



DAI-KIHI

Specialty Chemicals

62nd ANNUAL REPORT

2021-2022

DAI-ICHI KARKARIA LIMITED

(CIN: L24100MH1960PLC011681)

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62nd Annual General Meeting

Date & Time:

Wednesday June 29, 2022 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 | Independent Director |
| Mr. Kavas Patel | Independent Director |
| Mr. Keki Elavia | Independent Director |

Chief Financial Officer:

Mr. Shailesh Chauhan (upto 31.10.2021)
Mr. Farokh Gandhi (w.e.f 1.11.2021)

Company Secretary & Compliance Officer:

Mr. Ankit Shah

Bankers:

Axis Bank Ltd.

Statutory Auditors:

B S R & Co. LLP, Mumbai

Solicitors:

Bharucha & Partners

Registered Office:

Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.
Tel: 022-69117130
E-mail: investor@dai-ichiindia.com
Website: 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
Fax: 022 - 4918 6060
E-mail: mt.helpdesk@linkintime.co.in
Website: <https://www.linkintime.co.in/>

NOTICE

NOTICE is hereby given that Sixty-Second Annual General Meeting of DAI-ICHI KARKARIA LIMITED (L24100MH1960PLC011681) will be held on Wednesday, June 29, 2022 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, 2022 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, 2022 and the Report of the Auditors thereon.

2. To appoint a Director in place of Mr. Adi Jehangir (DIN:00001752), who retires by rotation and being eligible, offers himself for re-appointment.

3. To re-appoint B S R & Co. LLP , Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration 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 Sections 139, 141, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, B S R & Co. LLP, Chartered Accountants (Firm's Registration No.101248W/W-100022) be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five consecutive years, who shall hold office from the conclusion of this 62nd Annual General Meeting until the conclusion of the 67th Annual General Meeting of the Company, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

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.”

SPECIAL BUSINESS:

4. 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 based on recommendations of Audit Committee, 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, 2023, 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.”

5. 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 Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement), Regulations 2015 (“Listing Regulations”), as amended till date, 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 (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 ₹ 50 Crores (Rupees Fifty Crores only) from the conclusion of this 62nd Annual General Meeting upto the date of the next 63rd Annual General Meeting for a period not exceeding fifteen months, at arm’s length basis and in the ordinary course of business.



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, 2022

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, 02/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and other relevant Circular(s) thereafter 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 62nd Annual General Meeting (“AGM”) of the Company is being conducted on June 29, 2022 at 11:30 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) Facility, without the physical presence of members at a common venue. The deemed venue for the 62nd 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 to 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 of the Companies Act, 2013.
6. Central Depository Services (India) Limited (“CDSL”) will be providing facility for voting through remote e-voting, participation in the 62nd AGM through VC/OAVM Facility and e-voting during the 62nd 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 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 AGM along with the Annual Report for 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 62nd AGM has been uploaded on the website of the Company at www.dai-ichiindia.com under ‘Investors’ section and may also be accessed on the website of BSE Limited at www.bseindia.com and on the website of CDSL at www.evotingindia.com.
9. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 Company's Registrar and Transfer Agent, 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 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. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated November 3, 2021 and December 14, 2021 respectively.
13. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/ Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR-4.
14. 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 DP in case the shares are held in electronic form and to the Registrar at rnt.helpdesk@linkintime.co.in in case the shares are held in physical form, quoting their folio number.
15. 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, to claim the same, 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. Accordingly, Members who have not encashed Dividend for the financial year ended 31st March, 2015 or any subsequent dividend declared by the Company, are advised to write to the Company / Registrar of the Company immediately.
16. Details of members whose shares are transferred to IEPF Suspense Account till date are uploaded on Company's website at www.dai-ichiindia.com. The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.
17. Electronic copy of all the documents referred to in the accompanying Notice of the 62nd 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.
18. 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 62nd AGM and facility for those Members participating in the 62nd AGM to cast vote through e-voting system during the 62nd 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 Sunday, June 26, 2022 at 10 a.m. (IST) and ends on Tuesday, June 28, 2022 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 June 22, 2022 may cast their vote electronically. The 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 CDSL | <ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 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. 3) If the user is not registered for Easi/Easiest, option to register is available https://web.cdslindia.com/myeasi/registration/Easiregistration 4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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. |
| Individual Shareholders holding securities in demat mode with NSDL | <p>A. NSDL IDeAS Facility</p> <p>If you are already registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> 1) Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2) Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 & voting during the meeting. <p>If the user is not registered for IDeAS e-Services, follow the below steps:</p> <ol style="list-style-type: none"> 1) Option to register is available at https://eservices.nsdl.com. 2) Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Please follow steps as given in Point 1-4 above. <p>B. E-voting website of NSDL</p> <ol style="list-style-type: none"> 1) Visit the e-voting website of NSDL. 2) Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting. |

| | |
|---|---|
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | 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 & voting during the meeting. |
|---|---|

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned 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 helpdesk.evoting@cdslindia.com or contact on 1800 22 55 33. |
| 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 evoting@nsdl.co.in or call on 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.
- 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 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:

| | For Shareholders holding shares in Demat Form and Physical Form other than individual and in Physical Form |
|--|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. |
| 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"> • 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). |

- 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 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.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - 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 scrutinizer.vkco@gmail.com and to the Company at the email address investor@dai-ichiindia.com (designated email address by 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 number, Certificate number, 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 on RTA website i.e. 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 or RTA at rnt.helpdesk@linkintime.co.in The Company/RTA shall coordinate 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 number 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, the 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 June 21, 2022** mentioning their name, demat account number/folio number, email id, mobile number at investor@dai-ichiindia.com. The Shareholders desiring any information during the AGM 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 or contact at 022-23058738/1800 22 55 33.

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 or call on 1800 22 55 33.

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. June 22, 2022 can view the Notice of the 62nd 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.

Ms. Vinita Nair (Membership No. F10559 and COP No. 11902), Senior Partner, M/s Vinod Kothari & Company, Practising Company Secretaries, has been appointed as a Scrutinizer to scrutinize the remote e-voting process and process of e-voting during the 62nd 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 and on the website of CDSL within two days from the conclusion of the AGM of the Company and communicated to BSE Limited.



19. In terms of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, details of Director seeking re-appointment at the 62nd Annual General Meeting:

| | |
|---|---|
| Name of the Director | Mr. Adi Jehangir (DIN: 00001752) |
| Age | 66 years |
| Brief resume, Qualification and Expertise | Ms. Adi Jehangir is a Commerce Graduate and has more than 30 years of experience in Investment Business. |
| Terms and conditions of appointment/ reappointment | Re-appointed as Non-Executive Director, liable to retire by rotation. |
| Last drawn remuneration (F.Y. 2021-22) | Nil (Except sitting fees of ₹ 1,00,000/- paid during FY 2021-22) |
| Date of first appointment on the Board | 19.02.1986 |
| No. of share held | 100 (0.001%) |
| Relationship with Directors inter-se | Not related to any Directors/ KMP of the Company. |
| Number of Board Meeting attended during FY 2021-22 | 2 (Two) Board meetings attended during F.Y. 2021-22 |
| List of Directorships held in other companies/ LLP | i. Cowhill Enterprises LLP ii. Amerado Enterprises LLP iii. Goodearth Enterprises LLP iv. Cannadel Enterprises LLP v. Cowasjee Jehangir Enterprises LLP vi. Wildflower Enterprises LLP vii. Jehangir Brand Management Private Limited viii. Broadview Research Private Limited |
| Chairman/ Member of the Committees of Boards of other companies | Nil |

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING SPECIAL BUSINESS

Item no. 3

B S R & Co. LLP, Chartered Accountants, were appointed as Statutory Auditors of the Company at the 57th Annual General Meeting ('AGM') held on July 17, 2017 for a period of 5 years, until the conclusion of 62nd Annual General Meeting of the Company.

B S R & Co. LLP are eligible for re-appointment as Statutory Auditors of the Company for a second term of 5 consecutive years. The Board of Directors at their meeting held on May 10, 2022, based on recommendations of the Audit Committee, have approved the re-appointment of B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (five) consecutive years i.e. from the conclusion of 62nd AGM till the conclusion of 67th AGM, at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors. The re-appointment is subject to approval of the shareholders of the Company. In accordance with the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), B S R & Co. LLP, Chartered Accountants, have provided their consent and eligibility certificate to that effect that, their re-appointment, if made, would be in compliance with the applicable laws.

B S R & Co. ('the firm ') was constituted on 27 March 1990 as a partnership firm having firm registration no. as 101248W. It and was converted into limited liability partnership i.e. B S R & Co. LLP on 14 October 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai- 400063. B S R & Co. LLP is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. B S R & Co. LLP is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. B S R & Co. LLP has over 3000 staff and 100+ Partners. B S R & Co. LLP audits various companies listed on stock exchanges in India including companies in the Specialty Chemical sector. The firm holds the 'Peer Review' certificate as issued by 'ICAI'.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 3 of the notice. The Board recommends the Ordinary resolution set forth in item No. 3 of the notice for approval of the members.

Item no. 4

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, 2023, 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. 4 for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2023.

None of the Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item No. 4 of the notice. The Board recommends the Ordinary resolution set forth in item No. 4 of the notice for approval of the members.

Item no. 5

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 and subsequent material modifications shall require prior 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 ₹ 1000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower. According to this definition the relevant turnover was ₹ 121.84 Crores for the financial year 2021-22 and 10% of which is equal to ₹ 12.18 Crores. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered by the Company.

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. The Company expects to enter into transactions for Sale of Goods to CXDI with an estimated value of ₹ 50 Crores (Rupees Fifty 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 at their meeting held on May 10, 2022 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 Regulation 23(4) of SEBI Listing Regulations, Section 188 of the Companies Act, 2013, the Companies (Meetings of Board and its Powers) Rules, 2014, to enable the Company to enter into the transactions with CXDI in one or more tranches from the conclusion of forthcoming 62nd AGM upto the date of the next 63rd AGM for a period not exceeding fifteen months.



Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, the particulars of the transactions proposed to be entered with CXDI are as follows:

| | |
|---|---|
| Name of the Related Party | ChampionX Dai-ichi India Private Limited (CXDI) (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 | Not exceeding ₹ 50 Crores (Rupees Fifty Crores Only) |
| Nature/Material terms/ Particulars of transactions | The transaction involves Sale of goods pursuant to Joint Venture Agreement entered with CXDI |
| Justification as to why the proposed transaction is in the interest of the Company | It involves Sale of goods to CXDI under Ordinary course of business and at arms' length basis. |
| 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. 5. The Board recommends the Ordinary Resolution set out at item no. 5 of the Notice for approval by the Members.

Registered Office:

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

Place: Mumbai

Date: May 10, 2022

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 Second Annual Report together with the audited accounts for the year ended March 31, 2022.

FINANCIAL RESULTS:

(₹ in Lakhs)

| Particulars | As on 31st March, 2022 | As on 31st March, 2021 |
|---|---------------------------|---------------------------|
| Revenue from operations | 12,184 | 9742 |
| Other Income | 608 | 629 |
| Total Income | 12,792 | 10371 |
| Profit/ (Loss) before Depreciation/Amortization, Interest and Tax | (1,229) | (726) |
| Profit/ (Loss) after exceptional item before tax | (1,658) | 5718 |
| Earnings per equity share: Basic and Diluted (₹ 10/- each) | (22.25) | 66.83 |
| Book Value of shares (₹) | 173.73 | 199.42 |

DIVIDEND:

In view of the loss incurred by the Company during the year, the Directors have not recommended any dividend for the financial year ended March 31, 2022.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Indian economy having swiftly recovered in FY 2021-22 after the pandemic induced contraction, may still prove resilient in spite of the present geopolitical conflicts and their impact.

However elevated prices of energy and other commodities, and supply-side disruptions will pose challenges to growth prospects.

The current 9% growth predictions for the general economy could possibly be affected if crude prices remain elevated for longer periods of time. In addition, pent-up demand secured across industrial and consumer markets, coupled with lower inventory levels will result in recovery in spite of the supply chain disruptions that are expected to persist.

The Indian chemical industry will become a US dollar 300 billion industry by 2025 and is predicted to potentially become a \$1 trillion industry in the next decade. As the country embarks on a massive capacity addition there is a tremendous opportunity for growth in spite of various challenges and concerns. Every subsegment of Chemicals in India is facing massive tailwinds.

India's specialty chemicals segment may have a new opportunity in the wake of the pandemic consumers across the globe are diversifying away from China while China itself has cracked down on many segments to cut pollution. This will result in many Indian companies picking up some market share as well as improving export prospects.

Although the companies are facing contracting gross margins due to soaring raw material costs and increasing operating costs due to higher freight, the chemical industry is regaining lost ground by examining the opportunities that are available due to the situation in China.

The year 2022 could mark the full recovery for the chemical industry with strong demand for specialty chemicals and enhanced capital expenditure with growth in end markets. However, the present war in Ukraine and continuous inflation, and supply chain bottlenecks continue to plague the industry.

Customer expectations and behaviours have changed dramatically in the past 2/3 years and the chemical business will have to adapt to these changes. Dai-ichi will continue to be a solution provider focusing more on market needs.

Specialty chemicals constitute 22% of the total chemical and petrol chemical market in India. The industry grew from US dollars 18 billion in 2014 to US dollars 32 billion in 2019 and would be worth 64 billion by 2025. However, India's share in the global specialty chemical market remains at around 4%.

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

The company has faced a year of uncertainty. On one hand, though our claim has been accepted by the insurance company, they are taking an extraordinary amount of time working out the specifics. Meanwhile, we continue to work under lowered capacity, juggling various orders and meeting customers' deadlines. The worldwide Raw material shortages and supply chain disruptions added to our challenges, making it a Herculean task to get supplies out in time.



Having completed our Phase 1 expansion, we had to wait to start Phase 2 as our insurance claims got delayed. Having received some funds, we have now started Phase 2 expansion and hope to get ready to meet the enhanced requirements we anticipate from our partners. We hope to set up the new plant by the beginning of October, 2022, a delay of 3 months from our already delayed original plan. There is much to do and anticipate this year as we enter a high-capacity phase of the company. Our focus will continue to be on the oil field sector as we bid for three very large long-term projects.

OVERALL PERFORMANCE:

We were able to close the year with a volume/value figure of 6637 tons/ ₹ 114.63 Crore around 18% higher in value terms compared to the 2020-21. We were able to retain almost all our customers, especially the Oilfield customers, and added new customers too, in spite of the production constraints.

For the financial year 2022-23, we are targeting a growth of 32% in volume terms and 43% in value terms over the actual sales figures for FY 2021-22.

Despite the hurdles, we expect to maintain the volume-value growth tempo in the upcoming quarters, and look forward to a significantly better FY 2022-23.

VERTICAL-WISE PERFORMANCE:

AGRO: In the Agro vertical, the sales were lower by around 40% in volume terms. This is due to the disruption of export business for the bio-pesticide emulsifiers, which normally account for nearly 40-50% of the business in this segment. This business was disrupted by the twin factors of slowdown in the European countries due to Covid and the non-availability of the basic Neem based active ingredient. In the coming year we hope to get new businesses as we plan to introduce new speciality emulsifiers which are import substitutes, used for Suspension-Concentrate agro formulations.

CONSTRUCTION: In this segment we are coming out of the low-value commodity superplasticizers and our focus will be on the polyurethane single component water-proofing sealant. We have just refurbished the reactor that was damaged. We expect the sales to restart from April'22.

HOME & PERSONAL CARE: This is one of the focus segments, and in this vertical in FY 2021-22 we have achieved a growth of around 50% in volume and nearly 100% in value terms over the previous year. The Solubilizers business for export customers has increased, and will grow further, as we should be getting good volumes in the coming year also. We have put efforts to get Kosher and Halal certificates by consistently maintaining the standards, fulfilling all audit criteria. Also we have been able to produce almost nil free-ethylene-oxide products for this segment.

OILFIELD: This is a key business segment as it contributes the most to our total annual turnover every year. We have posted an increase of 25% in value terms (₹ 47.89 Crore in FY 2021-22 against ₹ 38.36 Crore in FY 2020-21) as we negotiated and succeeded in obtaining the required price rise due to the increased raw material prices. Also we started exports to newer countries including Argentina, Africa and Saudi Arabia in FY 2021-22. For the coming year we have high volume tenders in the pipeline and we have our order book full for Q1. Commercialisation of a new product is likely soon.

PAINTS & COATINGS: In the Paints & Coatings segment, one of our focus segments, our performance has been good with a growth of 30%, despite the many hurdles in raw material prices. New customers were added during the year. Offtake by the distributors also has stabilised, as the economy opened up after the pandemic.

RAYON: The resumption of demand for viscose fabrics for fashion garments and tyre cord applications after the pandemic slowdown has resulted in a growth of 80% in this segment. We demanded and obtained price increase from the major units due to the higher input costs.

SIZING CHEMICALS: The Sizing sector is looking up and we have registered a growth of 45% over the previous year. We could also get a breakthrough with a major unit in the Surat hub, though we have competition from Taiwan suppliers.

TEXTILE AUXILIARIES & SPIN FINISH: There are production constraints for the products of this segment, mainly the textile softeners. This segment will be a low focus segment.

Though we have witnessed a growth in the volumes and value in the sales of the Spin Finish for nylon yarn in FY22, it has been decided that we temporarily exit this business till our full capacities are restored.

KEY FINANCIAL RATIOS:

Details of significant changes in key financial ratios alongwith explanation thereof are provided in Note 45A of Notes to financial statements as per Schedule III.

CHANGES IN CAPITAL STRUCTURE:

During the financial year under review there was no change in the authorized and paid-up share capital of the Company.

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 Goseichemicals (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 Goseichemicals (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 also attached to the financials.

DIRECTORS AND KMP:

The Members of the Company by special resolutions passed through postal ballot dated March 25, 2022 had re-appointed Mrs. Shernaz Vakil (DIN: 00002519) as Chairperson & Managing Director of the Company and Ms. Meher Vakil (DIN: 07778396) as Whole-time Director of the Company, liable to retire by rotation for a period from April 1, 2022 to March 31, 2025.

Mr. Adi Jehangir 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 for re-appointment, he has offered himself for re-appointment. The Board of Directors recommends his 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 62nd Annual General Meeting.

The Members of the Company had appointed Mr. Kavas Patel and Mr. Keki Elavia as Independent Directors to hold office upto the conclusion of 63rd Annual General Meeting, not liable to retire by rotation and appointed Mr. Ashok Hiremath as Independent Director of the Company to hold office upto the conclusion of 65th Annual General Meeting, not liable to retire by rotation. All 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 2021-22, Mr. Shailesh Chauhan resigned as a Chief Financial Officer (CFO) of the Company w.e.f. closing of business hours of October 31, 2021. Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors, at its meeting held on October 29, 2021, appointed Mr. Farokh Gandhi as Chief Financial Officer (CFO) of the Company w.e.f. November 1, 2021.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2022 are Mrs. Shernaz Vakil, Chairperson & Managing Director, Ms. Meher Vakil, Whole-time Director, Mr. Farokh Gandhi, Chief Financial Officer and Mr. Ankit Shah, Company Secretary.

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, 2022, 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, 2022 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.



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 were evaluated, taking into account the views of executive directors 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.

DETAILS OF INTERNAL FINANCIAL CONTROLS:

The Board of Directors have laid down Internal Financial Controls (“IFC”) within the meaning of the explanation to Section 134(5)(e) 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.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to Section 135 of the Companies Act, 2013. Details regarding CSR Committee, its composition, terms of reference, policy adopted are provided under the Corporate Governance Report forming part of the Annual Report.

Since the Company ceases to meet the criteria of Section 135(1) of the Companies Act, 2013 for last three consecutive financial years, the provisions for calling CSR Committee meeting, spending and reporting on Corporate Social Responsibility activities are not applicable for FY 2021-22.

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 have been installed at the security gate so that employees, contract workmen and visitor proceed further after proper sanitization & temperature measurement.
- Only important visitors were allowed and all of them were required to share relevant information as per guidelines instructed by the local administration.
- Any employee / visitor coming from other states needed to carry negative RT-PCR report to get entry within the premises. Payment for this test was reimbursed by the organization to the employees.
- COVID-19 positive employees have been quarantined as per the recommendation of concerned doctor and payment for the quarantine period was ensured.
- The company has insured all its employees for COVID-19 treatment. Management has ensured total vaccination of our employees.

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 March 31, 2022, the total number of employees on the payrolls of the company is 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, Chartered Accountants (Firm's Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 57th Annual General Meeting (AGM) held on July 17, 2017 until the conclusion of the ensuing 62nd AGM.

B S R & Co. LLP, Chartered Accountants are eligible to be re-appointed for a further second term of 5 (five) consecutive years, in terms of provisions of Sections 139 and 141 of the Act. Accordingly, the Board of Directors of the Company at their meeting held on May 10, 2022, on the recommendation of the Audit Committee and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the re-appointment of M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), as the Statutory Auditors, for a further period of 5 (five) consecutive years i.e. from the conclusion of the 62nd AGM till the conclusion of 67th AGM of the Company. The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder from B S R & Co. LLP. They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Auditors' Report on the Financial Statements, both Standalone and Consolidated for the year under review does not contain any qualifications, reservations or adverse remarks and forms part of Annual Report.

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 for the F.Y. 2021-22 and the Secretarial Audit Report is annexed herewith as 'Annexure I'.

The Board of Directors of the Company have appointed M/s. Vinod Kothari & Company, Practicing Company Secretaries, as the Secretarial Auditor of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 to conduct an audit of the secretarial records for the financial year 2022-23. Company has received consent from M/s. Vinod Kothari & Company to act as the Secretarial Auditor of the Company for the financial year 2022-23.

COST AUDITORS:

As per Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audits) 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, 2023. 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, 2023 is being placed at the 62nd AGM.



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 Recertification Audit of ISO 14001:2018 & OHSAS ISO 45001:2018.

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 coming from other state need to carry negative RT-PCR report. The company has insured all its employees for COVID-19 treatment. Management has ensured total vaccination of our employees.

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 and planned Mock drills are conducted to train the employees.

Every year Safety week is celebrated from 4th March to 10th 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 and Zero pollution.

Ensure safe and healthy working environment within worksite by safe work practice to prevent injury and ill-health.

Engage People on worksite in EHS matter through effective Participation and consultation.

Elaborate firefighting system comprising of alarm systems, manual call points, sprinkler systems, pressurized fire hydrant system to handle emergencies.

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.

Separate environment cell equipped monitoring laboratory facility operate to carry environment monitoring function.

Complied with all legal and other obligations concerning environment, health safety. Our commitment to manufacturing of products in a safe and environmentally conscious manner is paramount.

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 2100 KL/month.

INDUSTRIAL RELATIONS:

The Industrial relations at Dahej and Kurkumbh Plants remained cordial and amicable during the financial year 2021-22.

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 for F.Y. ended March 31, 2022, as required to be disclosed under the Act, is annexed as ‘Annexure II’

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. As per the Regulation 23(4) of the SEBI (Listing Obligations and Disclosures Requirement) Regulation 2015, the Company sought approval of shareholders in the 61st Annual General Meeting, by passing necessary resolution for material related party transaction to be entered during the financial year 2021-22.

The approval of members is being sought for Material Related Party Transactions for Sale of Goods to ChampionX Dai-ichi India Private Limited 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) of the Companies Act, 2013, the Annual Return is uploaded on the website of the Company - <http://www.dai-ichiindia.com/investors>.

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.

RISK MANAGEMENT POLICY:

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.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Vigil Mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder and the SEBI Listing Regulations is implemented through the Vigil Mechanism/ Whistle Blower Policy of the Company to enable the Directors and employees to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee.

Vigil Mechanism/ Whistle Blower Policy of the Company is available on the Company's website and can be accessed at website of Company at www.dai-ichiindia.com.

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 of during the year 2021-22;

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

CREDIT RATING:

The Company's Banking loan facilities are rated by CRISIL Rating Limited (CRISIL). The ratings given by CRISIL for Short term borrowings and long-term borrowings of the Company are reaffirmed as CRISIL A4+ and CRISIL BB/Stable respectively. There was no revision in the said ratings during the year under review.

TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO IEPF:

The dividend amount for the Financial Year 2014-15 remaining unclaimed shall become due for transfer on July 30, 2022 to the Investor Education and Protection Fund established by the Central Government in terms of Section 124 of the Companies Act, 2013 on expiry of 7 (Seven) years from the date of its declaration.

The Company has sent reminders to all such shareholders at their registered addresses for claiming the unpaid/unclaimed dividend, which will be transferred to IEPF in the due course, details of which are also uploaded on the website of the company- www.dai-ichiindia.com.



SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS:

During the financial year under review, there were no significant and material orders passed by the regulators or courts or tribunals which impact the Company's going concern status and its operations in the future.

PROCEEDINGS UNDER INSOLVENCY & BANKRUPTCY CODE:

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

ONE-TIME SETTLEMENT:

The requirement to disclose the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

COMPLIANCE WITH SECRETARIAL STANDARDS:

During the financial year under review, the Company has complied with the applicable Secretarial Standards as amended and issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

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 2022-23.

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 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, 2022

Mrs. Shernaz Vakil

Chairperson & Managing Director

Ms. Meher Vakil

Whole-time Director

**ANNEXURE 'I' TO THE DIRECTORS' REPORT
FORM NO. MR- 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 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 having 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, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2022 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, minutes books, forms and returns filed and other records maintained by **Dai-ichi Karkaria Limited** for the financial year ended on 31st March, 2022 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;
 - (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) Other applicable Acts/ Laws applicable to the Company as identified by the Management of 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. Adequate notice was given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance before the meeting, 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 which commensurate with the size, scale 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 specific events/actions that 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.

For Kaushik M. Jhaveri & Co.,

Kaushik M. Jhaveri
Practising Company Secretary
FCS No.: 4254
CP No.: 2592
UDIN: F004254D000261161

Date: May 5, 2022

Place: Mumbai

**Annexure - A to Secretarial Audit Report of
Dai-ichi Karkaria Limited for the year ended 31st March, 2022**

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

1. Air (Prevention and Control of Pollution) Act, 1981;
2. Water (Prevention and Control of Pollution) Act, 1974;
3. Central Goods and Services Tax Act, 2017; Gujarat Goods and Services Tax Act, 2017; Maharashtra Goods and Services Tax Act, 2017;
4. Collection of Statistics Act, 2008 and Central Rules, 1959;
5. Contract Labour (Regulation and Abolition) Act, 1970;
6. Employees Compensation Act, 1923;
7. Employees State Insurance Act, 1948 & Employees State Insurance (General) Regulations, 1950 & Employees State Insurance (Central) Rules, 1950;
8. Employment Exchange (Compulsory Notification of Vacancies) Act, 1959;
9. Environment (Protection) Act, 1986;
10. EPF Act read with EPFS, EPS and EDLIS (RPFC);
11. Factories Act, 1948;
12. Gujarat Fire Prevention and Life Safety Measures Act, 2013;
13. Gujarat Labour Welfare Fund Act, 1953;
14. Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017;
15. Income Tax Act, 1961;
16. Maharashtra Electricity Duty Act, 2016;
17. Maharashtra Labour Welfare Fund Act, 1953;
18. Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017;
19. Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975;
20. Maternity Benefit Act, 1961;
21. Minimum Wages Act, 1948;
22. Petroleum Act, 1934;
23. Payment of Bonus Act, 1965;
24. Payment of Wages Act, 1936;
25. Payment of Gratuity Act, 1972;
26. Private Security Agencies (Regulation) Act, 2005 and Gujarat Private Security Agencies Rules, 2007;
27. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 & Rules, 2013;
28. The Motor Vehicles Act, 1988;
29. Apprentices Act, 1961;
30. Legal Metrology Act, 2009.

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 31st March, 2022**

**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. Wherever 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: F004254D000261161**

Date: May 5, 2022

Place: Mumbai

ANNEXURE 'II' 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 2022.

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. Bio mass briquettes started using as fuel from March 21 to mitigate risks of unavailability of quality coal and to improve the steam/fuel ratio.
- iv. Steam and water leaks are arrested on priority.
- v. Boiler feed water is heated by adding steam condensate from nearby steam drain point.
- vi. Vacuum pump water cooling arrangement is done in the PPD plant and EO plant to recirculate the same water for use.

(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 | 2021-22 | 2020-21 |
|-----------|-------------------------------------|------------------|-----------|
| A. | Power and fuel consumption | | |
| 1. | ELECTRICITY | | |
| (a) | Purchased | | |
| | Units (KWH) | 35,13,397 | 34,76,146 |
| | Purchased cost of units (₹) | 252.45 | 244.43 |
| | Rate per unit purchased | 7.19 | 7.03 |
| (b) | Own generation | | |
| (i) | Through Diesel Generator | | |
| | No of units Generated (KWH) | 88348 | 32843.9 |
| | Diesel Oil consumed (KL) | 33.969 | 38.16 |
| | Cost of Diesel Oil consumed (₹) | 31.34 | 29.01 |
| | Cost of Diesel/Unit generated (₹) | 35.47 | 88.32 |
| (ii) | Through Steam Turbine Generator | NIL | NIL |
| 2. | COAL USED | | |
| | No of Units consumed (MT) | 2583.584 | 2348.330 |
| | Purchase cost (₹) | 270.4173 | 170.00 |
| | Rate per unit (₹/MT) | 10.47 | 7.24 |
| 3. | FURNACE OIL | | |
| | Furnace oil consumed (KL) | 97.336 | 106.710 |
| | Cost of Furnace oil consumed (₹) | 44.30 | 32.87 |
| | Average rate (₹/Lt.) | 45.51 | 30.81 |
| 4. | BIO-FUEL BRIQUETTES | | |
| | Bio fuel briquettes consumed (MT) | 248.877 | NIL |
| | Cost of B.F. briquettes consumed(₹) | 35.11 | NIL |
| | Average rate (₹/MT) | 14.11 | NIL |



| B | Consumption per unit of production in MT | | |
|---|--|---------------|---------|
| | Electricity-KWH/Ton | 574.89 | 529.812 |
| | Furnace Oil -(Lt./ Ton) | 15.54 | 16.112 |
| | Briquettes – (Ton / Ton) | 0.04 | NIL |
| | Coal - (Ton/Ton) | 0.412 | 0.355 |

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 customer - specific products are developed for Agrochemicals Industry. These are specialized products based on Alkyl Polyglucoside, EO-PO based high molecular weight copolymers, specialty phosphates & sulfates. In the field of Personal & Home care few value added products were developed like, Liquid thickener, Fabric conditioner etc. Specialty Acrylic thickener for textile and paints, Emulsifiers for spice industries, Vegetable oil-based wetting agent for paint industry, Polymeric additive for Cement industry, Inorganic ester-based product for Lube oil are some of the new ranges of products added to our portfolio.
- ii. **Oilfield upstream:** Pour point depressants are a key part of our upstream oilfield portfolio. We have been able to make a breakthrough in a key deep-water PPD application for one of our largest customer. We expect to commercialize the product in FY 22-23. We have also focused on upgradation and optimization of existing pour point depressants using alternate raw materials, which are available locally. We have made newer products in the emulsion breaker and corrosion inhibitor segment, some of which are already at the field trial stage.
- iii. **Oilfield Chemicals downstream:** Key downstream have been developed as per the customers' requirements. These downstream products include Green Retarders, Lubricity Improvers for Diesel (Regular synthetic Ester based and Naphthalene depleted), Asphaltene Dispersants, PPDs for Gas Condensates, Diesel PPDs, and Metal Passivators. We have been able to upscale the lubricity improver and green retarder and made commercial supplies. We hope to take our partnership with our customers even further in these areas. We have also been able to develop a pour point depressant for the downstream segment and expect commercialization in FY 22-23.
- iv. **Few products** - processes were modified to make those cost effective to suit customer requirement as also products were reformulated as APEO free. Some of the products are already commercialized.

2. Benefits derived from research and development projects:

These R&D activities have enabled us to penetrate newer markets and regions. The activities have resulted into higher volume of business and improving the market share in various areas. A conscious effort was made to optimize input costs by optimizing the process at R&D, pilot, and plant stage. The company was able to identify and eliminate 19 redundant legacy products. This helped the company to free its capacity and reduce raw material inventory, without adversely impacting the topline.

3. Future Plan of research & development activities:

R&D will continue to focus on the development of new products in the areas of agro, paints & coatings, personal care and oil field – both upstream and downstream.

4. Expenditure on R&D during the year:

Capital- ₹ Nil

Recurring- ₹ 104.25 Lakhs

Total R&D expenditure as a percentage of turnover: 0.87 %

5. Technology absorption, adaptation, and Innovation:

The EU norms now require <0.2 ppm of free EO in all incoming products to the European Union. Our R&D team developed an in-house process to minimize the free EO in our food emulsifier products, augmented by the precision of the Buss Technology (Swiss). This helped the company increase confidence level amongst key customers and substantially improve the market share.

The company was able to identify and eliminate 19 redundant legacy products. This helped the company free capacity and reduce RM inventory, without adversely impacting the topline.

III. Foreign Exchange Earning and Outgo:

Foreign Exchange received: ₹ 5453.13 Lakhs

Foreign Exchange paid for imports and other remittance: ₹ 2156.83 Lakhs

CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors’ Report of the Company for the year 2021-22.

CORPORATE GOVERNANCE DISCLOSURE

In compliance with Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) 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 31st March, 2022, Board of Directors consisted of 6 (Six) Directors. The Board comprises of a Managing Director, a 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 10th May, 2021, 13th August, 2021, 29th October, 2021 and 11th February, 2022.

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 31stMarch 2022 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. |
|--|-------------------------|------------------------|---------------------------------------|---|---|
| Promoter- Executive Directors | | | | | |
| 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 | 1 | Nil | Nil |
| Promoter- Non Executive Director | | | | | |
| Mr. Adi Jehangir (DIN: 00001752) | 2 | Yes | Nil | Nil | Nil |
| Independent Non – Executive Directors | | | | | |
| Mr. Ashok Hiremath (DIN: 00349345) | 4 | Yes | 1 | 0/1 | Non-Executive Director: Astec LifeSciences Limited (His designation was changed from Managing Director to Non-Executive Director w.e.f 1.4.2022.) |
| 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 | 6 | 4/3 | Independent Director: <ul style="list-style-type: none"> • Britannia Industries Limited • Grindwell Norton Limited • The Bombay Dyeing and Manufacturing Company Limited • Sterling & Wilson Renewable Energy Limited |

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 is relative of any other director.

Mrs. Shernaz Vakil holds 37,69,179 (50.58%) and Mr. Adi Jehangir holds 100 (0.001%) Equity Shares of the Company. No other Director holds any shares in the Company. The Company has not issued any convertible instruments.

Familiarisation Programme for Independent Directors:

Details of familiarization programmes imparted to the 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/Familiarization-Programme_2021-22-1.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.

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 10th May, 2022 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 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 | Shernaz Vakil | Meher Vakil | Adi Jehangir | Ashok Hiremath | Kavas Patel | Keki Elavia |
|-----------------------|---------------|-------------|--------------|----------------|-------------|-------------|
| 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"> Board Structure - qualifications, experience and competencies Meetings – regularity, frequency, agenda, discussion and recording of minutes Functions – strategy, governance, compliances, evaluation of risks, stakeholder value and responsibility, conflict of interest Accounting systems - Integrity of accounting and financial reporting systems, independent audit, Internal Financial Controls. | <ul style="list-style-type: none"> Professional qualifications and experience Knowledge, skills and competencies Fulfillment of functions, ability to function as a team Attendance Commitment, contribution, integrity and independence. <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"> Mandate and composition Effectiveness of the Committee Structure of the Committee Meetings – regularity, frequency, agenda, discussion and dissent, recording of minutes Independence of the Committee from the Board and contribution to decisions of the Board |

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 10th May, 2021, 13th August, 2021, 29th October, 2021 and 11th February, 2022.

The attendance at the Audit Committee Meetings is as under:

| Name of the Director | No. of meetings attended |
|----------------------|--------------------------|
| Mr. Kavas Patel | 4 |
| Mr. Keki Elavia | 4 |
| Mr. Ashok Hiremath | 4 |

The Statutory auditors, Internal auditors, Chairperson & Managing Director and Whole-time Director of the Company are invitees to 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 14th June, 2021, 24th June 2021 and 5th August, 2021, details of attendance are as follows:

| Name of the Director | No. of meetings attended |
|----------------------|--------------------------|
| Mr. Adi Jehangir | 3 |
| Mrs. Shernaz Vakil | 3 |
| Mr. Kavas Patel | 0 |
| Mr. Ashok Hiremath | 0 |
| 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, 2022.

(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 10th May, 2021, 13th August, 2021, 29th October, 2021 and 11th February, 2022. The attendance at the Nomination and Remuneration Committee is as under:

| Name of the Director | No. of meetings attended |
|----------------------|--------------------------|
| Mr. Kavas Patel | 4 |
| Mr. Ashok Hiremath | 4 |
| Mr. Keki Elavia | 4 |
| Mrs. Shernaz Vakil | 4 |

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.

Since the Company ceases to meet the criteria of Section 135(1) of the Companies Act, 2013 for last three consecutive financial years, the provisions for calling CSR Committee meeting, spending and reporting on Corporate Social Responsibility activities are not applicable for FY 2021-22.

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) of the Company. The amount of performance incentive is based on the performance criteria of CMD & WTD during the financial year 2021-22 evaluated by the Nomination and Remuneration Committee and Board of Directors.

Following are the details of remuneration paid for the financial year ended 31st March, 2022:

(Amount in ₹)

| Particulars | Mrs. Shernaz Vakil | Ms. Meher Vakil |
|----------------------------------|---|--------------------|
| Salary | 96,60,000 | 79,35,000 |
| Perquisites | 96,12,900 | 46,03,028 |
| Performance Linked Incentive | 33,00,000 | 19,00,000 |
| Total | 2,25,72,900 | 1,44,38,028 |
| Service Contract / Notice Period | Term of 3 years w.e.f. 1 st April, 2019 to 31 st March, 2022/ 3 months' notice period | |

b) Non-Executive Directors:

The Company only pays sitting fees to the non-executive Directors and 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 | 1,00,000 | - |
| Mr. Ashok Hiremath | 2,00,000 | 1,40,000 |
| Mr. Kavas Patel | 2,00,000 | 1,40,000 |
| Mr. Keki Elavia | 2,00,000 | 1,40,000 |
| Total | 7,00,000 | 4,20,000 |

* No sitting fees are paid for the meetings of the Stakeholders Relationship Committee.

5. a) GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

| Financial year | Date | Time (IST) | Location |
|----------------|-----------|------------|--|
| 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 |
| 2020 – 2021 | 26.8.2021 | 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. B.M. Sorabji as an Independent Director. |

b) POSTAL BALLOT: Pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of the resolutions passed during financial year 2021-22 by way of Postal Ballot are as follows:

A. The Company obtained approval of shareholders for following Special Resolutions;

1. Re-appointment of Mrs. Shernaz Vakil (DIN: 00002519) as Chairperson and Managing Director of the Company for a period from April 1, 2022 to March 31, 2025, including her terms of re-appointment and remuneration.
2. Re-appointment of Ms. Meher Vakil (DIN: 07778396) as Whole-time Director of the Company for a period from April 1, 2022 to March 31, 2025, including her terms of re-appointment and remuneration.

Details of voting pattern of the above mentioned resolutions are as under:

| Resolution No. | Total number of valid votes | Votes in favour of the resolution | | Votes against the resolution | |
|----------------|-----------------------------|-----------------------------------|---------------------|------------------------------|---------------------|
| | | No. of votes | Percentage of votes | No. of votes | Percentage of votes |
| 1 | 48,10,659 | 48,10,656 | 100% | 3 | 0% |
| 2 | 48,10,659 | 48,10,656 | 100% | 3 | 0% |

All the aforesaid resolutions were passed with requisite majority.



- B.** The Board of Directors had appointed Ms. Vinita Nair (Membership No. F10559 and COP No. 11902), Senior Partner, M/s Vinod Kothari & Company, Practising Company Secretaries as Scrutinizer for conducting the remote e-voting process in a fair and transparent manner. As per the MCA Circulars and on account of the threats posed by the COVID-19 pandemic, physical copies of the Postal Ballot Notice, Postal Ballot form, and prepaid business reply envelopes were not sent to Members for the said Postal Ballot Meeting and a facility was extended for the Members to cast their vote only through remote e-voting. For those Members whose email IDs were not available, a Public Notice with regard to the Company's Postal Ballot Notice was published along with the public notice declaring the details of completion of dispatch of Postal Ballot Notice and other requirements as mandated under the Act and applicable Rules.

The scrutinizer submitted the report, after completion of the scrutiny, the results of voting by Postal Ballot were announced by the Company on March 25, 2022 and were sent to the Exchange and displayed on the Company's website. The date of passing of the aforesaid resolutions have been deemed to be on March 25, 2022, last date of remote e-voting period.

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-2.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, newspapers.
- Website of the company is www.dai-ichiindia.com.
- Exclusive email id for investor correspondence/grievance redressal is investor@dai-ichiindia.com.
- No presentations have been made to institutional investors or to analysts.
- The Management Discussion and Analysis Report forms part of Directors' Report.

8. GENERAL SHAREHOLDER INFORMATION:

A. Annual General Meeting:

| | |
|-----------------------|--|
| Date, Time and Venue: | Wednesday, June 29, 2022 at 11:30 a.m. (IST) through VC/OAVM pursuant to the MCA Circular dated May 5, 2020, January 13, 2021, December 14, 2021 and May 5, 2022. Deemed Venue for Meeting: Registered office of the Company at Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai- 400020. |
|-----------------------|--|

B. Financial Calendar (tentative):

| | |
|---|--|
| Financial Year: | 1st April 2022 to 31st March 2023 |
| First Quarter Results: | Second week of August, 2022 |
| Half Yearly Results: | Second week of November, 2022 |
| Third Quarter Results: | Second week of February, 2023 |
| Audited results for the year ending 31 st March, 2023: | Fourth week of May, 2023 |

C. Dividend Payment Date:

The Board of Directors of the Company have not recommended any dividend for the financial year ended 31st March, 2022.

D. Listing on Stock Exchanges

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

Payment of Annual Listing Fee:

The Company had paid the annual listing fees for the financial year 2022-23

E. Stock Code -

526821

Demat ISIN Number for NSDL & CDSL

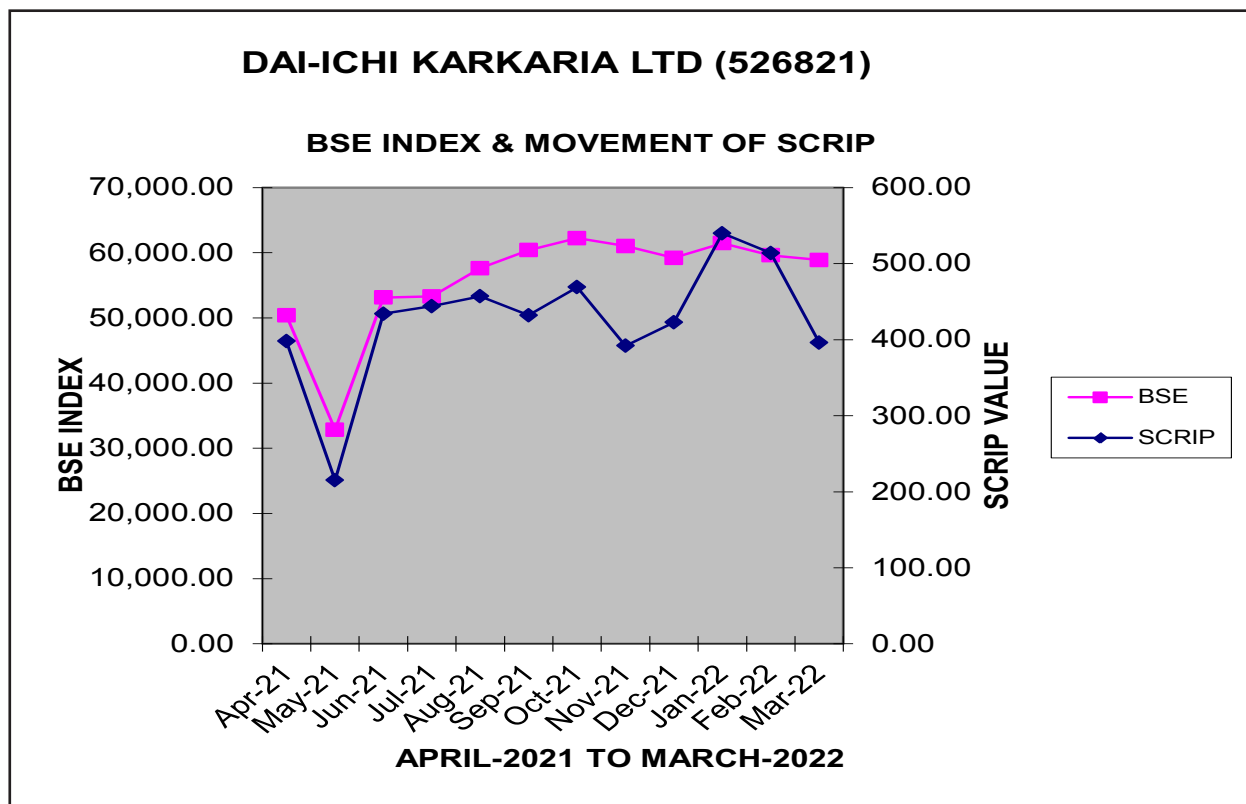
INE928C01010

F. Market Price Data:

High/Low Share price of the Company during the last financial year 2021-22 on BSE Limited. (Face value ₹ 10/-)

| Month | High (₹) | Low (₹) |
|----------------|----------|---------|
| April 2021 | 397.90 | 294.15 |
| May 2021 | 425.00 | 360.00 |
| June 2021 | 434.00 | 361.10 |
| July 2021 | 444.00 | 389.00 |
| August 2021 | 457.00 | 365.00 |
| September 2021 | 432.10 | 383.00 |
| October 2021 | 469.00 | 375.10 |
| November 2021 | 392.00 | 335.05 |
| December 2021 | 422.75 | 335.10 |
| January 2022 | 539.80 | 382.20 |
| February 2022 | 514.00 | 335.00 |
| March 2022 | 395.90 | 345.00 |

G. Stock performance:



H. 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
mt.helpdesk@linkintime.co.in

Telephone No.

E-mail address:

I. Share Transfer System:

As per Regulation 40 of SEBI 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 and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

**J. Distribution of Shareholding as on 31st March, 2022:**

| No. of shares slab | Number of shareholders | (%) of shareholders | Number of shares | (%) of shares |
|--------------------|------------------------|---------------------|------------------|---------------|
| upto to 100 | 3436 | 58.81 | 182523 | 2.45 |
| 101 to 200 | 824 | 14.10 | 144455 | 1.94 |
| 201 to 500 | 876 | 14.99 | 314815 | 4.23 |
| 501 to 1000 | 342 | 5.85 | 264887 | 3.56 |
| 1001 to 5000 | 301 | 5.15 | 637874 | 8.56 |
| 5001 to 10000 | 33 | 0.57 | 243235 | 3.26 |
| 10001 to 100000 | 24 | 0.41 | 532912 | 7.15 |
| 100001 to above | 7 | 0.12 | 5130528 | 68.85 |
| TOTAL | 5843 | 100 | 7451229 | 100 |

K. Shareholding Pattern as on 31st March, 2022:

| Categories of Shareholders | | No. of shares held | % |
|----------------------------|--|--------------------|---------------|
| A | Promoters Holding | | |
| | Indian Promoters | 4759822 | 63.88 |
| | Foreign Promoters | Nil | Nil |
| | Persons acting in concert | Nil | Nil |
| | Sub Total | 4759822 | 63.88 |
| B | Non-Promoters Holding | | |
| | Institutional Investors: | | |
| (i) | Mutual Funds and UTI | Nil | Nil |
| (ii) | Alternate Investment Funds | 32423 | 0.44 |
| (iii) | Banks, Financial Institutions, Insurance Companies | Nil | Nil |
| (iv) | FIs | Nil | Nil |
| | Sub Total | 32423 | 0.44 |
| | Others: | | |
| (i) | Private Corporate Bodies | 293789 | 3.94 |
| (ii) | Indian Public(including HUF) | 2159102 | 28.98 |
| (iii) | NRIs | 121333 | 1.63 |
| (iv) | Any other (Clearing Members & IEPF) | 84760 | 1.14 |
| | Sub Total | 2658984 | 35.68 |
| | GRAND TOTAL | 7451229 | 100.00 |

L. Dematerialization of shares:

As on 31st March 2022, 73,49,103 equity shares representing 98.63% 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.

M. Plant locations:

- A. D – 2/20, GIDC – II, Dahej, Vagra,
District Bharuch, Gujarat – 392130.
- B. Kurkumbh Industrial Area, Plot No.D-13
Village Kurkumbh, Tal Daund, Dist Pune-413105.

N. 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 - 4918606
Fax: 022 - 4918 6060
E-mail: rnt.helpdesk@linkintime.co.in

Compliance Officer of the Company is
Mr. Ankit Shah (Company Secretary)
3rd Floor, Liberty Building,
S. V. T. Marg, New Marine Lines,
Mumbai – 400 020
Tel: 022-69117130
Email: investor@dai-ichiindia.com

- O:** 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.
- P:** 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.
- Q:** The Company's Banking loan facilities are rated by CRISIL Rating Limited (CRISIL). The ratings given by CRISIL for Short term borrowings and long-term borrowings of the Company are reaffirmed as CRISIL A4+ and CRISIL BB/Stable respectively.

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-1.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 5, 2022 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 Accountant, Statutory Auditor of the Company during the financial year ended 31st March, 2022 is given below;

| Particulars | Amount (₹ in lakhs) |
|---|---------------------|
| Statutory Audit fees | 20 |
| Other Services including quarterly review and certification | 15.05 |
| Reimbursement of expenses | NIL |
| Total | 35.05 |

- The Company paid ₹ 4 Lakhs to B K Khare & Co., Chartered Accountant, towards tax audit of the Company for FY 2020-21, during the financial year ended 31st March, 2022.
- Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for the financial year ended 31st March, 2022;

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

- The Company and its subsidiary has not taken or given any loans and advances to firms/Companies/ Body Corporates in which directors are interested or deemed to be interested by name and account.
- 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 Personnel. 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 Senior Management Personnel 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

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) 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 31st March, 2022 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 | Adi Hirji Jehangir | 00001752 | 19/02/1986 |
| 2 | Shernaz Firoze Vakil | 00002519 | 26/02/1979 |
| 3 | Kavas Dara Patel | 00002634 | 26/04/2001 |
| 4 | Keki Manchershya Elavia | 00003940 | 22/02/2011 |
| 5 | Ashok Vishwanath Hiremath | 00349345 | 09/09/2020 |
| 6 | Meher Firoze Vakil | 07778396 | 01/04/2019 |

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 my 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: F004254D000261225

Date: May 5, 2022
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, 2022, 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:F010559D000277331
Peer Review Certificate No.: 781/2020**

**Place: Mumbai
Date: May 6, 2022**

ANNEXURE I LIST OF DOCUMENTS

1. Signed Minutes (except for last meeting) and Agenda papers of:
 - Board Meetings;
 - Audit Committee Meetings;
 - Nomination and Remuneration Committee Meetings;
 - Stakeholders Relationship Committee Meetings;
 - Independent Director Meeting Minutes;
 - Annual General Meeting and Postal Ballot;
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 2021-22;
8. Details of other directorship as reflecting in Director’s Master Data on MCA and stock exchange filing for corporate governance;

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 2022, 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 2022, and loss and other comprehensive loss, 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matter

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.

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>Revenue Recognition</p> <p>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.</p> <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> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. 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. 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. Examined the underlying documents, which included sales invoices/contracts and dispatch/shipping documents for the selected transactions. Assessed the manual journals posted in the revenue ledger to identify any unusual items. |

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’ Responsibility 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 and 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 judgment 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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

1. As required by the Companies (Auditors' Report) Order, 2020 ("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.

2. (A) As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid standalone financial statements.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The 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.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone 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:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 34 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i)The management has represented that, to the best of its knowledge and belief, as disclosed in note 45E to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - e. The management has represented, that, to the best of its knowledge and belief, as disclosed in note 45E to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - f. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.
 - g. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
- (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) of the Act which are required to be commented upon by us.

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

Farhad Bamji
Partner
Membership No: 105234
UDIN: 22105234AITFQG2981

Mumbai
10 May 2022



Annexure A to the Independent Auditor's Report on the Standalone Financial Statements (Referred to in our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148 (1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST'). According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (₹ in lakhs) | Period to which the amount relates | Forum where dispute is pending | Remarks if any |
|---|----------------------------------|------------------------|------------------------------------|---|----------------|
| Income Tax Act, 1961 | Income tax, interest and penalty | 29.81 | FY 2005-06 | High Court | - |
| Income Tax Act, 1961 | Income tax, interest and penalty | 1.84 | FY 2006-07 | DCIT | - |
| Income Tax Act, 1961 | Income tax, interest and penalty | 245.06 | FY 2008 -09 | CIT(A) | - |
| Income Tax Act, 1961 | Income tax, interest and penalty | 239.43 | FY 2008-09 | CIT(A) | - |
| Income Tax Act, 1961 | Income tax, interest and penalty | 13.09 | FY 2010-11 | AO | - |
| Income Tax Act, 1961 | Income tax, interest and penalty | 25.32 | FY 2011-12 | DCIT | - |
| Income Tax Act, 1961 | Income tax, interest and penalty | 19.78 | FY 2012-13 | CIT(A) | - |
| Income Tax Act, 1961 | Income tax and interest | 5.85 | FY 2016-17 | CIT(A) | - |
| Income Tax Act, 1961 | Income tax and interest | 72.52 | FY 2017-18 | CIT(A) | - |
| Service Tax under Finance Act | Service Tax | 54.45 | FY 2008-09 to FY 2011-12 | High Court | - |
| Service Tax under Finance Act | Service Tax | 61.68 | April 2013 to June 2017 | Addl. Commissioner Central Excise and Service Tax | - |
| The Central Sales Tax Act, 1956 and The Maharashtra Value Added Tax Act, 2002 | Tax and Interest thereon | 9.73 | FY 2014-15 | Joint Commissioner of State Tax | - |
| The Central Sales Tax Act, 1956 | Tax and Interest thereon | 4.84 | FY 2017-18 | Joint Commissioner of State Tax | - |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or joint venture as defined under the Act. Accordingly, clause 3(ix)(e) of the order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture as defined under the Act. Accordingly, clause 3(ix)(f) of the order is not applicable.



- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) and 3(xvi)(b) of the Order is not applicable.
- (b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses of ₹ 931 lakhs in the current financial year and there is no cash loss in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 of the Act, are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Farhad Bamji
Partner
Membership No: 105234
UDIN: 22105234AITFQG2981

Mumbai
10 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of Dai-Ichi Karkaria Limited for the year ended 31 March 2022

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 2022 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 2022, 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

Farhad Bamji
Partner
Membership No: 105234
UDIN: 22105234AITFQG2981

Mumbai
10 May 2022

Standalone Balance Sheet as at 31 March 2022

(₹ in lakhs)

| Particulars | Note No. | As at 31 March 2022 | As at 31 March 2021 |
|--|----------|------------------------|------------------------|
| A. ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| (a) Property, plant and equipment | 4 | 10,535 | 10,455 |
| (b) Capital work-in-progress | 4 | 205 | 49 |
| (c) Intangible assets | 4 | 2 | 6 |
| (d) Financial assets | | | |
| (i) Investments in Subsidiary & Joint Venture | 5(a) | 68 | 68 |
| (ii) Other Investments | 5(b) | 1 | 1 |
| (iii) Other non-current financial assets..... | 6 | 253 | 281 |
| (e) Deferred tax assets (net) | 7 | 1,056 | 1,056 |
| (f) Non current tax assets (net) | 8 | 434 | 414 |
| (g) Other non-current assets | 9 | 33 | 85 |
| Total non-current assets | | 12,587 | 12,415 |
| CURRENT ASSETS | | | |
| (a) Inventories | 10 | 2,281 | 2,447 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 16 | 416 |
| (ii) Trade receivables | 12 | 1,763 | 2,377 |
| (iii) Cash and Cash Equivalents | 13 | 183 | 1,159 |
| (iv) Bank balances other than (iii) above | 14 | 402 | 379 |
| (v) Other financial assets | 15 | 101 | 159 |
| (c) Assets held for sale..... | 4 | 54 | 54 |
| (d) Other current assets | 16 | 1,996 | 2,307 |
| Total current assets | | 6,796 | 9,298 |
| Total assets | | 19,383 | 21,713 |
| B. EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share capital | 17 | 745 | 745 |
| (b) Other equity | 18 | 12,200 | 14,112 |
| Total equity | | 12,945 | 14,857 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19(a) | 407 | 2 |
| (ii) Other financial liabilities..... | 19(b) | 79 | 80 |
| (b) Provisions | 20 | 191 | 155 |
| (c) Other non-current liabilities..... | | - | - |
| Total non-current liabilities | | 677 | 237 |
| CURRENT LIABILITIES | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 21 | 1,765 | 2,016 |
| (ii) Trade payables | | | |
| Total outstanding dues of Micro Enterprises and Small Enterprises | 22 | 243 | 127 |
| Total outstanding dues to other than Micro Enterprises and Small Enterprises | 22 | 2,734 | 3,754 |
| (iii) Other financial liabilities | 23 | 270 | 479 |
| (b) Other current liabilities..... | 24 | 613 | 112 |
| (c) Provisions..... | 25 | 136 | 131 |
| Total current liabilities | | 5,761 | 6,619 |
| Total equity and liabilities | | 19,383 | 21,713 |

Notes forming part of the Standalone financial statements

1-52

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

Farhad Bamji

Partner

Membership No: 105234

Place : Mumbai

Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited

CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and

Managing Director

(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer

Membership No. 47573

Meher Vakil

Director

(DIN: 07778396)

Ankit Shah

Company Secretary

Membership No. A35008

Place : Mumbai

Date : 10 May 2022



Standalone Statement of Profit and Loss for the year ended 31 March 2022

| Particulars | Note No. | Year ended | |
|---|----------|----------------|----------------|
| | | 31 March, 2022 | 31 March, 2021 |
| (₹ in lakhs) | | | |
| Income | | | |
| Revenue from operations..... | 26 | 12,184 | 9,742 |
| Other income..... | 27 | 608 | 629 |
| Total income..... | | 12,792 | 10,371 |
| Expenses | | | |
| Cost of materials consumed..... | 28 | 8,565 | 7,011 |
| Changes in inventories of finished goods, semi finished goods and work-in-progress..... | 29 | 355 | (277) |
| Employee benefits expense..... | 30 | 1,541 | 1,476 |
| Finance costs..... | 31 | 149 | 920 |
| Depreciation and amortisation expense..... | 32 | 680 | 851 |
| Other expenses..... | 33 | 3,560 | 2,887 |
| Total expenses | | 14,850 | 12,868 |
| Loss before tax & exceptional items..... | | (2,058) | (2,497) |
| Exceptional items (Refer Note 49) | | | |
| Loss by Fire..... | | - | (4,932) |
| Interim insurance claim received..... | | 400 | - |
| Profit on sale of land (Net)..... | | - | 13,147 |
| (Loss) / Profit after exceptional items and before tax..... | | (1,658) | 5,718 |
| Tax expenses | | | |
| Current tax..... | | - | 770 |
| Deferred tax (net)..... | | - | (31) |
| Total tax expenses | | - | 739 |
| (Loss) / Profit for the year | | (1,658) | 4,979 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit and loss | | | |
| Remeasurements of post-employment benefit obligation..... | | (30) | 22 |
| Income tax related to items that will not be reclassified to profit or loss.... | | - | (6) |
| Other comprehensive income for the year, (net of income tax)..... | | (30) | 16 |
| Total comprehensive income for the year..... | | (1,688) | 4,996 |
| Earnings per equity share Basic and Diluted (of ₹ 10/- each) | 38 | (22.25) | 66.83 |
| Notes forming part of the Standalone financial statements | 1-52 | | |
| 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

Farhad Bamji
Partner
Membership No: 105234

Place : Mumbai
Date : 10 May 2022

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

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

Farokh P Gandhi
Chief Financial Officer
Membership No. 47573

Meher Vakil
Director
(DIN: 07778396)

Ankit Shah
Company Secretary
Membership No. A35008
Place : Mumbai
Date : 10 May 2022

DAI-ICHI KARKARIA LIMITED

Standalone Statement of Changes in Equity for the Year ended 31 March 2022

A - Equity share capital

(₹ in lakhs)

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
|---|----------------------|--------|----------------------|--------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares of ₹ 10/- each with voting rights | | | | |
| Balance at the beginning of the reporting year | 7,451,229 | 745 | 7,451,229 | 745 |
| Changes in equity share capital during the year | - | - | - | - |
| Balance at the end of the reporting year | 7,451,229 | 745 | 7,451,229 | 745 |

B - Other Equity

(₹ in lakhs)

| 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 2020 | 77 | 2,594 | 16 | 519 | 5,985 | (74) | 9,117 |
| Profit for the year | - | - | - | - | 4,979 | - | 4,979 |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | - | 16 | 16 |
| Total Comprehensive Income for the year | - | - | - | - | 4,979 | 16 | 4,995 |
| Transactions with owners of the Company | | | | | | | |
| Dividend on Equity Shares | - | - | - | - | - | - | - |
| Dividend Distribution Tax | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | 77 | 2,594 | 16 | 519 | 10,964 | (58) | 14,112 |
| Loss for the year ended | - | - | - | - | (1,658) | - | (1,658) |
| Other Comprehensive Income/(Expense) for the year (net of tax) | - | - | - | - | - | (30) | (30) |
| Total Comprehensive Income/(Expense) for the year | - | - | - | - | (1,658) | (30) | (1,688) |
| Transactions with owners of the Company | | | | | | | |
| Dividend on Equity Shares | - | - | - | - | (224) | - | (224) |
| Balance as at 31 March 2022 | 77 | 2,594 | 16 | 519 | 9,082 | (88) | 12,200 |

Notes forming part of the Standalone financial statements
As per our report of even date attached.

1-52

For B S R & Co. LLP

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

Farhad Bamji

Partner
Membership No: 105234

Place : Mumbai
Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited
CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and
Managing Director
(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer
Membership No. 47573

Meher Vakil

Director
(DIN: 07778396)

Ankit Shah

Company Secretary
Membership No. A35008

Place : Mumbai
Date : 10 May 2022



Standalone Statement of Cash Flow for the year ended 31 March 2022

(₹ in lakhs)

| Particulars | For the year ended 31 March, 2022 | For the year ended 31 March, 2021 |
|---|--------------------------------------|--------------------------------------|
| A) Cash Flow from Operating Activities: | | |
| (Loss)/Profit after exceptional items before tax | (1,658) | 5,718 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation | 680 | 851 |
| Loss of Property, plant and equipment affected by fire | - | 4,326 |
| Loss of inventories by fire | - | 581 |
| Profit on sale of land (net) | - | (13,147) |
| Profit on sale of investments (net) | (2) | (1) |
| Profit on sales of property, plant and equipment | (3) | (1) |
| Liabilities no longer payable written back | (86) | - |
| Inventory assets written off during the year | 35 | 10 |
| Net loss on Investments at fair value through profit and loss | *. | - |
| Provision for impairment of investment in subsidiary | - | 2 |
| Provision for non-moving inventories | 12 | 5 |
| Provision for doubtful trade receivables | 6 | 14 |
| Profit on revaluation of investments | - | (11) |
| Bad debts written off | 125 | - |
| Dividend income | (169) | (140) |
| Interest income | (29) | (191) |
| Interest expenses | 149 | 920 |
| Interim payment received from Insurance claim | 400 | - |
| Unrealised foreign currency loss/(gain) on revaluation (net) | (8) | - |
| Subtotal of Adjustments | 1,110 | (6,782) |
| Operating (Loss)/Profit before working capital changes | (548) | (1,064) |
| Changes in working capital: | | |
| Adjustments for increase/decrease in: | | |
| (Decrease)/Increase in trade receivables | 440 | (349) |
| (Decrease)/Increase in loans, other financial assets and other assets | 479 | (88) |
| (Decrease)/Increase in inventories | 119 | (1,004) |
| (Decrease)/Increase in trade payable, other financial liabilities and other liabilities | (825) | 1,109 |
| Increase/(Decrease) in provisions | 42 | (6) |
| Subtotal of Adjustments | 255 | (338) |
| Cash generated from operations | (293) | (1,402) |
| Add: Income tax refund/(paid) | (19) | (752) |
| Cash Flow before extraordinary items | (312) | (2,154) |
| Adjusted extraordinary items | - | - |
| Net cash used in operating activities | (312) | (2,154) |
| B Cash Flow from Investing Activities: | | |
| Purchases of property, plant and equipment | (1,087) | (74) |
| Sale of property, plant and equipment | 5 | 10 |
| Proceed from sale of land | - | 13,097 |
| Advance against asset held for sale | 480 | - |
| Movement in earmarked accounts - unpaid dividend accounts | 2 | - |

Standalone Statement of Cash Flow for the year ended 31 March, 2022 (Contd.)

(₹ in lakhs)

| Particulars | For the year ended 31 March, 2022 | For the year ended 31 March, 2021 |
|---|--------------------------------------|--------------------------------------|
| Proceeds from sale of current investments | 403 | (300) |
| Interim payment received from Insurance claim | (400) | - |
| Movement in bank deposits having maturity of more than 3 months | (26) | (100) |
| Dividend received | 169 | 140 |
| Interest received | 29 | 191 |
| Net Cash used in/generated from investing activities | (425) | 12,964 |
| C Cash Flow from Financing Activities: | | |
| Repayment towards non-current borrowings (net) | (2) | (2,035) |
| Proceeds from non-current borrowings (net) | 407 | - |
| Repayment of current borrowings (net) | (251) | (6,776) |
| Dividends and corporate dividend tax paid | (224) | - |
| Interest paid | (149) | (920) |
| Net cash used in financing activities | (219) | (9,731) |
| D Net (Decrease)/Increase in cash and cash equivalents (A+B+C) | (956) | 1,079 |
| E Cash and cash equivalents as at beginning of the year | 1,159 | 79 |
| Net comprehensive expense | (30) | - |
| Add: Effect of exchange differences on cash and cash equivalents held in foreign currency | 10 | 1 |
| F Cash and cash equivalents as at end of the year (D+E) (Refer Note 13) | 183 | 1,159 |

* 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 2021) | 2 | 2,016 | 2,018 |
| Add : Proceeds during the year | - | 407 | 407 |
| Less : Repayment during the year | 2 | 251 | 253 |
| Closing Balance (as at 31 March 2022) | 1 | 2,172 | 2,172 |

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

Farhad Bamji

Partner
Membership No: 105234

Place : Mumbai
Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited
CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and
Managing Director
(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer
Membership No. 47573

Meher Vakil

Director
(DIN: 07778396)

Ankit Shah

Company Secretary
Membership No. A35008

Place : Mumbai
Date : 10 May 2022



Notes forming part of the Standalone financial statements for the year ended 31 March 2022

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 (Gujarat) 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 2022. 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 2022(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 utilize 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.

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.



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in standalone 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 standalone 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 standalone 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 standalone 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 standalone 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 2022(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 standalone statement of 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, except few assets transferred from Kasarwadi plant to Dahej plant which continue to be depreciated using diminishing value 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 standalone statement of profit or loss as incurred.



Notes forming part of the Standalone financial statements for the year ended 31 March 2022(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 standalone 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 realisable 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 standalone 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 standalone standalone statement of profit and loss. Past service cost is recognised in the standalone 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 2022(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 standalone statement of 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 2022(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 standalone statement of profit and loss as current tax. The Company recognises 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 2022(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 standalone 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.

Notes forming part of the Standalone financial statements for the year ended 31 March 2022(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 2021 | Additions | Deductions | As at 31 March 2022 | As at 31 March 2022 | As at 31 March 2021 |
| A. Tangible Assets | | | | | | |
| Leasehold Land | 1,233 | - | - | 1,233 | 82 | 1,151 |
| Buildings Residential | 46 | - | - | 46 | 36 | 10 |
| Buildings: Non Residential | | | | | | |
| Own lease | 3,395 | 229 | - | 3,624 | 544 | 3,080 |
| Road | 585 | - | - | 585 | 202 | 383 |
| Plant & Machinery | 7,274 | 512 | - | 7,786 | 2,215 | 5,571 |
| Furniture & Fixtures | 186 | - | - | 186 | 69 | 117 |
| Laboratory, Office and Factory Equipment and Air conditioners | 326 | 9 | - | 335 | 149 | 186 |
| Vehicles | 117 | 5 | 2 | 120 | 95 | 25 |
| Scientific Research- Capital Expenditure : | | | | | | |
| Buildings - Non Residential | 1 | - | - | 1 | * - | 1 |
| Plant & Machinery | 7 | - | - | 7 | 4 | 3 |
| Furniture & Fixtures | * - | - | - | * - | * - | * - |
| Laboratory, Office and Factory Equipment and Air conditioners | 9 | - | - | 9 | * - | 9 |
| Total Tangible Assets | 13,179 | 755 | 2 | 13,932 | 3,396 | 10,535 |
| B. Intangible Assets | | | | | | |
| Computer Software | 38 | - | - | 38 | 36 | 2 |
| Total | 13,217 | 755 | 2 | 13,970 | 3,432 | 10,537 |
| C. Capital Work- in-Progress | | | | | | |
| (Refer note 45 (C) for Schedule III disclosure) | | | | | | |
| | | | | | | 205 |
| | | | | | | 10,742 |
| | | | | | | 10,510 |

* Amount below Rupees One Lakh

Notes

1) Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Company

2) The Company intends to dispose off its land parcel at Pune with Book Value of ₹ 54 lakhs (31 March 2021 ₹ 54 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale".

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 2022 (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 |
| A. Tangible Assets | | | | | | | | |
| Assets taken on lease | | | | | | | | |
| 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 |
| Scientific Research-Capital Expenditure : | | | | | | | | |
| Buildings - Non Residential | 1 | - | - | 1 | * - | * - | - | * - |
| Plant & Machinery | 7 | - | - | 7 | 4 | * - | - | 3 |
| Furniture & Fixtures | * | - | - | * - | * - | * - | * - | * - |
| Laboratory, Office and Factory Equipment and Air conditioners | 9 | - | - | 9 | - | * - | - | 9 |
| Total Tangible Assets | 17,664 | 309 | 4,793 | 13,179 | 2,334 | 846 | 458 | 10,455 |
| B. Intangible Assets | | | | | | | | |
| Computer Software | 38 | - | - | 38 | 28 | 5 | - | 6 |
| Total | 17,702 | 309 | 4,793 | 13,217 | 2,362 | 851 | 458 | 10,461 |
| C. Capital Work-in-Progress (Refer note 45 (C) for Schedule III disclosure) | | | | | | | | |
| | | | | | | | | 49 |

*Amount below Rupees One Lakh

Notes

- 1) Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Company
- 2) The Company intends to dispose off its land parcel at Pune with Book Value of ₹ 54 lakhs (31 March 2021 ₹ 54 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale".
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 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 5(a). Investments - Non-current | | |
| In Equity Shares, Unquoted (at cost) | | |
| In Subsidiary and Joint Venture | | |
| (i) Dai-Ichi Gosei Chemicals (India) Limited 48,500 shares (31 March 2021 : 48,500 shares) | 5 | 5 |
| (ii) ChampionX Dai-Ichi India Private Limited (formerly known as Nalco Champion Dai-Ichi India Private Ltd.) 1,125,000 shares (31 March 2021 : 1,125,000 shares) | 68 | 68 |
| | 73 | 73 |
| Less : Provision for diminution in value of investment - Investment in Equity Shares of Dai-Ichi Gosei Chemicals (India) Limited..... | (5) | (5) |
| Total | 68 | 68 |
| 5(b). Other Investments | | |
| (a) Unquoted : | | |
| The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss) | | |
| 4,000 shares (31 March 2021 : 4,000 shares) | 1 | 1 |
| | 1 | 1 |
| 6. Financial Assets - Non-current | | |
| (Unsecured and considered good) | | |
| To parties other than related parties | | |
| Security Deposits | 253 | 273 |
| Margin Money Deposits with maturity greater than 12 months..... | - | 8 |
| Total | 253 | 281 |
| 7. Deferred tax assets (net) | | |
| Deferred Tax Assets | | |
| Insurance claim receivable..... | 953 | 1,064 |
| Retirement benefits..... | 106 | 95 |
| Loss allowance on trade receivables..... | 13 | 11 |
| Bonus..... | 13 | 10 |
| MAT Credit entitlement..... | 42 | 42 |
| Income tax loss..... | 1,374 | 795 |
| Indexation of land..... | - | 5 |
| Others..... | 14 | 5 |
| Total deferred tax assets (a) | 2,515 | 2,027 |

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Deferred tax liabilities | | |
| Property, plant and equipment and Intangible assets | 1,015 | 969 |
| Fair valuation of investments | 2 | 2 |
| Total deferred tax liabilities (b) | 1,017 | 971 |
| Net deferred tax assets (a-b) | 1,498 | 1,056 |
| Deferred tax assets recognised (net) (Refer note 46 and 47)..... | 1,056 | 1,056 |
| 8. Non Current Tax Assets | | |
| (Unsecured, considered good) | | |
| Advance Tax (Net of provision ₹ Nil lakhs (31 March 2021 : ₹ 4,362 lakhs)) | 434 | 414 |
| Total | 434 | 414 |
| 9. Other non current assets | | |
| (Unsecured, considered good) | | |
| Balance with Government Authorities | 4 | 83 |
| Prepaid expenses | 29 | 2 |
| Total | 33 | 85 |
| 10. Inventories | | |
| (At lower of cost and net realisable value) | | |
| Raw Materials (including goods-in-transit ₹ 93 Lakhs ;31 March 2021 ₹ 157 Lakhs) | 1,069 | 950 |
| Packing material..... | 64 | 58 |
| Work-in-progress..... | 50 | 26 |
| Finished Goods (including goods-in-transit ₹ 223 Lakhs; 31 March 2021 ₹ 346 Lakhs) | 657 | 852 |
| Semi finished goods..... | 260 | 444 |
| Spare and consumables..... | 181 | 117 |
| Total | 2,281 | 2,447 |
| Note: Inventories are hypothecated against cash credit facility from bank | | |
| 11. Current investments | | |
| (a) In equity instruments (at fair value through profit and loss) | | |
| (i) Quoted: | | |
| 2,412 shares (31 March 2021: 2,412 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited..... | 11 | 9 |
| 8,100 shares (31 March 2021: 8,100 shares) of ₹ 10 each fully paid up in Bank of India..... | 4 | 5 |
| 2,000 shares (31 March 2021: 2,000) of ₹ 2 each in Bharat Seats Limited..... | 1 | 1 |
| (ii) Unquoted | | |
| 1,000 shares (31 March 2021: 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited..... | * | * |
| 2,500 shares (31 March 2021: 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited..... | * | * |



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

| Particulars | (₹ in lakhs) | |
|---|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| (b) In Mutual funds (at fair value through profit and loss) | | |
| Quoted Mutual Funds : | - | 401 |
| Total | 16 | 416 |
| 1) Aggregate cost of quoted investments | 16 | 416 |
| 2) Aggregate market value of listed and quoted investments | 16 | 416 |
| * Amount below Rupees One Lakh | | |
| Note (i) Investment in Mutual Funds (Current Investments) | | |
| 12. Trade receivables (unsecured) | | |
| Considered good | 1,763 | 2,377 |
| Considered doubtful | 46 | 39 |
| Less :- Loss allowance | (46) | (39) |
| Total | 1,763 | 2,377 |
| (i) Of the above, dues include amount due from related parties ₹ 93 lakhs (31 March 2021: ₹ 253 lakhs) | | |
| (ii) Trade Receivables include ₹ 234 lakhs (31 March 2021: ₹ 385 lakhs) due from the one customer. | | |
| (iii) Trade receivables are hypothecated as Security for Borrowings | | |
| (iv) Ageing of Trade receivable is disclosed in Note 45 D for schedule III disclosure. | | |
| 13. Cash and cash equivalents | | |
| Cash on Hand | * - | * - |
| Balances with Banks | | |
| (i) In current accounts | 100 | 1,112 |
| (ii) In Exchange Earners Foreign Currency (EEFC) account | 81 | 45 |
| (iii) Deposits with maturity of less than three months | 2 | 2 |
| Total | 183 | 1,159 |
| * Amount below Rupees One Lakh | | |
| 14. Bank balances other than cash and cash equivalents | | |
| Unpaid dividend | 15 | 17 |
| Deposits with original maturity of more than three months but less than 12 months (Balances held as margin money against guarantees and other commitments) | 387 | 362 |
| Total | 402 | 379 |
| 15. Other financial assets - current (unsecured, considered good) | | |
| From parties other than related parties: | | |
| Export Incentive receivable | 101 | 159 |
| Interest Receivable on investments and deposits | * - | * - |
| Total | 101 | 159 |
| * Amount below Rupees One Lakh | | |

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|--|---------------------|--------------|---------------------|--------------|
| | Number of shares | Amount | Number of shares | Amount |
| 16. Other current assets | | | | |
| (unsecured, considered good) | | | | |
| Prepaid expenses | | 263 | | 344 |
| Advance to suppliers | | 127 | | 96 |
| Advance to employees | | *- | | 1 |
| Balances with government authorities | | 1,606 | | 1,866 |
| i) Cenvat credit receivable | | 1 | | 1 |
| ii) GST | | 1,592 | | 1,843 |
| iii) VAT | | *- | | *- |
| iv) Duty drawback receivable | | 13 | | 22 |
| Total | | 1,996 | | 2,307 |

* Amount below Rupees One Lakh

17. Share capital

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
|---|----------------------|------------|----------------------|------------|
| | Number of shares | Amount | Number of shares | Amount |
| (A) Authorised | | | | |
| Equity shares of ₹ 10/- each with voting rights | 10,000,000 | 1,000 | 10,000,000 | 1,000 |
| (B) Issued, Subscribed and fully paid | | | | |
| Equity shares of ₹ 10/- each with voting rights | 7,451,229 | 745 | 7,451,229 | 745 |
| Total | 7,451,229 | 745 | 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, 2022 | | As at 31 March, 2021 | |
|--|----------------------|------------|----------------------|------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | |
| Opening balance | 7,451,229 | 745 | 7,451,229 | 745 |
| Add / (Less): Equity shares issued / bought back during the year | - | - | - | - |
| Closing Balance | 7,451,229 | 745 | 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, 2022 | | As at 31 March, 2021 | | |
|--|-----------------------|-----------|-----------------------|-----------|--------------------------|
| | Number of shares held | % holding | Number of shares held | % holding | % change during the year |
| Equity shares with voting rights | | | | | |
| Mrs. S. F Vakil (Promoter shareholder) | 3,769,179 | 50.58% | 3,769,179 | 50.58% | Nil |

(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. 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 2022(Contd.)

(₹ in lakhs)

18. Other equity

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (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 | 10,964 | 5,985 |
| Add: Profit for the year | - | 4,979 |
| Less : Loss for the year | (1,658) | - |
| | <u>9,306</u> | <u>10,964</u> |
| Less : Dividend to equity shareholders (₹ 3.00 per share) (Previous year ₹ Nil per share) | 224 | - |
| Balance as at the end of the year | <u>9,082</u> | <u>10,964</u> |
| (f) Other items of other comprehensive income / (expenses) | | |
| Balance as at the commencement of the year | (58) | (74) |
| Add: Remeasurements of employment benefit obligation | (30) | 22 |
| Less :Income tax related to items that will not be classified to profit or loss . | - | (6) |
| Balance as at the end of the year | <u>(88)</u> | <u>(58)</u> |
| Total | <u>12,200</u> | <u>14,112</u> |

* Amount below Rupees One Lakh

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. During financial year 2021-22 Company has paid final dividend of ₹ 3 per share in respect of the year ended 31 March 2021.

Notes forming part of the Standalone financial statements for the year ended 31 March 2022(Contd.)

19(a). Non - current financial liabilities - borrowings

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (a) Term loan from banks - Secured | 133 | - |
| (b) Working capital term loan from banks - Secured | 274 | - |
| (c) Vehicle loan from bank - Secured | - | 2 |
| Total | 407 | 2 |

Note (i)

The term loan from Axis Bank is secured by:

- First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable property, plant and equipment of the Company, both present and future at Dahej, Kurkumbh and Ceejay House
- Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including inventories and trade receivables, both present and future.
- Escrow of monthly rental to be received from Ceejay House, property, Worli, Mumbai.
- Rate of interest payable is REPO + 4.5%
- Term loan was applied for the purpose for which the loan was obtained
- Bank returns / stock statements filed by the Company with its bankers are in agreement with books of account.

The working capital term loan from Axis Bank is secured by:

- Second charge on primary and collateral securities as above
- Rate of interest payable is REPO + 4.5%

(₹ in lakhs)

Axis Bank term loan and working capital repayment schedule

| Particulars | Total No of Installment | Outstanding Nos of Installment | Monthly Installment | Principal Loan amount |
|----------------------------------|-------------------------|--------------------------------|---------------------|-----------------------|
| Term loan | | | | |
| Financial Year 2022-23 | - | - | - | - |
| Financial Year 2023-24 | 10 | 10 | 46.25 | 463 |
| Financial Year 2024-25 | 12 | 12 | 46.25 | 555 |
| Financial Year 2025-26 | 12 | 12 | 46.25 | 555 |
| Financial Year 2026-27 | 12 | 12 | 46.25 | 555 |
| Financial Year 2027-28 | 2 | 2 | 46.25 | 92 |
| | | | | 2,220 |
| Working capital term loan | | | | |
| Financial Year 2022-23 | 1 | 1 | 5.83 | 6 |
| Financial Year 2023-24 | 12 | 12 | 5.83 | 70 |
| Financial Year 2024-25 | 12 | 12 | 5.83 | 70 |
| Financial Year 2025-26 | 12 | 12 | 5.83 | 70 |
| Financial Year 2026-27 | 11 | 11 | 5.83 | 64 |
| | | | | 280 |

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 Rupee | Outstanding EMI Nos. |
|----------------|----------------------|--------------------|------------------|----------------------|
| HDFC Bank Ltd. | 38 | 10.00% | 80,740 | 2 |

Note (iii)

Under the package scheme of incentive for industries in backward area, the Company had 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 recognised 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 repaid in financial year 2021-22.

Note (iv)

- Loan from Director of ₹ 120 lakhs carries interest rate of 8.50 % per annum and on new loan of ₹ 200 lakhs, it is agreed that interest is waived for current financial year (vide 11 February 2022 board resolution).



Notes forming part of the Standalone financial statements for the year ended 31 March 2022(Contd.)

Note (v)

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

Note (vi)

(₹ in lakhs)

Current maturities of long term borrowings

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| - Term loans from banks and others | 7 | 9 |
| - Deferred sales tax liabilities | - | 2 |

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

| | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------|------------------------|------------------------|
| Security Deposit..... | 68 | 62 |
| Deferred rent..... | 11 | 18 |
| Total | 79 | 80 |

20. Provision - non current

| | | |
|---------------------------------|------------|------------|
| Provision for employee benefits | | |
| Gratuity..... | 69 | 44 |
| Compensated Absences | 122 | 111 |
| Total | 191 | 155 |

21. Current financial liabilities - borrowings

| | | |
|--|--------------|--------------|
| Loan From Director..... | 321 | 750 |
| Cash credit (secured)..... | 1,437 | 1,255 |
| Total | 1,758 | 2,005 |
| Current maturities of long term borrowings | | |
| - Term loans from banks & others | 7 | 9 |
| - Deferred sales tax liabilities | - | 2 |
| Total | 1,765 | 2,016 |

Note :-

- 1) Loan from Director carries interest rate of 8.50 % per annum
- 2) Cash Credit Facility from Axis Bank is secured by inventories and trade receivables of the Company and First charge of hypothecation/mortgage of entire moveable and immovable fixed assets of the Company both present and future at Dahej and Kurkumbh. Rate of interest payable is 3 months REPO + 4.45%.
- 3) Funds raised on short term basis have not been utilised for long term purposes.

22. Trade payables- Current

| | | |
|--|--------------|--------------|
| i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below) | 243 | 127 |
| ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises | 2,734 | 3,754 |
| Total | 2,977 | 3,881 |

Note

Aging of Trade payable is disclosed in Note 45 B for schedule III disclosure.

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 | 243 | 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 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (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) | 33 | 8 |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | 33 | 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.

23. Other financial liabilities - current

| | | |
|---|------------|------------|
| Unpaid dividends ** | 15 | 17 |
| Interest accrued but not due on Term Loan | * | - |
| Employee benefits payable | 244 | 320 |
| Security deposits | 4 | 4 |
| Payables on purchase of property, plant and equipment | 1 | 131 |
| Deferred rent | 6 | 7 |
| Total | 270 | 479 |

** There are no amounts due for payment to the Investor education and protection fund ("IEPF") under Section 125 of the Companies Act, 2013.

* Amount below Rupees One Lakh

24. Other current liabilities

| | | |
|---|------------|------------|
| Advance from customers..... | 30 | 57 |
| Advance for Asset held for Sale (Refer note 4)..... | 480 | - |
| Payable to statutory authorities (TDS, Provident fund, ESIC)..... | 103 | 55 |
| Total | 613 | 112 |

25. Provisions - current

| | | |
|---------------------------------|------------|------------|
| Provision for Employee Benefits | | |
| Gratuity | 51 | 45 |
| Compensated Absences..... | 85 | 86 |
| Total | 136 | 131 |

26. Revenue from operations

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|--|--|
| (a) Sale of products | 11,945 | 9,610 |
| (b) Sale of services (Job work) | 4 | 10 |
| (c) Other operating revenues (Refer Note (i) below) | 235 | 122 |
| Total | 12,184 | 9,742 |

Notes:

(i) Other operating revenues comprises:

| | | |
|-------------------|------------|------------|
| Scrap sales | 217 | 118 |
| Others | 18 | 4 |
| Total | 235 | 122 |



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

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 2022 | For the year ended 31 March 2021 |
|---|---|-------------------------------------|
| Revenue from contract with customer as per Contract price..... | 12,070 | 9,658 |
| Less: Discounts and other adjustments..... | (96) | (15) |
| Less:- Sales Returns / Credits / Reversals..... | (29) | (33) |
| Revenue from contract with customer as per statement of profit and loss | 11,945 | 9,610 |

Disaggregation of revenue - Revenue from major products

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|---|-------------------------------------|
| R-54560 (Daitrolite PDC 1309 M 45) Pck-180 | 1,359 | 1,341 |
| EC5725A (Lubrad 2021) - Iso Tank | 640 | - |
| Prism EC3535B Pck lbc Tote | 533 | 216 |
| Daitrolite PDL 96 - Pck 900 Kg lbc | 510 | 399 |
| Daitrolite PDL 96 - Pck - Iso Tank | 471 | 460 |
| Noigen Ba 55 Pck 200 | 384 | 250 |
| Others | 8,048 | 6,944 |
| | 11,945 | 9,610 |

27. Other income

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|-------------------------------------|
| Interest income - others (Refer Note (i) below)..... | 29 | 191 |
| Dividend income from | | |
| -Joint venture..... | 169 | 135 |
| -Others..... | *- | 5 |
| Profit on sale of investments..... | 2 | 1 |
| Profit on Revulation of Investments..... | *- | 11 |
| Export Incentive..... | 90 | 131 |
| Rent Received..... | 124 | 124 |
| Profit on sales of property, plant and equipment..... | 3 | 1 |
| Other non-operating Income (Including exchange gain) (Note (ii))..... | 191 | 30 |
| Total | 608 | 629 |
| Note (i) Interest income comprises: | | |
| Interest from banks on deposits | 20 | 18 |
| Others interest (Interest on VAT refund) | 9 | 173 |
| | 29 | 191 |
| Note (ii) Other non-operating Income | | |
| Net gain on foreign currency transactions and translation..... | 100 | 30 |
| Liabilities no longer payable written back..... | 86 | *- |
| Miscellaneous receipts | 5 | - |
| Total | 191 | 30 |

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| 28. Cost of materials consumed | | |
| Opening Stock..... | 1,008 | 903 |
| Add : Purchases..... | 8,690 | 7,116 |
| Less : Closing Stock..... | (1,133) | (1,008) |
| Total | 8,565 | 7,011 |
| Raw Materials consumed comprises of the following: | | |
| Ethylene Oxide | 1,596 | 1,636 |
| Fatty Alcohol, Phenol & Glycol | 1,194 | 1,659 |
| Oils & Fatty Acids | 391 | 261 |
| Acrylamide | 336 | 342 |
| Amines | 177 | 133 |
| Other items | 4,871 | 2,980 |
| Total | 8,565 | 7,011 |
| 29. Changes in inventories of finished goods, semi finished goods and work-in-progress | | |
| Inventories at the end of the year | | |
| Finished goods | 657 | 852 |
| Semi finished goods | 260 | 444 |
| Work-in-progress | 50 | 26 |
| | 967 | 1,322 |
| Inventories at the beginning of the year | | |
| Finished goods | 852 | 806 |
| Semi finished goods | 444 | 223 |
| Work-in-progress..... | 26 | 16 |
| | 1,322 | 1,045 |
| Net decrease/(increase) | 355 | (277) |
| 30. Employee Benefits Expense | | |
| Salaries, wages and bonus | 1,367 | 1,297 |
| Contribution to provident and other funds..... | 96 | 97 |
| Staff welfare expenses | 78 | 82 |
| Total | 1,541 | 1,476 |
| 31. Finance costs | | |
| Interest expenses - On borrowings | 84 | 870 |
| - Others | 65 | 50 |
| Total | 149 | 920 |
| 32. Depreciation and amortisation expense | | |
| Depreciation on Property, plant and equipment..... | 676 | 846 |
| Amortisation of intangible asset | 4 | 5 |
| Total | 680 | 851 |



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| 33. Other expenses | | |
| Consumption of stores and spare parts | 66 | 169 |
| Power and fuel | 710 | 546 |
| Repairs to Buildings..... | - | 7 |
| Repairs to Plant and Machinery | 6 | 89 |
| Repairs to Others | 153 | 72 |
| Effluent Treatment Expenses | 16 | 54 |
| Job work Charges | 424 | 472 |
| Insurance | 282 | 39 |
| Rates and Taxes, excluding, taxes on income | 68 | 144 |
| Traveling Expenses | 66 | 44 |
| Legal and Professional Fees | 151 | 123 |
| Payment to Auditors | | |
| Audit fees | 20 | 20 |
| Tax audit | 4 | 2 |
| Other Services (Limited review) | 15 | 15 |
| Out of Pocket expenses | * - | * - |
| Freight and forwarding on sales | 610 | 407 |
| Commission on sales | 56 | 68 |
| Contract labour charges | 323 | 286 |
| Directors' fees | 11 | 11 |
| Security charges | 63 | 81 |
| Provision for impairment of investment in subsidiary | - | 2 |
| Provision for non-moving inventory | 12 | 5 |
| Inventory assets written off during the year | 35 | 10 |
| Fire related expenses | 129 | 34 |
| Bad debts written off | 125 | - |
| Provision for doubtful trade receivables | 6 | 14 |
| Miscellaneous Expenses | 209 | 173 |
| Total | 3,560 | 2,887 |

* Amount below Rupees One Lakh

34. Contingent Liabilities and Capital Commitments

a) Contingent Liabilities

| Sr. No | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-----------|--|------------------------|------------------------|
| (i) | Claims against the Company not acknowledged as debt: Octroi (classification of raw materials)* * Includes ₹ 142 lakhs (31 March 2021: ₹ 142 lakhs) for which bank guarantee has been given and shown under note below 34 (vi) | 243 | 243 |
| (ii) | Disputed income tax demands in respect of deductions/ disallowances for earlier years pending with Appellate Tribunals (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 | 623 | 550 |
| (iv) | Disputed Sales Tax demands for set off claimed | 15 | 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 | 347 |
| (vii) | Bonds for availing duty exemption under Exemption Entitlement certificate Scheme | 109 | 109 |
| | Total | 1,452 | 1,380 |

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

b) Capital Commitments

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant and equipment (net of advances) | 336 | 222 |

35. 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 2022 ₹ Nil (31 March 2021 : 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, 2022 | | As at 31 March, 2021 | |
|-------------|----------------------|---------------------------|----------------------|----------------|
| | (INR in Lakhs) | Foreign Currency in lakhs | (INR in Lakhs) | (USD in Lakhs) |
| Receivables | 769 | USD 10.33 | 1,051 | USD 15 |
| (Payables) | (250) | USD 3.24 | (201) | USD (3) |
| (Payables) | (23) | CHF 0.29 | - | - |

36. Corporate Social Responsibility expenditure

Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Company for the year ended 31 March 2022.

37. 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

(₹ in lakhs)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| - Contribution to Provident Fund | 81 | 78 |
| - Contribution to Employee State Insurance Corporation | * - | - |
| Total | 81 | 78 |

* Amount below Rupees One Lakh



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (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 2022 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 Company's financial statements as at 31 March 2022

(₹ in lakhs)

| Sr. No. | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------|---|------------------------|------------------------|
| i) | Reconciliation in present value of obligations (PVO) – defined benefit obligation : | | |
| | Current Service Cost..... | 11 | 16 |
| | Interest Cost..... | 9 | 12 |
| | Actuarial (gain)/losses..... | 31 | (19) |
| | Benefits paid..... | (36) | (30) |
| | PVO at the beginning of the year | 171 | 192 |
| | PVO at end of the year..... | 185 | 171 |
| ii) | Change in fair value of plan assets: | | |
| | Expected return on plan assets..... | 5 | 7 |
| | Return on plan assets..... | 1 | 3 |
| | Contributions by the employer..... | 13 | 11 |
| | Benefits paid..... | (36) | (30) |
| | Fair value of plan assets at beginning of the year..... | 96 | 105 |
| | Fair value of plan assets at end of the year..... | 79 | 96 |
| iii) | Analysis of Defined Benefit Obligation : | | |
| | Defined Benefit Obligation at the end of the year..... | 185 | 171 |
| | Provision for protected gratuity..... | 14 | 14 |
| | Fair Value of Plan assets at the end of the year..... | 79 | 96 |
| | Net income for the period recognised in OCI..... | - | - |
| | Net Liabilities recognized in the Balance Sheet..... | 120 | 89 |

Notes forming part of Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Sr. No. | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------|--|---|--|
| | Current / Non current classifications | | |
| | Current | 51 | 45 |
| | Non current | 69 | 44 |
| | Total | 120 | 89 |
| iv) | Reconciliation of PVO and fair value of plan assets: | | |
| | PVO at end of year..... | 185 | 171 |
| | Provision for protected gratuity..... | 14 | 14 |
| | Fair Value of plan assets..... | 79 | 96 |
| | Funded status..... | 79 | 96 |
| | Net (liability) recognised in the balance sheet | 120 | 89 |
| V) | Expense recognised in the statement of profit or loss: | | |
| | Current Service cost | 11 | 16 |
| | Net interest..... | 4 | 5 |
| | Expense recognised in the statement of profit or loss..... | 15 | 21 |
| VI) | Other comprehensive income (OCI): | | |
| | Actuarial Loss/(Gain) recognised for the period..... | 31 | (19) |
| | Return on plan assets excluding interest income..... | (1) | (3) |
| | Total actuarial Loss/(Gain) recognised in OCI..... | 30 | (22) |
| VII) | Assumption used in accounting for the gratuity plan: | | |
| | Discount rate (%) | 5.66% | 5.18% |
| | Expected return on plan assets | 5.66% | 5.18% |
| | Salary escalation rate (%) | 7.00% | 7.00% |
| | Attrition | 21.80% | 21.80% |
| | Mortality Table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives 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 2022 (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 2022 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2018 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Gratuity | | | | | |
| Expected gain / (loss) adjustments on plan liabilities | (33) | 20 | 8 | 34 | 12 |
| Experience gain / (loss) adjustments on plan assets | 1 | 3 | (12) | (7) | 2 |
| Defined Benefits at the end of the year | 185 | 171 | 192 | 257 | 394 |
| Plan Assets at the end of the year | 79 | 96 | 105 | 172 | 315 |
| Funded status Deficit | (107) | (75) | (87) | (84) | (79) |
| Contribution expected to be paid to the plan during next financial year | 51 | 45 | 48 | 30 | 60 |

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 2022 | As at 31 March 2021 |
|--|---------------------------|---------------------------|
| Delta Effect of +1% Change in Rate of Discounting | (4) | (4) |
| Delta Effect of -1% Change in Rate of Discounting | 4 | 4 |
| Delta Effect of +1% Change in Rate of Salary Increase | 4 | 4 |
| Delta Effect of -1% Change in Rate of Salary Increase | (4) | (3) |
| 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

38. Earnings per share (EPS)

(₹ in lakhs)

| Particulars | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|------------|---------|-----------------------------|-----------------------------|
| Loss after tax attributable to equity shareholders | ₹ in lakhs | A | (1,658) | 4,979 |
| 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) | (22.25) | 66.83 |
| Face value per equity share | In ₹ | | 10 | 10 |

39. Dividend paid and proposed:

Dividends on equity shares were declared and paid by the Company during the year

| Particulars | Dividend Per Equity Shares (₹) | Year ended 31 March 2022 | Dividend Per Equity Shares (₹) | Year ended 31 March 2021 |
|---------------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| Final Dividend on Equity Shares | 3 | 224 | - | - |
| Total | - | 224 | - | - |

After the reporting date no dividends were proposed by the board of directors.

40. 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.

Notes forming part of Standalone financial statements for the year ended 31 March 2022 (Contd.)

41. Related party disclosures

| Description of relationship | Names of related parties |
|---|---|
| (i) Subsidiary | Dai-ichi GoseiChemicals (India) Limited (DGCIL) |
| (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) upto 31 October 2021 |
| | x) Mr Farokh P Gandhi (Chief Financial Officer) (FG)w.e.f 1 November 2021 |
| | xi) Mrs. Kavita Thadeshwar (Company Secretary) (KT) upto 10 March 2021 |
| | xii) Mr. Ankit P Shah (Company Secretary) (AS) w.e.f 11 March 2021 |
| (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) Netel (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) |



Notes forming part of Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ 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 |
|---|---------------------|------------|-----|------------------|---|--|---------|
| Purchase of goods: | | | | | | | |
| IOCL | - | - | - | - | 136 | - | 136 |
| | - | - | - | - | (199) | - | (199) |
| GPPL | - | - | - | - | 57 | - | 57 |
| | - | - | - | - | (46) | - | (46) |
| UKL | - | - | - | - | 12 | - | 12 |
| | - | - | - | - | (1) | - | (1) |
| Sale of goods: | | | | | | | |
| CXDI | - | 716 | - | - | - | - | 716 |
| | - | (1,176) | - | - | - | - | (1,176) |
| GPPL | - | - | - | - | 24 | - | 24 |
| | - | - | - | - | (31) | - | (31) |
| Sale of service (Job Work): | | | | | | | |
| IOCL | - | - | - | - | - | - | - |
| | - | - | - | - | (8) | - | (8) |
| Rendering of services/ Reimbursement of expenses: | | | | | | | |
| CXDI | - | 12 | - | - | - | - | 12 |
| | - | (7) | - | - | - | - | (7) |
| IOCL | - | - | - | - | 12 | - | 12 |
| | - | - | - | - | (1) | - | (1) |
| GPPL | - | - | - | - | - | - | - |
| | - | - | - | - | (2) | - | (2) |
| MFV | - | - | - | - | - | - | - |
| | - | - | - | - | (2) | - | (2) |
| Receiving of services/ Reimbursement of expenses : | | | | | | | |
| SFV | - | - | 1 | - | - | - | 1 |
| | - | - | (7) | - | - | - | (7) |
| MFV | - | - | 3 | - | - | - | 3 |
| | - | - | (6) | - | - | - | (6) |
| NIL | - | - | * - | - | - | - | * - |
| | - | - | - | - | - | - | - |
| GPPL | - | - | - | - | - | - | - |
| | - | - | - | - | (2) | - | (2) |
| NPSPL | - | - | 2 | - | - | - | 2 |
| | - | - | - | - | - | - | - |

*Amount below Rupees One Lakh

Notes forming part of Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ 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 |
|--|---------------------|------------|-------|------------------|---|--|-------|
| Rent | | | | | | | |
| SFV | - | - | 30 | - | - | - | 30 |
| | - | - | (29) | - | - | - | (29) |
| Interest Paid | - | - | | | | | |
| SFV | - | - | 13 | - | - | - | 13 |
| | - | - | - | - | - | - | - |
| Remuneration : | | | | | | | |
| SFV | - | - | 226 | - | - | - | 226 |
| | - | - | (212) | - | - | - | (212) |
| MFV | - | - | 144 | - | - | - | 144 |
| | - | - | (126) | - | - | - | (126) |
| SC (upto 31 Oct 2021) | - | - | 31 | - | - | - | 31 |
| | - | - | (42) | - | - | - | (42) |
| FG (w.e.f 1 Nov 2021) | - | - | 24 | - | - | - | 24 |
| | - | - | - | - | - | - | - |
| AS | - | - | 17 | - | - | - | 17 |
| | - | - | (1) | - | - | - | (1) |
| Directors' Sitting Fees : | | | | | | | |
| AHJ | - | - | 1 | - | - | - | 1 |
| | - | - | - | - | - | - | - |
| AMN | - | - | (1) | - | - | - | (1) |
| | - | - | 3 | - | - | - | 3 |
| KP | - | - | (3) | - | - | - | (3) |
| | - | - | 3 | - | - | - | 3 |
| KE | - | - | (3) | - | - | - | (3) |
| | - | - | 3 | - | - | - | 3 |
| AVH | - | - | (2) | - | - | - | (2) |
| | - | - | - | - | - | - | - |
| BS | - | - | (1) | - | - | - | (1) |
| | - | - | - | - | - | - | - |
| Dividend received : | | | | | | | |
| CXDI | - | 169 | - | - | - | - | 169 |
| | - | (135) | - | - | - | - | (135) |
| Loan Taken : | | | | | | | |
| SFV | - | - | 200 | - | - | - | 200 |
| | - | - | - | - | - | - | - |
| Loan Repaid : | | | | | | | |
| SFV | - | - | 625 | - | - | - | 625 |
| | - | - | - | - | - | - | - |
| Balances outstanding at the end of the year | | | | | | | |
| Investments : | | | | | | | |
| CXDI | - | - | - | - | - | - | - |
| | - | (68) | - | - | - | - | (68) |

*Amount below Rupees One Lakh



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ 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 |
|------------------------------|---------------------|------------|------|------------------|---|--|-------|
| Trade receivables: | | | | | | | |
| CXDI | - | 81 | - | - | - | - | 81 |
| | - | (244) | - | - | - | - | (244) |
| IOCL | - | - | - | - | - | - | - |
| | - | - | - | - | (4) | - | (4) |
| GPPL | - | - | - | - | 12 | - | 12 |
| | - | - | - | - | (9) | - | (9) |
| Deposits for office : | | | | | | | |
| SFV | - | - | 32 | - | - | - | 32 |
| | - | - | (32) | - | - | - | (32) |
| Loan Taken : | | | | | | | |
| SFV | - | - | 321 | - | - | - | 321 |
| Trade payable : | | | | | | | |
| CXDI | - | - | - | - | - | - | - |
| | - | (2) | - | - | - | - | (2) |
| IOCL | - | - | - | - | 214 | - | 214 |
| | - | - | - | - | (148) | - | (148) |
| UKL | - | - | - | - | 3 | - | 3 |
| | - | - | - | - | - | - | - |
| NIL | - | - | - | - | * | - | * |
| | - | - | - | - | - | - | - |
| GPPL | - | - | - | - | 16 | - | 16 |
| | - | - | - | - | (11) | - | (11) |

* 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 2022 | Year ended 31 March 2021 |
|---|---------------------------------|--------------------------|
| Sitting fees | 11 | 11 |

Key management personnel compensation

Key management personnel compensation comprised the following :

(₹ in lakhs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------------------------------|---------------------------------|--------------------------|
| Post-employment benefits | 40 | 39 |
| Other long-term benefits | 76 | 75 |

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. 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.

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

42. Interest in joint ventures

| Name and country of incorporation | % of interest / ownership | Amount of interest based on accounts for the year ended 31 March 2022 | | | | | |
|--|---------------------------|---|-------------|--------|-------------|------------------------|---------------------|
| | | Assets | Liabilities | Income | Expenditure | Contingent liabilities | Capital commitments |
| ChampionX Dai-ichi India Private Ltd (India) | 50 | 2,487 | 2,487 | 1,562 | 1,523 | 1,062 | - |
| Previous year | 50 | 2,854 | 2,854 | 2,186 | 1,872 | 1,178 | - |

43. 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 31 March 2022 | | | | | | | |
|--|---------------------|----------|----------------|--------------|------------|----------|----------|-----------|
| | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | 183 | 183 | - | - | - | - |
| Other bank balances | - | - | 402 | 402 | - | - | - | - |
| Current investments | 16 | - | - | 16 | 16 | - | - | 16 |
| Non current investments (other than in subsidiary and joint venture) | - | - | 1 | 1 | - | - | - | - |
| Financial Assets - Non-current | - | - | 253 | 253 | - | - | - | - |
| Trade receivables | - | - | 1,763 | 1,763 | - | - | - | - |
| Other current financial assets | - | - | 101 | 101 | - | - | - | - |
| | 16 | - | 2,704 | 2,720 | 16 | - | - | 16 |
| Financial liabilities | | | | | | | | |
| Non current borrowings (Including current maturity of long term debts) | - | - | 407 | 407 | - | - | - | - |
| Current borrowings | - | - | 1,765 | 1,765 | - | - | - | - |
| Other non current financial liabilities | - | - | 79 | 79 | - | - | - | - |
| Trade payables | - | - | 2,977 | 2,977 | - | - | - | - |
| Other current financial liabilities | - | - | 270 | 270 | - | - | - | - |
| | - | - | 5,498 | 5,498 | - | - | - | - |



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| | As at 31 March 2021 | | | | | | | |
|--|---------------------|----------|----------------|--------------|------------|----------|----------|------------|
| | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | 1,159 | 1,159 | - | - | - | - |
| Other bank balances | - | - | 379 | 379 | - | - | - | - |
| Current investments | 416 | - | - | 416 | 416 | - | - | 416 |
| Non current investments (other than in subsidiary and joint venture) | - | - | 1 | 1 | - | - | - | - |
| Non current loans | - | - | 281 | 281 | - | - | - | - |
| Trade receivables | - | - | 2,377 | 2,377 | - | - | - | - |
| Other current financial assets | - | - | 159 | 159 | - | - | - | - |
| | 416 | - | 4,356 | 4,772 | 416 | - | - | 416 |
| Financial liabilities | | | | | | | | |
| Non current borrowings (Including current maturity of long term debts) | - | - | 2 | 2 | - | - | - | - |
| Current borrowings | - | - | 2,016 | 2,016 | - | - | - | - |
| Other non current financial liabilities | - | - | 80 | 80 | - | - | - | - |
| Trade payables | - | - | 3,881 | 3,881 | - | - | - | - |
| Other current financial liabilities | - | - | 479 | 479 | - | - | - | - |
| | - | - | 6,458 | 6,458 | - | - | - | - |

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 2022 (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 2022, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

| | 31 March 2022 | 31 March 2021 |
|---------------------|----------------------|---------------|
| India | 995 | 1,326 |
| Other regions | 768 | 1,051 |
| | 1,763 | 2,377 |

Impairment

At 31 March 2022, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|----------------------|---------------|
| Neither past due nor impaired | | |
| Past due 1-180 days | 1,660 | 2,368 |
| Past due more than 180 days | 103 | 9 |
| | 1,763 | 2,377 |

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 2022 | 31 March 2021 |
|--|----------------------|---------------|
| Balance as at the beginning of the year..... | 39 | 26 |
| Impairment loss recognised..... | 7 | 13 |
| Amounts written off / (back)..... | - | - |
| Balance as at the end of the year..... | 46 | 39 |

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 2022 (Contd.)

(₹ in lakhs)

| 31 March 2022 | Contractual cash flows | | | |
|---|------------------------|------------|------------------|-----------|
| | Carrying amount | Total | less than 1 year | 1-2 years |
| Non-derivative financial liabilities | | | | |
| Term loan from bank & vehicle loan | 7 | 7 | 7 | - |
| Working capital loan from banks | 1,437 | 1,437 | 1,437 | - |
| Loan From director | 321 | 321 | 321 | - |
| Trade payables | 2,977 | 2,977 | 2,977 | - |
| Other current financial liabilities | 270 | 270 | 270 | - |
| | | | | |
| | | | | |
| 31 March 2021 | Carrying amount | Total | less than 1 year | 1-2 years |
| Non-derivative financial liabilities | | | | |
| Vehicle loan from bank | 11 | 11 | 9 | 2 |
| Working capital loan 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 | 479 | 479 | 479 | - |

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 2022 | 31 March 2021 |
|--|----------------|----------------|
| Fixed-rate instruments | | |
| Financial assets - bonds | - | - |
| Financial liabilities - term loan from bank and vehicle loan | 7 | 11 |
| | (7) | (11) |
| Variable-rate instruments | | |
| Financial liabilities - term loan, working capital demand loan and cash credit | (1,437) | (1,255) |
| | (1,437) | (1,255) |
| Total | (1,444) | (1,266) |

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)

| INR | Profit or loss | | Equity, net of tax | |
|------------------------------------|-----------------|-----------------|--------------------|-----------------|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| 31 March 2022 | | | | |
| Variable-rate instruments | (14) | 14 | (10) | 10 |
| | | | | |
| Cash flow sensitivity (net) | (14) | 14 | (10) | 10 |

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

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

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.

44. 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 2022 was as follows.

(₹ in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|------------------------|------------------------|
| Total Borrowing | 2,172 | 2,018 |
| Less : Cash and cash equivalent | 183 | 1,159 |
| Adjusted net debt | 1,989 | 860 |
| Total equity | 12,945 | 14,857 |
| Net debt to equity ratio | 0.15 | 0.06 |

45 Additional Regulatory information

A Ratios

| Particulars | Numerator | Denominator | Current year | Previous year | % Change | Reason for variance |
|--|--|---------------------------------|--------------|---------------|----------|--|
| Current ratio (in times) | Total current Asset | Total current liabilities | 1.18 | 1.40 | -16% | |
| Debt-Equity ratio (in times) | Debt consist of borrowings | Total equity | 0.17 | 0.14 | 24% | |
| Debt service coverage ratio (in times) | Earning for Debt Service = Net Profit after taxes + Non cash Operating expenses + Interest+ Other non cash adjustments | Debt service = Interest payment | (4.9) | 2.0 | -346% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |
| Return on equity ratio (in %) | Profit for the year | Total equity | -13% | 34% | -138% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

| Particulars | Numerator | Denominator | Current year | Previous year | % Change | Reason for variance |
|---|--|---|--------------|---------------|----------|--|
| Inventory turnover ratio (in times) | Cost of raw material consumed + Changes in inventories | Closing inventory | 3.9 | 2.8 | 42% | Growth in revenue and inventory optimisation improved inventory turnover ratio |
| Trade receivables turnover ratio (in times) | Revenue from Operations | Closing trade receivables | 6.9 | 4.1 | 69% | Increase in ratio due to faster realisation of receivables |
| Trade payables turnover ratio (in times) | Cost of goods sold | Closing trade payables | 2.9 | 1.8 | 59% | Trade Payable turnover ratio improved due to lower trade payables |
| Net capital turnover ratio (in times) | Revenue from Operations | Working capital (ie Total current assets less Total current liabilities) | 11.8 | 3.6 | 223% | Increase in ratio due to decrease in working capital |
| Net profit ratio (in %) | Profit/(Loss) for the year | Revenue from operations | -14% | 51% | -127% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |
| Return on capital employed (in %) | Profit before tax and finance costs | Closing capital employed = Net worth + Current and Non Current Borrowings | -10% | 39% | -125% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |
| Return on investment (in %) | Income generated from invested funds | Invested funds in treasury investments | 5% | 4% | 17% | |

B Trade payable aging schedule :

a) As at 31-March-2022

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|----------------------------|--|------------------|------------|------------|------------------|--------------|
| | Not Due | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 year | Total |
| i) MSME | 61 | 180 | - | 1 | 1 | 243 |
| ii) Disputed MSME | - | - | - | - | - | - |
| iii) Others trade payables | 1,038 | 1,525 | 100 | 39 | 32 | 2,734 |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 1,099 | 1,705 | 100 | 40 | 33 | 2,977 |

b) As at 31-March-2021

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|----------------------------|--|------------------|------------|------------|------------------|--------------|
| | Not Due | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 year | Total |
| i) MSME | - | 127 | - | * - | - | 127 |
| ii) Disputed MSME | - | - | - | - | - | - |
| iii) Others trade payables | 1,944 | 1,728 | 4 | 16 | 62 | 3,754 |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 1,944 | 1,855 | 4 | 16 | 62 | 3,881 |

* Amount below Rupees One Lakh

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

C Capital work in progress aging schedule :

a) As on 31-March 2022

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|------------|------------|-------------------|------------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 years | Total |
| Projects in progress | 205 | - | - | - | 205 |
| Projects temporarily suspended | - | - | - | - | - |
| | 205 | - | - | - | 205 |

No projects are overdue or has exceeded its cost as per original plan as on date of balance sheet

b) As on 31-March 2021

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|------------|------------|-------------------|-----------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 years | Total |
| Projects in progress | 49 | - | - | - | 49 |
| Projects temporarily suspended | - | - | - | - | - |
| | 49 | - | - | - | 49 |

No projects are overdue or has exceeded its cost as per original plan as on date of balance sheet

D Trade receivable aging schedule :

a) As on 31-March 2022

(₹ in lakhs)

| Particulars | Outstanding for following period from due date of payments | | | | | | |
|--|--|--------------------|-------------------|-------------|------------|-------------------|--------------|
| | Not Due | Less than 6 months | 6 months < 1 year | 1 - 2 years | 2 -3 years | More than 3 years | Total |
| 1) Undisputed - considered good | 822 | 838 | 103 | - | - | - | 1,763 |
| 2) Undisputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 3) Undisputed Trade Receivables - credit impaired | 2 | 6 | 5 | 14 | 17 | 2 | 46 |
| 4) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| 5) Disputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 6) Disputed - credit impaired | - | - | - | - | - | - | - |
| | 824 | 844 | 108 | 14 | 17 | 2 | 1,809 |
| Less : Allowance for doubtful trade receivables | | | | | | | (46) |
| | | | | | | | 1,763 |

b) As on 31-March 2021

(₹ in lakhs)

| Particulars | Outstanding for following period from due date of payments | | | | | | |
|--|--|--------------------|-------------------|-------------|------------|-------------------|--------------|
| | Not Due | Less than 6 months | 6 months < 1 year | 1 - 2 years | 2 -3 years | More than 3 years | Total |
| 1) Undisputed - considered good | 1,938 | 430 | 9 | - | - | - | 2,377 |
| 2) Undisputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 3) Undisputed Trade Receivables - credit impaired | 6 | 6 | 4 | 19 | 1 | 3 | 39 |
| 4) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| 5) Disputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 6) Disputed - credit impaired | - | - | - | - | - | - | - |
| | 1,944 | 436 | 13 | 19 | 1 | 3 | 2,416 |
| Less : Allowance for doubtful trade receivables | | | | | | | (39) |
| | | | | | | | 2,377 |



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

E Other Statutory Information

- (i) The Company did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (ii) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
 - (a) Crypto Currency or Virtual Currency
 - (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
 - (c) Registration of charges or satisfaction with Registrar of Companies
 - (d) Approved scheme(s) of Arrangements
 - (e) Number of layers of companies
 - (f) Undisclosed income
 - (g) Revaluation of PPE and intangible assets
 - (h) Title Deeds of immovable properties not held in name of the company
 - (i) Wilful defaulter
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

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 2022 | For the year ended 31 March 2021 |
|---------------------------------------|---|-------------------------------------|
| Current tax | | |
| Current period..... | - | 770 |
| Total Current tax expense..... | | 770 |
| Deferred tax | | |
| Current period..... | - | (31) |
| Total deferred tax expense..... | - | (31) |
| Tax expense for the year | - | 739 |

(ii) Tax recognised in other comprehensive income

(₹ in lakhs)

| | For the year ended 31 March 2022 | | | For the year ended 31 March 2021 | | |
|--|---|-----------------------------------|-------------------|-------------------------------------|----------------------------|------------|
| | Before tax | Tax (expense)/ benefit | Net of tax | Before tax | Tax (expense) / benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurements of the defined benefit plans | (30) | - | (30) | 22 | (6) | 16 |
| | (30) | - | (30) | 22 | (6) | 16 |

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

(B) Reconciliation of effective tax rate

(₹ in lakhs)

| | (%) | For the year ended 31 March 2022 | (%) | For the year ended 31 March 2021 |
|---|--------------|-------------------------------------|-------|-------------------------------------|
| (Loss)/Profit before tax | | (1,658) | | 5,718 |
| Tax using the Company's domestic tax rate (Current year 27.8% and Previous Year 27.8%)..... | 27.8% | (461) | 27.8% | 1,591 |
| Tax effect of: | | | | |
| Unrecognised Deferred Tax assets | | 442 | | - |
| Tax at lower rate | | - | | (152) |
| Unrecognised DTA of earlier years now utilized | | - | | (694) |
| Others | | 19 | | - |
| Recognised in OCI | | - | | (6) |
| | | - | | 739 |

The Company's domestic tax rates for the years ended 31 March 2022 and 31 March 2021 were 27.8%.

47 Income Taxes

(C) Movement in deferred tax assets and liabilities

(₹ in lakhs)

| | 31 March, 2022 | | | | | | | |
|--|-----------------------------|------------------------------------|----------------------|---------------------------------|------------------------------|--------------|-----------------------|---------------------------|
| | Net balance 1 April 2021 | Recognised in profit or loss | Recognised in OCI | Adjusted in Balance Sheet | Unrecognised Deferred Tax | Net | Deferred tax asset | Deferred tax liability |
| Deferred Tax Liabilities: | | | | | | | | |
| Property, plant and equipment and Intangible assets | (969) | - | - | - | (46) | (1,015) | - | (1,015) |
| Investment | (2) | - | - | - | - | (2) | - | (2) |
| Deferred Tax Assets: | | | | | | | | |
| Insurance claim adjusted in tax WDV | 1,064 | - | - | - | (111) | 953 | 953 | - |
| Trade receivables | 11 | - | - | - | 2 | 13 | 13 | - |
| Income tax loss (including depreciation) | 795 | - | - | - | 579 | 1,374 | 1,374 | - |
| Other items | 110 | - | - | - | 23 | 133 | 133 | - |
| Indexed Cost of Land | 5 | - | - | - | (5) | - | - | - |
| MAT credit entitlement | 42 | - | - | - | - | 42 | 42 | - |
| Deferred Tax assets (Liabilities) | 1,056 | - | - | - | 442 | 1,498 | 2,515 | (1,017) |
| Offsetting of deferred tax assets and deferred tax liabilities | | | | | | | (1,017) | 1,017 |
| Net Deferred Tax assets (Liabilities) | 1,056 | - | - | - | - | 1,498 | 1,498 | - |
| Net Deferred Tax assets Recognised in books | - | - | - | - | - | - | 1,056 | - |



Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

| | 31 March 2021 | | | | | | Deferred tax asset | Deferred tax liability |
|--|--------------------------------|------------------------------------|----------------------|---------------------------------|------------------------------|--------------|--------------------|------------------------|
| | Net balance 1 April 2020 | Recognised in profit or loss | Recognised in OCI | Adjusted in Balance Sheet | Unrecognised Deferred Tax | Net | | |
| Deferred Tax Liabilities: | | | | | | | | |
| Property, plant and equipment and Intangible assets | (1,146) | 177 | - | - | - | (969) | - | (969) |
| Investment | (2) | - | - | - | - | (2) | - | (2) |
| Deferred Tax Assets: | | | | | | | | |
| 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 | 118 | (2) | (6) | - | - | 110 | 110 | - |
| Indexed Cost of Land | 454 | (449) | - | - | - | 5 | 5 | - |
| MAT credit entitlement | 87 | - | - | (45) | - | 42 | 42 | - |
| Deferred Tax assets (Liabilities) | 1,076 | 31 | (6) | (45) | - | 1,056 | 2,027 | (971) |
| Offsetting of deferred tax assets and deferred tax liabilities | | | | | | | (971) | 971 |
| Net Deferred Tax assets (Liabilities) | 1,076 | 31 | (6) | (45) | - | 1,056 | 1,056 | - |
| Net Deferred Tax assets Recognised in books | - | - | - | - | - | - | 1,056 | - |

The Company has not recognised deferred tax asset (DTA) on carry forward losses aggregating ₹ 442 lakhs (31 March 2021: ₹ Nil) 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 2022 | As at 31 March 2021 |
|------------------------------------|------------------------|------------------------|
| Non Current tax assets (net)..... | 434 | 414 |
| Current tax assets (net)..... | - | - |
| Current tax liabilities (net)..... | - | - |

48. 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 standalone financial statement upto the date of approval of these standalone financial statements 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 standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

Notes forming part of the Standalone financial statements for the year ended 31 March 2022 (Contd.)

49. 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 had 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 results. 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 has received an interim payment towards insurance claim of ₹ 400 lakhs. The balance claim is under survey and the same would be accounted for when approved by the insurance company.

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

During the previous year, 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 via 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 the standalone financial results.

50. Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Company requiring adjustment or disclosure.

51 The figures for the previous periods have been regrouped / rearranged wherever necessary to conform to the current periods classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021.

52 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

Farhad Bamji

Partner
Membership No: 105234

Place : Mumbai
Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited
CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and
Managing Director
(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer
Membership No. 47573

Meher Vakil

Director
(DIN: 07778396)

Ankit Shah

Company Secretary
Membership No. A35008

Place : Mumbai
Date : 10 May 2022



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 2022, 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 report of other auditor on separate financial statements of such subsidiary audited by the other auditor, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2022, of its consolidated loss and other comprehensive loss, 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 obtained by us along with the consideration of audit report of the other auditor referred to in sub paragraph (a) of the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter

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.

| Key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>Revenue Recognition</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>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> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards. 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. 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. Examined the underlying documents, which included sales invoices/contracts and dispatch/shipping documents for the selected transactions. Assessed the manual journals posted in the revenue ledger to identify any unusual items. |

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 consolidated 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 auditor, 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 Consolidated Financial Statements

The Holding Company's Management and 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 Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and 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 are 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 the Management and Board of Directors of the Holding Company.
- Conclude on the appropriateness of Management and 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 and 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 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 auditor, such other auditor remain responsible for the direction, supervision and performance of the audit 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 Matter' in this audit report. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditor referred to in sub-paragraph (a) of the Other Matter 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

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 164,372 as at 31 March 2022, total revenues (before consolidation adjustments) of ₹ 2,879 and net cash outflows (before consolidation adjustments) amounting to ₹ 66,815 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 report 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 report of the other auditor.

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 report of the other auditor on separate financial statements of such subsidiary as were audited by other auditor, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c) 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.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company and joint venture incorporated in India, none of the directors of the Group companies, its joint venture incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to

our separate Report in “Annexure A”. Reporting on the adequacy of Internal Financial Control over Financial Reporting and the operating effectiveness of such controls, under Section 143(3)(i) of the Act is not applicable to the joint venture in view of the exemption available in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular no. 08/2017 dated 25 July 2017.

- 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 report of the other auditor on separate financial statements of the subsidiary and joint venture, as noted in the ‘Other Matter paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group, and its joint venture. Refer Note 34 to the consolidated financial statements.
 - b. The Group and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary and its joint venture incorporated in India during the year ended 31 March 2022.
 - d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 45E to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company and joint venture company incorporated in India to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Holding Company or its subsidiary company and joint venture company incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed note 45E to accounts, no funds have been received by the Holding Company or its subsidiary company and joint venture company incorporated in India from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company and joint venture company incorporated in India shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
 - e. The dividend declared or paid during the year by the Holding Company and joint venture company incorporated in India is in compliance with Section 123 of the Act. There was no dividend declared or paid by the subsidiary company during the year.
- 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 and based on the report of the statutory auditor of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company 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 and its subsidiary company 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. The joint venture company is not a public company. Accordingly, the provisions of Sec 197 of the Act are not applicable to the joint venture company.

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

Farhad Bamji
Partner
Membership No: 105234
UDIN: 22105234AITFTK6438

Mumbai
10 May 2022



Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements

(Referred to in our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

| Sr. No. | Name of the entities | CIN | Holding Company / Subsidiary/ JV Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|----------------|--|-----------------------|---|---|
| 1 | Dai-Ichi Karkaria Limited | L24100MH1960PLC011681 | Holding Company | Clause 3(xvii) |
| 2 | Dai-Ichi Gosei Chemicals (India) Limited | U24100MH1991PLC059922 | Subsidiary | Clause 3(xvii) and Clause 3(xix) |

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

Farhad Bamji
Partner
Membership No: 105234
UDIN: 22105234AITFTK6438

Mumbai
10 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Dai-Ichi Karkaria Limited for the year ended 31 March 2022

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 as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of Dai-Ichi Karkaria Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company as of that date.

In our opinion, the Holding Company and such company incorporated in India which are its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such company 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 Companies Act, 2013 (hereinafter referred to as "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 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.

Mumbai
10 May 2022

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

Farhad Bamji
Partner
Membership No: 105234
UDIN: 22105234AITFTK6438

Consolidated Balance Sheet as at 31 March 2022

(₹ in lakhs)

| Particulars | Note No. | As at 31 March, 2022 | As at 31 March, 2021 |
|--|----------|-------------------------|-------------------------|
| A. ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| (a) Property, plant and equipment | 4 | 10,535 | 10,455 |
| (b) Capital work-in-progress | 4 | 205 | 49 |
| (c) Intangible assets | 4 | 2 | 6 |
| (d) Financial assets | | | |
| (i) Investments in Subsidiary & Joint Venture | 5(a) | 2,113 | 2,258 |
| (ii) Other Investments | 5(b) | 1 | 1 |
| (iii) Other non-current financial assets..... | 6 | 253 | 281 |
| (e) Deferred tax assets (net) | 7 | 1,056 | 1,056 |
| (f) Non current Tax assets (net) | 8 | 434 | 414 |
| (g) Other non-current assets | 9 | 33 | 85 |
| Total non-current assets | | 14,632 | 14,605 |
| CURRENT ASSETS | | | |
| (a) Inventories | 10 | 2,281 | 2,447 |
| (b) Financial Assets | | | |
| (i) Investments | 11 | 16 | 416 |
| (ii) Trade receivables | 12 | 1,763 | 2,377 |
| (iii) Cash and Cash Equivalents | 13 | 183 | 1,159 |
| (iv) Bank balances other than (iii) above | 14 | 402 | 379 |
| (v) Other financial assets | 15 | 101 | 159 |
| (c) Assets held for sale..... | 4 | 54 | 54 |
| (d) Other current assets | 16 | 1,996 | 2,307 |
| Total Current assets | | 6,796 | 9,298 |
| Total Assets | | 21,428 | 23,903 |
| B. EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| (a) Equity Share capital | 17 | 745 | 745 |
| (b) Other equity | 18 | 14,245 | 16,302 |
| Total equity | | 14,990 | 17,047 |
| Non-controlling Interest | | - | - |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19(a) | 407 | 2 |
| (ii) Other financial liabilities..... | 19(b) | 79 | 80 |
| (b) Provisions | 20 | 191 | 155 |
| (c) Other non-current liabilities..... | | - | - |
| Total non-current liabilities | | 677 | 237 |
| CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 21 | 1,765 | 2,016 |
| (ii) Trade Payables | | | |
| Total outstanding dues of Micro Enterprises and Small Enterprises | 22 | 243 | 127 |
| Total outstanding dues to other than Micro Enterprises and Small Enterprises | 22 | 2,734 | 3,754 |
| (iii) Other financial liabilities | 23 | 270 | 479 |
| (b) Other current liabilities..... | 24 | 613 | 112 |
| (c) Provisions..... | 25 | 136 | 131 |
| Total current liabilities | | 5,761 | 6,619 |
| Total Equity And Liabilities | | 21,428 | 23,903 |

Notes forming part of the Consolidated financial statements

1-52

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

Farhad Bamji
Partner
Membership No: 105234

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

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

Meher Vakil
Director
(DIN: 07778396)

Farokh P Gandhi
Chief Financial Officer
Membership No. 47573

Ankit Shah
Company Secretary
Membership No. A35008

Place : Mumbai
Date : 10 May 2022

Place : Mumbai
Date : 10 May 2022



Consolidated Statement of Profit and Loss for the year ended 31 March 2022

(₹ in lakhs)

| Particulars | Note No. | Year ended 31 March, 2022 | Year ended 31 March, 2021 |
|--|----------|------------------------------|------------------------------|
| Income | | | |
| Revenue from operations..... | 26 | 12,184 | 9,742 |
| Other income..... | 27 | 439 | 494 |
| Total income..... | | 12,623 | 10,236 |
| Expenses | | | |
| Cost of materials consumed..... | 28 | 8,565 | 7,011 |
| Changes in inventories of finished goods, semi-finished goods and work-in-progress | 29 | 355 | (277) |
| Employee benefits expense..... | 30 | 1,541 | 1,476 |
| Finance costs..... | 31 | 149 | 920 |
| Depreciation and amortisation expense..... | 32 | 680 | 851 |
| Other expenses..... | 33 | 3,560 | 2,887 |
| Total expenses..... | | 14,850 | 12,868 |
| (Loss) before tax and exceptional items..... | | (2,227) | (2,632) |
| Exceptional Items | | | |
| Loss by Fire..... | | - | (4,932) |
| Interim insurance claim received..... | | 400 | - |
| Profit on sale of Land (Net)..... | | - | 13,147 |
| (Loss) / Profit after exceptional items and before tax | | (1,827) | 5,583 |
| Tax expenses: | | | |
| Current tax..... | | - | 770 |
| Deferred tax (net)..... | | - | (31) |
| Total tax expenses | | - | 739 |
| (Loss) / Profit for the year..... | | (1,827) | 4,844 |
| Share of Profit in Joint Ventures (net of tax)..... | | 24 | 224 |
| (Loss) / Profit for the year (including Profit in Joint Venture) | | (1,803) | 5,068 |
| Other comprehensive income..... | | | |
| Items that will not be reclassified to profit and loss..... | | | |
| Remeasurements of post-employment benefit obligation..... | | (30) | 22 |
| Income tax related to items that will not be reclassified to profit or loss.... | | - | (6) |
| Share of Profit / (Loss) in Joint Ventures (net of Tax)..... | | 1 | (2) |
| Other comprehensive income/(expense) for the year, (net of income tax)..... | | (29) | 14 |
| Total comprehensive income for the year..... | | (1,832) | 5,082 |
| Earnings per equity share Basic and Diluted (of ₹ 10/- each) | 38 | (24.20) | 68.03 |

Notes forming part of the consolidated financial statements 1-52

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

Farhad Bamji

Partner

Membership No: 105234

Place : Mumbai

Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited

CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and
Managing Director
(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer
Membership No. 47573

Meher Vakil

Director
(DIN: 07778396)

Ankit Shah

Company Secretary
Membership No. A35008

Place : Mumbai

Date : 10 May 2022

**Consolidated Statement of Changes in Equity
for the Year ended 31 March 2022**

A - Equity share capital

(₹ in lakhs)

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
|---|----------------------|--------|----------------------|--------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares of ₹ 10/- each with voting rights | | | | |
| Balance at the beginning of the reporting year | 7,451,229 | 745 | 7,451,229 | 745 |
| Changes in equity share capital during the year | - | - | - | - |
| Balance at the end of the reporting year | 7,451,229 | 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 2020 | 77 | 2,594 | 16 | 519 | 6,759 | 1,326 | (71) | 11,220 |
| Profit for the year | - | - | - | - | 4,844 | 224 | - | 5,068 |
| Other Comprehensive Income for the year (net of tax) | - | - | - | - | - | (2) | 16 | 14 |
| Total Comprehensive Income for the year | - | - | - | - | 4,844 | 222 | 16 | 5,082 |
| Transactions with owners of the company | | | | | | | | |
| Dividend on Equity Shares | - | - | - | - | - | - | - | - |
| Dividend Distribution Tax | - | - | - | - | - | - | - | - |
| Balance as at 31 March 2021 | 77 | 2,594 | 16 | 519 | 11,603 | 1,548 | (55) | 16,302 |
| (Loss)/Profit for the year | - | - | - | - | (1,827) | 24 | - | (1,803) |
| Other Comprehensive Income/ (Expense) for the year (net of tax) | - | - | - | - | - | - | (29) | (29) |
| Total Comprehensive Income/ (Expense) for the year | - | - | - | - | (1,827) | 24 | (29) | (1,832) |
| Transactions with owners of the company | | | | | | | | |
| Dividend on Equity Shares | - | - | - | - | (224) | - | - | (224) |
| Balance as at 31 March 2022 | 77 | 2,594 | 16 | 519 | 9,552 | 1,572 | (84) | 14,245 |

Notes forming part of the Consolidated financial statements

1-52

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

Farhad Bamji

Partner

Membership No: 105234

Place : Mumbai

Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited

CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and

Managing Director

(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer

Membership No. 47573

Meher Vakil

Director

(DIN: 07778396)

Ankit Shah

Company Secretary

Membership No. A35008

Place : Mumbai

Date : 10 May 2022



Consolidated Statement of Cash Flow for the year ended 31 March 2022

(₹ in lakhs)

| Particulars | For the year ended 31 March, 2022 | For the year ended 31 March, 2021 |
|---|--------------------------------------|--------------------------------------|
| A. Cash Flow from Operating Activities: | | |
| (Loss)/Profit after exceptional items before tax (including Joint Venture Share) | (1,803) | 5,807 |
| <u>Adjustments for:</u> | | |
| Depreciation and amortisation | 680 | 851 |
| Loss of Property, plant and equipment affected by fire | - | 4,326 |
| Loss of inventories by fire | - | 581 |
| Profit on sale of land (net) | - | (13,147) |
| Profit on sale of investments (net) | (2) | (1) |
| Profit on sales of property, plant and equipment | (3) | (1) |
| Liabilities no longer payable written back | (86) | - |
| Inventory assets written off during the Year | 35 | 10 |
| Net loss on Investments at fair value through profit and loss | *.- | - |
| Provision for impairment of investment in subsidiary | - | 2 |
| Provision for non-moving inventories | 12 | 5 |
| Provision for doubtful trade receivables | 6 | 14 |
| Profit on revaluation of investments | - | (11) |
| Bad debts written off | 125 | - |
| Dividend income | *.- | (5) |
| Interest income | (29) | (191) |
| Interest expenses | 149 | 920 |
| Proceeds from insurance claim | 400 | - |
| Share of (profit)/Loss in joint venture | (24) | (224) |
| Unrealised foreign currency loss/(gain) on revaluation (net) | (8) | - |
| Subtotal of Adjustments | 1,255 | (6,871) |
| Operating (Loss)/Profit before working capital changes | (548) | (1,064) |
| Changes in working capital: | | |
| Decrease/(Increase) in trade receivables | 440 | (349) |
| Decrease/(Increase) in loans, other financial assets and other assets | 479 | (88) |
| Decrease/(Increase) in inventories | 119 | (1,004) |
| Increase/(Decrease) in trade payable, other financial liabilities and other liabilities | (825) | 1,109 |
| Increase/(Decrease) in provisions | 42 | (6) |
| Subtotal of Adjustments | 255 | (338) |
| Cash generated from operations | (293) | (1,402) |
| Cash Flow before extraordinary items | (19) | (752) |
| Cash Flow before extraordinary items | (312) | (2,154) |
| Adjusted extraordinary items | - | - |
| Net cash used in operating activities | (312) | (2,154) |
| B. Cash Flow from Investing Activities: | | |
| Purchases of property, plant and equipment | (1,087) | (74) |
| Sale of property, plant and equipment | 5 | 10 |
| Proceed from sale of land | - | 13,097 |
| Advance against asset held for sale | 480 | - |
| Movement in earmarked accounts-unpaid dividend accounts | 2 | - |

Consolidated Statement of Cash Flow for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | For the year ended 31 March, 2022 | For the year ended 31 March, 2021 |
|---|--------------------------------------|--------------------------------------|
| Proceeds from sale of current investments | 571 | (300) |
| Proceeds from Insurance Claim | (400) | - |
| Movement in bank deposits having maturity of more than 3 months | (26) | (100) |
| Dividend received | *.- | 140 |
| Interest received | 29 | 191 |
| Net Cash (used in)/generated from investing activities | (425) | 12,964 |
| C Cash Flow from Financing Activities: | | |
| Repayment towards non-current borrowings (net) | (2) | (2,035) |
| Proceeds from non-current borrowings (net) | 407 | - |
| Repayment of current borrowings (net) | (251) | (6,776) |
| Dividend and corporate dividend tax paid | (224) | - |
| Interest paid | (149) | (920) |
| Net cash used in financing activities | (219) | (9,731) |
| D Net (Decrease)/Increase in cash and cash equivalents (A+B+C).. | (956) | 1,079 |
| E Cash and cash equivalents as at beginning of the year | 1,159 | 79 |
| Net Comprehensive Expenses | (30) | - |
| Add: Effect of exchange differences on cash and cash equivalents held in foreign currency | 10 | 1 |
| F Cash and cash equivalents as at end of the year (D+E)(Refer note 13) | 183 | 1,159 |

* 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 2021) | 2 | 2,016 | 2018 |
| Add : Proceeds during the year | - | 407 | 407 |
| Less : Repayment during the year | 2 | 251 | 253 |
| Closing Balance (as at 31 March 2022) | 1 | 2,172 | 2,172 |

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

Farhad Bamji

Partner

Membership No: 105234

Place : Mumbai

Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited

CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and

Managing Director

(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer

Membership No. 47573

Meher Vakil

Director

(DIN: 07778396)

Ankit Shah

Company Secretary

Membership No. A35008

Place : Mumbai

Date : 10 May 2022



Notes forming part of the consolidated financial statements for the year ended 31 March 2022

1. Company overview

Dai-Ichi Karkaria Limited ('the Holding Company') is domiciled in India with its registered office situated at 3rd Floor, Liberty Building, Sir Vithaldas Thackersey Marg, Mumbai 400 020, India. The Holding 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 Group is engaged in manufacturing of specialty chemicals.

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

2. Basis of preparation

A. Statement of compliance

These consolidated 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 consolidated financial statements were authorised for issue by the Holding Company's Board of Directors on 10 May 2022. Details of the Group's accounting policies are included in Note 3.

B. Functional and presentation currency

These consolidated 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, unless otherwise stated.

C. Basis of measurement

These consolidated 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 consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group's 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 consolidated 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 consolidated 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 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 2022(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 utilize 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 consolidated financial statements. Contingent assets are neither recognised nor disclosed in the consolidated financial statements.

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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (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 consolidated statement of profit and loss.

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

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)**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.

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 consolidated statement of 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, except few assets transferred from Kasarwadi plant to Dahej plant which continue to be depreciated using diminishing value 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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

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 consolidated statement of 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 consolidated 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 realisable 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 consolidated 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

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

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 consolidated statement of profit and loss. Past service cost is recognised in the consolidated 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 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 consolidated statement of 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 consolidated 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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

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.

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 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 consolidated statement of profit and loss as current tax. The Group recognises 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's 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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

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 consolidated financial statements of the Group's, 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 consolidated 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.

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.

Notes forming part of the consolidated financial statements for the year ended 31 March 2022(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 2021 | Additions | Deductions | As at 31 March 2022 | For the year | Deductions | As at 31 March 2022 | As at 31 March 2022 | As at 31 March 2021 |
| A. Tangible Assets | | | | | | | | | |
| Leasehold Land | 1,233 | - | - | 1,233 | 13 | - | 82 | 1,151 | 1,164 |
| Buildings Residential | 46 | - | - | 46 | 3 | - | 36 | 10 | 13 |
| Buildings: Non Residential | | | | | | | | | |
| Own lease | 3,395 | 229 | - | 3,624 | 391 | - | 544 | 3,080 | 3,004 |
| Road | 585 | - | - | 585 | 188 | - | 202 | 383 | 397 |
| Plant & Machinery | 7,274 | 512 | - | 7,786 | 1,750 | - | 2,215 | 5,571 | 5,524 |
| Furniture & Fixtures | 186 | - | - | 186 | 55 | - | 69 | 117 | 131 |
| Laboratory, Office and Factory Equipment and Air conditioners | 326 | 9 | - | 335 | 143 | - | 149 | 186 | 183 |
| Vehicles | 117 | 5 | 2 | 119 | 90 | 1 | 95 | 25 | 27 |
| Scientific Research- Capital Expenditure : | | | | | | | | | |
| Buildings - Non Residential | 1 | - | - | 1 | *- | - | *- | 1 | *- |
| Plant & Machinery | 7 | - | - | 7 | 4 | - | 4 | 3 | 3 |
| Furniture & Fixtures | *- | - | - | *- | *- | - | *- | - | *- |
| Laboratory, Office and Factory Equipment and Air conditioners | 9 | - | - | 9 | *- | - | *- | 9 | 9 |
| Total Tangible Assets | 13,178 | 755 | 2 | 13,932 | 675 | 1 | 3,396 | 10,535 | 10,455 |
| B. Intangible Assets | | | | | | | | | |
| Computer Software | 38 | - | - | 38 | 4 | - | 36 | 2 | 6 |
| Total | 13,217 | 755 | 2 | 13,970 | 678 | 1 | 3,432 | 10,537 | 10,461 |
| C. Capital Work-in-Progress (Refer note 45(C) for Schedule III disclosure) | | | | | | | | 205 | 49 |
| | | | | | | | | 10,742 | 10,510 |

* Amount below Rupees One Lakh

Notes

- 1) Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Holding Company
- 2) The Holding Company intends to dispose off its land parcel at Pune with Book Value of ₹ 54 lakhs (31 March 2021: ₹ 54 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale"

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 2022 (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 31 March 2021 |
|---|-----------------------|------------|---------------------------------------|------------------------|-------------------------------------|
| | As at 1 April 2020 | Additions | Deductions | As at 31 March 2021 | |
| A. Tangible Assets | | | | | |
| Leasehold Land | 1,233 | - | - | 13 | 69 |
| Buildings Residential | 46 | - | - | 4 | 33 |
| Buildings: Non Residential | | | | | |
| Own lease | 4,550 | 1,155 | 368 | 137 | 391 |
| Road | 610 | 25 | 138 | 58 | 188 |
| Plant & Machinery | 10,576 | 3,604 | 1,479 | 604 | 1,750 |
| Furniture & Fixtures | 191 | * | 5 | 15 | 55 |
| Laboratory, Office and Factory Equipment and Air conditioners | 322 | 7 | 138 | 7 | 143 |
| Vehicles | 118 | 1 | 82 | 8 | 90 |
| Scientific Research- Capital Expenditure : | | | | | |
| Buildings - Non Residential | 1 | - | - | * | * |
| Plant & Machinery | 7 | - | 4 | * | 4 |
| Furniture & Fixtures | * | - | - | * | * |
| Laboratory, Office and Factory Equipment and Air conditioners | 9 | - | - | - | 9 |
| Total Tangible Assets | 17,664 | 309 | 4,793 | 846 | 2,722 |
| B. Intangible Assets | | | | | |
| Computer Software | 38 | - | - | 5 | 32 |
| Total | 17,702 | 309 | 4,793 | 851 | 2,754 |
| C. Capital Work-in-Progress (Refer note 45(C) for Schedule III disclosure) | | | | | 49 |

*Amount below Rupees One Lakh

Notes

- 1) Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Holding Company
- 2) The Holding Company intends to dispose off its land parcel at Pune with Book Value of ₹ 54 lakhs (31 March 2021: ₹ 54 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale"

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 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 5 (a). Investments - Non-current | | |
| In Equity Shares, Unquoted (at cost) | | |
| In Subsidiary and Joint Venture | | |
| (i) Dai-Ichi Gosei Chemicals (India) Limited 48,500 shares (31 March 2021: 48,500 shares) | 5 | 5 |
| (ii) ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Ltd.) 1,125,000 shares (31 March 2021: 1,125,000 shares) | 68 | 68 |
| Add :- Shares of (Loss)/ Profit in Joint Ventures | 2,045 | 2,190 |
| | 2,118 | 2,263 |
| Less :- Provision for diminution in value of investment - Investment in Equity Shares of Dai-Ichi Gosei Chemicals (India) Limited | 5 | 5 |
| Total | 2,113 | 2,258 |
| 5 (b). Other Investments | | |
| (a) Unquoted: | | |
| The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss) | | |
| 4,000 shares (31 March 2021: 4,000 shares) | 1 | 1 |
| | 1 | 1 |
| 6. Financial Assets - Non-current | | |
| (Unsecured and considered good) | | |
| To parties other than related parties | | |
| Security Deposits | 253 | 273 |
| Margin Money Deposits with maturity greater than 12 months..... | - | 8 |
| Total | 253 | 281 |
| 7. Deferred tax assets (net) | | |
| Deferred Tax Assets | | |
| Insurance claim receivable..... | 953 | 1,064 |
| Retirement benefits..... | 106 | 95 |
| Loss allowance on trade receivables..... | 13 | 11 |
| Bonus..... | 13 | 10 |
| MAT Credit entitlement..... | 42 | 42 |
| Income tax loss..... | 1,374 | 795 |
| Indexation of land..... | - | 5 |
| Others..... | 14 | 5 |
| Total deferred tax assets (a) | 2,515 | 2,027 |
| Deferred tax liabilities | | |
| Property, plant and equipment and Intangible assets | 1,015 | 969 |
| Fair valuation of investments | 2 | 2 |
| Total deferred tax liabilities (b) | 1,017 | 971 |
| Net deferred tax assets (a-b) | 1,498 | 1,056 |
| Deferred tax assets recognised (net) | 1,056 | 1,056 |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| 8. Non Current Tax Assets | | |
| (Unsecured, considered good) | | |
| Advance Tax (Net of provision ₹ Nil lakhs (31 March 2021 : ₹ 4,362 lakhs) | 434 | 414 |
| Total | 434 | 414 |
| 9. Other non current assets | | |
| (Unsecured, considered good) | | |
| Balance with Government Authorities | 4 | 83 |
| Prepaid expenses | 29 | 2 |
| Total | 33 | 85 |
| 10. Inventories | | |
| (At lower of cost and net realisable value) | | |
| Raw Materials (including goods-in-transit ₹ 93 Lakhs ;31 March 2021 ₹ 157 Lakhs).. | 1,069 | 950 |
| Packing material..... | 64 | 58 |
| Work-in-progress..... | 50 | 26 |
| Finished Goods (including goods-in-transit ₹ 223 Lakhs; 31 March 2021 ₹ 346 Lakhs) | 657 | 852 |
| Semi finished goods..... | 260 | 444 |
| Spare and consumables..... | 181 | 117 |
| Total | 2,281 | 2,447 |
| Note: Inventories are hypothecated against cash credit facility from bank | | |
| 11. Current investments | | |
| (a) In equity instruments (at fair value through profit and loss) | | |
| Quoted: | | |
| 2,412 shares (31 March 2021 : 2,412 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited..... | 11 | 9 |
| 8,100 shares (31 March 2021 : 8,100 shares) of ₹ 10 each fully paid up in Bank of India | 4 | 5 |
| 2,000 shares (31 March 2021 : 2,000) of ₹ 2 each in Bharat Seats Limited .. | 1 | 1 |
| Unquoted | | |
| 1,000 shares (31 March 2021 : 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited | * - | * - |
| 2,500 shares (31 March 2021 : 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited | * - | * - |
| (b) In Mutual funds (at fair value through profit and loss) | | |
| Quoted Mutual Funds : | - | 401 |
| Total | 16 | 416 |
| 1) Aggregate value quoted investments | 16 | 416 |
| 2) Aggregate market value of listed and quoted investments | 16 | 416 |
| * Amount below Rupees One Lakh | | |
| Note (i) Investment in Mutual Funds (Current Investment) | | |



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|------------------------|------------------------|
| 12. Trade receivables (unsecured) | | |
| Considered good | 1,763 | 2,377 |
| Considered doubtful | 46 | 39 |
| Less :- Loss allowance | (46) | (39) |
| Total | 1,763 | 2,377 |
| (i) Of the above, dues include amount due from related parties ₹ 93 lakhs (31 March 2021: ₹ 253 lakhs) | | |
| (ii) Trade Receivables include ₹ 234 Lakhs (31 March 2021: ₹ 385 Lakhs) due from the one customer. | | |
| (iii) Trade receivables are hypothecated as Security for Borrowings | | |
| (iv) Ageing of Trade receivable is disclosed in Note 45 D for schedule III disclosure | | |
| 13. Cash and cash equivalents | | |
| Cash on Hand | * - | * - |
| Balances with Banks | | |
| (i) In current accounts | 100 | 1,112 |
| (ii) In Exchange Earners Foreign Currency (EEFC) account | 81 | 45 |
| (iii) Deposits with maturity of less than three months | 2 | 2 |
| Total | 183 | 1,159 |
| * Amount below Rupees One Lakh | | |
| 14. Bank balances other than cash and cash equivalents | | |
| Unpaid dividend | 15 | 17 |
| Deposits with original maturity of more than three months but less than 12 months (Balances held as margin money against guarantees and other commitments) | 387 | 362 |
| Total | 402 | 379 |
| 15. Other financial assets - current (unsecured, considered good) | | |
| From parties other than related parties: | | |
| Export Incentive receivable | 101 | 159 |
| Interest Receivable on investments and deposits | * - | * - |
| Total | 101 | 159 |
| * Amount below Rupees One Lakh | | |
| 16. Other current assets (unsecured, considered good) | | |
| Prepaid expenses | 263 | 344 |
| Advance to suppliers | 127 | 96 |
| Advance to employees | * - | 1 |
| Balances with government authorities | 1,606 | 1,866 |
| i) Cenvat credit receivable | 1 | 1 |
| ii) GST | 1,592 | 1,843 |
| iii) VAT | * - | * - |
| iv) Duty drawback receivable | 13 | 22 |
| Total | 1,996 | 2,307 |
| * Amount below Rupees One Lakh | | |

(₹ in lakhs)

| Particulars | As at 31 March, 2022 | | As at 31 March, 2021 | |
|---|-------------------------|-------------------|-------------------------|-------------------|
| | Number of shares | Amount | Number of shares | Amount |
| 17. Share capital | | | | |
| (A) Authorised | | | | |
| Equity shares of ₹ 10/- each with voting rights | <u>10,000,000</u> | <u>1,000</u> | 10,000,000 | 1,000 |
| (B) Issued, Subscribed and fully paid | | | | |
| Equity shares of ₹ 10/- each with voting rights | <u>7,451,229</u> | <u>745</u> | 7,451,229 | 745 |
| Total | <u><u>7,451,229</u></u> | <u><u>745</u></u> | <u><u>7,451,229</u></u> | <u><u>745</u></u> |

(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, 2022 | | As at 31 March, 2021 | |
|--|-------------------------|-------------------|-------------------------|-------------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | |
| Opening balance | <u>7,451,229</u> | <u>745</u> | 7,451,229 | 745 |
| Add / (Less): Equity shares issued / bought back during the year | - | - | - | - |
| Closing Balance | <u><u>7,451,229</u></u> | <u><u>745</u></u> | <u><u>7,451,229</u></u> | <u><u>745</u></u> |

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

| Class of shares / Name of shareholder | As at 31 March, 2022 | | As at 31 March, 2021 | | % change during the year |
|---|-------------------------|---------------------|-------------------------|-----------|--------------------------|
| | Number of shares held | % holding | Number of shares held | % holding | |
| Equity shares with voting rights | | | | | |
| Mrs. S.F. Vakil (Promoter Shareholder)..... | <u><u>3,769,179</u></u> | <u><u>50.58</u></u> | <u><u>3,769,179</u></u> | 50.58 | Nil |

(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 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 2022(Contd.)

(₹ in lakhs)

18. Other equity

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (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 as 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..... | 11,603 | 6,759 |
| Add: Profit for the year..... | - | 4,844 |
| Less : Loss for the year..... | (1,827) | - |
| | <u>9,776</u> | <u>11,603</u> |
| Less : Dividend to equity shareholders (₹ 3.00 per share) (Previous year ₹ Nil per share) | 224 | - |
| | <u>224</u> | <u>-</u> |
| Balance as at the end of the year..... | <u>9,552</u> | <u>11,603</u> |
| (f) Share of Joint Venture | | |
| Share in Profit in Joint Venture | 1,572 | 1,548 |
| (g) Other items of other comprehensive income/(expenses) | | |
| Balance as at the commencement of the year | (55) | (71) |
| Add: Remeasurement of employment benefit obligation | (30) | 24 |
| Add/(less): Income tax related to items that will not be classified to profit or loss | 1 | (6) |
| Share of Profit/ (Loss) in Joint Ventures (net of tax) | - | (2) |
| Balance as at the end of the year..... | <u>(84)</u> | <u>(55)</u> |
| Total | <u>14,245</u> | <u>16,302</u> |

Nature and Purpose of Reserves

- (a) Capital reserve
Any profit or loss on purchase, sale, issue or cancellation of the Group'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 Group 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 Group are based on profits available for distribution. During financial year 2021-22 Holding Company has paid final dividend of ₹ 3 per share in respect of the year ended 31 March 2021.

Notes forming part of the consolidated financial statements for the year ended 31 March 2022(Contd.)

19 (a). Non - current financial liabilities - borrowings

(₹ in lakhs)

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2022 | 31 March 2021 |
| (a) Term loans from banks - Secured | 133 | - |
| (b) Working capital term loan from banks- Secured | 274 | - |
| (c) Vehicle loan from bank- Secured | - | 2 |
| Total | 407 | 2 |

Note (i)

The term loan from Axis Bank is secured by:

- First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable property, plant and equipment of the Holding Company, both present and future at Dahej, Kurkumbh and Ceejay House
- Second pari-passu charge by way of hypothecation charge on entire current assets of the Holding Company, including inventories and trade receivables, both present and future.
- Escrow of monthly rental to be received from Ceejay House, property, Worli, Mumbai.
- Rate of interest payable is REPO + 4.5%
- Term loan was applied for the purpose for which the loan was obtained
- Bank returns / stock statements filed by the Holding Company with its bankers are in agreement with books of account.

The working capital term loan from Axis Bank is secured by:

- Second charge on Primary and Collateral Securities as above
- Rate of interest payable is REPO + 4.5%

Axis Bank term loan and working capital repayment schedule

(₹ in lakhs)

| Particulars | Total No of Installment | Outstanding Nos of Installment | Monthly Installment | Principal Loan amount |
|----------------------------------|-------------------------|--------------------------------|---------------------|-----------------------|
| Term loan | | | | |
| Financial Year 2022-23 | - | - | - | - |
| Financial Year 2023-24 | 10 | 10 | 46.25 | 463 |
| Financial Year 2024-25 | 12 | 12 | 46.25 | 555 |
| Financial Year 2025-26 | 12 | 12 | 46.25 | 555 |
| Financial Year 2026-27 | 12 | 12 | 46.25 | 555 |
| Financial Year 2027-28 | 2 | 2 | 46.25 | 92 |
| | | | | 2,220 |
| Working capital term loan | | | | |
| Financial Year 2022-23 | 1 | 1 | 5.83 | 6 |
| Financial Year 2023-24 | 12 | 12 | 5.83 | 70 |
| Financial Year 2024-25 | 12 | 12 | 5.83 | 70 |
| Financial Year 2025-26 | 12 | 12 | 5.83 | 70 |
| Financial Year 2026-27 | 11 | 11 | 5.83 | 64 |
| | | | | 280 |

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 | Outstanding EMI Nos. |
|----------------|----------------------|--------------------|------------|----------------------|
| HDFC Bank Ltd. | 38 | 10.00% | 80,740 | 2 |

Note (iii)

Under the package scheme of incentive for industries in backward area, the Holding Company had 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 recognised 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 repaid in financial year 2021-22.

Note (iv)

a) Loan from Director of ₹ 120 lakhs carries interest rate of 8.50 % per annum and on new loan of ₹ 200 lakhs, it is agreed that interest is waived for current financial year (vide 11 February 2022 board resolution).



Notes forming part of the consolidated financial statements for the year ended 31 March 2022(Contd.)

Note (v)

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

Note (vi)

Current maturities of long term borrowings

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|--------------------------------|--------------------------------|
| - Term loans from banks and others..... | 7 | 9 |
| - Deferred sales tax liabilities..... | - | 2 |
| 19 (b) Non - current financial liabilities - others | | |
| Particulars | As at 31 March 2022 | As at 31 March 2021 |
| Security Deposit..... | 68 | 62 |
| Deferred rent..... | 11 | 18 |
| Total | 79 | 80 |
| 20. Provision - non current | | |
| Provision for Employee Benefits | | |
| Gratuity..... | 69 | 44 |
| Compensated absences | 122 | 111 |
| Total | 191 | 155 |
| 21. Current financial liabilities- borrowings | | |
| Loan From Director..... | 321 | 750 |
| Cash credit (secured) | 1,437 | 1,255 |
| Total | 1,758 | 2,005 |
| Current maturities of long term borrowings | | |
| - Term loans from banks & others | 7 | 9 |
| - Deferred sales tax liabilities | - | 2 |
| Total | 1,765 | 2,016 |
| Note :- | | |
| 1) Loan from Director carries interest rate of 8.50 % per annum | | |
| 2) Cash Credit Facility from Axis Bank is secured by inventories and trade receivables of the Holding Company and First charge of hypothecation/mortgage of entire moveable and immovable fixed assets of the Holding Company both present and future at Dahej and Kurkumbh. Rate of interest payable is 3 months REPO + 4.45%. | | |
| 3) Funds raised on short term basis have not been utilised for long term purposes. | | |
| 22. Trade payables- Current | | |
| i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below) | 243 | 127 |
| ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises | 2,734 | 3,754 |
| Total | 2,977 | 3,881 |
| Note | | |
| Aging of Trade payable is disclosed in Note 45 B for schedule III disclosure. | | |
| 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 | 243 | 75 |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| (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..... | 33 | 8 |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | 33 | 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.

23. Other financial liabilities - current

| | | |
|---|------------|------------|
| Unpaid dividends** | 15 | 17 |
| Interest accrued but not due on Term Loan | * | - |
| Employee benefits payable | 244 | 320 |
| Security deposits | 4 | 4 |
| Payables on purchase of property, plant and equipment | 1 | 131 |
| Deferred rent | 6 | 7 |
| Total | 270 | 479 |

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

* Amount below Rupees One Lakh

24. Other current liabilities

| | | |
|--|------------|------------|
| Advance from customers | 30 | 57 |
| Advance for Asset held for Sale (Refer note 4)..... | 480 | - |
| Payable to statutory authorities (TDS, Provident fund, ESIC) | 103 | 55 |
| Total | 613 | 112 |

25. Provisions - current

| | | |
|---------------------------------------|------------|------------|
| Provision for Employee Benefits | | |
| Gratuity | 51 | 45 |
| Compensated Absences..... | 85 | 86 |
| Total | 136 | 131 |

26. Revenue from operations

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|--|--|
| (a) Sale of products | 11,945 | 9,610 |
| (b) Sale of services (Job work) | 4 | 10 |
| (c) Other operating revenues (Refer Note (i) below) | 235 | 122 |
| Total | 12,184 | 9,742 |
| (i) Other operating revenues comprises: | | |
| Scrap sales | 217 | 118 |
| Others | 18 | 4 |
| Total | 235 | 122 |



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

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:

| | For the year ended 31 March 2022 | (₹ in lakhs) For the year ended 31 March 2021 |
|---|--|--|
| Revenue from contract with customer as per Contract price | 12,070 | 9,658 |
| Less: Discounts and other adjustments | (96) | (15) |
| Less:- Sales Returns /Credits / Reversals | (29) | (33) |
| Revenue from contract with customer as per statement of profit & loss | <u>11,945</u> | <u>9,610</u> |

Disaggregation of Revenue - Revenue from major products

Particulars

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| R-54560 (Daitrolite PDC 1309 M 45) Pck-180 | 1,359 | 1,341 |
| EC5725A (Lubrad 2021) - Iso Tank | 640 | - |
| Prism EC3535B Pck lbc Tote | 533 | 216 |
| Daitrolite PDL 96 - Pck 900 Kg lbc | 510 | 399 |
| Daitrolite PDL 96 - Pck - Iso Tank | 471 | 460 |
| Noigen Ba 55 Pck 200 | 384 | 250 |
| Others | 8,047 | 6,944 |
| | <u>11,945</u> | <u>9,610</u> |

27. Other income

| | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Interest income - others (Refer Note (i) below) | 29 | 191 |
| Dividend income from | | |
| -Others | * - | 5 |
| Profit on sale of investments..... | 2 | 1 |
| Profit on revaluation of investments..... | * - | 11 |
| Export Incentive..... | 91 | 131 |
| Rent Received..... | 124 | 124 |
| Profit on sales of property, plant and equipment..... | 3 | 1 |
| Other non-operating Income (Including exchange gain) (Note (ii))..... | 191 | 30 |
| Total | <u>439</u> | <u>494</u> |
| Note (i) Interest income comprises: | | |
| Interest from banks on deposits | 20 | 18 |
| Others interest (Interest on VAT refund) | 9 | 173 |
| Total | <u>29</u> | <u>191</u> |
| Note (ii) Other non-operating Income | | |
| Net gain on foreign currency transactions and translation..... | 100 | 30 |
| Liabilities no longer payable written back..... | 86 | * - |
| Miscellaneous receipts..... | 5 | - |
| Total | <u>191</u> | <u>30</u> |

* Amount below Rupees One Lakh

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| 28. Cost of materials consumed | | |
| Opening Stock..... | 1,008 | 903 |
| Add : Purchases..... | 8,690 | 7,116 |
| Less : Closing Stock..... | (1,133) | (1,008) |
| Total | 8,565 | 7,011 |
| Raw Materials consumed comprises of the following : | | |
| Ethylene Oxide | 1,596 | 1,636 |
| Fatty Alcohol, Phenol & Glycol | 1,194 | 1,659 |
| Oils & Fatty Acids | 391 | 261 |
| Acrylamide | 336 | 342 |
| Amines | 177 | 133 |
| Other items | 4,871 | 2,980 |
| Total | 8,565 | 7,011 |
| 29. Changes in inventories of finished goods, Semi finished goods and work-in-progress | | |
| Inventories at the end of the year | | |
| Finished goods | 657 | 852 |
| Semi finished goods | 260 | 444 |
| Work-in-progress | 50 | 26 |
| | 967 | 1,322 |
| Inventories at the beginning of the year | | |
| Finished goods | 852 | 806 |
| Semi finished goods | 444 | 223 |
| Work-in-progress..... | 26 | 16 |
| | 1,322 | 1,045 |
| Net decrease/(increase) | 355 | (277) |
| 30. Employee Benefits Expense | | |
| Salaries, wages and bonus | 1,367 | 1,297 |
| Contribution to provident and other funds..... | 96 | 97 |
| Staff welfare expenses | 78 | 82 |
| Total | 1,541 | 1,476 |
| 31. Finance costs | | |
| Interest expenses - On borrowings | 84 | 870 |
| - Others | 65 | 50 |
| Total | 149 | 920 |
| 32. Depreciation and amortisation expense | | |
| Depreciation on Property, plant and equipment | 676 | 846 |
| Amortisation of intangible asset | 4 | 5 |
| Total | 680 | 851 |



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| 33. Other expenses | | |
| Consumption of stores and spare parts..... | 66 | 169 |
| Power and fuel..... | 710 | 546 |
| Repairs to Buildings..... | - | 7 |
| Repairs to Plant and Machinery..... | 6 | 89 |
| Repairs to Others..... | 153 | 72 |
| Effluent Treatment Expenses..... | 16 | 54 |
| Job work Charges..... | 424 | 472 |
| Insurance..... | 282 | 39 |
| Rates and Taxes, excluding, taxes on income..... | 68 | 144 |
| Traveling Expenses..... | 66 | 44 |
| Legal and Professional Fees..... | 151 | 123 |
| Payment to Auditors | | |
| Audit fees..... | 20 | 20 |
| Tax Audit..... | 4 | 2 |
| Other Services (Limited Review)..... | 15 | 15 |
| Out of Pocket Expenses..... | *- | *- |
| Freight and forwarding on sales..... | 610 | 407 |
| Commission on sales..... | 56 | 68 |
| Contract Labour Charges..... | 323 | 286 |
| Directors' fees | 11 | 11 |
| Security Charges..... | 63 | 81 |
| Provision for impairment of investment in subsidiary..... | - | 2 |
| Provision for Non-moving Inventory..... | 12 | 5 |
| Inventory Assets Written off During the Year..... | 35 | 10 |
| Fire related expenses..... | 129 | 34 |
| Bad debts written off..... | 125 | - |
| Provision for doubtful Debt (P & L)..... | 6 | 14 |
| Miscellaneous Expenses..... | 209 | 173 |
| Total | 3,560 | 2,887 |

* Amount below Rupees one lakh.

34. Contingent Liabilities and Capital Commitments

a) Contingent Liabilities

(₹ in lakhs)

| Sr. No | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--------|---|------------------------|------------------------|
| (i) | Claims against the Holding Company not acknowledged as debt: Octroi (classification of raw materials)* * Includes ₹ 142 lakhs (31 March 2021: ₹ 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 Appellate Tribunals (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 | 623 | 550 |
| (iv) | Disputed Sales Tax demands for set off claimed | 15 | 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 Holding Company and by charge on the property, plant and equipment, inventories and trade receivables of the company | 347 | 347 |
| (vii) | Bonds for availing duty exemption under Exemption Entitlement certificate Scheme | 109 | 109 |

| | | | |
|--------|--|--------------|-------|
| (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 | 823 |
| (ix) | Group's share of Central Sales Tax Demands (pertaining to 50% Joint Venture ChampionX Dai-ichi India Private Limited) | 195 | 195 |
| (x) | Groups share of Performance guarantee issued to others by Bank (pertaining to 50% Joint Venture - Champion X Dai Ichi India Private Limited) | 44 | 160 |
| | Total | 2,515 | 2,558 |

b) Capital Commitments

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant and equipment (net of advances) | 336 | 222 |

35. 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 2022 ₹ Nil (31 March 2021 : 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 2022 | | As at 31 March 2021 | |
|-------------|---------------------|------------------------------|---------------------|------------------------------|
| | (INR in Lakhs) | Foreign Currency in lakhs | (INR in Lakhs) | Foreign Currency in lakhs |
| Receivables | 769 | USD 10.33 | 1,051 | USD 15 |
| (Payables) | (250) | USD 3.24 | (201) | USD (3) |
| (Payables) | (23) | CHF 0.29 | - | - |

36. Corporate Social Responsibility expenditure

Provisions of Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to the Holding Company for the year ended 31 March 2022.

37. 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 consolidated statement of Profit and Loss (₹ in lakhs)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| - Contribution to Provident Fund | 81 | 78 |
| - Contribution to Employee State Insurance Corporation | * - | - |
| Total | 81 | 78 |

* Amount below Rupees One Lakh



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

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 2022 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 2022 (₹ in lakhs)

| Sr. No. | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------|---|------------------------|------------------------|
| i) | Reconciliation in present value of obligations (PVO) – defined benefit obligation : | | |
| | Current Service Cost | 11 | 16 |
| | Interest Cost | 9 | 12 |
| | Actuarial (gain)/losses | 31 | (19) |
| | Benefits paid | (36) | (30) |
| | PVO at the beginning of the year | 171 | 192 |
| | PVO at end of the year | 185 | 171 |
| ii) | Change in fair value of plan assets | | |
| | Expected return on plan assets | 5 | 7 |
| | Return on plan assets..... | 1 | 3 |
| | Contributions by the employer..... | 13 | 11 |
| | Benefits paid..... | (36) | (30) |
| | Fair value of plan assets at beginning of the year..... | 96 | 105 |
| | Fair value of plan assets at end of the year..... | 79 | 96 |
| iii) | Analysis of Defined Benefit Obligation : | | |
| | Defined Benefit Obligation at the end of the year | 185 | 171 |
| | Provision for protected gratuity..... | 14 | 14 |
| | Fair Value of Plan assets at the end of the year | 79 | 96 |
| | Net income for the period recognised in OCI | - | - |
| | Net Liabilities recognized in the Balance Sheet | 120 | 89 |
| | Current / Non current classifications | | |
| | Current | 51 | 45 |
| | Non current | 69 | 44 |
| | Total | 120 | 89 |
| iv) | Reconciliation of PVO and fair value of plan assets: | | |
| | PVO at end of year..... | 185 | 171 |
| | Provision for protected gratuity..... | 14 | 14 |
| | Fair Value of plan assets..... | 79 | 96 |
| | Funded status..... | 79 | 96 |
| | Net liability recognised in the balance sheet..... | 120 | 89 |
| v) | Expense recognised in the statement of profit or loss: | | |
| | Current Service cost | 11 | 16 |
| | Net interest..... | 4 | 5 |
| | Expense recognised in the statement of profit or loss..... | 15 | 21 |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

| Sr. No. | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---------|--|--|--|
| vi) | Other comprehensive income (OCI): | | |
| | Actuarial Loss/(Gain) recognised for the period..... | 31 | (19) |
| | Return on plan assets excluding interest income..... | (1) | (3) |
| | Total actuarial Loss/(Gain) recognised in OCI..... | 30 | (22) |
| vii) | Assumption used in accounting for the gratuity plan: | | |
| | Discount rate (%)..... | 5.66% | 5.18% |
| | Expected return on plan assets..... | 5.66% | 5.18% |
| | Salary escalation rate (%)..... | 7.00% | 7.00% |
| | Attrition..... | 21.80% | 21.80% |
| | Mortality Table | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives 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.

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 2022 | As at 31 March 2021 | As at 31 March 2020 | As at 31 March 2019 | As at 31 March 2018 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Gratuity | | | | | |
| Expected gain / (loss) adjustments on plan liabilities | (33) | 20 | 8 | 34 | 12 |
| Experience gain / (loss) adjustments on plan assets | 1 | 3 | (12) | (7) | 2 |
| Defined Benefits at the end of the year | 185 | 171 | 192 | 257 | 394 |
| Plan Assets at the end of the year | 79 | 96 | 105 | 172 | 315 |
| Funded status Deficit | (107) | (75) | (87) | (84) | (79) |
| Contribution expected to be paid to the plan during next financial year | 51 | 45 | 48 | 30 | 60 |

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 2022 | As at 31 March 2021 |
|--|------------------------|------------------------|
| Delta Effect of +1% Change in Rate of Discounting | (4) | (4) |
| Delta Effect of -1% Change in Rate of Discounting | 4 | 4 |
| Delta Effect of +1% Change in Rate of Salary Increase | 4 | 4 |
| Delta Effect of -1% Change in Rate of Salary Increase | (4) | (3) |
| 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



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

38. Earnings per share (EPS)

| Particulars | | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|------------|---------|-----------------------------|-----------------------------|
| Loss after tax attributable to equity shareholders | ₹ in lakhs | A | (1,803) | 5,068 |
| 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) | (24.20) | 68.03 |
| Face value per equity share | In ₹ | | 10 | 10 |

39. Dividend paid and proposed:

Dividends on equity shares were declared and paid by the Group during the year

| Particulars | Dividend Per Equity Shares (₹) | Year ended 31 March 2022 | Dividend Per Equity Shares (₹) | Year ended 31 March 2021 |
|---------------------------------|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| Final Dividend on Equity Shares | 3 | 224 | - | - |
| Total | - | 224 | - | - |

After the reporting date no dividends were proposed by the board of directors.

40. 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.

41. 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) upto 31 October 2021 |
| | x) Mr Farokh P Gandhi (Chief Financial Officer) (FG) w.e.f 1 November 2021 |
| | xi) Mrs. Kavita Thadeshwar (Company Secretary) (KT) upto 10 March 2021 |
| | xii) Mr. Ankit P Shah (Company Secretary) (AS) w.e.f 11 March 2021 |
| (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) Netel (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) |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

| 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 |
|--|---------------------|------------|-------|------------------|---|--|---------|
| Purchase of goods: | | | | | | | |
| IOCL | - | - | - | - | 136 | - | 136 |
| | - | - | - | - | (199) | - | (199) |
| GPPL | - | - | - | - | 57 | - | 57 |
| | - | - | - | - | (46) | - | (46) |
| UKL | - | - | - | - | 12 | - | 12 |
| | - | - | - | - | (1) | - | (1) |
| Sale of goods: | | | | | | | |
| CXDI | - | 716 | - | - | - | - | 716 |
| | - | (1,176) | - | - | - | - | (1,176) |
| GPPL | - | - | - | - | 24 | - | 24 |
| | - | - | - | - | (31) | - | (31) |
| Sale of service (Job Work) | | | | | | | |
| IOCL | - | - | - | - | - | - | - |
| | - | - | - | - | (8) | - | (8) |
| Rendering of services/ Reimbursement of expenses: | | | | | | | |
| CXDI | - | 12 | - | - | - | - | 12 |
| | - | (7) | - | - | - | - | (7) |
| IOCL | - | - | - | - | 12 | - | 12 |
| | - | - | - | - | (1) | - | (1) |
| GPPL | - | - | - | - | - | - | - |
| | - | - | - | - | (2) | - | (2) |
| MFV | - | - | - | - | - | - | - |
| Receiving of services/ Reimbursement of expenses: | | | | | | | |
| SFV | - | - | 1 | - | - | - | 1 |
| | - | - | (7) | - | - | - | (7) |
| MFV | - | - | 3 | - | - | - | 3 |
| | - | - | (6) | - | - | - | (6) |
| NIL | - | * | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| GPPL | - | - | - | - | - | - | - |
| | - | - | - | - | (2) | - | (2) |
| NPSPL | - | - | 2 | - | - | - | 2 |
| | - | - | - | - | - | - | - |
| Rent : | | | | | | | |
| SFV | - | - | 30 | - | - | - | 30 |
| | - | - | (29) | - | - | - | (29) |
| Interest Paid: | | | | | | | |
| SFV | - | - | 13 | - | - | - | 13 |
| Remuneration : | | | | | | | |
| SFV | - | - | 226 | - | - | - | 226 |
| | - | - | (212) | - | - | - | (212) |
| MFV | - | - | 144 | - | - | - | 144 |
| | - | - | (126) | - | - | - | (126) |
| SC (upto 31 Oct 2021) | - | - | 31 | - | - | - | 31 |
| | - | - | (42) | - | - | - | (42) |



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

| Particulars | Subsidiaries (DGCIL) | 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 |
|--|----------------------|------------|------|------------------|---|--|-------|
| FG (w.e.f 1 Nov 2021) | - | - | 24 | - | - | - | 24 |
| | - | - | - | - | - | - | - |
| AS | - | - | 17 | - | - | - | 17 |
| | - | - | (1) | - | - | - | (1) |
| Directors' Sitting Fees : | | | | | | | |
| AHJ | - | - | 1 | - | - | - | 1 |
| | - | - | - | - | - | - | - |
| AMN | - | - | - | - | - | - | - |
| | - | - | (1) | - | - | - | (1) |
| KP | - | - | 3 | - | - | - | 3 |
| | - | - | (3) | - | - | - | (3) |
| KE | - | - | 3 | - | - | - | 3 |
| | - | - | (3) | - | - | - | (3) |
| AVH | - | - | 3 | - | - | - | 3 |
| | - | - | (2) | - | - | - | (2) |
| BS | - | - | - | - | - | - | - |
| | - | - | (1) | - | - | - | (1) |
| Dividend received : | | | | | | | |
| CXDI | - | 169 | - | - | - | - | 169 |
| | - | (135) | - | - | - | - | (135) |
| Loan Taken : | | | | | | | |
| SFV | - | - | 200 | - | - | - | 200 |
| | - | - | - | - | - | - | - |
| Loan Repaid : | | | | | | | |
| SFV | - | - | 625 | - | - | - | 625 |
| | - | - | - | - | - | - | - |
| Balances outstanding at the end of the year | | | | | | | |
| Investments : | | | | | | | |
| CXDI | - | - | - | - | - | - | - |
| | - | (68) | - | - | - | - | (68) |
| Trade receivables: | | | | | | | |
| CXDI | - | 81 | - | - | - | - | 81 |
| | - | (244) | - | - | - | - | (244) |
| IOCL | - | - | - | - | - | - | - |
| | - | - | - | - | (4) | - | (4) |
| GPPL | - | - | - | - | 12 | - | 12 |
| | - | - | - | - | (9) | - | (9) |
| Deposits for office : | | | | | | | |
| SFV | - | - | 32 | - | - | - | 32 |
| | - | - | (32) | - | - | - | (32) |
| Loan Taken : | | | | | | | |
| SFV | - | - | 321 | - | - | - | 321 |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

| Particulars | Subsidiaries (DGCIL) | 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 |
|------------------------|----------------------|------------|-----|------------------|---|--|-------|
| Trade payable : | - | - | - | - | - | - | - |
| CXDI | - | - | - | - | - | - | - |
| | - | (2) | - | - | - | - | (2) |
| IOCL | - | - | - | - | 214 | - | 214 |
| UKL | - | - | - | - | (148) | - | (148) |
| NIL | - | - | - | - | 3 | - | 3 |
| GPPL | - | - | - | - | * | - | * |
| | - | - | - | - | - | - | - |
| | - | - | - | - | 16 | - | 16 |
| | - | - | - | - | (11) | - | (11) |

* 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 2022 | Year ended 31 March 2021 |
|---|---------------------------------|--------------------------|
| Sitting fees | 11 | 11 |

Key management personnel compensation

Key management personnel compensation comprised the following :

(₹ in lakhs)

| Particulars | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--------------------------------|---------------------------------|--------------------------|
| Post-employment benefits | 40 | 39 |
| Other long-term benefits | 76 | 75 |

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 Group, 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.

Note : Figures in the brackets are the corresponding figures of the previous year.

42. Interest in joint ventures

(₹ in lakhs)

| Name and country of incorporation | % of interest / ownership | Amount of interest based on accounts for the year ended 31 March 2022 | | | | | |
|---|---------------------------|---|--------------|--------------|--------------|------------------------|---------------------|
| | | Assets | Liabilities | Income | Expenditure | Contingent liabilities | Capital commitments |
| ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Pvt. Ltd.)..... | 50 | 2,487 | 2,487 | 1,562 | 1,523 | 1,062 | - |
| Previous year | 50 | 2,854 | 2,854 | 2,186 | 1,872 | 1,178 | - |



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

43. 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 2022 | | | | | | | |
|--|-----------------------|----------|----------------|--------------|------------|----------|----------|------------|
| | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVTOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | 183 | 183 | - | - | - | - |
| Other bank balances | - | - | 402 | 402 | - | - | - | - |
| Current investments | 16 | - | - | 16 | 16 | - | - | 16 |
| Non current investments (other than in subsidiary and joint venture) | - | - | 1 | 1 | - | - | - | - |
| Financial Assets - Non-current | - | - | 253 | 253 | - | - | - | - |
| Trade receivables | - | - | 1,763 | 1,763 | - | - | - | - |
| Other current financial assets | - | - | 101 | 101 | - | - | - | - |
| | 16 | - | 2,704 | 2,720 | 16 | - | - | 16 |
| Financial liabilities | | | | | | | | |
| Non current borrowings (Including current maturity of long term debts) | - | - | 407 | 407 | - | - | - | - |
| Current borrowings | - | - | 1,765 | 1,765 | - | - | - | - |
| Other non current financial liabilities | - | - | 79 | 79 | - | - | - | - |
| Trade payables | - | - | 2,977 | 2,977 | - | - | - | - |
| Other current financial liabilities | - | - | 270 | 270 | - | - | - | - |
| | - | - | 5,498 | 5,498 | - | - | - | - |
| | As at 31st March 2021 | | | | | | | |
| | Carrying amount | | | | Fair value | | | |
| | FVTPL | FVTOCI | Amotised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | - | - | 1,159 | 1,159 | - | - | - | - |
| Other bank balances | - | - | 379 | 379 | - | - | - | - |
| Current investments | 416 | - | - | 416 | 416 | - | - | 416 |
| Non current investments (other than in subsidiary and joint venture) | - | - | 1 | 1 | - | - | - | - |
| Non current loans | - | - | 281 | 281 | - | - | - | - |
| Trade receivables | - | - | 2,377 | 2,377 | - | - | - | - |
| Other current financial assets | - | - | 159 | 159 | - | - | - | - |
| | 416 | - | 4,356 | 4,772 | 416 | - | - | 416 |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| | Carrying amount | | | | Fair value | | | |
|--|-----------------|--------|---------------|--------------|------------|---------|---------|-------|
| | FVTPL | FVTOCI | Amotised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial liabilities | | | | | | | | |
| Non current borrowings (Including current maturity of long term debts) | - | - | 2 | 2 | - | - | - | - |
| Current borrowings | - | - | 2,016 | 2,016 | - | - | - | - |
| Other Non-Current financial liabilities | | | 80 | 80 | | | | |
| Trade payables | - | - | 3,881 | 3,881 | - | - | - | - |
| Other current financial liabilities | - | - | 479 | 479 | - | - | - | - |
| | - | - | 6,458 | 6,458 | - | - | - | - |

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 if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 2022 (Contd.)

(₹ in lakhs)

At 31 March 2022, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

| | 31 March 2022 | 31 March 2021 |
|---------------------|---------------|---------------|
| India | 995 | 1,326 |
| Other regions | 768 | 1,051 |
| | 1,763 | 2,377 |

Impairment

At 31 March 2022, the ageing of trade and other receivables that were not impaired was as follows. (₹ in lakhs)

| | 31 March 2022 | 31 March 2021 |
|-----------------------------------|---------------|---------------|
| Neither past due nor impaired | | |
| Past due 1–180 days | 1,660 | 2,368 |
| Past due more than 180 days | 103 | 9 |
| | 1,763 | 2,377 |

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 2022 | 31 March 2021 |
|---|---------------|---------------|
| Balance as at the beginning of the year | 39 | 26 |
| Impairment loss recognised | 7 | 13 |
| Amounts written off / (back) | - | - |
| Balance as at the end of the year | 46 | 39 |

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.

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 2022 | Contractual cash flows | | | |
|---|------------------------|------------------------|------------------|-----------|
| | Carrying amount | Total | less than 1 year | 1-2 years |
| Non-derivative financial liabilities | | | | |
| Term loan from bank & vehicle loan | 7 | 7 | 7 | - |
| Working capital loans from banks | 1,437 | 1,437 | 1,437 | - |
| Loan From director | 321 | 321 | 321 | - |
| Trade payables | 2,977 | 2,977 | 2,977 | - |
| Other Current financial liabilities | 270 | 270 | 270 | - |
| | | Contractual cash flows | | |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

(₹ in lakhs)

| 31 March 2021 | Carrying amount | Total | less than 1 year | 1-2 years |
|---|-----------------|-------|------------------|-----------|
| Non-derivative financial liabilities | | | | |
| 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 | 479 | 479 | 479 | - |

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 2022 | 31 March 2021 |
|--|---------------|---------------|
| Fixed-rate instruments | | |
| Financial assets bonds | - | - |
| Financial liabilities - term loan from bank and vehicle loans | 7 | 11 |
| | (7) | (11) |
| Variable-rate instruments | | |
| Financial liabilities - term loan, working capital demand loan and cash credit | 1,437 | 1,255 |
| | 1,437 | 1,255 |
| Total | 1,430 | 1,244 |

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.

Fair value sensitivity analysis for variable rate instruments

(₹ in lakhs)

| INR | Profit or loss | | Equity, net of tax | |
|--|-----------------|-----------------|--------------------|-----------------|
| | 100 bp increase | 100 bp decrease | 100 bp increase | 100 bp decrease |
| 31 March 2022 | | | | |
| Variable-rate instruments | (14) | 14 | (10) | 10 |
| Cash flow sensitivity (net) | (14) | 14 | (10) | 10 |
| 31 March 2021 | | | | |
| Variable-rate instruments | (13) | 13 | (9) | 9 |
| Cash flow sensitivity (net) | (13) | 13 | (9) | 9 |

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.



Notes forming part of the consolidated financial statements for the year ended 31 March 2022(Contd.)

44. 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 2022 was as follows

(₹ in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|------------------------|------------------------|
| Total Borrowing | 2,172 | 2,018 |
| Less : Cash and cash equivalent | 183 | 1,159 |
| Adjusted net debt | 1,989 | 860 |
| Total equity | 14,991 | 17,047 |
| Net debt to equity ratio | 0.13 | 0.05 |

45. Additional Regulatory information

A Ratios

| Particulars | Numerator | Denominator | Current year | Previous year | % Change | Reason for variance |
|---|--|---------------------------------|--------------|---------------|----------|--|
| Current ratio (in times) | Total current Asset | Total current liabilities | 1.18 | 1.40 | -16% | |
| Debt-Equity ratio (in times) | Debt consist of borrowings and lease liabilities | Total equity | 0.14 | 0.12 | 22% | |
| Debt service coverage ratio (in times) | Earning for Debt Service = Net Profit after taxes + Non cash Operating expenses + Interest+ Other non cash adjustments | Debt service = Interest payment | (5.9) | 2.1 | -381% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |
| Return on equity ratio (in %) | Profit for the year | Total equity | -11% | 9% | -229% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |
| Inventory turnover ratio (in times) | Cost of raw material consumed + Changes in inventories | Closing inventory | 3.9 | 2.8 | 42% | Growth in revenue and inventory optimisation improved inventory turnover ratio |
| Trade receivables turnover ratio (in times) | Revenue from Operations | Closing trade receivables | 6.9 | 4.1 | 69% | Increase in ratio due to faster realisation of receivables |
| Trade payables turnover ratio (in times) | Cost of goods sold | Closing trade payables | 2.9 | 1.8 | 59% | Trade Payable turnover ratio improved due to lower trades payables |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

| | | | | | | |
|---------------------------------------|--------------------------------------|--|------|-----|-------|--|
| Net capital turnover ratio (in times) | Revenue from Operations | Working capital (ie Total current assets less Total current liabilities) | 11.8 | 3.6 | 223% | Increase in ratio due to decrease in working capital |
| Net profit ratio (in %) | Profit for the year | Revenue from operations | -15% | 52% | -128% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |
| Return on capital employed (in %) | Profit before tax and finance costs | Capital employed = Net worth + Current and Non Current Borrowings | -10% | 35% | -127% | The ratio was higher in previous year due to profit on sale of land (net ₹ 13,147 lakhs) |
| Return on investment (in %) | Income generated from invested funds | Invested funds in treasury investments | 5% | 4% | 17% | |

B Trade payable aging schedule :

a) As at 31-March-2022

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|----------------------------|--|------------------|------------|------------|------------------|--------------|
| | Not Due | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 year | |
| i) MSME | 61 | 180 | - | 1 | 1 | 243 |
| ii) Disputed MSME | - | - | - | - | - | - |
| iii) Others trade payables | 1,038 | 1,525 | 100 | 39 | 32 | 2,734 |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 1,099 | 1,705 | 100 | 40 | 33 | 2,977 |

b) As at 31-March-2021

(₹ in lakhs)

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|----------------------------|--|------------------|------------|------------|------------------|--------------|
| | Not Due | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 year | |
| i) MSME | - | 127 | - | * - | - | 127 |
| ii) Disputed MSME | - | - | - | - | - | - |
| iii) Others trade payables | 1,944 | 1,728 | 4 | 16 | 62 | 3,754 |
| iv) Disputed dues - Others | - | - | - | - | - | - |
| Total | 1,944 | 1,855 | 4 | 16 | 62 | 3,881 |

* Amount below Rupees One Lakh



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

C Capital work in progress aging schedule :

a) As at 31-March-2022

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|------------|------------|------------------|------------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 year | Total |
| Projects in progress | 205 | - | - | - | 205 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 205 | - | - | - | 205 |

No projects are overdue or has exceeded its cost as per original plan as on date of balance sheet

b) As at 31-March-2021

(₹ in lakhs)

| Particulars | Amount in CWIP for a period of | | | | |
|--------------------------------|--------------------------------|------------|------------|------------------|-----------|
| | Less than 1 year | 1 -2 years | 2 -3 years | More than 3 year | Total |
| Projects in progress | 49 | - | - | - | 49 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 49 | - | - | - | 49 |

No projects are overdue or has exceeded its cost as per original plan as on date of balance sheet

D Trade receivable aging schedule :

a) As at 31-March-2022

(₹ in lakhs)

| Particulars | Outstanding for following period from due date of payments | | | | | | |
|--|--|--------------------|-------------------|-------------|------------|-------------------|--------------|
| | Not Due | Less than 6 months | 6 months < 1 year | 1 - 2 years | 2 -3 years | More than 3 years | Total |
| 1) Undisputed - considered good | 822 | 838 | 103 | - | - | - | 1,763 |
| 2) Undisputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 3) Undisputed Trade Receivables - credit impaired | 2 | 6 | 5 | 14 | 17 | 2 | 46 |
| 4) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| 5) Disputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 6) Disputed - credit impaired | - | - | - | - | - | - | - |
| | 824 | 844 | 108 | 14 | 17 | 2 | 1,809 |
| Less : Allowance for doubtful trade receivables | | | | | | | (46) |
| | | | | | | | 1,763 |

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

b) As on 31-March 2021

(₹ in lakhs)

| Particulars | Outstanding for following period from due date of payments | | | | | | Total |
|--|--|--------------------|-------------------|-------------|------------|-------------------|--------------|
| | Not Due | Less than 6 months | 6 months < 1 year | 1 - 2 years | 2 -3 years | More than 3 years | |
| 1) Undisputed - considered good | 1,938 | 430 | 9 | - | - | - | 2,377 |
| 2) Undisputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 3) Undisputed Trade Receivables - credit impaired | 6 | 6 | 4 | 19 | 1 | 3 | 39 |
| 4) Disputed Trade Receivables - considered doubtful | - | - | - | - | - | - | - |
| 5) Disputed - which have significant increase in credit risk | - | - | - | - | - | - | - |
| 6) Disputed - credit impaired | - | - | - | - | - | - | - |
| | 1,944 | 436 | 13 | 19 | 1 | 3 | 2,416 |
| Less : Allowance for doubtful trade receivables | | | | | | | (39) |
| | | | | | | | 2,377 |

E Other Statutory Information

- (i) The Group did not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.
- (ii) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:
 - (a) Crypto Currency or Virtual Currency
 - (b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
 - (c) Registration of charges or satisfaction with Registrar of Companies
 - (d) Approved scheme(s) of Arrangements
 - (e) Number of layers of companies
 - (f) Undisclosed income
 - (g) Revaluation of PPE and intangible assets
 - (h) Title Deeds of immovable properties not held in name of the company
 - (i) Wilful defaulter
- (iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries)with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

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 2022 | For the year ended 31 March 2021 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Current tax | | |
| Current period | - | 770 |
| Total Current tax expense | | 770 |
| Deferred tax | | |
| Current period | - | (31) |
| Total deferred tax expense | - | (31) |
| Tax expense for the year | - | 739 |

(ii) Tax recognised in other comprehensive income (₹ in lakhs)

| | For the year ended 31 March 2022 | | | For the year ended 31 March 2021 | | |
|--|----------------------------------|------------------------------|------------|----------------------------------|---------------------------|------------|
| | Before tax | Tax (expense)/ benefit | Net of tax | Before tax | Tax (expense)/ benefit | Net of tax |
| Items that will not be reclassified to profit or loss | | | | | | |
| Remeasurements of the defined benefit plans | (30) | 1 | (29) | 22 | (6) | 16 |
| | (30) | 1 | (29) | 22 | (6) | 16 |

(B) Reconciliation of effective tax rate

(₹ in lakhs)

| | (%) | For the year ended 31 March 2022 | (%) | For the year ended 31 March 2021 |
|--|-------|-------------------------------------|-------|-------------------------------------|
| (Loss)/Profit before tax | | (1,827) | | 5,583 |
| Tax using the Company's domestic tax rate (Current year 27.8% and Previous Year 27.8%) | 27.8% | (508) | 27.8% | 1,591 |
| Tax effect of: | | | | |
| Unrecognised Deferred Tax assets | | 442 | | - |
| Tax at lower rate | - | - | | (152) |
| Unrecognised DTA of earlier years now utilized | - | - | | (694) |
| Tax effect of Dividend income (section 80M) | - | 47 | | - |
| Others | - | 19 | | - |
| Recognised in OCI | - | - | | (6) |
| | | - | | 739 |

The Group's domestic tax rates for the years ended 31 March 2022 and 31 March 2021 were 27.8%.

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

47. Income Taxes

(₹ in lakhs)

(C) Movement in deferred tax assets and liabilities

| | 31 March 2022 | | | | | | | |
|--|-----------------------------|---------------------------------|----------------------|---------------------------------|------------------------------|--------------|-----------------------|---------------------------|
| | Net balance 1 April 2021 | Recognised in profit or loss | Recognised in OCI | Adjusted in Balance Sheet | Unrecognised Deferred Tax | Net | Deferred tax asset | Deferred tax liability |
| Deferred Tax Liabilities: | | | | | | | | |
| Property, plant and equipment and Intangible assets | (969) | - | - | - | (46) | (1,015) | - | (1,015) |
| Investment | (2) | - | - | - | - | (2) | - | (2) |
| Deferred Tax Assets: | | | | | | | | |
| Insurance claim adjusted in tax WDV | 1,064 | - | - | - | (111) | 953 | 953 | - |
| Trade receivables | 11 | - | - | - | 2 | 13 | 13 | - |
| Income tax loss (including depreciation) | 795 | - | - | - | 579 | 1,374 | 1,374 | - |
| Other items | 110 | - | - | - | 23 | 133 | 133 | - |
| Indexed Cost of Land | 5 | - | - | - | (5) | - | - | - |
| MAT credit entitlement | 42 | - | - | - | - | 42 | 42 | - |
| Deferred Tax assets (Liabilities) | 1,056 | - | - | - | 442 | 1,498 | 2,515 | (1,017) |
| Offsetting of deferred Tax assets and deferred Tax Liabilities | | | | | | | (1,017) | 1,017 |
| Net Deferred Tax assets (Liabilities) | 1,056 | - | - | - | | 1,498 | 1,498 | - |
| Net Deferred Tax assets Recognised in books | | | | | | | 1,056 | |

| | 31 March, 2021 | | | | | | | |
|--|-----------------------------|---------------------------------|----------------------|---------------------------------|------------------------------|--------------|-----------------------|---------------------------|
| | Net balance 1 April 2020 | Recognised in profit or loss | Recognised in OCI | Adjusted in Balance Sheet | Unrecognised Deferred Tax | Net | Deferred tax asset | Deferred tax liability |
| Deferred Tax Liabilities: | | | | | | | | |
| Property, plant and equipment and Intangible assets | (1,146) | 177 | - | - | - | (969) | - | (969) |
| Investment | (2) | - | - | - | - | (2) | - | (2) |
| Deferred Tax Assets: | | | | | | | | |
| 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 | 118 | (2) | (6) | - | - | 110 | 110 | - |
| Indexed Cost of Land | 454 | (449) | - | - | - | 5 | 5 | - |
| MAT credit entitlement | 87 | - | - | (45) | - | 42 | 42 | - |
| Deferred Tax assets (Liabilities) | 1,076 | 31 | (6) | (45) | - | 1,056 | 2,027 | (971) |
| Offsetting of deferred Tax assets and deferred Tax Liabilities | | | | | | | (971) | 971 |
| Net Deferred Tax assets (Liabilities) | 1,076 | 31 | (6) | (45) | - | 1,056 | 1,056 | - |
| Net Deferred Tax assets Recognised in books | | | | | | | 1,056 | |



Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

The Group has not recognised deferred tax asset (DTA) on carry forward losses aggregating ₹ 442 Lakhs (31 March 2021: ₹ Nil) 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

(₹ in lakhs)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|-------------------------------------|------------------------|------------------------|
| Non Current tax assets (net) | 434 | 414 |
| Current tax assets (net) | - | - |
| Current tax liabilities (net) | - | - |

48. 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 consolidated financial statements 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 consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

49. 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 Holding Company had 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 results. 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 has received an interim payment towards insurance claim of ₹ 400 lakhs. The balance claim is under survey and the same would be accounted for when approved by the insurance company.

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

During the previous year, 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 via 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 the consolidated financial results.

Notes forming part of the consolidated financial statements for the year ended 31 March 2022 (Contd.)

50. Events after the reporting period

No significant adjusting event occurred between the balance sheet date and date of the approval of these financial statements by the Board of Directors of the Holding Company requiring adjustment or disclosure.

51. The figures for the previous periods have been regrouped / rearranged wherever necessary to conform to the current periods classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective 1st April, 2021.

52. Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Group 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

Farhad Bamji

Partner

Membership No. 105234

Place : Mumbai

Date : 10 May 2022

For and on behalf of the Board of Directors

Dai-Ichi Karkaria Limited

CIN: L24100MH1960PLC011681

S. F. Vakil

Chairperson and Managing Director

(DIN: 00002519)

Farokh P Gandhi

Chief Financial Officer

Membership No. 47573

Meher Vakil

Director

(DIN: 07778396)

Ankit Shah

Company Secretary

Membership No. A35008

Place : Mumbai

Date : 10 May 2022



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 yet to commence operations | | 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 | 31/03/2022 |
| 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 | 2,113 |
| 6 | Profit for the year | |
| | 1. Considered in consolidation | 24 |
| | 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
Farokh Gandhi
Chief Financial Officer
Membership No. 047573

Meher Vakil
Whole-time Director
(DIN : 07778396)

Ankit Shah
Company Secretary
Membership No. A35008

Place : Mumbai
Date : 10 May 2022

If undelivered please return to:
DAI-ICHI KARKARIA LIMITED
Liberty Building,
Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.