2021</b>				
Variable-rate instruments	(13)	13	(9)	9
<b>Cash flow sensitivity (net)</b>	<b>(13)</b>	<b>13</b>	<b>(9)</b>	<b>9</b>



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2020				
Variable-rate instruments	(108)	108	(78)	78
<b>Cash flow sensitivity (net)</b>	<b>(108)</b>	<b>108</b>	<b>(78)</b>	<b>78</b>

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**45. Capital Management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio at 31 March 2021 was as follows.

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Total Borrowing .....	2,016	10,821
Less : Cash and cash equivalent .....	1,159	79
<b>Adjusted net debt .....</b>	<b>857</b>	<b>10,742</b>
Total equity .....	14,857	9,863
Net debt to equity ratio .....	0.06	1.09

**46. Income Taxes****(A) Components of Income Tax Expenses****(i) Tax Expense recognised in Standalone profit and loss**

(₹ in lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax		
Current period.....	770	-
<b>Total Current tax expense.....</b>	<b>770</b>	<b>-</b>
<b>Deferred tax</b>		
Current period.....	(31)	-
Total deferred tax expense.....	(31)	-
<b>Tax expense for the year</b>	<b>739</b>	<b>-</b>



**Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)**

**(ii) Tax recognised in other comprehensive income**

(₹ in lakhs)

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans .....	<b>22</b>	<b>(6)</b>	<b>16</b>	(13)	-	(13)
	<b>22</b>	<b>(6)</b>	<b>16</b>	(13)	-	(13)

**(B) Reconciliation of effective tax rate**

(₹ in lakhs)

	(%)	For the year ended 31 March 2021	(%)	For the year ended 31 March 2020
<b>Profit / Loss before tax</b>		<b>5,718</b>		(2,494)
Tax using the Company's domestic tax rate (Current year 27.8% and Previous Year 27.8%).....	<b>27.8%</b>	<b>1,591</b>	27.8%	(694)
<b>Tax effect of:</b>				
Unrecognised Deferred Tax assets		-		694
Tax at lower rate		<b>(152)</b>		-
Unrecognised DTA of earlier years now utilized		<b>(694)</b>		-
Recognised in OCI		<b>(6)</b>		-
		<b>739</b>		-

The Company's domestic tax rates for the years ended 31 March 2021 and 31 March 2020 were 27.8%.

**(C) Movement in deferred tax assets and liabilities**

(₹ in lakhs)

	31 March, 2021						
	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Adjusted in Balance Sheet	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>							
Property, plant and equipment and Intangible assets	(1,146)	176	-	-	(969)	-	(969)
Investment	(2)	-	-	-	(2)	-	(2)
<b>Deferred Tax Assets:</b>							
Insurance claim adjusted in tax WDV	-	1,064	-	-	1,064	1,064	-
Trade receivables	6	5	-	-	11	11	-
Income tax loss (including depreciation)	1,559	(764)	-	-	795	795	-
Other items	117	(2)	6	-	110	110	-
Indexed Cost of Land	454	(449)	-	-	5	5	-
MAT credit entitlement	87	-	-	(45)	42	42	-

Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

	31 March, 2021						
	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Adjusted in Balance Sheet	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax assets (Liabilities) :</b>	<b>1,076</b>	<b>31</b>	<b>6</b>	<b>(45)</b>	<b>1,056</b>	<b>2,027</b>	<b>(971)</b>
Offsetting of deferred tax assets and deferred tax liabilities.....						<b>(971)</b>	<b>971</b>
<b>Net Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>31</b>	<b>6</b>	<b>(45)</b>	<b>1,056</b>	<b>1,056</b>	<b>-</b>
<b>Net Deferred Tax assets Recognised in books</b>						<b>1,056</b>	

	31 March, 2020						
	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Adjusted in Balance Sheet	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>							
Property, plant and equipment and Intangible assets	(916)	(230)	-	-	(1,146)	-	(1,146)
Investment	(17)	15	-	-	(2)	-	(2)
<b>Deferred Tax Assets:</b>							
Property, plant and equipment and Intangible assets	-	-	-	-	-	-	-
Trade receivables	1	5	-	-	6	6	-
Income tax loss (including depreciation)	1,377	827	-	-	2,204	2,204	-
Other items	108	9	-	-	117	117	-
Indexed Cost of Land	436	18	-	-	454	454	-
MAT credit entitlement	87	-	-	-	87	87	-
<b>Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>644</b>	<b>-</b>	<b>-</b>	<b>1,721</b>	<b>2,868</b>	<b>(1,148)</b>
Offsetting of deferred tax assets and deferred tax liabilities						<b>(1,148)</b>	<b>1,148</b>
<b>Net Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>644</b>	<b>-</b>	<b>-</b>	<b>1,721</b>	<b>1,721</b>	<b>-</b>
<b>Net Deferred Tax assets Recognised in books</b>					<b>1,076</b>		

The Company has not recognised deferred tax asset (DTA) on carry forward losses aggregating ₹ Nil (31 March 2020: ₹ 694 lakhs) in absence of convincing evidence of sufficient future taxable income against which such DTA can be realised.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

**D. Tax assets and liabilities**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current tax assets (net).....	<b>414</b>	387
Current tax assets (net).....	-	-
Current tax liabilities (net).....	-	-



## Notes forming part of the Standalone financial statements for the year ended 31 March 2021 (Contd.)

### 47. Impact of COVID-19 Pandemic

The COVID-19 pandemic marginally disrupted business operations due to lockdown and other emergency measures imposed by the government. The Company's plant at Dahej, Gujarat was shut down from 25 March 2020 to 2 April 2020. As of today, production facilities remain operational, following enhanced internal safety guidelines. The Company has considered internal and external information while assessing recoverability of its assets disclosed in the financial statement upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Company expects to recover the carrying amount of these assets. Management has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Company has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

### 48. Exceptional Items

#### a. Loss by fire at Dahej Plant

Pursuant to a fire incident on 22 November 2020 at Dahej factory situated at Plot no. D-2/20, GIDC, Tal. Vagra, Dist. Bharuch – 392130, Gujarat, certain property, plant and equipment and inventory were damaged. It also disrupted the production process and impacted the financial performance of the Company for the year ended 31 March 2021. As a result of the incident, the Company has recognised a loss of ₹ 4,932 lakhs (₹ 4,326 lakhs towards property plant and equipment, ₹ 581 lakhs towards inventories and ₹ 25 lakhs towards other expenses) as an Exceptional item in the standalone financial statements. The Company's assets and inventories are covered under an Insurance policy and a claim has been lodged with the Insurance company for the losses suffered. The Company's claim is under survey and the same would be accounted for when the claim is approved by the Insurance Company.

#### b. Profit on sale of land at Kasarwadi (Pune)

The Company sold its Land Parcel situated at 105th Milestone, Mumbai-Pune Road, P.O. Kasarwadi, Pune – 411034 to Gera Developments Private Ltd., Pune for a consideration of ₹ 15,350 lakhs pursuant the land sale conveyance deed executed on 5 March 2021. The Company received the sale consideration and recognised a gain of ₹ 13,147 lakhs (net of costs incurred in obtaining clearances from various departments and towards consultant fees for selling the land aggregating to ₹ 1,750 lakhs) as an exceptional item in standalone financial statements.

49. Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even dated attached

**For B S R & Co. LLP**  
**Chartered Accountants**  
**Firm's Registration No: 101248W/W-100022**

**Balajirao Pothana**  
*Partner*  
Membership No. 122632

Place : Mumbai  
Date : 10 May 2021

**For and on behalf of the Board of Directors**  
**Dai-ichi Karkaria Limited**  
**CIN: L24100MH1960PLC011681**

**S. F. Vakil**  
Chairperson and  
Managing Director  
(DIN: 00002519)

**Shailesh Chauhan**  
Chief Financial Officer  
Membership No. 116610

Place : Mumbai  
Date : 10 May 2021

**Meher Vakil**  
Director  
(DIN: 07778396)

**Ankit Shah**  
Company Secretary  
Membership No. A35008

## Independent Auditors' Report

To the Members of  
Dai-ichi Karkaria Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Dai-Ichi Karkaria Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Description of Key Audit Matters

The key audit matters	How the matter was addressed in our audit
<p><b>Loss due to fire</b></p> <p>Refer to Note 48(a) to the consolidated financial statements.</p> <p>In November 2020, a fire broke out at the Holding Company's plant at Dahej, Gujarat destroying the plant and machinery and inventories at site.</p> <p>As a result of the incident, the Group recognised loss due to fire of ₹ 4,932 lakhs (₹ 4,326 lakhs towards plant and machinery, ₹ 581 lakhs towards inventories and ₹ 25 lakhs towards other expenses) as an exceptional item in the consolidated financial statements.</p> <p>The Holding Company is insured for fire incidents and has submitted its claim with the insurance company for the losses suffered. The claim is being evaluated by the insurance company and thus no income is recognised in the financial statements.</p> <p>This as a key audit matter considering the estimation of loss involves significant judgement.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and examined the list of assets and inventories destroyed during the fire incident.</li> <li>• Compared the list of assets and inventories destroyed with the insurance claim submission made by the Holding Company.</li> <li>• Assessed completeness of plant and machinery destroyed by examining the asset location as mentioned in the fixed asset register with the reported location of fire.</li> <li>• Agreed the value of plant and machinery and inventories destroyed with the value in books of accounts (fixed assets register and inventory module) of the Holding Company on the date of fire.</li> <li>• Performed inquiries with the management about the progress of claims made with the Insurance Company.</li> <li>• Visited the plant location to assess the level of damage to the plant and machinery and inventories.</li> </ul>
<p><b>Revenue Recognition</b></p> <p>The Group recognises revenue from sale of products when the control over the products has been transferred to the customer based on the specific terms and conditions of the sales contracts entered into with respective customers.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards.</li> <li>• Tested the design, implementation and operating effectiveness of the Group's general Information Technology (IT) controls and key IT application controls by involving our IT specialists.</li> </ul>



The key audit matters	How the matter was addressed in our audit
<p>We have identified Revenue Recognition as a key audit matter as revenue is a key performance indicator. Also, there is a presumed fraud risk of revenue being overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations.</p>	<ul style="list-style-type: none"> <li>• Performed substantive procedures including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year.</li> <li>• Examined the underlying documents, which included sales invoices/contracts and dispatch/shipping documents for the selected transactions.</li> <li>• Assessed the manual journals posted in the revenue ledger to identify any unusual items.</li> </ul>

#### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report but does not include the financial statements and our auditors' report thereon.

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

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

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

The Holding Company's management and the Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and the Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management and Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture is responsible for overseeing the financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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



- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of management's and the Board of Directors of the Holding Company use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and its subsidiary) as well as the joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

#### **Other Matter**

- (a) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets (before consolidation adjustments) of ₹ 231,187 as at 31 March 2021, total revenues (before consolidation adjustments) of ₹ 10,220 and net cash outflows (before consolidation adjustments) amounting to ₹ 3,006 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.





## Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to the consolidated financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and joint venture, as noted in the 'Other Matters' paragraph:
- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group and its joint venture. Refer Note 35 to the consolidated financial statements.
  - The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
  - There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group and its joint venture incorporated in India during the year ended 31 March 2021.
  - The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.
- C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, its Subsidiary Company and joint venture, where applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its Subsidiary Company and joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**

Partner

Membership No: 122632

UDIN: 21122632AAAAAQ4541

Mumbai  
10 May 2021

**Annexure A to the Independent Auditors' report on the consolidated financial statements of Dai-ichi Karkaria Limited for the year ended 31 March 2021.****Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013****(Referred to in paragraph (A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)****Opinion**

In conjunction with our audit of the consolidated financial statements of Dai-Ichi Karkaria Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2021, we have audited the internal financial controls of Dai-ichi Karkaria Limited (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India under the Companies Act, 2013 (hereinafter referred to as "the Act") and to whom the internal financial reporting is applicable, as of that date.

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India and to whom internal financial control reporting is applicable, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report, referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.



### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

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

### **Other Matter**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to Subsidiary Company, which is a Company incorporated in India, is based on the corresponding report of the auditor of such Company incorporated in India. Our opinion is not qualified in respect of this matter.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**  
Partner  
Membership No: 122632  
UDIN: 21122632AAAAAQ4541

Mumbai  
10 May 2021

## Consolidated Balance Sheet as at 31 March 2021

(₹ in lakhs)

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
<b>A. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment .....	4	10,455	15,328
(b) Capital work-in-progress .....		49	267
(c) Intangible assets .....		6	11
(d) Financial assets .....			
(i) Investments in Subsidiary & Joint Venture .....	5(a)	2,257	2,170
(ii) Other Investments .....	5(b)	1	1
(iii) Other non-current financial assets.....	6	281	275
(e) Deferred tax assets (net) .....	7	1,056	1,076
(f) Non current Tax assets (net) .....	8	414	387
(g) Other non-current assets .....	9	85	130
<b>Total non-current assets</b>		<b>14,604</b>	<b>19,645</b>
<b>CURRENT ASSETS</b>			
(a) Inventories .....	10	2,447	2,040
(b) Financial Assets			
(i) Investments .....	11	416	104
(ii) Trade receivables .....	12	2,377	2,042
(iii) Cash and Cash Equivalents .....	13	1,159	79
(iv) Bank balances other than (iii) above .....	14	379	281
(v) Other Financial assets .....	15	159	135
(c) Assets held for sale.....	4	54	505
(d) Other Current assets .....	16	2,307	2,203
<b>Total Current assets</b>		<b>9,298</b>	<b>7,389</b>
<b>TOTAL ASSETS</b>		<b>23,903</b>	<b>27,034</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital .....	17	745	745
(b) Other Equity .....	18	16,302	11,220
<b>Total Equity</b>		<b>17,047</b>	<b>11,965</b>
<b>Non-controlling Interest</b> .....		* -	* -
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings .....	19(a)	2	6,778
(ii) Other financial liabilities.....	19(b)	62	57
(b) Provisions .....	20	155	165
(c) Other non-current liabilities.....	21	18	25
<b>Total Non-Current Liabilities</b>		<b>237</b>	<b>7,025</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings .....	22	2,005	2,357
(ii) Trade Payables .....			
Total outstanding dues of Micro Enterprises and Small Enterprises	23	127	78
Total outstanding dues to other than Micro Enterprises and Small Enterprises	23	3,754	2,782
(iii) Other Financial Liabilities .....	24	483	2,087
(b) Provisions.....	25	131	149
(c) Other Current liabilities.....	26	119	591
<b>Total Current Liabilities</b>		<b>6,619</b>	<b>8,044</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,903</b>	<b>27,034</b>

Notes forming part of the Consolidated financial statements

1-49

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

\*Amount below Rupees One Lakh

**For B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**  
Partner  
Membership No. 122632

Place : Mumbai  
Date : 10 May 2021

**For and on behalf of the Board of Directors**  
**Dai-ichi Karkaria Limited**  
CIN: L24100MH1960PLC011681

**S. F. Vakil**  
Chairperson and Managing Director  
(DIN: 00002519)

**Shailesh Chauhan**  
Chief Financial Officer  
Membership No. 116610

Place : Mumbai  
Date : 10 May 2021

**Meher Vakil**  
Director  
(DIN: 07778596)  
**Ankit Shah**  
Company Secretary  
Membership No. A35008



## Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(₹ in lakhs)

Particulars	Note No.	Year ended 31 March, 2021	Year ended 31 March, 2020
<b>Income</b>			
Revenue from operations.....	27	9,742	10,717
Other income.....	28	494	384
<b>Total income.....</b>		<b>10,236</b>	<b>11,101</b>
<b>Expenses</b>			
Cost of materials consumed.....	29	7,011	7,448
Changes in inventories of finished goods, semi-finished goods and work-in-progress	30	(277)	(297)
Employee benefits expense.....	31	1,476	1,615
Finance costs.....	32	920	1,024
Depreciation and amortisation expense.....	33	851	946
Other expenses.....	34	2,887	2,459
<b>Total expenses.....</b>		<b>12,868</b>	<b>13,195</b>
<b>Loss before tax and exceptional items.....</b>		<b>(2,632)</b>	<b>(2,094)</b>
<b>Exceptional Items (Refer Note 48)</b>			
Loss by Fire.....		4,932	-
Profit on sale of Land (Net).....		(13,147)	-
Cost for settlement of litigations.....		-	400
<b>Profit/ (Loss) after exceptional items and before tax .....</b>		<b>5,583</b>	<b>(2,494)</b>
<b>Tax Expenses:</b>			
Current tax.....		770	-
Deferred tax (net).....		(31)	-
<b>Total Tax Expenses .....</b>		<b>739</b>	<b>-</b>
<b>Profit/ (Loss) for the year before share of Joint Venture</b>		<b>4,844</b>	<b>(2,494)</b>
Share of Profit in Joint Ventures (net of Tax).....		224	202
<b>Profit for the year.....</b>		<b>5,068</b>	<b>(2,292)</b>
<b>Other comprehensive income.....</b>			
Items that will not be reclassified to profit and loss.....			
Remeasurements of post-employment benefit obligation.....		22	(13)
Income tax related to items that will not be reclassified to profit or loss....		(6)	-
Share of Profit in Joint Ventures (Net of Tax).....		(2)	(1)
<b>Other comprehensive income for the year, (net of income tax).....</b>		<b>14</b>	<b>(14)</b>
<b>Total comprehensive income for the Year.....</b>		<b>5,082</b>	<b>(2,306)</b>
Earnings per equity share Basic and Diluted (of ₹ 10/- each) .....	39	<b>68.03</b>	(30.75)

Notes forming part of the Consolidated financial statements 1-49

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even dated attached

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**

Partner

Membership No. 122632

Place : Mumbai

Date : 10 May 2021

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director  
(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer  
Membership No. 116610

Place : Mumbai

Date : 10 May 2021

**Meher Vakil**

Director  
(DIN: 07778396)

**Ankit Shah**

Company Secretary  
Membership No. A35008

**Consolidated Statement of Changes in Equity  
for the Year ended 31 March 2021**

**A - Equity share capital**

(₹ in lakhs)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the reporting year	74,51,229	745	7,451,229	745
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	74,51,229	745	7,451,229	745

**B - Other Equity**

Particulars	Reserves and Surplus					Items of OCI		Total other equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Share of Joint Venture	Remeasurement of Defined benefit plans	
Balance as at 1 April 2019	77	2,594	16	519	9,051	1,326	(58)	13,525
Profit for the year	-	-	-	-	(2,292)	-	-	(2,292)
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(13)	(13)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(2,292)	-	(13)	(2,305)
<b>Transactions with owners of the Group</b>								
Interim Dividend on Equity Shares	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>77</b>	<b>2,594</b>	<b>16</b>	<b>519</b>	<b>6,759</b>	<b>1,326</b>	<b>(71)</b>	<b>11,220</b>
Profit for the year	-	-	-	-	5,068	-	-	5,068
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	(2)	16	14
<b>Total Comprehensive Income for the year</b>	-	-	-	-	<b>5,068</b>	-	<b>16</b>	<b>5,082</b>
<b>Transactions with owners of the Group</b>								
<b>Balance as at 31 March 2021</b>	<b>77</b>	<b>2,594</b>	<b>16</b>	<b>519</b>	<b>11,827</b>	<b>1,324</b>	<b>(55)</b>	<b>16,302</b>

Notes forming part of the Consolidated financial statements 1-49

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**

Partner

Membership No. 122632

Place : Mumbai

Date : 10 May 2021

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

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Chairperson and Managing Director  
(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer  
Membership No. 116610

Place : Mumbai

Date : 10 May 2021

**Meher Vakil**

Director  
(DIN: 07778396)

**Ankit Shah**

Company Secretary  
Membership No. A35008



## Consolidated Statement of Cash Flow for the year ended 31 March, 2021

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
<b>A. Cash Flow from Operating Activities:</b>		
Profit/ (Loss) after exceptional items before tax	5,807	(2,292)
<u>Adjustments for:</u>		
Depreciation and amortisation	851	946
Loss of Property plant and equipment by fire	4,326	-
Loss of inventory by fire	581	-
Profit on sales of Land (net)	(13,147)	-
Loss /(Profit) on sale of investments (net)	-	34
Profit on sales of property, plant and equipment	(1)	(8)
Liabilities no longer payable written back	-	108
Inventory Assets Written off During the Year	10	54
Net loss on Investments at fair value through profit and loss	-	10
Profit on sale of investments	(1)	-
Provision for impairment of investment in subsidiary	2	-
Provision for Non-moving inventories	5	-
Provision for doubtful trade receivables	14	-
Profit on Revaluation of Investments	(11)	-
Dividend income	(5)	(6)
Interest income	(191)	(22)
Interest expenses	920	1,024
Share of profit in joint venture	(224)	(202)
Unrealised foreign currency loss/(gain) on revaluation (net)	-	(36)
<b>Subtotal of Adjustments</b>	<b>(6,871)</b>	<b>1,902</b>
<b>Operating profit before working capital changes</b>	<b>(1,064)</b>	<b>(390)</b>
Changes in working capital:		
Adjustments for increase/decrease in:		
Decrease/(Increase) in trade receivables	(349)	(349)
Decrease/(Increase) in other financial assets and other assets	(88)	417
Decrease/(Increase) in inventories	(1,004)	(389)
Increase in trade payable, other financial liabilities and other liabilities	1,109	714
Increase/(Decrease) in provisions	(6)	43
<b>Subtotal of Adjustments</b>	<b>(338)</b>	<b>435</b>
<b>Cash generated from operations</b>	<b>(1,402)</b>	<b>45</b>
Add: Income tax (paid) / refund	(752)	50
<b>Net cash from/(used in) operating activities</b>	<b>(2,154)</b>	<b>96</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchases of property, plant and equipment	(74)	(711)
Proceeds from sale of property, plant and equipment	10	8
Proceed from sale of land	13,097	500



**Consolidated Statement of Cash Flow for the year ended 31 March, 2021 (Contd.)**

(₹ in lakhs)

Particulars	For the year ended 31 March, 2021	For the year ended 31 March, 2020
(Investment) / Proceeds from current investments	(300)	265
Movement in bank deposits having maturity of more than 3 months	(100)	(9)
Dividend received	140	6
Interest received	191	28
<b>Net Cash from/(used in) investing activities</b>	<b>12,964</b>	<b>87</b>
<b>C Cash Flow from Financing Activities:</b>		
Repayment towards non-current borrowings (net)	(2,035)	(1,565)
Proceeds from non-current borrowings (net)	-	1,052
(Repayment) / Proceeds from current borrowings (net)	(6,776)	952
Interest paid	(920)	(1,024)
<b>Net cash from/(used in) financing activities</b>	<b>(9,731)</b>	<b>(586)</b>
<b>D Net Increase / (Decrease) in cash and cash equivalents (A+B+C)..</b>	<b>1,079</b>	<b>(403)</b>
<b>E Cash and cash equivalents as at beginning of the year</b>	<b>79</b>	<b>494</b>
Net Comprehensive (Expense)/Income	-	(13)
<b>F Cash and cash equivalents as at end of the year (D+E)</b>	<b>1,159</b>	<b>79</b>

\* Amount below Rupees One Lakh

Reconciliation of liabilities from financing activities	Non-current borrowing (including current portion) (a)	Current borrowings (b)	Total liabilities from financing activities (a+b)
Opening Balance (as at 1 April 2020)	8,465	2,357	10,821
Add : Proceeds during the year	-	-	-
Less : Repayment during the year	8,452	352	8,804
<b>Closing Balance (as at 31 March 2021)</b>	<b>13</b>	<b>2,005</b>	<b>2,018</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) - "Statement of Cash Flows"
- Purchase of Property, Plant and Equipment includes movements of capital work-in-progress (including capital advances) during the year.
- Cash and cash equivalents are cash and bank balance as per balance sheet (Refer note no 13)

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Balajirao Pothana**

Partner

Membership No. 122632

Place : Mumbai

Date : 10 MAY 2021

**For and on behalf of the Board of Directors****Dai-ichi Karkaria Limited****CIN: L24100MH1960PLC011681****S. F. Vakil**

Chairperson and Managing Director

(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer

Membership No. 116610

Place : Mumbai

Date : 10 MAY 2021

**Meher Vakil**

Director

(DIN: 07778396)

**Ankit Shah**

Company Secretary

Membership No. A35008



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021

### 1. General Information

Dai-ichi Karkaria Limited ('the Holding Company') is domiciled in India with its registered office situated at 3<sup>rd</sup> Floor, Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai 400 020, India. The Company was incorporated on 13 May 1960 under the provisions of Indian Companies Act, 1956 and its equity shares is listed on Bombay Stock Exchange (BSE) in India. The Company is engaged in manufacturing of specialty chemicals.

The manufacturing activities of the Company are carried out from its plants located at Kurkumbh, Pune (Maharashtra) and Dahej (Gujarat)

These consolidated financial statements comprise the Company, its subsidiary and joint venture (collectively the 'Group' and individually 'Group Companies')

### 2. Basis of preparation

#### A. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended), notified under Section 133 of the Companies Act, 2013 ('the Act') and the other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Board of Directors of the group at their meeting held on 10 May, 2021.

#### B. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakh, except for share data and per share data, unless otherwise stated.

#### C. Basis of measurement

These financial statements have been prepared on the historical cost basis, except for the following items:

Items	Measurement basis
i) Certain Financial assets and liabilities	Fair value
ii) Net defined benefit asset / (obligation)	Fair Value of plan assets less present value of defined benefit obligations

#### D. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in Schedule III of the Act. Based on the nature of its activities and the time between the acquisition of assets for processing and their realisation in cash or cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### E. Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Key sources of estimation of uncertainty at the date of the standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provision and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

#### Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)**

assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

**Recoverability of deferred tax assets**

In determining the recoverability of deferred income tax assets, the Group primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Group reviews its deferred income tax assets at every reporting period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

**Fair value Measurement of financial instrument**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments. The policy has been further explained in detail under note 3 (A).

**Provisions and contingent liabilities**

A provision is recognised when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the standalone financial statements. Contingent assets are neither recognised nor disclosed in the standalone financial statements.

**F. Basis of Consolidation****1. Subsidiaries**

Subsidiary is entity that is controlled by the Group. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity.

In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiary is included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Group and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

**2. Joint ventures (equity accounted investees)**

Investment in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Group does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investment in such entities are accounted by the equity method of accounting. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

### 3. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

Details of Subsidiary and Joint venture

Name of Company	% of Share-holding and voting power	Net assets i.e. total assets (-) total liabilities As % of consolidated net assets Share in profit / (loss)		Share in profit / (loss)		Share in Other Comprehensive income		Share in Total Comprehensive income	
		As at 31 March 2021	%	Amount in ₹ lakhs	%	Amount in ₹ lakhs	%	Amount in ₹ lakhs	%
Dai-ichi Gosei Chemicals (India) Limited. – Subsidiary in India	97% (97%)	0% (0%)	2.2 (2.2)	0% (0%)	* *	0% (0%)	* *	0% (0%)	* *
ChampionX Dai-ichi India Private Limited (Formerly known as Nalco Champion Dai-ichi India Pvt. Ltd. – Joint Venture in India)	50% (50%)	NA	NA	NA	NA	NA	NA	NA	NA

Amounts in (bracket) pertain to 31 March 2020

\* Amount below one lakh rupees

### 3. Significant Accounting Policies

#### A. Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

#### Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

The Group has made an irrevocable election to present subsequent changes in fair value of equity investments as other income in the statement of profit and loss.

#### Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition.

The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

The Group has made an election to present subsequent changes in the fair value of equity investments as other income in the statement of profit and loss.

**Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

**Equity instruments**

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments recognised by the Group are recognised at the proceeds received net off direct issue cost.

**Derecognition of financial instruments**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between assets carrying amount and the sum of consideration received or receivable or the cumulative gain or loss that had been recognised in the statement of profit and loss.

The Group derecognises financial liabilities when and only when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

**B. Impairment****Financial assets (other than at fair value)**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has computed the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**Non-financial assets****Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

**C. Property, plant and equipment****(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost, less accumulated depreciation, and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, and other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Capital work-in-progress:-Projects under which Property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### (iii) Expenditure during construction period

Expenditure/Income during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under capital work-in-progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as capital advances under "other non-current assets".

### (iv) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method. Freehold land is not depreciated.

Depreciation is charged on the cost of the property plant and equipment less estimated residual value over the useful lives as per Schedule II of the Companies Act, 2013, this useful life are shown below. Depreciation on additions (disposals) is provided on pro-rata basis i.e. from (upto) the date on which the asset is ready for use (disposed-off).

Asset	Management estimate of useful life (years)
Leasehold land	Amortised over the lease period
Leasehold improvements	Amortised over lower of the lease period or 7 years
Building	3-60
Road	3-10
Plant and machinery	10-20
Furniture and fixture	10
Vehicles	8
Office equipment	3-10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

## D. Intangible assets

### (i) Recognition and measurement

Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

### (ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred.

### (iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

The estimated useful lives are as follows:

Software	6 years
----------	---------

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**E. Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of raw materials are computed basis the moving average cost, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of finished products and work-in progress, costs includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling price of related finished goods. Raw materials, components and other supplies held for use in production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

**F. Employee benefits****i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**ii. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Group's contributions to provident fund, superannuation fund and employee state insurance scheme are considered as defined contribution plans and is charged to the statement of profit and loss based on the amount of contribution required to be made and when services are rendered by the employee.

**iii. Defined benefit plan**

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Re measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income (OCI) in the period in which they occur. Re-measurement recognised in OCI is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

**Gratuity**

The Group's liability towards Gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income in the period in which they occur.

**iv. Other long-term employee benefits – Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation determined based on percentage unit credit method with independent actuarial valuation as





## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

at the balance sheet date. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the balance sheet date. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

### G. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are recognised at the best estimates of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, when appropriate, the risks specific to the liabilities.

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

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

### H. Revenue

#### i. Sale of goods

Revenue is measured at the fair value of consideration received or receivable net off trade discounts, volume rebates, outgoing taxes on sales. Any amounts receivable from the customer are recognised as revenue after the control over the goods sold are transferred to the customer. Revenue is recognised on the basis of approved contracts regarding the transfer of goods or services to a customer for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

#### ii. Rendering of services

Revenue for job work services is recognised as and when services are rendered, in accordance with the terms of the contract. The amount recognised as revenue is exclusive of goods and service tax (GST) and its net of returns and trade discounts.

#### iii. Rental income

Rental income from sub leasing is recognised as part of other income on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

#### iv. Export benefits

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

#### v. Dividend

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

#### vi. Interest income

Interest income is recognised using the effective interest rate method.

### I. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

#### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets or liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

**Minimum alternate tax Credit Entitlement**

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes a deferred tax asset on the MAT credit available only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Group reviews the deferred tax asset created on MAT credit entitlement asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

**J. Borrowing costs**

Borrowing cost are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**K. Earnings per share**

The basic earnings per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

**L. Foreign currency transactions**

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transactions.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise.

**M. Investment in subsidiary and joint venture**

The Group's investment in its subsidiary and joint venture are carried at cost.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

### N. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments.

### O. Others

On 24 March 2021, the Ministry of Corporate Affairs (“MCA”) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### Balance Sheet:

Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)****4. Property, plant and equipment, capital work in progress and Intangible Assets**

(₹ in lakhs)

Particulars	Gross block			Accumulated depreciation/amortisation			Net Block		
	As at 1 April 2020	Additions	Deductions	As at 31 March 2021	As at 1 April 2020	For the year	Deductions	As at 31 March 2021	As at 31 March 2021
<b>A. Tangible Assets</b>									
Leasehold Land	1,233	-	-	1,233	56	13	-	69	1,164
Buildings Residential	46	-	-	46	29	4	-	33	13
Buildings: Non Residential									
Own lease	4,550	-	1,155	3,395	368	137	114	391	3,004
Road	610	-	25	585	138	58	8	188	397
Plant & Machinery	10,576	302	3,604	7,274	1,479	604	334	1,750	5,524
Furniture & Fixtures	191	* -	5	186	41	15	1	55	131
Laboratory, Office and Factory Equipment and Air conditioners	322	7	3	326	138	7	2	143	183
Vehicles	118	-	1	117	82	8	* -	90	27
<b>Scientific Research-Capital Expenditure :</b>									
Buildings - Non Residential	1	-	-	1	* -	* -	-	* -	* -
Plant & Machinery	7	-	-	7	4	* -	-	4	3
Furniture & Fixtures	* -	-	-	* -	-	* -	-	-	* -
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	* -	-	-	* -	9
<b>Total Tangible Assets</b>	<b>17,664</b>	<b>309</b>	<b>4,793</b>	<b>13,179</b>	<b>2,334</b>	<b>846</b>	<b>458</b>	<b>2,722</b>	<b>10,455</b>
<b>B. Intangible Assets</b>									
Computer Software	38	-	-	38	28	5	-	32	6
<b>Total</b>	<b>17,702</b>	<b>309</b>	<b>4,793</b>	<b>13,217</b>	<b>2,362</b>	<b>851</b>	<b>458</b>	<b>2,755</b>	<b>10,461</b>
<b>C. Capital Work-in-Progress</b>									<b>49</b>

\*Amount below Rupees One Lakh

**Notes**

- Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Holding Company
- The Holding Company intends to dispose off its land parcel at Kasarwadi with Book Value of ₹ 54 lakhs (31 March 2020: ₹ 505 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale" and shown as a deduction from Property, plant and equipment in current year. The Holding Company expects the fair value less cost to sell to be higher than the carrying amount. No impairment loss was recognised on above reclassification.



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)**

**4. Property, plant and equipment, capital work in progress and Intangible Assets**

(₹ in lakhs)

Particulars	Gross block			As at 31 March 2020	Accumulated depreciation/amortisation			Net Block
	As at 1 April 2019	Additions	Deductions		As at 1 April 2019	For the year	Deductions	
<b>A. Tangible Assets</b>								
Leasehold Land	1,203	30	-	1,233	43	13	-	1,177
Freehold Land	505	-	505	-	-	-	-	-
Buildings Residential	46	-	-	46	24	5	-	17
Buildings: Non Residential								
Own lease	4,530	20	-	4,550	216	152	-	4,182
Road	610	-	-	610	80	58	-	472
Plant & Machinery	10,282	363	69	10,576	885	664	69	9,096
<b>Furniture &amp; Fixtures</b>								
Laboratory, Office and Factory Equipment and Air conditioners	191	-	-	191	25	16	-	150
	322	-	1	321	120	18	1	184
Vehicles	118	-	-	118	68	14	-	36
<b>Scientific Research-Capital Expenditure :</b>								
Buildings - Non Residential	1	-	-	1	* -	-	* -	1
Plant & Machinery	7	-	-	7	3	-	-	4
Furniture & Fixtures	* -	-	-	* -	* -	* -	-	* -
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	* -	* -	-	9
<b>Total Tangible Assets</b>	<b>17,824</b>	<b>413</b>	<b>575</b>	<b>17,662</b>	<b>1,464</b>	<b>940</b>	<b>70</b>	<b>15,328</b>
<b>B. Intangible Assets</b>								
Computer Software	38	-	-	38	21	6	-	11
<b>Total</b>	<b>17,862</b>	<b>413</b>	<b>575</b>	<b>17,700</b>	<b>1,485</b>	<b>946</b>	<b>70</b>	<b>15,339</b>
<b>C. Capital Work-in-Progress</b>								<b>267</b>

\* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>5 (a). Investments - Non-current</b>		
<b>In Equity Shares, Unquoted (at cost)</b>		
<b>In Subsidiary and Joint Venture</b>		
(i) ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Ltd.)		
1,125,000 shares (31 March 2020: 1,125,000 shares) .....	68	68
Add :- Shares of Profit in Joint Ventures .....	2,189	2102
<b>Total</b>	<b>2,257</b>	<b>2170</b>
<b>5 (b). Other Investments</b>		
<b>(a) Unquoted:</b>		
<b>The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss)</b>		
4,000 shares (31 March 2020: 4,000 shares) .....	1	1
	<b>1</b>	<b>1</b>
<b>6. Financial Assets - Non-current</b>		
(Unsecured and considered good)		
To parties other than related parties		
Security Deposits .....	273	268
Margin Money Deposits with maturity greater than 12 months.....	8	7
<b>Total</b>	<b>281</b>	<b>275</b>
<b>7. Deferred tax assets (net)</b>		
<b>Deferred Tax Assets</b>		
Insurance claim receivable.....	1,064	-
Retirement benefits.....	95	103
Loss allowance on trade receivables.....	11	6
Bonus.....	10	8
MAT Credit entitlement.....	42	87
Income tax loss.....	795	2,204
Indexation of land.....	5	454
Others.....	5	6
<b>Total deferred tax assets (a)</b>	<b>2,027</b>	<b>2,868</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and Intangible assets .....	969	1,146
Fair valuation of investments .....	2	2
<b>Total deferred tax liabilities (b) .....</b>	<b>971</b>	<b>1,148</b>
<b>Net deferred tax assets (a-b).....</b>	<b>1,056</b>	<b>1,720</b>
<b>Deferred tax assets recognised (net).....</b>	<b>1,056</b>	<b>1,076</b>



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>8. Non Current Tax Assets</b>		
(Unsecured, considered good)		
Advance Tax (Net of provision ₹ 4,362 lakhs (31 March 2020 : ₹ 3,534 lakhs)	414	387
<b>Total</b>	<b>414</b>	<b>387</b>
<b>9. Other non current assets</b>		
(Unsecured, considered good)		
Balance with Government Authorities .....	83	98
Prepaid expenses .....	2	32
<b>Total</b>	<b>85</b>	<b>130</b>
<b>10. Inventories</b>		
(At lower of cost and net realisable value)		
Raw Materials (including goods-in-transit ₹ 157 Lakhs ;31 March 2020 ₹ Nil)....	950	787
Packing material.....	58	73
Work-in-progress.....	26	16
Finished Goods (including goods-in-transit ₹ 346 Lakhs; 31 March 2020 ₹ 4 Lakhs)	852	802
Semi finished goods.....	444	215
Spare and consumables.....	118	146
<b>Total</b>	<b>2,447</b>	<b>2,040</b>
Note: Inventories are hypothecated against cash credit facility from bank		
<b>11. Current investments</b>		
<b>(a) In equity instruments (at fair value through profit and loss)</b>		
<b>Quoted:</b>		
2,412 shares (31 March 2020 : 2,412 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited.....	9	5
8,100 shares (31 March 2020 : 8,100 shares) of ₹ 10 each fully paid up in Bank of India .....	5	3
2,000 shares (31 March 2020 : 2,000) of ₹ 2 each in Bharat Seats Limited ..	1	1
<b>Unquoted</b>		
1,000 shares (31 March 2020 : 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited .....	* -	* -
2,500 shares (31 March 2020 : 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited .....	* -	* -
<b>(b) In Mutual funds (at fair value through profit and loss)</b>		
Quoted Mutual Funds : .....	401	95
<b>Total</b>	<b>416</b>	<b>104</b>
1) Aggregate value quoted investments .....	416	104
2) Aggregate market value of listed and quoted investments .....	416	104
* Amount below Rupees One Lakh		



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
<b>12. Trade receivables (Unsecured)</b>		
Considered good .....	2,377	2,042
Considered doubtful .....	39	26
Less :- Loss allowance .....	(39)	(26)
<b>Total</b>	<b>2,377</b>	<b>2,042</b>
<p>(i) Of the above, dues include amount due from related parties ₹ 253 lakhs (31 March 2020: ₹ 158 lakhs)</p> <p>(ii) Trade Receivables include ₹ 385 Lakhs (31 March 2020: ₹ 459 Lakhs) due from the one customer.</p> <p>(iii) Trade receivables are hypothecated against cash credit facility from bank</p>		
<b>13. Cash and cash equivalents</b>		
Cash on Hand	* -	* -
Balances with Banks		
(i) In current accounts .....	1,112	48
(ii) In Exchange Earners Foreign Currency (EEFC) account .....	45	29
(iii) Deposits with maturity of less than three months .....	2	2
<b>Total</b>	<b>1,159</b>	<b>79</b>
* Amount below Rupees One Lakh		
<b>14. Bank balances other than cash and cash equivalents</b>		
Unpaid dividend .....	17	20
Deposits with original maturity of more than three months but less than 12 months (Balances held as margin money against guarantees and other commitments)	362	261
<b>Total</b>	<b>379</b>	<b>281</b>
<b>15. Other financial assets - current</b>		
(unsecured, considered good)		
From parties other than related parties:		
Export Incentive receivable .....	159	135
Interest Receivable on investments and deposits .....	*-	*-
<b>Total</b>	<b>159</b>	<b>135</b>
* Amount below Rupees One Lakh		
<b>16. Other current assets</b>		
(unsecured, considered good)		
Prepaid expenses .....	344	69
Advance to suppliers .....	96	339
Advance to employees .....	1	-
Balances with government authorities .....	1,866	1,795
<b>Total</b>	<b>2,307</b>	<b>2,203</b>



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)**

(₹ in lakhs)

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>17. Share capital</b>				
<b>(A) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights .....	<b>10,000,000</b>	<b>1,000</b>	10,000,000	1,000
<b>(B) Issued, Subscribed and fully paid</b>				
Equity shares of ₹ 10/- each with voting rights .....	<b>7,451,229</b>	<b>745</b>	7,451,229	745
<b>Total</b>	<b>7,451,229</b>	<b>745</b>	7,451,229	745

**(C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Opening balance .....	<b>7,451,229</b>	<b>745</b>	7,451,229	745
Add / (Less): Equity shares issued / bought back during the year	-	-	-	-
<b>Closing Balance</b> .....	<b>7,451,229</b>	<b>745</b>	7,451,229	745

**(D) Details of equity shares held by each shareholder holding more than 5% shares:**

Class of shares / Name of shareholder	As at 31 March, 2021		As at 31 March, 2020	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Mrs. S. F. Vakil .....	<b>3,769,179</b>	<b>50.58</b>	<b>3,769,182</b>	<b>50.58</b>

(E) There were no equity shares allotted as fully paid up pursuant to contracts without payment received in cash, there were no bonus shares allotted and there were no equity shares bought back, during the period of 5 years immediately preceding the Balance Sheet date.

(F) The Holding Company has one class of equity shares having par value of ₹ 10/- per share. The dividend proposed by the Board of Directors is subject to the approval of the members at the ensuing AGM of the Holding Company, except in case of interim dividend which is paid as and when declared by the Board of Directors.

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

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)****18. Other equity**

(₹ in lakhs)

<b>Particulars</b>	<b>As at 31 March 2021</b>	As at 31 March 2020
(a) Capital reserve		
Balance as at the commencement and end of the year .....	<b>77</b>	77
(b) Capital redemption reserve		
Balance as at the commencement and end of the year .....	<b>16</b>	16
(c) Securities premium account		
Balance as at the commencement and end of the year .....	<b>2,594</b>	2,594
(d) General reserve		
Balance as at the commencement and end of the year .....	<b>519</b>	519
(e) Retained Earnings		
Balance as at the commencement of the year.....	<b>6,759</b>	9,051
Profit/ (Loss) of the year .....	<b>5,068</b>	(2,292)
<b>Balance as at the end of the year.....</b>	<b>11,827</b>	6,759
(f) Share of Joint Venture		
Share in Profit in Joint Venture	<b>1,326</b>	1,326
(g) Other items of other comprehensive income/expenses		
Balance as at the commencement of the year .....	<b>(72)</b>	(58)
Add: Remeasurement of employment benefit obligation.....	<b>22</b>	(13)
Less : Income tax related to items that will not be reclassified to profit or loss.....	<b>(6)</b>	-
Share of Profit in Joint Ventures .....	<b>(2)</b>	(1)
<b>Balance as at the end of the year.....</b>	<b>(58)</b>	(72)
<b>Total</b>	<b>16,302</b>	11,220

**Nature and Purpose of Reserves**

- (a) Capital reserve  
Any profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments is transferred to capital reserve.
- (b) Capital redemption reserve  
A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of company's own shares pursuant to Section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.
- (c) Securities premium account  
Securities premium reserve is credited when shares are issued at a premium. It is utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.
- (d) General reserve  
General reserve is a free reserve, which is created by transferring funds from retained earnings to be used time to time to transfer profits from retained earnings for appropriation purposes.
- (e) Retained Earnings  
Retained earnings are the profits that the Company has earned till date, less any transfers to General Reserve and payment of dividend.
- (f) Other items of other comprehensive income  
Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset.
- (g) Dividends declared by the Company are based on profits available for distribution. On 10 May 2021, the Board of Directors of the Company have proposed a final dividend of ₹ 3 per share in respect of the year ended 31 March 2021 subject to the approval of shareholders at the Annual General Meeting.



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)**

(₹ in lakhs)

**Particulars**

**19 (a). Non - current financial liabilities - borrowings**

	<b>As at 31 March 2021</b>	As at 31 March 2020
(a) Term loans from banks - Secured (Refer Note (i) below) .....	-	6,765
(b) Vehicle Loan from Bank - Secured (Refer Note (ii) below) .....	<b>2</b>	11
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below) .....	-	2
<b>Total</b>	<b>2</b>	<b>6,778</b>

**Note (i)**

The term loan from Axis Bank and HDFC Bank has been repaid during the year and no dues certificates has been obtained from the banks

**Note (ii)**

The term loans are secured by hypothecation of the vehicles purchased under the loans.

**Vehicle Loan from Bank**

Name of lender	Original Loan amount	Rate of Interest %	EMI Amount	Total Nos. of EMI Nos.	Outstanding EMI Nos.
HDFC Bank Ltd.	38	10.00%	80,740	60	14

**Note (iii)**

Under the package scheme of incentive for industries in backward area, the Holding Company has been sanctioned deferral of payment of sales tax collection for a period of 74 months commencing 1 August 2000 upto an amount of ₹ 484 lakhs for the Kurkumbh plant at Pune. The deferred amount is recognized as non - current financial liabilities-borrowing and is unsecured, interest free and payable after a moratorium period of 10 years in 5 yearly equal instalments which commenced from year 2011.

The deferred sales tax liability is payable in annual instalments as below:

(₹ in lakhs)

**Particulars**

	<b>As at 31 March 2021</b>	As at 31 March 2020
Financial Year 2020-21 .....	-	6
Financial Year 2021-22 .....	<b>2</b>	2
<b>Total</b>	<b>2</b>	8

**Note (iv)**

The Holding Company has not defaulted on repayment of interest and loans as at the balance sheet date.

**Note (v)**

Current maturities of long term borrowings

(₹ in lakhs)

**Particulars**

	<b>As at 31 March 2021</b>	As at 31 March 2020
- Term loans from banks and others.....	<b>9</b>	1,689
- Deferred sales tax liabilities.....	<b>2</b>	6

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

**19 (b) Non - current financial liabilities - others**

Particulars	As at 31 March 2021	As at 31 March 2020
Security Deposit.....	62	57
<b>Total</b>	<b>62</b>	<b>57</b>
<b>20. Provision - non current</b>		
Provision for Employee Benefits		
Gratuity.....	44	43
Compensated absences .....	111	122
<b>Total</b>	<b>155</b>	<b>165</b>
<b>21. Other Non-Current liabilities</b>		
Deferred Rent.....	18	25
<b>Total</b>	<b>18</b>	<b>25</b>
<b>22. Current financial liabilities - borrowings</b>		
Loan From Director.....	750	694
Cash credit (secured).....	1,255	1,663
<b>Total</b>	<b>2,005</b>	<b>2,357</b>

Note :-

- 1) Loan from Director carries interest rate of 9.15% per annum.
- 2) Cash Credit Facility from Axis Bank is secured by inventories and trade receivables of the Holding Company, rate of interest is 3 months MCLR + 1.20%

**23. Trade payables- Current**

i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below) .....	127	78
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises .....	3,754	2,782
<b>Total</b>	<b>3,881</b>	<b>2,860</b>

Note

Micro enterprises and small enterprises

Information in respect of micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Group.

The following disclosures are made for the amounts due to the micro, small and medium enterprises:

(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year .....	117	75
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year .....	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .....	-	-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act).....	8	3



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year .....	<b>2</b>	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid .....	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management of the Group. This has been relied upon by the auditors.

\* Amount below Rupees One Lakh

**24. Other financial liabilities - current**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Current maturities of long term borrowings		
- Term loans from banks & others .....	<b>9</b>	1,689
- Deferred sales tax liabilities .....	<b>2</b>	6
Unpaid dividends** .....	<b>17</b>	20
Employee benefits payable .....	<b>320</b>	254
Security deposits .....	<b>4</b>	5
Payables on purchase of property, plant and equipment .....	<b>131</b>	113
<b>Total</b>	<b>483</b>	2,087

\*\* There are no amounts due for payment to the Investor Education and Protection Fund ("IEPF") under Section 125 of the Companies Act, 2013.

**25. Provisions - current**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Provision for Employee Benefits		
Gratuity .....	<b>45</b>	63
Compensated Absences.....	<b>85</b>	86
<b>Total</b>	<b>131</b>	149

**26. Other current liabilities**

<b>Particulars</b>	<b>As at 31 March 2021</b>	<b>As at 31 March 2020</b>
Advance from customers .....	<b>57</b>	22
Advance for Asset held for Sale .....	-	500
Payable to statutory authorities (TDS, provident fund, ESIC) .....	<b>55</b>	63
Deferred Rent.....	<b>7</b>	6
<b>Total</b>	<b>119</b>	591

**27. Revenue from operations**

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
(a) Sale of products .....	<b>9,610</b>	10,613
(b) Sale of services (Job work) .....	<b>10</b>	12
(c) Other operating revenues (Refer Note (i) below) .....	<b>122</b>	92
<b>Total</b>	<b>9,742</b>	10,717
(i) Other operating revenues comprises:		
Scrap sales .....	<b>118</b>	77
Others .....	<b>4</b>	15
<b>Total</b>	<b>122</b>	92

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)**

(₹ in lakhs)

**Note:** Ind AS 115 – Revenue from Contracts with Customers

(A) The Group is primarily in the Business of manufacture and sale of Specialty chemicals. All sales are made at a point in time and revenue recognised upon satisfaction of the performance obligations which is typically upon dispatch/delivery.. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established, the Group does not give significant credit period resulting in no significant financing component.

(B) Reconciliation of revenue as per contract price and as recognised in statement of profit and loss:

	<b>For the year ended 31 March 2021</b>	For the year ended 31 March 2020
Revenue from contract with customer as per Contract price .....	<b>9,658</b>	10,672
Less: Discounts and other adjustments .....	<b>(15)</b>	(3)
Less:- Sales Returns /Credits / Reversals .....	<b>(33)</b>	(56)
Revenue from contract with customer as per statement of profit & loss .....	<b>9,610</b>	10,613

**Disaggregation of Revenue - Revenue from major products**

**Particulars**

	<b>Revenue for the year ended 31 March 2021</b>	Revenue for the year ended 31 March 2020
R-54560 (DAITROLITE PDC 1309 M 45) PCK-180	<b>1,341</b>	1,065
DAITROLITE PDL 96-PCK-ISO TANK	<b>460</b>	999
POLYSORGEN-85-PCK-1000	<b>283</b>	406
DAITROLITE FIOD MT-50-PCK-180	<b>478</b>	367
NOIGEN BA 55 PCK 200	<b>250</b>	338
Others	<b>6,797</b>	7,438
	<b>9,610</b>	10,613

**Particulars**

	<b>For the year ended 31 March 2021</b>	For the year ended 31 March 2020
<b>28. Other income</b>		
Interest income - others (Refer Note (i) below) .....	<b>191</b>	22
<b>Dividend income from</b>		
-Current investment .....	<b>-</b>	3
-Others .....	<b>5</b>	3
Profit on sale of investments.....	<b>1</b>	-
Profit on Revolution of Investments.....	<b>11</b>	-
Export Incentive.....	<b>131</b>	117
Rent Received.....	<b>124</b>	31
Profit on sales of property, plant and equipment.....	<b>1</b>	8
Other (Note (ii)).....	<b>31</b>	199
<b>Total</b>	<b>494</b>	384
<b>Note (i) Interest income comprises:</b>		
Interest from banks on deposits .....	<b>18</b>	18
Interest income from long term investments .....	<b>-</b>	4
Others Interest ( interest on delayed payment of consideration from land sale etc) .....	<b>173</b>	*
<b>Total</b>	<b>191</b>	22
<b>Note (ii) Other non-operating Income</b>		
Net gain on foreign currency transactions and translation.....	<b>31</b>	91
Liabilities no longer payable written back.....	<b>-</b>	108
<b>Total</b>	<b>31</b>	199

\* Amount below Rupees One Lakh





**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
<b>29. Cost of materials consumed</b>		
Opening Stock.....	903	870
Add : Purchases.....	7,115	7,481
Less : Closing Stock.....	(1,008)	(903)
<b>Total</b>	<b>7,011</b>	<b>7,448</b>
Raw Materials consumed comprise :		
Ethylene Oxide .....	1,636	1,648
Fatty Alcohol, Phenol & Glycol .....	1,659	1,665
Oils & Fatty Acids .....	261	493
Acrylamide .....	342	274
Amines .....	133	203
Other items .....	2,979	3,165
<b>Total</b>	<b>7,011</b>	<b>7,448</b>
<b>30. Changes in inventories of finished goods, Semi finished goods and work-in-progress</b>		
<b>Inventories at the end of the year</b>		
Finished goods .....	852	806
Semi finished goods .....	444	224
Work-in-progress .....	26	16
	<b>1,322</b>	<b>1,045</b>
<b>Inventories at the beginning of the year</b>		
Finished goods .....	806	490
Semi finished goods .....	224	253
Work-in-progress.....	16	5
	<b>1,045</b>	<b>748</b>
<b>Net (increase) / decrease</b>	<b>(277)</b>	<b>(297)</b>
<b>31. Employee Benefits Expense</b>		
Salaries, wages and bonus .....	1,297	1,442
Contribution to provident and other funds.....	97	92
Staff welfare expenses .....	82	81
<b>Total</b>	<b>1,476</b>	<b>1,615</b>
<b>32. Finance costs</b>		
Interest expenses - On borrowings .....	870	993
- Others .....	50	31
<b>Total</b>	<b>920</b>	<b>1,024</b>
<b>33. Depreciation and amortisation expense</b>		
Depreciation on Property, plant and equipment .....	846	940
Amortisation of intangible asset .....	5	6
<b>Total</b>	<b>851</b>	<b>946</b>

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

<b>Particulars</b>	<b>For the year ended 31 March 2021</b>	For the year ended 31 March 2020
<b>34. Other expenses</b>		
Consumption of stores and spare parts.....	<b>169</b>	54
Power and fuel.....	<b>546</b>	609
Repairs to Buildings.....	<b>7</b>	4
Repairs to Plant and Machinery.....	<b>89</b>	28
Repairs to Others.....	<b>72</b>	150
Effluent Treatment Expenses.....	<b>54</b>	9
Job work Charges.....	<b>472</b>	-
Insurance.....	<b>39</b>	45
Rates and Taxes, excluding, taxes on income.....	<b>144</b>	71
Traveling Expenses.....	<b>44</b>	53
Legal and Professional Fees.....	<b>123</b>	226
Payment to Auditors		
Audit fees.....	<b>20</b>	25
Tax Audit.....	<b>2</b>	2
Other Services (Limited Review).....	<b>15</b>	10
Out of Pocket Expenses.....	<b>*</b>	2
Freight and forwarding on sales.....	<b>407</b>	328
Commission on sales.....	<b>68</b>	107
Contract Labour Charges.....	<b>286</b>	317
Directors' fees .....	<b>11</b>	10
Security Charges.....	<b>81</b>	99
Provision for impairment of investment in subsidiary.....	<b>2</b>	-
Loss on sale on investment.....	<b>-</b>	34
Provision for Non-moving Inventory.....	<b>5</b>	-
Inventory Assets Written off During the Year.....	<b>10</b>	54
Loss on Revaluation of Investments.....	<b>-</b>	10
Provision for doubtful trade receivables.....	<b>14</b>	22
Miscellaneous Expenses.....	<b>207</b>	190
<b>Total</b>	<b>2,887</b>	2,459

\* Amount below Rupees One Lakh



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)**

(₹ in lakhs)

**35. Contingent Liabilities and Capital Commitments**

**a) Contingent Liabilities**

Sr. No	Particulars	As at 31 March 2021	As at 31 March 2020
(i)	Claims against the Group not acknowledged as debt: Octroi (classification of raw materials)*  * Includes ₹ 142 lakhs (31 March 2020: ₹ 142 lakhs) for which bank guarantee has been given and shown under note below 35(vi)"	243	243
(ii)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with High Court (Determination of nature of receipt)	30	30
(iii)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Income Tax Authorities	550	545
(iv)	Disputed Sales Tax demands for set off claimed	15	-
(v)	Service Tax (Dispute on availment of cenvat on exempt goods)	86	86
(vi)	Guarantees issued to others by Bank secured by counter guarantee of the Company and by charge on the property, plant and equipment, inventories and trade receivables of the company	347	386
(vii)	Bonds for availing duty exemption under Exemption Entitlement certificate Scheme	109	89
(viii)	Group's share of Bonds for availing duty exemption under Exemption Entitlement certificate Scheme (pertaining to 50% Joint Venture - ChampionX Dai-ichi India Private Limited)	823	713
(ix)	Group's share of Central Sales Tax Demands (pertaining to 50% Joint Venture ChampionX Dai-ichi India Private Limited)	195	-
	<b>Total</b>	<b>2,398</b>	<b>2,092</b>

**b) Capital Commitments**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant and equipment (net of advances)	222	-

**36. Details on derivative instruments and unhedged foreign currency exposures**

- I. There were no outstanding forward exchange contracts entered into by the Group during the financial year and outstanding as at 31 March 2021 ₹ Nil (31 March 2020 : Nil)
- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 March 2021		As at 31 March 2020	
	(INR in Lakhs)	(USD in Lakhs)	(INR in Lakhs)	(USD in Lakhs)
Receivables	1,051	15	954	13
(Payables)	(201)	(3)	(132)	(2)

**37. Corporate Social Responsibility expenditure**

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The Group was required to spend the gross amount of ₹ NIL (31 March 2020: ₹ 7 lakh) during the year on corporate social responsibility activities.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)****38. Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:****i) Defined contribution plans:**

The Group makes contributions towards provident fund and Employees State Insurance Scheme Contributions which are defined benefit contribution plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. The provident fund plan is operated by the Government administered employee provident fund. Eligible employees receive the benefits from the said Provident Fund. Both the employees and the Group make monthly contribution to the Provident Fund plan equal to a specific percentage of the covered employee's salary. The Group has no obligations other than to make the specified contributions.

The Group has recognised the following amounts in the statement of Profit and Loss (₹ in lakhs)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
- Contribution to Provident Fund .....	78	74
- Contribution to Employee State Insurance Corporation .....	*	1
<b>Total</b>	<b>78</b>	<b>75</b>

\* Amount below Rupees One Lakh

**ii) Defined benefit plan:**

The Group earmarks liability towards funded Group Gratuity and provides for payment to vested employees as under:

## a) On Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

## b) On death in service:

As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

The Group also provided for protected Gratuity calculated based on additional 15 days of service for all employees upto 1 December 2003.

The Group has established an income tax approved irrevocable trust fund to which it regularly contributes to finance liabilities of the plan. The fund's investments are managed by insurance company as per the mandate provided to them by the trustees and the asset allocation is within the permissible limits prescribed in the insurance regulations.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2021 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at 31 March 2021 (₹ in lakhs)

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
i)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost .....	16	17
	Interest Cost .....	12	18
	Actuarial (gain)/losses .....	(19)	(2)
	Benefits paid .....	(30)	(76)
	PVO at the beginning of the year .....	192	235
	PVO at end of the year .....	171	192
ii)	Change in fair value of plan assets .....		
	Expected return on plan assets .....	7	13
	Return on plan assets.....	3	(12)
	Contributions by the employer.....	11	8



**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	As at 31 March 2021	As at 31 March 2020
	Benefits paid.....	(30)	(76)
	Fair value of plan assets at beginning of the year.....	105	172
	Fair value of plan assets at end of the year.....	96	105
iii)	Analysis of Defined Benefit Obligation :		
	Defined Benefit Obligation at the end of the year .....	171	192
	Provision for protected gratuity.....	14	19
	Fair Value of Plan assets at the end of the year .....	96	105
	Net income for the period recognised in OCI .....	-	-
	Net Liabilities recognized in the Balance Sheet .....	89	106
	<b>Current / Non current classifications</b>		
	Current .....	45	63
	Non current .....	44	43
	<b>Total</b>	<b>89</b>	<b>106</b>
iv)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year.....	171	192
	Provision for protected gratuity.....	14	19
	Fair Value of plan assets.....	96	105
	Funded status.....	96	105
	Net liability recognised in the balance sheet.....	89	106
v)	Expense recognised in the statement of profit or loss:		
	Current Service cost .....	16	17
	Net interest.....	5	5
	Expense recognised in the statement of profit or loss.....	21	22
vi)	Other comprehensive income (OCI):		
	Actuarial Loss/(Gain) recognised for the period.....	(19)	(2)
	Return on plan assets excluding interest income.....	(3)	12
	Total actuarial Loss/(Gain) recognised in OCI.....	(22)	10
vii)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%).....	5.18%	6.24%
	Expected return on plan assets.....	5.18%	6.24%
	Salary escalation rate (%).....	7.00%	7.00%
	Attrition.....	21.80%	15.00%
	Mortality Table	<b>Indian Assured Live Mortality (2006-08)</b>	Indian Assured Live Mortality (2006-08)

\* Amount below Rupees One Lakh

**Notes forming part of consolidated the financial statements for the year ended 31 March 2021 (Contd.)**

Discount rate: The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Salary Escalation Rate: The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The amounts of the present value of the obligation and experience adjustment arising on plan liabilities are as below :

(₹ in lakhs)

Experience adjustments	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
<b>Gratuity</b>					
Expected gain / (loss) adjustments on plan liabilities	20	8	34	12	29
Experience gain / (loss) adjustments on plan assets	3	(12)	(7)	2	(1)
Defined Benefits at the end of the year	171	192	257	394	428
Plan Assets at the end of the year	96	105	172	315	311
Funded status Deficit	(75)	(87)	(84)	(79)	(117)
Contribution expected to be paid to the plan during next financial year	45	48	30	60	45

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

**Sensitivity Analysis**

(₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Delta Effect of +1% Change in Rate of Discounting .....	(4)	(5)
Delta Effect of -1% Change in Rate of Discounting .....	4	6
Delta Effect of +1% Change in Rate of Salary Increase .....	4	5
Delta Effect of -1% Change in Rate of Salary Increase .....	(3)	(5)
Delta Effect of +1% Change in Rate of Employee attrition .....	* -	* -
Delta Effect of -1% Change in Rate of Employee attrition .....	1	* -

\* Amount below Rupees One Lakh

**39. Earnings per share (EPS)**

Particulars		Year ended 31 March 2021	Year ended 31 March 2020
Profit/ (Loss) after tax attributable to equity shareholders	₹ in lakhs      A	5,068	(2,292)
Weighted average number of equity shares outstanding during the year	Nos.      B	7,451,229	7,451,229
Basic and diluted earnings per equity share	In ₹      (A / B)	68.03	(30.75)
Face value per equity share	In ₹	10	10

**40. Dividend paid and proposed:**

No Dividends on equity shares were declared and paid by the Holding Company during the year

The Board of Directors have recommended dividend of ₹ 3 per Equity Share of Face Value of ₹ 10 each for the financial year ended 31 March 2021, subject to approval of the Shareholders at the ensuing Annual General meeting of the Holding Company.

**41. Segment Reporting**

The Group's management, pursuant to 'Ind AS 108 – Operating Segments' has concluded that the Group has only one reportable segment which is Specialty Chemicals. Accordingly, no separate disclosures of segment information have been made.



**Notes forming part of consolidated the financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

**42. Related party disclosures**

Description of relationship	Names of related parties
(i) Subsidiary	Dai-ichi Gosei Chemicals (India) Limited (DGCIL)
(ii) Jointly controlled entities (JCE)	ChampionX Dai-ichi India Private Limited (CXDI)
(iii) Key Management Personnel (KMP)	i) Mrs. S.F. Vakil- Chairperson and Managing Director (SFV)
	ii) Ms. Meher F. Vakil - COO- Daughter of Managing Director (MFV)
	iii) Mr. A H Jehangir (AHJ)
	iv) Dr. Anil Naik (Independent Director) (AMN) upto 29 July 2020
	v) Mr. Kavas Patel (Independent Director) (KP)
	vi) Mr. Keki Elavia (Independent Director) (KE)
	vii) Mr. Ashok V. Hiremath (Independent Director) (AVH) w.e.f. 9 September 2020
	viii) Mr. Behram Sorabji (Independent Director) (BS) upto 9 June 2020
	ix) Mr. Shailesh Chauhan (Chief Financial Officer) (SC)
	x) Mrs. Kavita Thadeshwar (Company Secretary) (KT) upto 10 March 2021
	xi) Mr. Ankit P Shah (Company Secretary) (AS) w.e.f 11 March 2021
	xii) Mr. Nitin Nimkar (Chief Financial Officer) (NN) upto 30 June 2019
(iv) Relatives of KMP	i) Mr. Firoze Adi Vakil - Husband of Managing Director (FAV)
	ii) Mr. Jahangir F. Vakil - Son of Managing Director (JFV)
	iii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
	iv) Mr. Matthew I. Taff - Husband of Ms. Meher F Vakil (MT)
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Limited (IOCL)
	ii) Rose Investments Limited (RIL),
	iii) General Pharmaceuticals Pvt. Ltd. (GPPL)
	iv) Netal India Limited (NIL)
	v) Neterwala Consulting & Corporate Services Limited (NCCL)
	vi) Chemicals and Ferro Alloys Pvt. Ltd (CFAPL)
	vii) Uni Klinger Limited (UKL)
	viii) Natch Products & Services Pvt. Ltd. (NPSPL)
(vi) Enterprises over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation (MSNF)

(₹. in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
<b>Purchase of goods:</b>							
IOCL	-	-	-	-	199	-	199
	-	-	-	-	(215)	-	(215)
GPPL	-	-	-	-	46	-	46
	-	-	-	-	(36)	-	(36)
UKL	-	-	-	-	1	-	1
	-	-	-	-	(1)	-	(1)
NPSPL	-	-	-	-	-	-	-
	-	-	-	-	(1)	-	(1)

\* Amount below Rupees One Lakh



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
<b>Sale of goods:</b>							
CXDI	-	1,176	-	-	-	-	1,176
	-	(926)	-	-	-	-	(926)
GPPL	-	-	-	-	31	-	31
	-	-	-	-	(32)	-	(32)
IOCL	-	-	-	-	-	-	-
	-	-	-	-	(2)	-	(2)
<b>Sale of service (Job Work)</b>							
IOCL	-	-	-	-	8	-	8
	-	-	-	-	(15)	-	(15)
<b>Rendering of services/ Reimbursement of expenses:</b>							
CXDI	-	7	-	-	-	-	7
	-	(9)	-	-	-	-	(9)
IOCL	-	-	-	-	1	-	1
	-	-	-	-	-	-	-
CFAPL	-	-	-	-	-	-	-
	-	-	-	-	*	-	* -
GPPL	-	-	-	-	2	-	2
	-	-	-	-	-	-	-
MFV	-	-	-	-	2	-	2
	-	-	-	-	-	-	-
<b>Receiving of services/ Reimbursement of expenses:</b>							
MFV	-	-	2	-	-	-	2
	-	-	(6)	-	-	-	(6)
SFV	-	-	7	-	-	-	7
	-	-	(7)	-	-	-	(7)
CFAPL	-	-	-	-	-	-	-
	-	-	-	-	*	-	* -
GPPL	-	-	-	-	2	-	2
	-	-	-	-	(2)	-	(2)
<b>Rent :</b>							
SFV	-	-	29	-	-	-	29
	-	-	(28)	-	-	-	(28)
<b>Remuneration :</b>							
SFV	-	-	192	-	-	-	192
	-	-	(167)	-	-	-	(167)
MFV	-	-	109	-	-	-	109
	-	-	(90)	-	-	-	(90)

\* Amount below Rupees One Lakh



Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
NN	-	-	-	-	-	-	-
	-	-	(34)	-	-	-	(34)
SC	-	-	42	-	-	-	42
	-	-	(20)	-	-	-	(20)
KT	-	-	31	-	-	-	31
	-	-	(33)	-	-	-	(33)
AS	-	-	1	-	-	-	1
	-	-	-	-	-	-	-
<b>Directors' Sitting Fees :</b>							
AHJ	-	-	-	-	-	-	-
	-	-	(1)	-	-	-	(1)
AMN	-	-	1	-	-	-	1
	-	-	(1)	-	-	-	(1)
KP	-	-	3	-	-	-	3
	-	-	(3)	-	-	-	(3)
KE	-	-	3	-	-	-	3
	-	-	(2)	-	-	-	(2)
AVH	-	-	2	-	-	-	2
	-	-	-	-	-	-	-
BS	-	-	1	-	-	-	1
	-	-	(2)	-	-	-	(2)
<b>Dividend received :</b>							
CXDI	-	135	-	-	-	-	135
	-	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>							
<b>Investments :</b>							
CXDI	-	68	-	-	-	-	68
	-	(68)	-	-	-	-	(68)
DGCL	-	-	-	-	-	-	-
	(2)	-	-	-	-	-	(2)
<b>Trade receivables:</b>							
CXDI	-	244	-	-	-	-	244
	-	(130)	-	-	-	-	(130)
IOCL	-	-	-	-	(4)	-	(4)
	-	-	-	-	(14)	-	(14)
GPPL	-	-	-	-	9	-	9
	-	-	-	-	(14)	-	(14)
<b>Deposits for office :</b>							
KMP	-	-	32	-	-	-	32
	-	-	(32)	-	-	-	(32)

\* Amount below Rupees One Lakh

## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
<b>Trade payable :</b>							
CXDI	-	2	-	-	-	-	2
	-	-	-	-	-	-	-
IOCL	-	-	-	-	148	-	148
	-	-	-	-	(157)	-	(157)
UKL	-	-	-	-	-	-	-
	-	-	-	-	(2)	-	(2)
NIL	-	-	-	-	-	-	-
	-	-	-	-	*	-	*
GPPL	-	-	-	-	11	-	11
	-	-	-	-	(8)	-	(8)
CFAPL	-	-	-	-	-	-	-
	-	-	-	-	*	-	*

\* Amount below Rupees One Lakh

Note: Figures in bracket relate to the previous year

(₹ in lakhs)

Payment of sitting fees to Independent directors	Year ended 31 March 2021	Year ended 31 March 2020
Sitting fees .....	11	10

**Key management personnel compensation**

Key management personnel compensation comprised the following :

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Post-employment benefits .....	39	39
Other long-term benefits .....	75	72

Based on the recommendation of the Nomination and Remuneration committee, all decisions relating to the remuneration of the directors are taken by the Board of Directors of the Holding Company, in accordance with shareholders' approval, wherever necessary.

All other related party transactions are made in the normal course of business and on terms equivalent to those that prevail in an arm's length transactions.

**43. Interest in joint ventures**

Jointly controlled entity (JCE):

(₹ in lakhs)

Name of JCE and country of incorporation	% of interest / ownership	Amount of interest based on accounts for the year ended 31 March 2021					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Pvt. Ltd.-India).....	50	2,854	2,854	2,186	1,872	1,018	-
Previous year	50	2,851	2,851	2,107	1,859	713	-



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

### 44. Financial instruments – Fair values and risk management

#### A. Accounting classification and fair values

The Group uses the following hierarchic structure of valuation methods to determine and disclose information about the fair value of financial instruments:

**Level 1:** inputs to valuation are quoted (unadjusted) prices in active markets for identical assets and liabilities;

**Level 2:** inputs to valuation are other than quoted prices included in level 1 that are observable for asset or liability, either directly or indirectly;

**Level 3:** inputs are not based on observable market data. Fair value are determined in whole or in part using a valuation model based on assumption that are either supported by prices from observable current market transaction in the same instruments nor are they based on available market data.

The carrying value of financial instruments by categories is as follows :

(₹ in lakhs)

	As at 31st March 2021							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	1,159	1,159	-	-	-	-
Other bank balances	-	-	379	379	-	-	-	-
Investments	417	-	-	417	417	-	-	417
Non current investments (other than in subsidiary and joint venture)	-	-	1	1	-	-	-	-
Other non current financial assets	-	-	281	281	-	-	-	-
Trade receivables	-	-	2,377	2,377	-	-	-	-
Other current financial assets	-	-	159	159	-	-	-	-
	<b>417</b>	<b>-</b>	<b>4,355</b>	<b>4,772</b>	<b>417</b>	<b>-</b>	<b>-</b>	<b>417</b>
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	13	13	-	-	-	-
Current borrowings	-	-	2,005	2,005	-	-	-	-
Other non current financial liabilities	-	-	62	62	-	-	-	-
Trade payables	-	-	3,881	3,881	-	-	-	-
Other current financial liabilities	-	-	446	446	-	-	-	-
	<b>-</b>	<b>-</b>	<b>6,407</b>	<b>6,407</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	As at 31st March 2020							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	79	79	-	-	-	-
Other bank balances	-	-	281	281	-	-	-	-
Non-current investments	-	-	-	-	-	-	-	-
Unquoted Equity Shares *	-	-	-	-	-	-	-	-
Investments	104	-	-	104	104	-	-	104
Other Non current financial assets	-	-	275	275	-	-	-	-
Trade receivables	-	-	2,042	2,042	-	-	-	-
Other current financial assets	-	-	135	135	-	-	-	-
	<b>104</b>	<b>-</b>	<b>2,812</b>	<b>2,917</b>	<b>104</b>	<b>-</b>	<b>-</b>	<b>104</b>

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)**

(₹ in lakhs)

	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	8,467	8,467	-	-	-	-
Current borrowings	-	-	2,357	2,357	-	-	-	-
Other Non-Current financial liabilities	-	-	57	57	-	-	-	-
Trade payables	-	-	2,860	2,860	-	-	-	-
Other current financial liabilities	-	-	2,087	2,087	-	-	-	-
	-	-	<b>15,828</b>	<b>15,828</b>	-	-	-	-

**B. Measurement of fair values**

The Management assessed that cash and bank balances, trade receivables, trade payables, cash credit and other financial assets and liabilities approximate their carrying amounts largely due to short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair value

a) The fair value of the quoted investments/units of mutual fund scheme are based on market price/net asset value at the reporting date.

**i. Risk management framework**

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's has exposure to the following risks arising from financial instruments:

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

**i. Credit risk**

Credit risk is the risk of financial loss to the Group's if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

**Trade and other receivables**

Trade receivables are consisting of a large number of customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

At 31 March 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2021	31 March 2020
India .....	1,365	1,088
Other regions .....	1,051	954
	2,416	2,042

### Impairment

At March 31, 2021, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

	31 March 2021	31 March 2020
Neither past due nor impaired		
Past due 1–180 days .....	2,381	2,019
Past due more than 180 days .....	35	23
	2,416	2,042

Management believes that the un-impaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

I. There were no outstanding forward exchanges contracts entered into by the Group.

(₹ in lakhs)

	31 March 2021	31 March 2020
Balance as at the beginning of the year	26	3
Impairment loss recognised	13	22
Amounts written off / (back)	-	-
Balance as at the end of the year	39	26

### ii. Liquidity risk

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

The majority of the Group's Trade receivables are due for maturity within 60 days from the date of billing to the customer. Further, the general credit terms for Trade payables are approximately 45 days. The difference between the above mentioned credit period provides sufficient headroom to meet the short-term working capital needs for day-to-day operations of the Group. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, are retained as Cash and Investment in short term deposits with banks. The said investments are made in instruments with appropriate maturities and sufficient liquidity.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021(Contd.)****Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

(₹ in lakhs)

31 March, 2021	Carrying amount	Contractual cash flows				
		Total	less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Vehicle loan from bank	11	11	9	2	-	-
Working capital loans from banks	1,255	1,255	1,255	-	-	-
Loan From Director	750	750	750	-	-	-
Trade payables	3,881	3,881	3,881	-	-	-
Other Current financial liabilities	437	437	437	-	-	-
Contractual cash flows						
31 March, 2020	Carrying amount	Total	less than 1 year	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Term loans from banks	8,467	8,467	1,694	2,547	4,226	-
Working capital loans from banks	1,663	1,663	1,663	-	-	-
Loan From Director	694	694	694	-	-	-
Trade payables	2,860	2,860	2,860	-	-	-
Other Current financial liabilities	398	398	398	-	-	-

**Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

**Exposure to interest rate risk**

Group's interest rate risk arises from borrowings and fixed income securities. Fixed income securities exposes the Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in lakhs)

	31 March 2021	31 March 2020
<b>Fixed-rate instruments</b>		
Financial assets bonds	-	1
Financial liabilities vehicle loans	(11)	(19)
	(11)	(18)
<b>Variable-rate instruments</b>		
Financial liabilities - term loan and cash credit	(1,255)	(10,801)
	(1,255)	(10,801)
<b>Total</b>	<b>(1,266)</b>	<b>(10,819)</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.





## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

### Fair value sensitivity analysis for variable rate instruments

(₹ in lakhs)

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2021</b>				
Variable-rate instruments .....	(13)	13	(9)	9
<b>Cash flow sensitivity (net) .....</b>	<b>(13)</b>	<b>13</b>	<b>(9)</b>	<b>9</b>
<b>31 March 2020</b>				
Variable-rate instruments .....	(108)	108	(78)	78
Cash flow sensitivity (net) .....	(108)	108	(78)	78

The risk estimates provided assume a change of 100 basis points interest rate for the interest rate benchmark as applicable to the borrowings summarised above. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

### 45. Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Group's adjusted net debt to equity ratio at 31 March 2021 was as follows.

(₹ in lakhs)

	As at 31 March 2021	As at 31 March 2020
Total Borrowing .....	2,016	10,821
Less : Cash and cash equivalent .....	1,159	79
<b>Adjusted net debt .....</b>	<b>857</b>	10,742
Total equity .....	17,047	11,965
Net debt to equity ratio .....	0.05	0.90

Note: There were no outstanding forward exchange contracts entered into by the Group during the financial year and outstanding as at 31 March 2021 ₹ Nil (31 March 2020 : Nil)

### 46. Income Taxes

#### (A) Components of Income Tax Expenses

##### (i) Tax Expense recognised in Consolidated profit and loss

(₹ in lakhs)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Current tax</b>		
Current period	770	-
Total Current tax expense	770	-
<b>Deferred tax</b>		
Current period	(31)	-
Total deferred tax expense	(31)	-
<b>Tax expense for the year</b>	<b>739</b>	-

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)****(ii) Tax recognised in other comprehensive income**

(₹ in lakhs)

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans .....	22	(8)	14	(13)	-	(13)
	22	(8)	14	(13)	-	(13)

**(B) Reconciliation of effective tax rate**

(₹ in lakhs)

	(%)	For the year ended 31 March 2021	(%)	For the year ended 31 March 2020
<b>Profit / (Loss) before tax</b>		5,583		(2,494)
Tax using the Company's domestic tax rate (Current year 27.8% and Previous Year 27.8%)	27.8%	1,591	27.8%	(694)
<b>Tax effect of:</b>				
Unrecognised Deferred Tax assets		-		694
Tax at lower rate		(152)		
Unrecognised DTA of earlier years now utilized		(694)		
Recognised in OCI		(6)		
		739		-

The Group's domestic tax rates for the years ended 31 March 2021 and 31 March 2020 were 27.8%.

**(C) Movement in deferred tax assets and liabilities**

(₹ in lakhs)

	31 March, 2021						
	Net balance 1 April 2020	Recognised in profit or loss	Recognised in OCI	Adjusted in Balance Sheet	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>							
Property, plant and equipment and Intangible assets	(1,146)	176	-	-	(969)	-	(969)
Investment	(2)	-	-	-	(2)	-	(2)
<b>Deferred Tax Assets:</b>							
Insurance claim adjusted in tax WDV	-	1,064	-	-	1,064	1,064	-
Trade receivables	6	5	-	-	11	11	-
Income tax loss (including depreciation)	1,559	(764)	-	-	795	795	-
Other items	117	(2)	6	-	110	110	-
Indexed Cost of Land	454	(449)	-	-	5	5	-
MAT credit entitlement	87	-	-	(45)	42	42	-
<b>Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>31</b>	<b>6</b>	<b>(45)</b>	<b>1,056</b>	<b>2,027</b>	<b>(971)</b>
Offsetting of deferred Tax assets and deferred Tax Liabilities						(971)	971
<b>Net Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>31</b>	<b>6</b>	<b>(45)</b>	<b>1,056</b>	<b>1,056</b>	<b>-</b>
<b>Net Deferred Tax assets Recognised in book</b>					<b>1,056</b>		



## Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)

	31 March, 2020						
	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Adjusted in Balance Sheet	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>							
Property, plant and equipment and Intangible assets	(916)	(230)	-	-	(1,146)	-	(1,146)
Investment	(17)	15	-	-	(2)	-	(2)
<b>Deferred Tax Assets:</b>							
Property, plant and equipment and Intangible assets	-	-	-	-	-	-	-
Trade receivables	1	5	-	-	6	6	-
Income tax loss (including depreciation)	1,377	827	-	-	2,204	2,204	-
Other items	108	9	-	-	117	117	-
Indexed Cost of Land	436	18	-	-	454	454	-
MAT credit entitlement	87	-	-	-	87	87	-
<b>Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>644</b>			<b>1,720</b>	<b>2,868</b>	<b>(1,148)</b>
Offsetting of deferred tax assets and deferred tax liabilities						(1,148)	1,148
<b>Net Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>644</b>			<b>1,720</b>	<b>1,720</b>	
<b>Net Deferred Tax assets Recognised in books</b>					<b>1,076</b>		

The Group has not recognised deferred tax asset (DTA) on carry forward losses aggregating ₹ Nil (31 March 2020: ₹ 694 lakhs) in absence of convincing evidence of sufficient future taxable income against which such DTA can be realised.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

### D. Tax assets and liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Non Current tax assets (net) .....	414	387
Current tax assets (net) .....	-	-
Current tax liabilities (net) .....	-	-

### 47. Impact of COVID-19 Pandemic

The COVID-19 pandemic marginally disrupted business operations due to lockdown and other emergency measures imposed by the government. The Holding Company's plant at Dahej, Gujarat was shut down from 25 March 2020 to 2 April 2020. As of today, production facilities remain operational, following enhanced internal safety guidelines. The Group has considered internal and external information while assessing recoverability of its assets disclosed in the financial statement upto the date of approval of these financial results by the Board of Directors. Based on such assessment and considering the current economic indicators, the Group expects to recover the carrying amount of these assets. Management has also considered the impact of COVID-19 on the business for the foreseeable future and have concluded that the Group has sufficient resources to continue as a going concern. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2021 (Contd.)****48. Exceptional Items****a. Loss by fire at Dahej Plant**

Pursuant to a fire incident on 22 November 2020 at Dahej factory situated at Plot no. D-2/20, GIDC, Tal. Vagra, Dist. Bharuch – 392130, Gujarat, certain property, plant and equipment and inventory were damaged. It also disrupted the production process and impacted the financial performance of the Holding Company for the year ended 31 March 2021. As a result of the incident, the Holding Company has recognised a loss of ₹ 4,932 lakhs (₹ 4,326 lakhs towards property plant and equipment, ₹ 581 lakhs towards inventories and ₹ 25 lakhs towards other expenses) as an Exceptional item in the consolidated financial statements. The Holding Company's assets and inventories are covered under an Insurance policy and a claim has been lodged with the Insurance company for the losses suffered. The Holding Company's claim is under survey and the same would be accounted for when the claim is approved by the Insurance Company.

**b. Profit on sale of land at Kasarwadi (Pune)**

The Holding Company sold its Land Parcel situated at 105th Milestone, Mumbai-Pune Road, P.O. Kasarwadi, Pune – 411034 to Gera Developments Private Ltd., Pune for a consideration of ₹ 15,350 lakhs pursuant the land sale conveyance deed executed on 5 March 2021. The Holding Company received the sale consideration and recognised a gain of ₹ 13,147 lakhs (net of costs incurred in obtaining clearances from various departments and towards consultant fees for selling the land aggregating to ₹ 1,750 lakhs) as an exceptional item in consolidated financial statements.

**49.** Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

As per our report of even date attached.

For **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors**  
**Dai-Ichi Karkaria Limited**  
**CIN: L24100MH1960PLC011681**

**Balajirao Pothana**  
Partner  
Membership No: 122632

**S. F. Vakil**  
Chairperson and  
Managing Director  
(DIN: 00002519)  
**Shailesh Chauhan**  
Chief Financial Officer  
Membership No. 116610

**Meher Vakil**  
Director  
(DIN: 07778396)  
**Ankit Shah**  
Company Secretary  
Membership No. A35008

Place : Mumbai  
Date: 10 May 2021

Place : Mumbai  
Date: 10 May 2021



## Form AOC-1

### Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/ Joint Ventures (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A" -Subsidiaries

(₹ in lakhs)

1	Sl. No.		1
2	Name of the subsidiary	Dai-ichi Gosei Chemicals (India) Limited	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period		NA
4	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries		NA
5	Share Capital		5
6	Reserves & Surplus		(3)
7	Total Assets		2
8	Total Liabilities		2
9	Investments		Nil
10	Turnover (Other Income)		* -
11	Loss before taxation		* -
12	Provision for taxation		-
13	Loss after taxation		* -
14	Proposed dividend		Nil
15	% of Shareholding		97%
1	Names of subsidiaries which is yet to commence operations		Nil
2	Names of subsidiaries which have been liquidated or sold during the year		Nil

\* Amount below Rupees One Lakh

### Statement pursuant to Section 129(3) of Companies Act, 2013 related to Associate Companies and Joint Ventures

#### Part "B" - Joint Ventures

(₹ in lakhs)

	Name of Joint Venture	ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Limited)
1	Latest audited Balance Sheet date	31-03-2021
2	Shares of Joint Venture held by the Company on the year end :	
	No. of Shares	1,125,000
	Amount of investment in Joint Venture	68
	% of holding	50%
3	Description of how there is significant influence	50% holding in JV
4	Reason why the Joint venture is not consolidated	NA
5	Net worth attributable to shareholding as per last audited balance sheet	2,257
6	Profit for the year	
	1. Considered in consolidation	-
	2. Not considered in consolidation	-
1	Names of Associates or Joint Ventures which is yet to commence operations	Nil
2	Names of Associates or Joint Ventures which have been liquidated or sold during the year	Nil

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

**S. F. Vakil**  
Chairperson and Managing Director  
(DIN: 00002519)

**Meher Vakil**  
Whole-time Director  
(DIN : 07778396)

**Shailesh Chauhan**  
Chief Financial Officer  
Membership No. 116610

**Ankit Shah**  
Company Secretary  
Membership No. A35008

Place : Mumbai  
Date : 10 May 2021





*If undelivered please return to:*  
**DAI-ICHI KARKARIA LIMITED**  
**Liberty Building,**  
**Sir Vithaldas Thackersey Marg,**  
**Mumbai - 400 020.**