

June 25, 2021

BSE Limited
Department of Corporate Services,
25, P. J. Towers,
Dalal Street,
MUMBAI – 400 001

Stock Code: 500120

Sub. Submission of Annual Report 2020-2021 and Notice convening the 45th Annual General Meeting of the Company

Ref. Intimation under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 as amended.

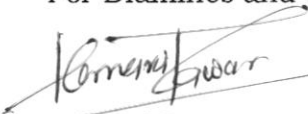
Dear Sir/Ma'am,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2020-2021 along with the Notice convening the 45th Annual General Meeting will be held on Tuesday, July 20, 2021 at 12:00 Noon through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Kindly take the same on record.

Thanking You.

For Diamines and Chemicals Limited


Hemaxi Pawar
Company Secretary



Encl: As above

45th
ANNUAL REPORT
2020 – 2021



Diamines and Chemicals Limited
CIN NO: L24110GJ1976PLC002905

DIAMINES AND CHEMICALS LIMITED

FINANCIAL HIGHLIGHTS OF THE LAST DECADE

| FINANCIAL HIGHLIGHTS OF THE LAST DECADE | | | | | | | | | | | |
|--|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|
| FINANCIAL YEAR ENDING | | 31.03.2011 | 31.03.2012 | 31.03.2013 | 31.03.2014 | 31.03.2015 | 31.03.2016 | 31.03.2017 | 31.03.2018 | 31.03.2019 | (₹ in Lakhs) |
| TOTAL REVENUE (INCLUDING EXCISE DUTY) | | 9119.77 | 7315.43 | 6411.36 | 4947.08 | 4338.38 | 3984.76 | 3882.38 | 4001.11 | 4,828.11 | 7,138.46 |
| OPERATING PROFIT (LOSS)(PBIT) | | 2515.40 | 1077.91 | 834.83 | 620.22 | 514.09 | 482.18 | 940.97 | 1,203.24 | 1,989.61 | 2,770.48 |
| PROFIT (LOSS) BEFORE INCOME TAX | | 2028.43 | 503.45 | 215.01 | 79.31 | (29.75) | 8.52 | 573.59 | 823.93 | 1781.91 | 2584.39 |
| PROFIT (LOSS) AFTER INCOME TAX | | 1470.99 | 360.42 | 170.04 | 75.04 | (155.36) | 25.33 | 479.81 | 708.90 | 1313.18 | 2103.37 |
| GROSS FIXED ASSETS | | 5782.02 | 6333.72 | 6454.92 | 6535.36 | 6536.99 | 6532.37 | 2,739.18 | 2,802.00 | 3,036.54 | 3,808.79 |
| NET FIXED ASSETS | | 3124.11 | 3450.15 | 3323.45 | 3151.35 | 2929.99 | 2733.10 | 2544.58 | 2413.87 | 2444.90 | 2246.56 |
| NET CURRENT ASSETS | | 63.80 | 179.35 | 89.98 | 235.96 | 387.80 | 304.52 | 1617.33 | 2011.26 | 2641.79 | 5076.30 |
| EQUITY SHARE CAPITAL | | 652.22 | 978.32 | 978.32 | 978.32 | 978.32 | 978.32 | 978.32 | 978.32 | 978.32 | 978.32 |
| RESERVES & SURPLUS (excluding revaluation reserve) | | 2128.49 | 2049.10 | 2161.92 | 2236.96 | 2070.24 | 2103.10 | 2779.26 | 3282.66 | 3902.71 | 5539.65 |
| BOOK VALUE (Rs.) | | 42.63 | 30.94 | 32.10 | 32.87 | 31.16 | 31.50 | 38.40 | 43.55 | 49.89 | 86.91 |
| EARNING PER SHARE (Rs.) | | 22.55 | 3.68 | 1.74 | 0.77 | (1.59) | 0.26 | 4.90 | 7.25 | 13.42 | 21.50 |
| EQUITY DIVIDEND (%) | | 60% | 10% | 5% | | | | 15% | 25% | 50% | 50% |

Notes:

1. Figures are rupees in lacs except book value and earning per share which are absolute rupee value per equity share and proposed dividend which is in percentage on equity share nominal value.

2. Figures from the year ended 31st March, 2017 Onwards are as per Ind AS.

3. The Company has recognised impairment provision of ₹ 118.70 Lakhs on power generation segment (Wind Turbine Generator) & recognised impairment provision of ₹ 14.50 Lakhs on NIMP Project Plant, related Machinerries & Equipment ("NIMP Plant") for the year ended on 31st March, 2021.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**BOARD OF DIRECTORS**

| | |
|--|-----------------------|
| Mr. Amit Mehta (w.e.f. 01.04.2020) | Executive Chairman |
| Mr. G. S. Venkatachalam | Executive Director |
| Mr. Rajendra Chhabra (w.e.f. 06.11.2020) | Professional Director |
| Mr. Dhruv Mehta | Independent Director |
| Dr. Ambrish Dalal | Independent Director |
| Mrs. Kejal Pandya | Independent Director |

Mr. Dipen Ruparelia
Chief Financial Officer

Ms. Hemaxi Pawar
Company Secretary

Auditors

M/s K. C. Mehta & CO.
Chartered Accountants
Meghdhanush, Race Course, Vadodara – 390 007, India.

Bankers

State Bank of India, Vadodara

Registered Office & Works

Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara - 391 346.
Tel: (91) (0265) 3534200 Fax: (91) (0265) 2230 218
Email: info@dacl.co.in Web Site: www.dacl.co.in

Registrar & Share Transfer Agent**M/s Link Intime India Pvt. Ltd.**

B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Gujarat, India.

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NOTICE

NOTICE is hereby given that the 45th (Forty-Fifth) Annual General Meeting (AGM) of the members of M/s. Diamines and Chemicals Limited will be held Through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Tuesday, the 20th Day of July, 2021 at 12.00 Noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements of the Company for the Financial Year ended on March 31, 2021 together with the Reports of the Board of Directors' and Auditors' thereon including the audited consolidated financial statements of the Company for the year ended on March 31, 2021.
2. To appoint a Director in place of Mr. Amit Mehta (DIN: 00073907) who retires by rotation and being eligible, offers himself for re-appointment.
3. To declare Final Dividend of ₹ 5/- per Ordinary (Equity) share of ₹ 10/- each for the financial year 2020-2021.

SPECIAL BUSINESS:

4. Ratification of Remuneration to Cost Auditor

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 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), the consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 45000/- (Rupees Forty Five Thousand only) (Inclusive of all) plus applicable taxes, to M/s. Diwanji & Co., Cost & Management Accountants, Vadodara (Firm Registration No. 000339) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2021-22."

5. Re-appointment of Mr. G. S. Venkatachalam as an Executive Director

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 of the Companies Act, 2013, read with Schedule V and other applicable provisions of the Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to any other approval/(s) as may be necessary, in consideration of the recommendation of Nomination and Remuneration Committee and further approval of Board of Directors, the Company hereby approves the terms of re-appointment and remuneration of Mr. Govindarajapuram Seshadri Venkatachalam (DIN: 02205898) as an Executive Director of the Company for a further period of 3 (Three) years from February 07, 2021 to February 6, 2024, on terms and conditions and duties as set out in the agreement as placed before the members duly



initialed by the Chairman for the purpose of identification with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment as may be mutually agreed between the Board and Mr. Govindarajapuram Seshadri Venkatachalam, liable to retire by rotation.”

“RESOLVED FURTHER THAT the remuneration and perquisites including the monetary value thereof as specified in the draft agreement may be varied, increased, expanded, enhanced, enlarged, widened or altered in accordance with the provisions relating to the payment of Managerial remuneration under the Companies Act, 2013 or any amendments thereof or re-enactments thereof and that the aforesaid draft agreement between the Company and Mr. G. S. Venkatachalam be suitably amended to give effect to the same in such manner as may be agreed to between the Board and Mr. G. S. Venkatachalam, subject to the condition that the remuneration shall not be exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

“RESOLVED FURTHER THAT Mr. Amit M. Mehta, Executive Chairman of the Company be and is hereby authorized to enter into an agreement on behalf of the Company with Mr. G. S. Venkatachalam in terms of the aforesaid draft agreement with modifications if any, and that the common seal of the Company be affixed thereto in the presence of Mr. Amit M. Mehta, Executive Chairman of the Company.”

“RESOLVED LASTLY THAT the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution in the manner most beneficial to the company.”

6. Appointment of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director and to approve payment of fees/compensation

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, Companies Act, 2013 read with rules made there under (including any statutory modifications or re-enactment thereof for the time being in force), if any, and subject to any other approval/(s) as may be necessary, in consideration of the recommendation of Nomination and Remuneration Committee and further approval of Board of Directors, the Company hereby approves the term of appointment of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director on the Board of the Company for the period of 3 years w.e.f. November 06, 2020 with such consulting fees/compensation as may be agreed by and between Board and Mr. Chhabra, and whose term shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as may be deemed necessary and expedient in this regard.”



7. To approve Remuneration already paid to Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director exceeding fifty per cent of the total Remuneration/compensation/fees payable to all the Non-Executive Director of the Company for the financial year 2020-21

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members be and is hereby accorded for the remuneration/compensation/fees paid to Mr. Rajendra Chhabra as Professional Director starting with effect from November 6, 2020 to March, 31 2021 which is exceeding fifty per cent of the total remuneration paid to all other Non-Executive Directors of the Company for that year.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as may be deemed necessary and expedient in this regard.”

8. To approve payment of Remuneration of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director exceeding fifty per cent of the total Remuneration/compensation/fees payable to all other Non-Executive Director of the Company for the financial year 2021-22

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment, modification, variation or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Companies Act, 2013 the consent of the members be and is hereby accorded for the remuneration/compensation/fees payable to Mr. Rajendra Chhabra as Professional Director for the financial year 2021-22, which may be exceeding fifty per cent of the total remuneration paid to all other Non-Executive Directors of the Company for the said period.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters as may be deemed necessary and expedient in this regard.”

9. **Commission to Non-Executive Directors**

To consider and, if thought fit, to pass, the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Companies Act, 2013, and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to all the statutory permissions, sanctions and approvals of any statutory authority(ies), as may be



necessary, approval of the Company be and is hereby accorded for payment of Commission to the Director(s) of the Company who are not in the whole time employment of the Company, in accordance with and upto the limits laid down under provisions of section 197 of the Act, computed in manner specified in the Act, for a period of 5 (Five) years from the financial year commencing from 1st April, 2021, in such manner and upto such extent as the Nomination and Remuneration Committee of the Board may, from time to time, determine.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and /or Nomination and Remuneration Committee constituted by the Board be and are hereby authorized to take all actions and do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard.”

10. To approve ‘DACL - Employees Stock Option Plan 2021’

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 (“the **Act**”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the **SEBI SBEB Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the **Board**” which term shall be deemed to include the Nomination and Remuneration Committee), consent of the Shareholders be and is hereby accorded to introduce and implement the ‘DACL - Employees Stock Option Plan 2021’ (“**ESOP - 2021**”) the salient features of which are detailed in the Explanatory Statement to this Notice and to create, grant, offer, issue and allot at any time in one or more tranches to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as “**Employees**”) selected on the basis of criteria decided by the Board under the ESOP-2021, such number of stock options convertible into Equity Shares of the Company (“**Options**”), in one or more tranches, not exceeding 2,00,000 (Two Lakhs) equity shares of face value of ₹ 10/- each (Rupees Ten), at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the ESOP-2021, and all provisions of applicable laws.”



“RESOLVED FURTHER THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity Shares directly to the eligible Employees upon exercise of Options from time to time in accordance with the ESOP-2021 and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division or other re-organisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling shall be deemed to be increased to the extent of such additional equity shares issued.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Options granted under the ESOP-2021 and the exercise price of Options granted under the ESOP-2021 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to their revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the ESOP-2021.”

“RESOLVED FURTHER THAT without prejudice to the generality of the above the Board, which includes the Nomination and Remuneration Committee is authorised to formulate, evolve, decide upon and implement the ESOP-2021, determine the detailed terms and conditions of the aforementioned ESOP-2021 including but not limited to the quantum of the Options to be granted per employee, the number of Options to be granted in each tranche, the terms or combination of terms subject to which the said Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Options, to such employees of the Company, at price, at such time and on such terms and conditions as set out in the ESOP-2021 and as the Board or the Nomination and Remuneration Committee may in its absolute discretion think fit.”

“RESOLVED FURTHER THAT the Nomination and Remuneration Committee be designated as the Compensation Committee in accordance with Regulation 5(1) of the SEBI SBEB Regulations for the purposes of administration of ESOP-2021.”

“RESOLVED FURTHER THAT the Board is hereby authorised to make any modifications, changes, variations, alterations or revisions in the ESOP-2021 as it may deem fit, from time to time or to suspend, withdraw or revive the ESOP-2021 from time to time, in conformity with applicable laws, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.”



“RESOLVED FURTHER THAT the Board shall take necessary steps for listing of the Equity Shares allotted under the ESOP-2021 on the Stock Exchanges, where the Shares of the Company are listed in accordance with the provisions of the SEBI SBEB Regulations, the SEBI LODR Regulations and other applicable laws and regulations.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the ESOP-2021 at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

11. To extend approval of ‘DACL - Employees Stock Option Plan 2021’ to the employees of Holding Company and its Subsidiary Company (ies)

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62 (1) (b) of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, the Securities and Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the **SEBI SBEB Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **SEBI LODR Regulations**”), the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals as may be necessary and subject to such consents, permissions, sanctions and approvals which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the **Board**”, which term shall be deemed to include any Committee including the Nomination and Remuneration Committee to exercise the powers conferred by this Resolution), consent and approval of the Shareholders be and is hereby accorded to extend the benefits of ‘DACL - Employees Stock Option Plan 2021’ (“**ESOP- 2021**”) proposed in the resolution number 10 above to such persons who are in the permanent employment of the Holding Company and its subsidiary company(ies) (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India and to the directors of the Holding Company or its Subsidiary Companies, and to such other persons as may from time to time be allowed, under prevailing laws, rules and regulations, and/or amendments thereto from time to time, on such terms and conditions as may be decided by the Board, and selected on the basis of criteria prescribed by the Board, at such price or prices in one or more tranches and on such terms and conditions, as may be fixed or determined by the Board in accordance with the ESOP– 2021.”



“RESOLVED FURTHER THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the ESOP– 2021 from time to time or to suspend, withdraw, or revive ESOP– 2021 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.”

12. Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Two per cent of the issued Capital of the Company during any One financial year to identified employees under DACL - Employees Stock Option Plan 2021

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions and notwithstanding ceiling limit for Grant of Option during any one Financial Year to any employee or director of the Company and its Holding Company or its Subsidiary Company not exceeding One per cent of the issued Capital of the Company, consent of the Shareholders be and is hereby accorded for Grant of options to identified employees under **‘DACL - Employees Stock Option Plan 2021 (ESOP – 2021)’** during any One year, equal to or exceeding One per cent but not exceeding Two per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of option in one or more tranches, on such terms and in such manner as stated in **‘DACL - Employees Stock Option Plan 2021’**.”

Place: Mumbai

Date: June 16, 2021

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

Plot No.13, PCC Area,
P.O. Petrochemicals,
Vadodara –391 346

By Order of the Board

Hemaxi Pawar
Company Secretary
Membership No.: A52581

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as “MCA Circulars”) permitted the holding of the



Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

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 therefore the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Participation of members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution / Authorization shall be sent by email through its registered email address to the Company at secretarial@dacl.co.in
5. Registration of email ID and Bank Account details:

In case the shareholder's email ID is already registered with the Company / its Registrar & Share Transfer Agent "RTA" / Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email addresses with the Company / its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Limited, www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit. (Link https://www.linkintime.co.in/EmailReg/Email_Register.html)
OR
 - (ii) In the case of Shares held in Demat mode:
The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
6. The Explanatory Statement, for Item No. 4 to 12 pursuant to Section 102 of the Companies Act, 2013, is annexed hereto and forms part of this notice. The relevant details as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, of persons seeking appointment / re-appointment as Directors under Item No. 2, 5 & 6 of the Notice, are also annexed.



7. The Register of Members and the Share Transfer Books of the Company will remain closed from **July 14, 2021 to July 20, 2021** (both days inclusive).
8. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
9. Relevant documents, reports, orders, notice or other papers referred to in the accompanying Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection on all working days without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. July 20, 2021. Members seeking to inspect such documents can send an email to secretarial@dacl.co.in at least 48 hours before the date of Annual General Meeting.
10. Pursuant to applicable provisions of the Companies Act, 2013, as applicable from time to time, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to Investor Education and Protection Fund established by the Central Government. The Company during the year has transferred the unclaimed dividend amount of Final Dividend for the financial year 2012-13 to the Investor Education and Protection Fund of the Central Government. A sum of ₹ 1,06,643/- has been transferred to the Investor Education and Protection Fund in the year 2020 towards unclaimed/unpaid dividend for the Final Dividend for the financial year 2012-13.

The Company had not declared any dividend in FY 2013-14 to FY 2015-16 so no dividend will be transferred to IEPF For FY 2020-21. Further, Members who have not claimed their dividend from the financial year 2016-17 till date are requested to claim their unclaimed dividend. Members who have not en-cashed their above Dividend Warrants may approach to the Company / RTA immediately for revalidation.
11. To avoid loss of dividend warrants/DDs in transit and undue delay in respect of receipt of dividend warrants/DDs the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS)/National Automated Clearing House (NACH). **It is in Members interest to avail NECS/NACH facility as it is quick and much convenient way of getting dividend directly in your bank account.** Members desirous of availing NECS/NACH facility are requested to submit bank particulars in ECS Mandate Form to the company's Registrar and share Transfer Agent. The format is available on the website of the Company at www.dacl.co.in or update bank details as mentioned in point no.5 of Notes.
12. As per Section 124(6) of the Act read with the IEPF Rules as amended, all the shares in respect of which dividend has remained unpaid / unclaimed for seven consecutive years or more have been transferred to the IEPF Account.

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13. In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF by submitting an online application in the prescribed Form IEPF-5 available on the website www.iepf.gov.in and sending a duly signed physical copy of the same to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
14. 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 required to submit their PAN to their Depository Participants and Members holding shares in physical form shall submit their PAN to Company's Registrar & Share Transfer Agent or to the Company Secretary at the registered office of the Company.
15. Members are requested to notify immediately:
 - (a) Any change in their residential address.
 - (b) Income-tax Permanent Account Number (PAN).
 - (c) Bank details – Name and address of the bank; A/c No.; type of A/c
16. Non-Resident Indian Shareholders are requested to inform the Company immediately:
 - (i) The change in the Residential Status on return to India for permanent settlement;
 - (ii) The particulars of NRE Bank Account maintained in India with complete name and address of the Bank, if not furnished earlier.
17. Members seeking any information or clarification on the Accounts and operation of the Company are requested to send email on secretarial@dacl.co.in to the Company, at least **ten days before** the date of the Annual General Meeting. Replies will be provided in respect of such queries received only at the meeting.
18. Members are requested to address their communications regarding transfer of shares in Demat, change of address, dividend mandates, etc. quoting their folio number(s) to the Company's Registrar & Transfer Agent:

M/s. Link Intime India Pvt. Ltd.
B-102 & 103, Shangrila Complex, First Floor,
Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara – 390 020.
Te. (0265) 2356573 , 6136000
Email: vadodara@linkintime.co.in
19. **The Company will not entertain any direct request from Members for deletion/change in the bank account details furnished by Depository Participants to the Company.**



20. SEBI, vide its Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after March 31, 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.
21. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Registrar and Share Transfer Agent, for consolidation into a single folio. The share certificates will be returned to the members after making requisite changes thereon.
22. As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in Demat form; the nomination form may be filed with the respective Depository Participant.
23. The Company has made bonus issue of equity shares at the AGM held on 12th July, 2011, and has made an allotment of Bonus shares on 21.07.2011 to the shareholders, who were eligible. Pursuant to Clause 5(A) of the erstwhile Listing agreement, shares which are unclaimed after necessary reminders given to the shareholders have already been credited to "Demat Suspense Account". Hence, the Company requests such shareholders, who have not yet claimed such bonus shares, that they communicate the Company's RTA and claim such shares at their end.
24. As per sub clause F of Schedule V of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Company shall disclose the following details in its Annual Report, as long as there are shares in the suspense account:
 - (i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; **940 Shareholders & 26,181 shares**
 - (ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year:
 - 2 Shareholders & 41 shares (as per request received)
 - 842 Shareholders & 22,837 Shares (Transferred to IEPF Authority whose Shares are unclaimed since seven years after due process)
 - (iii) Number of shareholders to whom shares were transferred from suspense account during the year:
 - 2 Shareholders & 41 shares (as per request received)
 - 842 Shareholders & 22,837 Shares (Transferred to IEPF Authority whose Shares are unclaimed since seven years after due process)



- (iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; **96 Shareholders & 3303 shares**
 - (v) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.
25. In line with the measures of Green Initiative, Companies Act, 2013, provides for sending notice of the meeting along with annual report to the Members through electronic mode. Members holding shares in physical mode are requested to register their e-mail Id's with the Company/RTA/as procedure mentioned in point no.-5 of Notes. Members holding shares in dematerialised mode are requested to register their e-mail Id's with their respective DPs. If there is any change in the e-mail id already registered with the Company/RTA, Members are requested to immediately notify such change to the Company/RTA in respect of shares held in physical form and to DPs in respect of shares held in electronic form.

In compliance with the provisions of Section 108 of the Companies Act, 2013, and in accordance with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has fixed July 13, 2021 as the "cut-off date" to determine the eligibility to vote by electronic means or in the general meeting. A person whose name is recorded in the register of "remote e-voting" (e-voting from a place other than venue of the AGM), to enable them to cast their votes at the 45th Annual General Meeting (AGM) and the business at the 45th AGM may be transacted through such voting. The Company has entered into an agreement with Link Intime India Private Limited (LIPL) for facilitating e-voting to enable all its Shareholders to cast their vote electronically.

The facility for voting during the AGM will also be made available. Members present in the AGM through VC/ OAVM and who 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 the e-voting system during the AGM.

The Company has appointed Mr. Sandip Sheth (Mem No. 5467) or failing him Mr. Prashant Prajapati (Mem No. 32597) of M/s. Sandip Sheth & Associates, the firm of Company Secretaries in whole time practice, as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The Scrutinizer shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, during the remote e-voting and voting at the AGM, not later than 48 hours from the conclusion of the meeting, to the Chairman or a person, authorised by him in writing. The Chairman or a person, authorised by him in writing, shall declare the results of the AGM forthwith. The results declared along with the Scrutinizer's report shall be placed on the Company's website and on the website of LIPL and shall be communicated to the Stock Exchanges.

1. In compliance with the provisions of section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically,



through the e-voting services provided by Link Intime India Private Limited, on all resolutions set forth in this Notice.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE VOTING ARE AS UNDER:

- The voting period begins on July 13, 2021 at 9:00 a.m. and ends on July 19, 2021 at 5:00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 13, 2021, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.
- Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none"> • If you are already registered for NSDL IDeAS facility, 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. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. 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. 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. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 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. 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. |

| | |
|--|---|
| <p>Individual Shareholders holding securities in demat mode with CDSL</p> | <ul style="list-style-type: none"> Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 provided links for the respective ESP where the E Voting is in progress. |
| <p>Individual Shareholders (holding securities in demat mode) & login through their depository participants</p> | <ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once 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. 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. |
| <p>Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.</p> | <p>1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in</p> <p>► Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details: -</p> <p>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</p> <p>B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p> |

| | |
|--|---|
| | <p>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</p> <p>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <ul style="list-style-type: none"> Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above <p>► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p>► Click "confirm" (Your password is now generated).</p> <p>2. Click on 'Login' under 'SHARE HOLDER' tab.</p> <p>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</p> <p>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</p> <p>5. E-voting page will appear.</p> <p>6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</p> <p>7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</p> |
|--|---|

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.

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- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders / members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
 - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type | Helpdesk details |
|--|---|
| 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 at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| 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 at 022- 23058738 or 22-23058542-43. |

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General

Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/ OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only. Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

► Select the “Company” and ‘Event Date’ and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide Folio Number** registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

► Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders/Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat



account number/folio number, email id, mobile number at secretarial@dacl.co.in from July 14, 2021 (9.00 a.m. IST) to July 17, 2021 (5.00 p.m. IST). Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial@dacl.co.in. The same will be replied by the company suitably.

2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

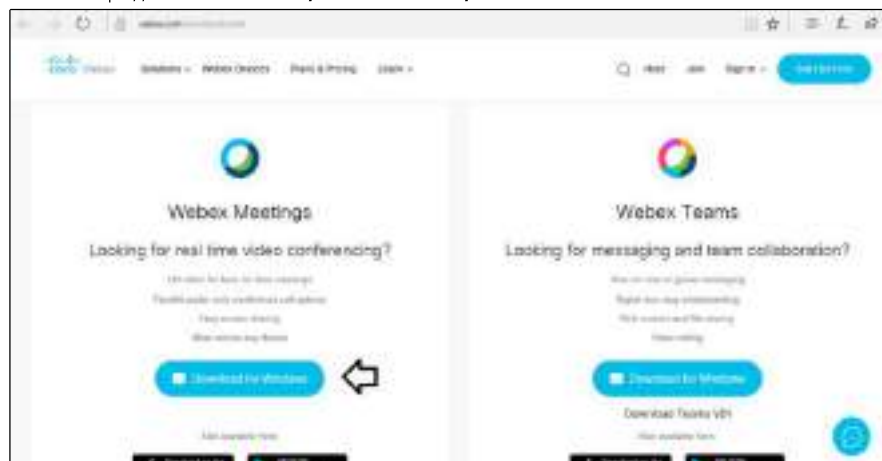
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

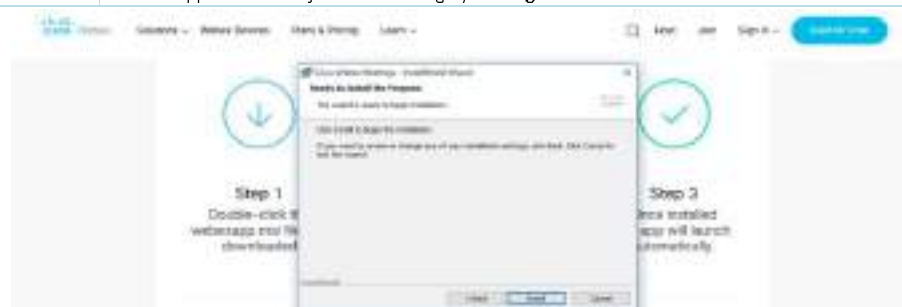
For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>





| Step 1 | Enter your First Name, Last Name and Email ID and click on Join Now. |
|--------|---|
| 1 (A) | If you have already installed the Webex application on your device, join the meeting by clicking on Join Now |
| 1 (B) | If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application . Click on Run a temporary application , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now |



or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:



Other Instructions:

- The remote e-voting period commences on Friday, July 16, 2021 (9.00 a.m. IST) and ends on Monday, July 19, 2021 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on July 13, 2021, may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

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- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on July 13, 2021.
- iii. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

Place: Mumbai

Date: June 16, 2021

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

Plot No.13, PCC Area,
P.O. Petrochemicals,
Vadodara –391 346

By Order of the Board

Hemaxi Pawar
Company Secretary
Membership No.: A52581



ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

ITEM NO. 2:

Mr. Amit Mehta retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. Amit Mehta was the Vice Chairman of the Company since March 14, 2001. He was appointed as Chairman w.e.f. December 03, 2019 and as an Executive Chairman w.e.f. April 01, 2020. He is also one of the Promoters of the Company. Mr. Amit Mehta aged 66 years, is a successful businessman, having over 40 years' of experience in the business of chemicals. His skills and knowledge is of immense help to the Company in achieving desired sales target and in maintaining cordial relations with customers at large.

Mr. Amit Mehta holds 12,37,726 equity shares in the Company. Mr. Amit Mehta holds directorship in the following companies;

1. Perfo Chem (I) Private Limited
2. S. Amit Speciality Chemicals Private Limited
3. Insight Health Scan Private Limited
4. Topnotch Reality Private Limited
5. Hi-End Property Developers LLP
6. Reaxa Chemistry solution LLP
7. Pinami Reality Private Limited
8. Mohar Properties & Trading LLP
9. Finorga (I) Private Limited
10. Value E-Healthcare Limited
11. Global Local Lifestyle Services Private Limited
12. Tomorrowland Apparels Private Limited
13. Sadhana Nitro Chem Limited
14. Fyra Insights Private Limited
15. DACL Fine Chem Limited

It will be in the interest of the Company that Mr. Amit Mehta continues as Director of the Company. Mr. Amit Mehta is interested in this resolution since it relates to his reappointment.

Resolution placed at item no. 2 of the notice is recommended for approval of the Shareholders as ordinary resolution.

No Director, key managerial personnel or their relatives, except Mr. Amit Mehta, to whom the resolution relates, are interested or concerned in the Resolution.

ITEM NO. 4: Ratification of Remuneration to Cost Auditor

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Diwanji & Co., Cost & Management Accountants, to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2022.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2021-22 as set out in the Resolution for the aforesaid services to be rendered by them.

The Board of Directors accordingly recommends the passing of this resolution. None of the Directors, Key Managerial Personnel of the Company or their relatives, is in any way concerned or interested in the said resolution.

ITEM NO. 5: Re-appointment of Mr. G. S. Venkatachalam as an Executive Director

Mr. Govindarajapuram Seshadri Venkatachalam was appointed as an Executive Director with effect from 7th February, 2015 for a period of 3 (Three) years. Further he has been re-appointed with effect from 7th February, 2018 for a period of 3 (Three) years. His term of appointment expired on 6th February, 2021, the board of directors of the company, in its meeting held on 6th November, 2020, re-appointed Mr. Govindarajapuram Seshadri Venkatachalam for a further period of 3 (Three) years from 7th February 2021 to 6th February 2024, on the remuneration and other terms & conditions as approved by the board. The Nomination and Remuneration Committee and Audit Committee has considered the matter and recommended the re-appointment of Mr. G. S. Venkatachalam to the Board, subject to the approval of members under the various applicable Sections of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013. Mr. G. S. Venkatachalam is a Chartered Accountant by profession; having more than 40 years of experience in his core area of competence i.e. Accounts and Finance and has wide exposure to domestic and international markets. The details of terms and conditions and the remuneration payable to Mr. G. S. Venkatachalam, as an Executive Director as contained in the draft agreement to be placed before the members for their approval are set out below:

- a) **Basic Salary:** In the range on ₹ 3,00,000/- to ₹ 5,00,000/- Per Month with authority to the Board of Directors to revise it from time to time.
- b) **House Rent Allowance:** Not exceeding 40% of the salary per month.
- c) **Medical reimbursement:** Reimbursement of actual medical expenses/ premium on Medidaim Policy incurred for self and family not exceeding ₹ 48,000/- per annum.
- d) **Leave Travel Concession:** Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ₹ 54,000/- per annum.
- e) Use of company car with driver or alternatively reimbursement of car expenses including petrol, maintenance, repairs & insurance.
- f) Company's contribution to Provident Fund as per rules of the company (not exceeding 12% p.m. of the basic salary).
- g) Gratuity as per rules of the company (not exceeding 4.81% p.m. of the Basic salary).
- h) Leave as per rules of the company, Leave with full pay and encashment of leave at the end of tenure.
- i) The Company shall pay commission on net profits at such percent to the Executive Director as determined by the Board from year to year provided that the total commission shall not exceed 1.00% of the net profits as calculated under the provisions

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of the Companies Act, 2013 or 50% of the annual basic salary, whichever is lower. In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule V of the Companies Act, 2013.

Subject to supervision and control of the Board of Directors of the Company, Executive Director shall be in charge of affairs of the Company and exercise such functions and powers as may be entrusted to him by the Board of Directors from time to time.

The total aggregate of the remuneration paid to Mr. G. S. Venkatachalam shall not exceed double the limits as per Part II of Section II of the Schedule V of the Companies Act, 2013 read with applicable Rules made thereunder.

In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits.

The Executive Director shall be entitled to be reimbursed in respect of actual expenses incurred by him (including travelling and entertainment etc.) for and on behalf of the company.

Mr. G S Venkatachalam holds 11,692 Equity Shares in the Company and he holds directorship / Partnership in the following companies;

1. Divya Desh Tour & Travels LLP
2. Holidaywalas.com Travel LLP
3. DACL Fine Chem Limited

Statement containing information required to be given as per item (iv) of third proviso of Section II of part II of Schedule V of the Companies Act, 2013.

| I. | GENERAL INFORMATION: | | |
|-----|--|--|------------|
| (1) | Nature of Industry | Manufacturing range of Ethylene amines at its factory situated at Plot. No. 13, P.C.C Area, P.O. Petrochemicals, Vadodara – 391 346. | |
| (2) | Date of commencement of commercial production. | Existing Company and hence not applicable. | |
| (3) | In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Existing Company and hence not applicable. | |
| (4) | Financial Performance based on given indicators. (As at 31 st March 2021) | Particulars | ₹ in Lakhs |
| | | Turnover (Net Sales) | 6281.71 |
| | | Operating Profit | 2770.48 |
| | | Net Profit/(Loss) Before Tax | 2584.39 |

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| | | | |
|-----|---|--|------------|
| | | Debt Equity Ratio | - |
| | | Current Ratio | 9.69 times |
| | | Net Worth | 8502.57 |
| (5) | Export Performance | The Company has achieved export Turnover FOB value of ₹ 153.68 Lakhs for the Financial Year ended on 31.03.2021. | |
| (6) | Foreign Investments or collaborators, if any. | None | |
| II. | INFORMATION ABOUT THE APPOINTEE: | | |
| (1) | Background Details | Mr. Govindarajapuram Seshadri Venkatachalam aged about 66 years, possesses Bachelor's degree in Commerce from Mumbai University and also he is a Chartered Accountant, having more than 40 years of experience in his core area of Competence i.e. Accounts & Finance. He is with company since 2008 as an Independent Director of the Company and appointed as an Executive Director with effect from 7 th February, 2015 and re-appointed w.e.f. 7 th February 2018 for a period of 3 (Three) years. Prior to this he has worked in various companies which exposed him to different corporate cultures and thus has enriched his profile on understanding of human behavior and different business practices. | |
| (2) | Past Remuneration | ₹ 47.61 Lakhs | |
| (3) | Recognition or Awards | None | |
| (4) | Job Profile and his suitability | Mr. G S Venkatachalam as an Executive Director is responsible for the day to day management of the Company and assisted by Senior Executives. He is working under the superintendence and control of the Board of Directors. He is responsible for all the day to day activities of the Company. He has vast experience in the field of Account and Finance. | |
| (5) | Remuneration Proposed | As mentioned in the abstract of remuneration given in the preceding paras. | |
| (6) | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person. | The proposed remuneration is commensurate with skills and experience of the appointee. Mr. G S Venkatachalam has been appointed as an Executive Director having superintendence and control of the Board of Directors of the Company to carry out such duties on day to day basis as entrusted to him. The remuneration proposed is in line with and prevailing in similar industry and having regard to the size of the Company. | |

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| | | |
|------|--|---|
| (7) | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | He is not directly/indirectly related with Promoters and/or Directors of the Company. |
| III. | OTHER INFORMATION: | |
| (1) | Reasons of loss or inadequate profits. | Since last few years, the Company has witnessed adequate profitability hence this clause is not applicable. |
| (2) | Steps taken or proposed to be taken for improvement | However, the Company continues to earn profit and hence there are no specific steps required to take but the Company continues its practice to better cost control, improving efficiency etc. Though the prices of raw materials and products are influenced by external factors, the company is also making all possible efforts to improve the margins. |
| (3) | Expected increase in productivity and profits in measurable terms. | The Company is very conscious about improvement in productivity and undertakes constant measures to improve it. This will enable Company to improve its margin in coming years, and expects to continue to generate good margins from Chemical industry. |
| IV. | DISCLOSURES: | |
| (1) | The required disclosure to the shareholders of the Company about remuneration package of the managerial person and all elements of remuneration package such as salary, benefits, bonuses, stock options, pensions etc., of all the directors; details of fixed component and performance linked incentives along with the performance criteria; Service contract, notice period, severance fees; Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable has been made in the Annual Report of the Company, wherever applicable . | |

Re-appointment of Mr. G S Venkatachalam as an Executive Director of the Company and payment of remuneration to him requires approval of the members as Special Resolution. The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in terms of the proviso of clause (B) of Section II of Part II of Schedule V of the Companies Act, 2013.

Consequently, the said resolution for re-appointment of Mr. G S Venkatachalam as an Executive Director for a period of three (3) years w.e.f. 7th February, 2021 on the remuneration as set out in the Agreement, requires approval of Members in General Meeting. Hence, your directors recommend the resolution for your approval.

Mr. G S Venkatachalam is not related to any Director or Promoters of the Company.

Necessary documents in this regard are available for inspection by the Members during business hours on any working day.



None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the aforesaid resolution except Mr. Govindarajapuram Seshadri Venkatachalam and recommend your acceptance thereof in the interest of the Company.

ITEM NO. 6: Appointment of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director and to approve payment of fees/compensation

Mr. Rajendra Chhabra was an independent Director of the company and he was holding this position in the company since March 14, 2001. He is a Practicing Chartered Accountant. Mr. Chhabra has vast knowledge in the field of Accounts and Finance. During his tenure since 2001, he has played very active and significant role in setting up the complete transparency and integrity in finance functions of the Company. Board felt that his knowledge, rich experience and strategic guidance has helped the Company to grow year by year and his continue guidance would be of immense benefit to the Company. The Board has appointed him as Non-Executive Director in the category of Professional Director for a period of 3 (Three) years with effect from 6th November, 2020, subject to approval of the members. The appointment of Mr. Rajendra Chhabra as Non-Executive Director in the Category of Professional Director with consultation fees not exceeding the receipt of invoice raised by him on monthly basis and with mutual understanding between Board and Mr. Chhabra. He will continue as Non -Executive Director (NED).

Further, in terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, listed entity is required to obtain the approval of members for payment of fees or compensation.

The appointment and remuneration of Mr. Rajendra Chhabra was also recommended and reviewed by the Nomination and Remuneration Committee and Audit Committee of the Board subject to approval of the members. He has ceased to be Independent Director and appointed as a Professional Director after effecting change in designation and his term shall be liable to retire by rotation and eligible for the remuneration.

Mr. Rajendra Chhabra (DIN: 00093384)

Mr. Rajendra Chhabra was an independent Director of the company and he was holding this position in the company since March 14, 2001. He is a Practicing Chartered Accountant. Mr. Chhabra has vast knowledge in the field of Accounts and Finance. During his tenure since 2001, he has played very active and significant role in setting up the complete transparency and integrity in finance functions of the Company. The Board has appointed him as Non-Executive Director in the category of Professional Director for a period of 3 (Three) years with effect from 6th November, 2020.

Mr. Rajendra Chhabra holds 18,100 Equity shares in the company. He is also on the Board of the Value E-Healthcare Limited

Except Mr. Rajendra Chhabra, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Rajendra Chhabra is not related to any Director of the Company.

ITEM NO. 7 & 8: Payment of Remuneration of Mr. Rajendra Chhabra as Non-Executive Director in the category of Professional Director exceeding fifty per cent of the total Remuneration/compensation/fees payable to all other Non-Executive Director of the Company



In terms of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 listed entity is required to obtain the approval of members of the Company by way of Special Resolution for payment of remuneration to a single non-executive director exceeding 50% of the total remuneration payable to all non-executive directors. Mr. Rajendra Chhabra was an independent Director of the company and he was holding this position in the company since March 14, 2001. He is a Practicing Chartered Accountant. Mr. Chhabra has vast knowledge in the field of Accounts and Finance. During his tenure since 2001, he has played very active and significant role in setting up the complete transparency and integrity in finance functions of the Company and hence to get the benefit of his vast experience and strategic guidance the Board of Directors has appointed him as a Professional Non Executive Directors with effect from 6th November, 2020, for immense benefit to the Company.

The Board has made his appointment as a Professional Director in the category of non executive director of the Company. The Company will pay him consultation fees upon raising invoice on monthly basis which may be mutually decided by the Board and Mr. Rajendra Chhabra and payment of such consultation fees may be exceeding fifty percent of the total commission/remuneration/compensation payable to all non executive Directors of the Company for the financial year 2021-22, requiring approval of members in terms of aforesaid provision.

His appointment was made by the Board of Directors with effect from 6th November, 2020 as a Professional Non Executive Director and he has been paid consultation fees upon receiving invoice till 31st March, 2021, which exceeded total remuneration paid to other non executive Directors of the Company.

It is therefore resolutions as contained in Item Nos. 7 & 8 are proposed for the approval of shareholders by way of special resolutions. The Board recommends the resolutions for the approval of Members of the Company.

None of the Directors except Mr. Rajendra Chhabra, Key Managerial Personnel and relatives thereof, are in any way concerned or interested, financially or otherwise, in the said resolutions.

ITEM NO.9: Commission to Non-Executive Directors

The Members had, at the Annual General Meeting of the Company held on September 19, 2016, passed an Special Resolution under Section 197 of the Companies Act, 2013, and approved the payment of commission to Non-Executive Directors of the Company, of a sum not exceeding one percent (1%) or three percent (3%) per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 2013, subject to determination by the Board of Directors for each of the Non-Executive Directors for a period of five (5) years beginning with the financial year April 01, 2016. The approval was valid upto and including the financial year ended on March 31, 2021.

As per Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, all fees / compensation payable to Non-Executive Directors, including Independent Directors shall require approval of the Members at the Annual General Meeting.

The current competitive business environment, stringent accounting standards and corporate governance norms require considerably enhanced levels of involvement of the Directors in the decision making process. The responsibility of the Directors has become more onerous and the Directors are required to devote more time and attention to the business of the Company. It is therefore, proposed to



continue the payment of commission to the Non-Executive Directors of the Company for a period of five (5) years commencing from the financial year beginning on April 01, 2021. The Board of Directors will determine each year, the amount to be paid as commission to the Non-Executive Directors which expression includes the Independent Directors which shall not exceed one percent (1%) or three person (3%) of the net profits of the Company for that year, as computed in the manner referred to in Section 198 of the Companies Act, 2013 and decided by the Board from time to time.

Hence, taking into account the responsibilities of the Directors, it is proposed that in terms of provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, read with Schedule V of the Companies Act, 2013, the Directors of the Company {Part – Time Directors, i.e. Other than the Independent Directors, Executive Director or the Whole Time Directors, if any} be paid, for each year of five financial years of the Company commencing 1st of April, 2021, remuneration not exceeding 1% per annum { one percent only } or 3% per annum (in the event the Company has no Managing/Whole time Director or Manager) of the net profits of the Company or such other percentages computed in accordance with the provisions of the Companies Act, 2013 and rules thereof. The remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

In view of the above, Members approval is being sought pursuant to Sections 197, 198 and other applicable provisions of the Companies Act, 2013 and Regulation 17(6) of SEBI (Listing Obligations and Disclosures Requirements), Regulations, 2015, for the payment of commission to the Non-Executive Directors of the Company for a period of five (5) years commencing from April 01, 2021. The payment of commission would be in addition to the sitting fees payable for attending the meetings of the Board and Committees thereof.

All the Non-Executive Directors of the Company are interested in the Resolution set out at Item No. 9 of the accompanying Notice, since it relates to their respective remuneration.

The Board of Directors accordingly recommends the passing of this resolution.

Except all Non-Executive Directors, none of the other Directors and Key Managerial Personnel of the Company and relatives thereof, are concerned or interested, financially or otherwise in the resolution set out at the Item No. 9 of this Notice.

ITEM NO. 10 & 11 To approve 'DACL - Employees Stock Option Plan 2021' and To extend approval of 'DACL - Employees Stock Option Plan 2021' to the employees of Holding Company and its Subsidiary Company (ies)

Stock Options represent a reward system based on performance. They help companies attract, retain and motivate the best available talent. Stock Options also provide a company with an opportunity to optimise its personnel costs. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

Further, as the business environment is becoming increasingly competitive, it is important to attract and retain qualified, talented and competent personnel in the Company. Your Company believes in rewarding its Employees including employees of the Holding Company or its Subsidiary Company (ies), if any, for their continuous hard work, dedication and support, which has led the Company and its Holding Company or its Subsidiary Company (ies) on the growth path.



Keeping in line with the above, “DACL - Employees Stock Option Plan 2021” (‘the Scheme’) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“**SEBI SBEB Regulations**”) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on June 16, 2021, subject to the approval of the members.

The Scheme will be operated and administered under the superintendence of the Company’s Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

- Number of options to be granted to any Employee, and in the aggregate;
- Terms on which the options will vest;
- The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
- The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period and determination of exercise price which may be different for different class/ classes of Employees falling in the same tranche of grant of Options issued under ESOP- 2021;
- The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
- The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
- The grant, vesting and exercise of options in case of Employees who are on long leave; and
- Any other related or incidental matters.

Major details of the Scheme are as given below:-

a) Brief Description of the Scheme is given as under:

DCL - Employees Stock Option Plan 2021 (‘the Scheme’) has been formulated by the Company and to be implemented by Nomination & Remuneration Committee constituted under Section 178 of the Companies Act, 2013 in accordance with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations) issued by SEBI and other applicable laws. The Scheme has been approved by the Board of Directors at their Meeting held on June 16, 2021, 2021, subject to the approval of the members.

b) The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 2,00,000 (Two Lakhs) equity shares of ₹ 10/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organisation of the capital structure of the Company as may be applicable from time to time).



SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale or division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional Equity Shares are issued by the Company to the Option grantees for making such fair and reasonable adjustment, the above ceiling Shares shall be deemed to be increased to the extent of such additional equity shares issued.

An employee may surrender his/her vested /unvested options at any time during / post his employment with the company. Any employee willing to surrender his/her options shall communicate the same to the Board or Committee in writing.

Vested options lapsed due to non-exercise, surrender and/or unvested options that gets cancelled due to resignation or any other separation conditions of Option grantees, surrendered or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled / surrendered options as per the provisions of ESOP-2021.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme.

All permanent employees working in India or out of India and Directors (whether Managing/Whole time Director or not) of Company and its Holding Company and its Subsidiary Company(ies), (present or future) (excluding promoters and an employee who is a Promoter or a person belonging to the Promoter Group) and further excluding a director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company and excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

d) Terms of the scheme

- (1) The Company shall not vary the terms of the schemes in any manner, which may be detrimental to the interests of the Option Grantees: Provided that the company shall be entitled to vary the terms of the schemes to meet any regulatory requirements.
- (2) Subject to the proviso to sub-regulation (1), the company may by special resolution in a general meeting vary the terms of the schemes offered pursuant to an earlier resolution of the general body but not yet exercised by the employee provided such variation is not prejudicial to the interests of the Option Grantees.

- (3) The notice for passing special resolution for variation of terms of the schemes shall disclose full details of the variation, the rationale therefore, and the details of the Option Grantees who are beneficiaries of such variation.
- (4) The Company may re-price the options as the case may be which are not exercised, whether or not they have been vested if the terms of the grants were rendered unattractive due to fall in the price of the shares in the stock market; Provided that the company ensures that such re-pricing shall not be detrimental to the interest of the Option Grantees and approval of the shareholders in general meeting has been obtained for such re-pricing.

e) Transferability of Employee Stock Options

- (1) The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option Grantee, the right to exercise all the Options granted to him till such date shall be vest in his legal heirs or nominees.
- (2) In the event of resignation or termination of the Option Grantee, all the options which are granted and yet not vested as on that day shall lapse.
- (3) In the event that an Option Grantee who has been granted benefits under a scheme is transferred or deputed to Holding Company and its subsidiary company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after the transfer or deputation.

f) Requirements of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of individual grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOP-2021.

Following table shall be applicable in case of various scenarios (during employment) for vesting and exercising:

| Sr. No. | Separations | Vested Options | Unvested Options |
|---------|---|---|---|
| 1 | Resignation | All Vested Options as on date of submission of resignation may be exercised by the Option Grantee on or before his last working day with the Company. | All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date. |
| 2 | Termination (With cause like fraud, misconduct etc.) | All Vested Options which were not allotted at the time of such termination shall stand cancelled with effect from the date of such termination. | All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date. |
| 3 | Termination (Without cause) | All Vested Options which were not allotted at the time of such termination may be exercised by the Option Grantee on or before his last working day with the Company. | All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date. |

| | | | |
|---|---|---|--|
| 4 | Retirement or early Retirement approved by Company | All Vested Options as on date of retirement may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement. | All Unvested Options shall vest as per original vesting schedule and may be exercised by the Option Grantee within the period as permitted by NRC / Compensation Committee at the time of such retirement or early retirement. |
| 5 | Death | All Vested Options may be exercised by the Option Grantee's nominee or legal heir immediately after, but in no event later than 12 months from the date of Death. | All Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heir/s within 12 months from the date of Death. |
| 6 | Permanent Disability | All Vested Options may be exercised by the Option Grantee or, if the Option Grantee is himself, unable to exercise due to such disability, the nominee or legal heir, immediately after, but in no event later than 12 months from the date of such disability. | All Unvested Options as on the date of such Permanent Disability shall vest immediately and can be exercised by the Option Grantee or, if the Option Grantee is himself unable to exercise due to such incapacity, the nominee or legal heir immediately after, but in no event later than 12 months from the date of such disability. |
| 7 | Abandonment* | All the Vested Options shall stand cancelled. | All the Unvested Options shall stand cancelled. |
| 8 | Any other reason not specified above | The NRC / Compensation Committee shall decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final. | All Unvested Options on the date of separation shall stand cancelled with effect from that date. |

*The Board/ Committee, at its sole discretion shall decide the date of cancellation of Option's and such decision shall be binding on all concerned.

g) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (Five) years from the date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

h) Exercise price or pricing formula

Exercise Price means the price at which the Option Grantee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise Price shall be as may be decided by the Committee as is allowed under the SBEB Regulations which in any case will not be lower than the face value of the equity shares of the Company on the date of such grant. Further the Exercise Price can be different for different set of employees for options granted on same / different dates.

No amount shall be payable by the option grantee at the time of grant and hence no amount is required to be forfeited, even if any employee(s) does not exercise the options within the exercise period and accordingly no adjustment is required to be made for the same.

i) Exercise period and process of exercise

The Exercise period shall not be more than 5 years from the date of respective vesting of Options. The options granted may be exercised by the Grantee at one time or at various points of time within the exercise period as determined by the Committee from time to time.

The Vested options shall be exercisable by the employees by a written application (which will include making applications online using any ESOP administration software) to the Company expressing his/ her desire to exercise such options in such manner and on such format as may be prescribed by the Nomination and Remuneration Committee from time to time. The options shall lapse if not exercised within the specified exercise period. The options may also lapse, under certain circumstances even before the expiry of the specified exercise period.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company, or by any other payment methods prevalent in RBI recognized banking channels or in such other manner and subject to such procedures as the Board/Committee may decide.

j) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, merit of the Employee, future potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee.

k) Maximum number of options to be issued per Employee and in the aggregate

The maximum number of options to be granted per employee per grant and in aggregate shall not exceed 2,00,000 (Two Lakhs).

Further the number of Options that may be granted to any specific identified employee under ESOP-2021 shall not be equal to or exceeding the number of Shares equivalent to 1% of the Issued Capital (excluding outstanding warrants and conversions) of the Company and in aggregate if the prior specific approval from members of the Company through a special resolution to this effect is not obtained.

l) Maximum quantum of benefits to be provided per employee under a Scheme

The Maximum quantum of benefits underlying the options issued to an eligible employee shall depend upon the Market Price of the shares as on the date of sale of shares arising out of Exercise of options.



m) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company in the general meeting.

n) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

o) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

p) Disclosure and accounting policies

The Company shall conform to the accounting policies specified in Regulation 15 of the SEBI (SBEB) Regulations.

Further the Company shall disclose details of Grant, Vest, Exercise and lapse of the Employee Stock Options in the Directors' Report or in an annexure thereof as prescribed under SEBI (SBEB) Regulations or any other Applicable Laws as in force. Further the Company shall follow the laws/regulations applicable to accounting and disclosure related to Employee Stock Options, including but not limited to SEBI (SBEB) Regulations as well as the Guidance Note on Accounting for Employee Share-based Payments and/ or any relevant Accounting Standards as may be prescribed by the Regulatory authorities from time to time, including the disclosure requirements prescribed therein.

q) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc

Not Applicable

r) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s).

Not Applicable

s) Method of Valuation of options

The Company follows fair value method for computing the compensation cost, if any, for the options granted. The company will follow IFRS/ IND AS/ any other requirements for accounting of the Stock options as are applicable to the Company for the same.

Since the company opts for expensing of share based employee benefits using the fair value method, the following statement will not be applicable viz.

In case the company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be

disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the company shall also be disclosed in the Directors' report.'

t) Rights of the option holder

The employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are allotted upon exercise of option.

u) Consequence of failure to exercise option

All unexercised options shall lapse if not exercised on or before the exercised period ends. The amount payable by the employee, if any, at the time of grant of option, -

(a) may be forfeited by the company if the option is not exercised by the employee within the exercise period; or

(b) may be refunded to the employee if the options are not vested due to non-fulfilment of conditions relating to vesting of option as per the Scheme.

v) Lock-in

The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise.

Provided that the transferability of the Shares shall be subject to the restriction for such period in terms of the Securities Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015, as amended from time to time or for such other period as may be stipulated from time to time in terms of Company's Code of Conduct for Prevention of Insider Trading.

w) Other terms

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOP - 2021, subject to compliance with the Applicable Laws and Regulations.

The shares may be allotted directly to the Option Grantees in accordance with the Scheme and such Scheme may also contain provisions for providing financial assistance to the Employees to enable the Employees to acquire or subscribe to the shares.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI SBEB Regulations.



None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 10 and 11, except to the extent of their shareholding entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolution set out in Item No. 10 and 11 of the Notice for adoption by the Shareholders as Special Resolution/s.

ITEM NO. 12 Grant of Options to issue securities equal to or exceeding One per cent but not exceeding Two per cent of the issued Capital of the Company during any One financial year to identified employees under DACL - Employees Stock Option Plan 2021

The resolution set out at Item No. 10 and Item No. 11 provides that a Company may grant option to an employee and to a director of the Company and its Holding Company and its subsidiary company (ies) not exceeding one per cent of the issued capital of the Company in one year. However, the Company may identify certain employee/s to whom it may be necessary to grant options exceeding one per cent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. 12 provides that the Company may grant option equal to or exceeding One per cent but not exceeding Two per cent in One year to identified employee/s or director/s of the Company and its Holding Company and its subsidiary.

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 12, except to the extent of their entitlements, if any, under the ESOP Scheme.

Your Directors recommend the Resolutions set out in Item No. 12 of the Notice for adoption by the Shareholders as special resolution.

Place: Mumbai

Date: June 16, 2021

CIN NO: L24110GJ1976PLC002905

REGISTERED OFFICE:

Plot No.13, PCC Area,

P.O. Petrochemicals,

Vadodara -391 346

By Order of the Board

Hemaxi Pawar

Company Secretary

Membership No.: A52581

BOARD'S REPORT

To the Members,

Your Directors are pleased to present the 45th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2021.

1. Financial Results

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

Standalone Financial Results
(₹ in Lakhs)

| Particulars | Year Ended | |
|--|-------------------|-------------------|
| | March 31, 2021 | March 31, 2020 |
| Net Sales and Other Income | 6,536.95 | 7,138.46 |
| Profit before Finance costs and Depreciation Expenses | 2,770.48 | 3,731.61 |
| Finance cost | 7.54 | 7.82 |
| Depreciation and amortisation expenses | 178.55 | 206.45 |
| Profit from ordinary activities before tax | 2,584.39 | 3,517.34 |
| Tax expense | | |
| Current tax | 695.55 | 1,126.35 |
| Tax Related to Earlier Years | (117.11) | (13.18) |
| Deferred tax | (97.42) | 5.59 |
| Net Profit from ordinary activities after tax | 2,103.37 | 2,398.58 |
| Other comprehensive income /(expense) (net of tax) | 294.08 | (51.30) |
| Total comprehensive income for the period | 2,397.45 | 2,347.28 |
| Balance of profit brought forward | 5,037.98 | 3,368.13 |
| Dividend | | |
| Dividend (Final) | (365.67) | - |
| Dividend (Interim and Final) | - | (586.99) |
| Tax on Dividend | (25.66) | (123.35) |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



| | | |
|---|-----------------|----------|
| Transfer to General Reserve | - | - |
| Balance carried to Balance Sheet | 6,748.28 | 5,037.98 |
| Basic & diluted earning per equity share on Net profit from ordinary activities after tax (face value ₹ 10/- each) (In Rupees) | 21.50 | 24.52 |

2. Dividend

Dividends paid during the year ended 31st March, 2021 include an amount of ₹ 4.00 per equity share towards final dividend for the year ended 31st March, 2020 on 9783240 equity shares of ₹ 10/- each.

The Board of Directors recommended a final dividend of ₹ 5/- per Ordinary share on 9783240 ordinary shares of ₹ 10/- each for the year ended on March 31, 2021. The Dividend for the year ended 31st March 2021 is subject to the approval of members at the Annual General Meeting on 20th July, 2021 and will be paid within statutory time period, if approved by the members at the Annual General Meeting.

3. Transfer to Reserves

Pursuant to provisions of Section 134(3)(j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

4. Review of Business Operations, performance highlights and Future Prospects

Your Directors wish to present the details of Business operations done during the year under review: The period under review was a favorable year for your Company which also reflects in its performance.

Standalone:

Total income for the year 2020-21 was registered at ₹ 6,536.95 lakhs as compared to income of ₹ 7,138.46 lakhs for the year 2019-20.

Net profit after tax was ₹ 2,103.37 lakhs as compared to ₹ 2,398.58 lakhs in previous financial year.

Sales volumes for the year 2020-21 were at 2296.19 MT as compared to 2287.19 MT for the year 2019-20.

Consolidated:

Consolidated total income for the financial year 2020-21 stood at ₹ 6,536.95 lakhs. While net profit /(loss) after tax reported at ₹ 2099.49 lakhs.

5. Transfer of Unclaimed Dividend to Investor Education And Protection Fund

In terms of Section 124 and Section 125 of the Companies Act, 2013, the Company had not declared any Dividend during FY 2013-14. There is no unclaimed Dividend amount due to transfer to Investor Education and Protection Fund. Pursuant to the provisions of Investor Education and Protection Fund, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the



website of the Company (www.dacl.co.in), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).

6. Material Changes And Commitment, if any, affecting the Financial Position of the Company occurred between the end of the Financial Year to which this financial statements relate and the date of the report

The Company has incorporated its Wholly Owned Subsidiary (WOS) named DACL Fine Chem Limited on 30.07.2020 and the Financials of the Company are consolidated with the parent Company. Other than this, there have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

7. Management Discussion and Analysis Report:

Management Discussion and Analysis Report for the year, pursuant to Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 forms part of the Annual Report, attached herewith as **"ANNEXURE-A"**.

8. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is furnished in **ANNEXURE – B** and is attached to this report.

Your Company understands and appreciates the responsibility and importance of conservation of energy and continues to put efforts in reducing or optimizing energy consumption for its operations.

The Company has taken various measures for conservation of energy such as:

- Reduction in steam consumptions, electricity and cooling water by debottlenecking of various operations
- Improvement in the yields and planned increase in throughout
- Improved steam condensate recovery by installing new designs of traps and monitoring trap performance
- Utilization of by-products steams
- Modification in coal fired boiler to improve efficiency by increasing coal to steam ratio

9. Safety, Health And Environment:

a) Safety:

The Company encourages a high level of awareness of safety issues among its employees and strives for continuous improvement. All incidents are analysed in the safety committee meetings and corrective actions are taken immediately. Employees are trained in safe practices to be followed at work place.



The Company is active member of local Crisis group such as Offsite Industrial Emergency Control Room (OIECR). External safety audits are carried out from time to time and audit recommendations are implemented.

Safety promotional activities such as celebration of National Safety day, arranging poster competition, slogan competition and prize distribution are conducted every year to encourage safety culture. Company also conducts Mock drill regularly on quarterly basis and outcome of Mock drill is analyzed and necessary improvements are implemented regularly. Company also makes continuous efforts to increase Safety awareness with regular and contractual employees and workers.

b) Health:

Your Company attaches utmost importance to the health of its employees. Periodic checkup of employees is done to monitor their health. Company also has Occupational Health Center open for 24 hours, and Ambulance facility at its Manufacturing site. Health related issues if any are discussed with visiting Medical Officer. Company also has a tie up with one hospital in the City to provide timely medical assistance to the employees/workers in case of emergencies.

c) Environment:

Company always strives hard to give importance to environmental issues in normal course of operations. Adherence to Environmental and pollution control Norms as per Gujarat Pollution Control guidelines is of high concern to the Company. The Company is also signatory to "Responsible Care", a voluntary initiative of International Council of Chemical association (ICC) being implemented by Indian Chemical Council to safely handle the products from inception in research laboratory through manufacturing and distribution to utilization, reuse, recycle and finally their disposal.

d) Renewable Source of Energy:

Your Company is also contributing in reducing Carbon foot printing from the Environment by generating power through renewable sources and by harnessing wind Energy. The Company has installed 3 (three) Wind Turbine Generators (WTG) of total 3.25 MW Capacity and are always ensured in full operational mode.

10. Cash Flow and Consolidated Financial Statements:-

As required under Regulation 34 of the Listing Regulations, a Cash Flow Statement is part of the Annual Report. The Company has its wholly Owned Subsidiary named DACL Fine Chem Limited, incorporated on 30.07.2020 and required to publish Consolidated Financial Statements.

11. Corporate Social Responsibility (CSR) Initiatives and Policy

The Company believes in contributing to harmonious and sustainable development of society and that a company's performance must be measured not only by its bottom line but also with respect to the social contributions made by the company while achieving its financial goals. During the year, the CSR Expenditure incurred by the company was ₹ 42.06 Lakhs in the area of Education, Health and Environment. The CSR policy of the Company may be accessed on the Company website at the link:

<http://www.dacl.co.in/investors/CSR.pdf>. The Annual Report on CSR Activities is annexed herewith as **ANNEXURE – C**.

12. Particulars of Loans, Guarantees or Investments made under section 186 of the Companies Act, 2013

The particulars of Loans, guarantees or investments made under Section 186 are furnished in **ANNEXURE-D** and are attached to this report. Details of the loans and investments made by your Company are also given in the notes to the financial statements.

13. Material Orders Passed by Regulatory/Court:

There were no significant and material orders passed by any regulators and/or courts and tribunals which may have the impact on the going concern status and company's operations in future.

14. Internal Financial Controls:

The Board of Directors of the Company has laid down adequate internal financial controls which are operating effectively. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year, policies and procedures are adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, the prevention and detection of its frauds and errors, the accuracy and completeness of the accounting records and the timely preparations of reliable financial information. The scope of Internal Audit is well defined in the organization. The Internal Audit report regularly placed before the Audit Committee of the Board. The Management monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies. Based on the report of Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthening the controls continuously. Significant audit observations, if any, and corrective actions suggested and taken are presented to the Audit Committee of the Board.

15. Particulars of Contracts or arrangements made with Related Parties:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 read with Regulation 23 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

There were no materially significant related party transactions made by the Company with the Promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interests of the Company at large. All other Related Party Transactions are placed before the Audit Committee as also the Board for approval. The policy on materiality of related party transactions and dealing with related party transactions is uploaded on the Company's website http://www.dacl.co.in/investors/RPT_Policy.pdf.

Since, there were no materially significant Related Party transaction during the year under review, the details, required in AOC-2 is not applicable to the Company.

16. Explanation or Comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors and Practicing Company Secretary in their reports:

There were no qualifications, reservations or adverse remarks made either by the Statutory Auditors or by the Practicing Company Secretary in their respective reports.

17. Annual Return

In accordance with Section 134 (3) (a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return pursuant to the provisions of Section 92 (3) in prescribed format is available on [https://www.dacl.co.in/upload/PDF/2020-2021%20-%20Annual%20Return%20\(MGT-7\)_637599948071536638.pdf](https://www.dacl.co.in/upload/PDF/2020-2021%20-%20Annual%20Return%20(MGT-7)_637599948071536638.pdf)

18. Number of Board Meetings conducted during the year under review:

The Company had 4 (Four) Board meetings during the financial year. During the year under review, Board Meetings were held respectively on 19th June, 2020, 10th August, 2020, 6th November, 2020 and 5th February, 2021. Your Directors confirm that to the best of their knowledge and belief, applicable provisions related to Secretarial Standards on the Meetings of the Board of Directors, issued by the Institute of Company Secretaries of India and approved by the Central Government, have been complied with. The details of attendance at the Board Meetings is stated herein below for each Director and the details of attendance at Annual General Meeting for each Director along with their other Directorships is stated in the Corporate Governance Report which forms part of this Report. :

| Sr. No. | Name of the Director | No. of Board Meetings attended (Total 4 held) |
|---------|-------------------------|---|
| 1. | Mr. Amit M. Mehta | 4/4 |
| 2. | Mr. G. S. Venkatachalam | 3/4 |
| 3. | Mr. Rajendra Chhabra | 4/4 |
| 4. | Dr. Ambrish Dalal | 4/4 |
| 5. | Mr. Dhruv Mehta | 4/4 |
| 6. | Mrs. Kejal Pandya | 4/4 |

19. Directors Responsibility Statement:

In accordance with the provisions of Section 134(5) read with 134 3(c) of the Companies Act, 2013 the Board hereby submits its responsibility Statement that:—

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 and of the profit and loss of the company for that period;



- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. Subsidiary Company, its Performance & Financial Position:

During the year under review, Company has a Wholly Owned Subsidiary (WOS) Company named DACL Fine Chem Limited, incorporated on 30th July, 2020 and not has any associate or joint venture Company of M/s. Diamines and Chemicals Limited. The Company has 50,000 equity shares constituting 100% of the paid-up equity share capital of DACL Fine Chem Limited.

Pursuant to provisions of Section 2(87) of the Companies Act, 2013, DACL Fine Chem Limited is the 100% wholly-owned subsidiary of our Company. For the financial year ended 31st March, 2021, the DACL Fine Chem Limited has not started its commercial activity yet.

The 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), Form AOC-1 is annexed as **ANNEXURE I**.

In terms of Section 129(3) of the Companies Act, 2013, the consolidated financial statements of the company and its subsidiaries prepared in accordance with Ind AS 110 and 111 as specified in the Companies (Indian Accounting Standards) Rules, 2015, forming part of the annual report. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements and related information of the company and its subsidiaries, wherever applicable, are available on the company's website: www.dacl.co.in. These are also available for inspection during regular business hours at our registered office in Vadodara, Gujarat, India.

21. Deposits:

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5)(v)& (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

22. Directors:

Mr. Amit Mehta (DIN:00073907), Executive Chairman of the company retire at this Annual General Meeting and being eligible offer himself for re-appointment. Your Directors recommend his re-appointment.

Further, the term of Mr. G. S. Venkatachalam as Executive Director of the Company has been expired on 6th February, 2021 and he has been reappointed as Executive Director of the Company for next 3 years w.e.f. 7th February, 2021.

Mr. Rajendra Chhabra was an Independent Director of the Company up to 5th November, 2020 and w.e.f. 6th November, 2020, he has been appointed as Professional Director in the category of Non-Executive Director for the period of 3 years.

None of the Directors is disqualified for appointment/re-appointment under Section 164 of the Companies Act, 2013. The Certificate issued by the practicing Company Secretary relating to non-disqualification of Directors is also attached herewith as "**ANNEXURE G**". As required by law, this position is also reflected in the Auditors' Report. The composition of the Board, meetings of the Board held during the year and the attendance of the Directors there at have been mentioned in the Report on Corporate Governance in the Annual Report.

23. Declassification / Reclassification of Promoters:-

During the previous year, Shareholders Agreement was executed between the two Promoter Groups of the Company viz., Mr. Amit Mehta Group and M/s Alkyl Amines Chemicals Limited jointly with Mr. Yogesh Kothari and M/s SYK Trading and Consulting LLP who have sold their shares as per the Agreement to Mr. Amit Mehta & Group. As per Shareholder's Agreement, Mr. Yogesh Kothari, Chairman and Mr. Kirat Patel, Non-Executive Director have resigned from the Board w.e.f. 19th November, 2019. Further M/s Alkyl Amines Chemicals Limited, Mr. Yogesh Kothari and M/s SYK Trading and Consulting LLP requested to company by submitting application of reclassification / declassification of shares from Promoter category to Public Category in compliance with regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company has duly passed the resolution for such declassification / reclassification of promoters by passing resolution in Extra Ordinary General Meeting on March 13, 2020. The application made to the BSE Limited seeking permission for such declassification / reclassification and approval received from the BSE Limited on 12th August, 2020.

24. Declarations of Independent Directors:

All the Independent Directors have submitted their declaration to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules. The Board hereby confirms that all the Independent directors have registered themselves with Independent Directors Database. Out of three Independent Directors One Independent Director is exempted from the Proficiency test as per Exemption criteria and one Independent Director has been cleared Proficiency test within statutory time period as on March 31st, 2021.

25. Familiarization Programmes:

The Company has adopted a familiarization policy for independent directors. The policy as well as the details with regard to no. of hours and details of imparting the training to the independent directors of the Company are available on the Company's website www.dacl.co.in

26. Board Evaluation:

Regulation 17(10) of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation framework. The Companies Act, 2013 states that a formal annual evaluation needs to be made by the Board of its own performance and that of its committees and individual directors. Schedule IV of the Companies Act, 2013, states that the performance evaluation of independent directors shall be done by the entire Board of Directors,

excluding the director being evaluated. The evaluation of all the directors and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The Board approved the evaluation results as collated by the nomination and remuneration committee.

27. Particulars regarding Employees Remuneration:

Disclosure pertaining to the remuneration and details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as "**ANNEXURE – E**" to the Director's Report. The information in respect of employees of the company required pursuant to rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 will be provided upon request. In terms of Section 136 of the Companies Act 2013, the Report and Accounts are being sent to the Members and other entitled thereto, excluding the aforesaid Annexure which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. In any member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

28. Key Managerial Personnel:

As required under Section 203 of the Companies Act, 2013, the Company has noted that Mr. G. S. Venkatachalam, Executive Director of the Company, Mr. Dipen Ruparelia, Chief Financial Officer and Ms. Hemaxi Pawar, Company Secretary are the Key Managerial Personnel of the Company.

The Board has also appointed Mr. Amit Mehta, Director (DIN NO. 00073907) of the Company as an Executive Chairman w.e.f. 1st April, 2020.

29. Auditors:

a. Statutory Auditors

In accordance with the provisions of Companies Act, 2013, at the 42nd Annual General Meeting held on 6th August, 2018, the shareholders had appointed M/s K.C Mehta & Co., Chartered Accountants (ICAI Firm Registration No. 106237W), as Statutory Auditors of the Company, for a period of 5 years i.e. up to the conclusion of 47th Annual General Meeting to be held for the adoption of accounts for the financial year ending March 31, 2023. As Companies (Amendment) Act, 2017 has done away with the requirement of ratification at every Annual General Meeting, no ratification for the appointment is required. There is no qualification or adverse remark in Auditors' report. As regards the comments made in the Auditors' Report, the Board is of the opinion that the same are self-explanatory and does not require further clarification.

b. 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 has appointed M/s. Sandip Sheth & Associates, Company Secretaries, as secretarial auditors of the Company, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit Report is annexed herewith as "**ANNEXURE-E**". As regards the comments made in the Secretarial Auditors' Report, the Board is of the opinion that the same are self-explanatory and does not require further clarification.

c. Internal Auditors

Pursuant to provisions of section 138(1) of the Companies Act, 2013, the Company has appointed M/s. CNK & Associates LLP, Chartered Accountants, as Internal auditors of the Company, to undertake the Internal Audit of the Company from FY 2021-22 in place of Anirudh Sonpal & Associates, Chartered Accountants, upon end of their current term of Appointment for FY 2020-21.

d. Cost Auditors:

As per the requirement of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit), Amendment Rules 2014, your Company is required to get its cost accounting records audited by a Cost Auditor.

On the recommendation of the Audit Committee, M/s. Diwanji & Co., Cost Accountants, have been re-appointed as the Cost Auditor for the financial year 2021-22. In terms of the provisions of Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company. Accordingly, the Board seeks ratification at the ensuing Annual General Meeting for the remuneration payable to the Cost Auditors for the financial year 2021-22.

30. Instances of Fraud, if any, reported by the Auditors:

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

31. Risk Management Policy:

The Company has a risk management policy which from time to time is reviewed by the Audit Committee of the Board as well as by the Board of Directors. The policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The policy is designed to provide the categorization of this into threats and its cause, impact, treatment and control measures. As part of the risk management policy, the relevant parameters for manufacturing sites are analyzed to minimize risk associated with protection of environment, safety of operations and health of people at work and monitor regularly with reference to statutory regulations and guidelines defined by the company. The company fulfills its legal requirement concerning ambient, waste water and waste disposal. Improving work place safety continued top priority at manufacturing site.

32. Disclosure of composition of Audit Committee and Providing Vigil Mechanism:

The Company has in place an Audit Committee in terms of requirements of the applicable provisions of the Companies Act, 2013, Rules made there under and Listing (Obligations and Disclosure Requirements) Regulations, 2015. The details of the composition of the Audit Committee, terms of reference and meetings held are provided in the Corporate Governance Report which forms part of this Report.

The Company has established a vigil mechanism and oversees through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company.

The Company has disclosed information about establishment of the Whistle blower Policy on its website https://www.dacl.co.in/pdf/investors/Whistle_blower_policy-DACL.pdf

**33. Shares****a. SHARE CAPITAL**

During the year under review the Total Authorized Share Capital is ₹ 17,55,00,000/- (Rupees Seventeen Crore Fifty-Five Lakhs Only) and paid-up, issued and subscribed share capital of the company is ₹ 9,78,32,400/- (Rupees Nine Crore Seventy-Eight Lakhs Thirty-Two Thousand Four Hundred Only).

b. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

34. Insurance:

All the properties and assets of the Company are adequately insured.

35. Code of Conduct:

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior management which is available on Company's website at link <https://www.dacl.co.in/pdf/investors/Code%20of%20Conduct%20Diamines%20And%20Chemicals%20Limited%20-%20Investor%20Information.pdf> All Board members and senior management personnel have affirmed compliance with the Code of Conduct.

36. Insider Trading Policy:

As required under the Insider Trading Policy Regulations of SEBI and amendments thereto, your Directors have framed Insider Trading Regulations and Code of Internal Procedures and Conducts for Regulating, Monitoring and Reporting of Trading by Insider as well as Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information. The same is also posted on the website of the Company at <https://www.dacl.co.in/Policy.aspx> During the period under review, the insider trading policy was revised, reviewed and adopted by Audit Committee and Board as well.

37. Nomination And Remuneration Policy:

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed and adopted a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company. The policy is available on website of the Company at <https://www.dacl.co.in/pdf/investors/Nomination-Remuneration-Policy-03-12-2019-new.pdf>

38. Compliance with Secretarial Standards:

The Company has complied with Secretarial Standard on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government from time to time.

39. Corporate Governance:

Pursuant to the Regulation 27 of the SEBI, (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereunder, a separate section forming part of this report and titled as "Corporate Governance" is attached herewith as "ANNEXURE-H".

40. Disclosure Under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013:

In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has set up Internal Complaints Committees at its workplaces to redress complaints received regarding sexual harassment. No complaints have been reported during the financial year 2020-21. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

41. Acknowledgement:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Amit Mehta
Executive Chairman
DIN: 00073907

Date: May 18, 2021
Place: Mumbai

ANNEXURE – A**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENT:**

Your Company is key producer of Ethylene amines based in India having its plant at PCC Area, P.O. Petrochemicals; Vadodara. The Products Ethylene Amines find their application in various industry segments such as Active Pharmaceutical Ingredients & Pharma-Intermediates, Specialty Chemicals, Agro-chemicals, Resins, Water treatment chemicals, Petroleum production chemicals, Additives and in many other vital specific sub applications. The plant facility is equipped with up to date manufacturing equipment and supported by R & D Center and quality assurance department which are equipped with advanced equipment and analytical instruments. the new pilot plant will be constructed in place of existing pilot plan with latest facilities. The Company has an excellent team of experienced and qualified professional to manage day to day operations efficiently. For more details please visit www.dacl.co.in.

PERFORMANCE:

Total revenue (net of taxes) for the year 2020-21 amounted to ₹ 6,536.95 lakhs compared to ₹ 7,138.46 lakhs of the previous year 2019-20. The operating profit after tax amounted to ₹ 2,103.37 lakhs compared to ₹ 2,398.58 lakhs in the previous year.

SEGMENT-WISE PERFORMANCE

The Company has identified and is working in two reportable primary segments. Thus, the disclosure particulars as per Ind AS-108 on Operating Segments Reporting are made part of this Annual Report in Note 40 of Standalone Financial Statements.

STRENGTHS & OPPORTUNITIES:

Your company is key manufacturer of ethylene amines in India which is a growth market. This offers regular opportunities & helps company to cater to market needs very effectively. Over the years, the company has developed robust Systems which help to maintain and sustain the operations despite sever challenges it faces & able to enjoy the market leadership position in one of the segments it operates. Its geographical position & the vicinity to customers also offer added advantage in servicing the customers.

Ethylene Amines are building blocks for many industries & hence your company believes that this fact will continue to offer potential to grow by exploring manufacturing possibilities of derivatives based on homologues of Ethylene Amines.

CONCERNS & THREATS:

Since company's core business is Ethylene amines, any negative Development or upheavals taking place in the market place may affect the performance of the company. Fluctuating prices of certain key raw materials also has potential to impact the performance in short term.

Company also has to compete with competitors who are either forward or backward integrated & has the advantage of scale of economies & thus can swamp the markets with excess & lower priced or even duty free products.

Your company recognizes & understands these challenges very well and always braces itself to compete effectively by providing superior, reliable and timely customer support to the end users.

**OUTLOOK:**

Since March 2020, the World Health Organisation declared COVID 19 as pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of workspaces etc.

The Board of Directors has not identified any material impact on the operations and financials of the company as at 31st March, 2021. Considering that the Company deals with Specialty Chemicals and Power Generation, there has been minimal disruption with respect to operations including production and distribution activities.

The Company has not experienced any difficulties with respect to market demand, collections or liquidity. The Company will continue to closely monitor any material changes to future economic conditions. As the COVID-19 situation continues to evolve in India and globally, the impact on future operations would depend upon how the uncertainties associated with pandemic's nature and duration unfold.

For the year 2021-22, the Company's focus will continue on sustaining and maintaining the market share in certain industry segment where company enjoys market leadership position. This will be achieved by forging stronger relationship with customers and by negotiating and entering in to beneficial contracts with the suppliers of raw materials.

The Ethylene amines business is going through demand-supply imbalance on global level and this is expected to continue in the year 2021-22 also. Your company is well aware of the challenging scenario lying ahead and taking necessary steps by planning activities properly at operational stages.

In January, 2021 the Company has received Sale Certificate for Industrial Plot, in Dahej Industrial Estate, Dahej, Ankleshwar. The said Industrial Plot is acquired under e-auction process held through Liquidator/IP appointed by Hon'ble NCLT, New Delhi. All the transfer formalities with local authorities of Industrial Plot are under process.

Considering the current Covid-19 situation is exceptional and dynamic, company is not in a position to gauge with certainty, the future impact on its operations. Considering the present Second wave of Covid 19 situation, we do not have significant impact on business of the company. The company is well positioned to fulfill its existing orders/contracts/arrangements.

HUMAN RESOURCE:

Human Resources Development, in all its aspects like training in safety and social values is under constant focus of the management. Relations between the management & the employees at all levels remained healthy & cordial throughout the year. The Management and the Employees are dedicated to achieve the corporate objectives and the targets set before the Company. The Company has been regularly monitoring its policy for enhancement in the skills of its employees by providing need-based training.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposal. The internal control systems are supplemented by an extensive program of internal audits, review by management guidelines & procedures.

Diamines and Chemicals Limited

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Company's control systems are time tested, documented and recognized under ISO Certification. On the financial side, periodic audits by Internal Auditors and External Auditors provide a means where by identification of areas of improvement & Corrective Measures Taken whenever applicable.

The Company has an independent internal audit system, covering on a continuous basis, the entire gamut of operations and services spanning major business functions. The internal audit functions include evaluation of all financial & major operating system controls. The internal audit findings and recommendations are reviewed by the Audit Committee and are then reported to the Board.

WHISTLE BLOWER POLICY

The Company has a Whistle Blower policy in place to deal with instances of fraud and mismanagement, if any. The details of the policy are explained in the Corporate Governance Report and the said whistle blower policy is posted on the website of the Company.

KEY FINANCIAL RATIOS:

| Ratio | FY 2020-21 | FY 2019-20 |
|----------------------------------|------------|------------|
| Debtors Turnover Ratio (times) | 5.74 | 6.90 |
| Inventory Turnover Ratio (times) | 4.28 | 5.55 |
| Current Ratio (times) | 9.69 | 8.44 |
| Operating Profit Margin (%) | 41.26 | 50.87 |
| Net Profit Margin (%) | 33.48 | 34.61 |
| Earnings Per Share (times) | 21.50 | 24.52 |
| Dividend Per Share (₹) | 5.00 | 8.00 |
| P/E Ratio (times) | 12.29 | 6.03 |
| Return on Net Worth (%) | 24.74 | 36.80 |

Reason for significant change:

- Operating/Net Profit margin has fallen due to decrease in sales Revenue and Increase in the Cost of Raw Material Consumption.
- Interest Coverage and Debt Equity Ratio is not relevant here as company has not availed any long term debt during the year. No major utilization of working capital loan during the year.
- P/E Ratio has increased due to rise in Share Market Price about 79% as well as EPS is reduced by ₹ 3.00.

CAUTIONARY STATEMENT:

The statements in this Management Discussion and Analysis describing the company's objectives, projections, estimates and expectations are "forward looking statements". The forward looking statements made in the Management Discussion and Analysis Report are based on certain assumptions and expectations of future events. Actual results might differ materially from those anticipated because of changing ground realities. The Directors cannot guarantee that these assumptions are accurate or these expectations will materialize.

For and on behalf of the Board

Amit Mehta
Executive Chairman
DIN: 00073907

Date: May 18, 2021
Place: Mumbai


ANNEXURE – B
FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

| Particulars | | Current Year 2020-21 | Previous Year 2019-20 |
|--------------------|--|-------------------------------------|--------------------------------------|
| A. | POWER AND FUEL CONSUMPTION | | |
| | Electricity | | |
| a) | Purchased Unit | 1713060 | 1991025 |
| | Total Amount (₹ in lakhs) | 103.48 | 110.01 |
| | Rate/Unit (₹) | 6.04 | 5.53 |
| b) | Own Generation | | |
| | Through Diesel generator | | |
| | Units | 41168 | 24976 |
| | Units/Ltr. of Diesel Oil | 3.43 | 2.25 |
| | Cost/Unit (₹) | 21.74 | 30.30 |
| | Coal | | |
| | Quantity in tonnes | 2710 | 2686 |
| | Total Cost (₹ in lakhs) | 165.59 | 173.75 |
| | Average Rate /Tonne | 6,110 | 6,469 |
| | LDO & FO | | |
| | Quantity in tonnes | 288.18 | 364 |
| | Total Cost (₹ in lakhs) | 81.12 | 116.94 |
| | Average Rate /Tonne | 28,148 | 32,168 |
| | Generation through Wind Turbine Generator | | |
| | Units (KWH in thousand) | 2831.60 | 4684.32 |
| | Total Amount (₹ in lakhs) | 97.97 | 202.96 |
| | Average Generation Rate (₹ / unit) | 3.46 | 4.33 |
| B. | CONSUMPTION PER TONNE OF PRODUCTION: | | |
| | Production of Speciality Chemicals (MT) | 2039 | 2236 |
| | Electricity (Unit) | 840 | 891 |
| | Coal (Tonnes) | 1.33 | 1.20 |
| | FO/LDO (Tonnes) | 0.14 | 0.16 |

**FORM B****Form for Disclosure of Particulars with Respect to Absorption of Technology, Research & Development.****I. TECHNOLOGY ABSORPTION / DEVELOPMENT****(A) Specific Areas of significance in which R&D work was carried out by the company:**

1. Providing Technical support to Marketing department.
2. Technical support to QA and Production department for continuous improving the quality and development of new products.

(B) Benefit derived from R&D

1. Technical support provided to production, marketing, and QA department to improve the business of the company.

(C) Future Plan of Action

1. Development of Piperazine derivatives.
2. Development of Value added products.
3. To produce higher homologues of Ethylene amines of international quality.
4. Alternate routes for the synthesis of Ethylene amines.

(D) Expenditure on R&D

- (1) Revenue : ₹ 163.76 lakhs/-
- (2) % of R&D expenditure : 2.51% of total Turnover

(E) Technology absorption, adoption and innovation.

- Efforts towards technology development and innovation – As stated above.
- Benefits derived as results of the above efforts – As stated above.
- Absorption and adoption of imported technology – Not Applicable.

II. FOREIGN EXCHANGE EARNING & OUTGO.

| Year ended 31 st March, | 2021 | 2020 |
|------------------------------------|--------------|-------------|
| | (₹) | (₹) |
| Foreign Exchange Earnings | 1,53,68,337 | Nil |
| Foreign Exchange outgo | 18,52,86,548 | 8,98,51,270 |

ANNEXURE C

1. Brief outline on CSR Policy of the Company:

Diamines and Chemicals Limited (DACL) believes that growth, success and progress of a Company are not reflected only by its bottom-line but also with respect to the social contribution made by the company while achieving its financial goals.

The Corporate Social Responsibility Policy of the Company has been prepared keeping in mind the Company's business ethics and to comply with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

2. Composition of CSR Committee: (As on March 31, 2021)

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|---|--|--|--|
| 1 | Mr. Amit Mehta | Executive Chairman | 2 | 2 |
| 2 | Mr. G. S. Venkatachalam | Executive Director | 2 | 2 |
| 3 | Mr. Rajendra Chhabra | Director | 2 | 2 |
| 4 | Ms. Kejal Pandya (w.e.f. 06.11.2020) | Director | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: <https://www.dacl.co.in/Disclosures.aspx>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any- NIL

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---------|----------------|--|---|
| | | | |
| | | | |
| | | | |
| | TOTAL | | |

5. Average net profit of the company as per section 135(5) - ₹ 21,02,97,348/-
6. (a) Two percent of average net profit of the company as per section 135(5) - ₹ 42,05,947
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - NIL
(c) Amount required to be set off for the financial year, if any -NIL
(d) Total CSR obligation for the financial year (7a+7b-7c).- ₹ 42,06,000

Diamines and Chemicals Limited

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7. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|--|-------------------|--|---------|-------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6). | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). | | |
| | Amount. | Date of transfer. | Name of the Fund | Amount. | Date of transfer. |
| 42,06,000 | - | - | - | - | - |

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|----------------------|--|----------------------|--------------------------|-----------|-------------------|--|--|---|---|--|--------------------------|
| Sl. No. | Name of the Project. | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. | | Project duration. | Amount allocated for the project (in Rs.). | Amount spent in the current financial Year (in Rs.). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.). | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency | |
| | | | | State. | District. | | | | | | Name | CSR Registration number. |
| 1. | | | | | | | | | | | | |
| 2. | | | | | | | | | | | | |
| 3. | | | | | | | | | | | | |
| | TOTAL | | | | | | | | | | | |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905


(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---------|--|-------------------------------------|------------------------|--------------------------|-----------|--------------------------------------|---|--|--------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in | Local area (Yes / No). | Location of the project. | | Amount spent for the project (in ₹). | Mode of implementation - Direct (Yes/No). | Mode of implementation - Through implementing agency. | CSR registration number. |
| | | schedule VII to the Act. | | State. | District. | | | Name. | |
| 1. | Development of educational materials / development of teaching modules | Education | No | Maharashtra | Mumbai | 31,06,000 | No | Institute of Information Technology, Bombay | |
| 2. | High Flow Ventilator Machine for COVID Patients | Health | No | West Bengal | Mayapur | 5,00,000 | No | International Society For Krishna Consciousness (ISKCON) | |
| 3. | Education to street children | Promoting education | Yes | Gujarat | Vadodara | 2,00,000 | No | Mahavir Foundation Trust | |
| 4. | Senior Citizen Cataract Surgery Project | Health | No | Gujarat | Bhavnagar | 2,00,000 | No | PNR Society | |
| 5. | Greenary Promotion - Tree Plantation in Industrial Area | Environment | Yes | Gujarat | Vadodara | 2,00,000 | No | Society for Clean Environment | |
| | TOTAL | | | | | 42,06,000 | | | |

(d) Amount spent in Administrative Overheads - As Per Companies Act.

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



(g) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in ₹) |
|---------|---|----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 42,05,947 |
| (ii) | Total amount spent for the Financial Year | 42,06,000 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 53 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

8. (a) Details of Unspent CSR amount for the preceding three financial years: NA

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------|---------------------------|--|--|--|----------------|-------------------|---|
| | | | | Name of the Fund | Amount (in ₹). | Date of transfer. | |
| 1. | | | | | | | |
| 2. | | | | | | | |
| 3. | | | | | | | |
| | TOTAL | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|-------------|----------------------|--|-------------------|---|---|---|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹). | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed /Ongoing. |
| 1. | | | | | | | | |
| 2. | | | | | | | | |
| 3. | | | | | | | | |
| | TOTAL | | | | | | | |

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.

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- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Amit Mehta
Executive Chairman
Chairman of CSR Committee
DIN: 00073907

Place: Mumbai
Date: May 18, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**ANNEXURE-D****PARTICULARS OF LOANS/ADVANCE, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF
THE COMPANIES ACT, 2013**

| Sr. No | Company Name | Date of Making last Investment | Aggregate Shares/Amount of Advance /Loan as on 31.03.2021 | Date of Board Approval | Nature of Advance/Loan/ Investment |
|-----------|--------------------------------------|--------------------------------------|---|---------------------------|--|
| 1 | Sintex Industries Limited | 19.10.2005 | 87,950 | 19.07.2005 | Equity Investment |
| 2 | Sintex Plastic Technology Limited | 25.06.2020 | 2,37,950 | NA | Equity Investment |
| 3 | UPL Limited | 06.05.2020 | 21000 | 04.02.2020 | Equity Investment |
| 4 | Deepak Nitrite Limited | 16.07.2020 | 10847 | 04.02.2020 | Equity Investment |
| 5 | PI Industries Limited | 18.03.2020 | 6500 | 04.02.2020 | Equity Investment |
| 6 | Reliance Industries Limited | 18.03.2020 | 2500 | 04.02.2020 | Equity Investment |
| 7 | Alkyl Amines Chemicals limited | 17.03.2020 | 232 | 04.02.2020 | Equity Investment |
| 8 | DACL Fine Chem Limited | 25.09.2020 | 50000 | 24.06.2020 | Equity Investment |
| 9 | GHCL Limited | 24.04.2020 | 6500 | 04.02.2020 | Equity Investment |
| 10 | Meghmani Organics Limited | 19.08.2020 | 37220 | 04.02.2020 | Equity Investment |

Details of the loans and investments made by your Company are also given in the notes to the financial statements.

FOR DIAMINES AND CHEMICALS LIMITED

Place: Mumbai
Date: May 18, 2021

Amit Mehta
Executive Chairman
DIN: 00073907

ANNEXURE - E

**Particulars regarding employees Remuneration
{Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016}**

**PART – A – Disclosure as per Rule 5 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

| SR.NO. | REQUIREMENTS | DISCLOSURE |
|--------|---|---|
| I | The ratio of remuneration of each director to the median remuneration of the employees for the financial year. | Mr. Amit Mehta : 29.91 times Mr. G S Venkatachalam : 23.08 times |
| II | The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year | Mr. Amit Mehta (EC): Appointed on 01.04.2020 Mr. G S Venkatachalam (CEO/ED): 16.89% Mr. Dipen Ruparelia (CFO) : 12.20% Ms. Hemaxi Pawar (CS) : 16.35% |
| III | The percentage increase in the median remuneration of the employees in the financial year. | The median remuneration of the employees in FY 2021 was increased by 0.39% |
| IV | The number of permanent employees on the rolls of the Company | 114 as on March 31, 2021. |
| V | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with bench mark study and the performance of the company over a period of time. There is no exceptional increase in the managerial remuneration. |
| VI | Affirmation that the remuneration is as per the remuneration policy of the company | We confirm. |

There was no employee drawing remuneration in excess of the limits prescribed under sub rule (2) of Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in Financial Year 2020-21.



**ANNEXURE - F
FORM NO. MR 3**

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

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2021

To,
The Members,
Diamines and Chemicals Limited
CIN: L24110GJ1976PLC002905
Plot No. 13, PCC Area,
P.O. Petrochemicals,
Vadodara – 391346, Gujarat

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Diamines and Chemicals Limited (hereinafter referred to as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 (hereinafter referred to as “Audit Period”) 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i.) The Companies Act, 2013 (hereinafter referred to as the Act) and the rules made thereunder;
- (ii.) The Securities Contract (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, 2015;
 - (c) 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;

We further report that, there were no actions/events in pursuance of;

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

requiring compliance thereof by the Company during the financial year under review.

- (vi.) We have relied on the representation made by the Company and its officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations of the Company.

We further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, and also on the review of quarterly compliance reports by respective department heads/Company Secretary/Chief Financial Officer/Executive Director taken on record by the Board of Directors of the Company, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following laws applicable specifically to the Company;

- (a) The Air (Prevention and Control of Pollution) Act, 1981;
- (b) The Water (Prevention and Control of Pollution) Act, 1974;
- (c) The Environment Protection Act, 1986;
- (d) Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
- (e) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003;

We have also examined compliance with the applicable clauses/regulations of the following, to the extent applicable to the Company during the audit period:

- (i.) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii.) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We report that, during the year under review, the Company has complied with the provisions of the Acts, rules, regulations and guidelines mentioned above.

We further report, that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory auditor/tax auditor and other designated professionals.

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

We further report that

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



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

Generally, all decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Sandip Sheth & Associates

Company Secretaries

Firm Unique Code: P2001GJ041000

UDIN: F005467C000340010

Sandip Sheth

Partner

FCS: 5467

CP No.: 4354

Place: Ahmedabad

Date: 18th May, 2021

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.



"Annexure – A"

To,
The Members,
Diamines and Chemicals Limited
CIN: L24110GJ1976PLC002905
Plot No. 13, PCC Area, P.O. Petrochemicals,
Vadodara – 391346, Gujarat

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

1. Due to restrictive movements as directed by the Central Government, Ministry of Home Affairs in connection with COVID-19 restrictions, we have not visited the premises and have not physically verified the underlying supporting documents as are normally verified; we have reviewed the transactions and conducted our audit on the basis of the various records in soft file, pdf file and software backups and other documents made available for our verification. However we have relied on the information, statements and position furnished and confirmed by the Company and its designated employees and RTA where ever necessary.
2. Maintenance of records, documents, papers maintained pursuant to Companies Act, 2013 and other applicable laws as reported in our report is the responsibility of the management of the Company. Our responsibility is to express an opinion on these records based on our audit.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in the records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, as the same are being verified by the statutory/tax/internal auditors from time to time.
5. Where ever required, we have obtained the representations from the Management and respective departmental heads about the Compliance of laws, rules and regulations and happening of events etc. during the audit period.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis, for the purpose of issuing Secretarial Audit Report.
7. The Secretarial Audit 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.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



8. We conducted our audit in the manner specified under section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

For, Sandip Sheth & Associates*Practicing Company Secretaries*

Firm Unique Code: P2001GJ041000

UDIN: F005467C000340010

Sandip Sheth*Partner*

FCS No: 5467

COP No.:4354

Date: 18th May, 2021

Place: Ahmedabad

**ANNEXURE - G**CIN: - **L24110GJ1976PLC002905**

Nominal Capital: - 1,75,500,000/-

Paid-up Capital: - 97,832,400/-

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,

M/S. Diamines and Chemicals Ltd.

Plot No. 13, PCC Area,

P.O. Petrochemicals,

BARODA-391 347.

We have examined all relevant registers, records, forms and disclosures received from the directors of ***Diamines And Chemicals Limited***, produced before us by the Company for the purpose of certifying compliance of conditions of clause 10 (i) of para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the year ended on 31st March, 2021. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification. During the course of such certification, we have relied on various information and declaration furnished by each director of the Company as on 31st March, 2021 and relied on the online information available with Ministry of Corporate Affairs Portal, its filing position and other web pages.

In our opinion and to the best of our 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 us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | Director Identification Number (DIN) | Date of appointment in the Company |
|---------|---|--------------------------------------|------------------------------------|
| 1 | Mr. Amit Mahendra Mehta | 00073907 | 14/03/2001 |
| 2 | Mr. Rajendra Surendra Chhabra | 00093384 | 14/03/2001 |
| 3 | Mr. Dhruv Lalit Mehta | 02083226 | 03/12/2019 |
| 4 | Mr. Govindarajapuram Venkatachalam Seshadri | 02205898 | 12/05/2008 |
| 5 | Mr. Ambrish Keshav Dalal | 02546506 | 31/03/2009 |
| 6 | Ms. Kejal Vipinchandra Pandya | 07048046 | 27/04/2018 |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the clause 10 (i) of para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 for the year ended on 31st March, 2021.

Sandip Sheth & Associates*Company Secretaries**Firm Unique Code: P2001GJ041000**UDIN: F005467C000340111*

Place: Ahmedabad

Date: 18th May, 2021**Sandip Sheth***Partner*

FCS: 5467

CP No.: 4354



ANNEXURE – H CORPORATE GOVERNANCE REPORT

Your Company has always followed fair business and corporate practices. The Company believes that good Corporate Governance is a key factor in achieving long-term growth and success and helps build the confidence in the Company's integrity.

BOARD OF DIRECTORS AND ITS COMPOSITION:

As on 31st March, 2021, the Board of Directors of the Company comprises of Four (4) Non-Executive Directors and Two (2) Executive Directors and amongst them Three (3) are Independent Directors, who brings in a wide range of skills and experience. The Board Members consists of persons with professional expertise and experience in various fields of Chemicals, Marketing, Finance, Management, Accountancy, etc. and the composition of the Board is in conformity with the amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2018 (hereinafter referred to as "SEBI (LODR) Regulations, 2015"). The Board members are not inter-se related to each other.

The Chairman of the Board is an Executive Promoter Director with effect from 1st April, 2020.

Details of the Composition of the Board of Directors as on 31st March, 2021, are as under:

- | | |
|----------------------------|--|
| 1. Mr. Amit M. Mehta | Executive Chairman (w.e.f. 01.04.2020) |
| 2. Mr. G. S. Venkatachalam | Executive Director |
| 3. Mr. Rajendra Chhabra | Non-Executive non Independent Director (w.e.f. 06.11.2020) |
| 4. Dr. Ambrish Dalal | Non-Executive Independent Director |
| 5. Mr. Dhruv Mehta | Non-Executive Independent Director |
| 6. Ms. Kejal Pandya | Non-Executive Independent Director |

RESPONSIBILITIES OF BOARD OF DIRECTORS:

The Board has a variety of matters related to the operations of the Company for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to Shareholders. During the year under review, the Board met Four (4) times. The maximum gap between any two meetings was not more than one hundred and twenty (120) days or any extension provided by SEBI / MCA.

The Board of Directors ensures that their other responsibilities do not materially impact their responsibility as Directors of the Company. The Company has not entered into any materially significant transactions with its Directors or their relatives, etc. which affects the interest of the Company.

ROLE OF INDEPENDENT DIRECTORS:

The Independent Directors play an important role in deliberations at the Board Meetings and bring to the Company their wide experience in the fields of Chemicals, Technology, Management, Finance, Accountancy, etc.

SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS:

In accordance with the provisions of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held during the year on Friday, 5th February, 2021 without the attendance of non-independent Directors and members of management, inter alia to:

- a. Review the performance of the non-independent Directors and the Board as a whole;
- b. Review the performance of the Chairman of the Company, taking into account the views of the executive directors and non-executive directors of the Company;
- c. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The meeting was attended by all the independent directors. Ms. Kejal Pandya, who is an Independent Director, was the Chairperson of the meeting of Independent Directors. The Independent Directors discussed matters pertaining to the Company's affairs and functioning of the Board and presented their views to the Executive Director for appropriate action.

TENURE OF BOARD OF DIRECTORS:

As per the provisions under section 152 of the Companies Act, 2013 and the Companies (Appointment and qualifications of Directors) Rules, 2014 as amended from time to time, every year one third (1/3) of the total strength of the Board, is liable to retire by rotation. The Directors, who are required to retire every year and if eligible, they qualify for re-appointment.

Mr. Amit Mehta, Executive Chairman of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re appointment.

BOARD MEETINGS:

The Meetings of the Board of Directors are held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) because of current COVID situation. Meetings are scheduled well in advance. The Board meets at regular intervals to review the quarterly performance and the financial results of the Company. The inclusion of any matter in the agenda for discussion. Senior Management persons are also invited to attend the Board meetings and provide clarifications as and when required.

During the year under review, Four (4) Board Meetings were held respectively on 19th June, 2020, 10th August, 2020, 6th November, 2020, 5th February, 2021. Details of attendance at the Board Meetings and Annual General Meeting for each Director along with their other Directorships are as stated herein below:

| Sr. No. | Name of the Director | DIN | Category of Directorship | No. of Board Meetings attended | Attended last AGM held on 04/09/2020 |
|---------|--|----------|--------------------------|--------------------------------|--------------------------------------|
| 1. | Mr. Amit M. Mehta (Executive Chairman w.e.f. 01.04.2020) | 00073907 | Chairman – ED/PD | 4/4 | Yes |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



| | | | | | |
|----|---|----------|-------|-----|-----|
| 2. | Mr. G. S. Venkatachalam | 02205898 | ED | 3/4 | Yes |
| 3. | Mr. Rajendra Chhabra* (Professional Director w.e.f. 06.11.2020) | 00093384 | NED | 4/4 | Yes |
| 4. | Mr. Dhruv Mehta | 02083226 | NED-I | 4/4 | Yes |
| 5. | Dr. Ambrish Dalal | 02546506 | NED-I | 4/4 | Yes |
| 6. | Mrs. Kejal Pandya | 07048046 | NED-I | 4/4 | Yes |

ED : Executive Director

NED : Non – Executive Director

NED-I : Non-Executive & Independent Director

PD : Promoter Director

The Chairman is Promoter and Executive Director, and hence half of the board consists of Independent Directors.

*Mr. Rajendra Chhabra was Non-Executive Independent Director of the Company and appointed as Professional Director in the Category of Non-Executive Director w.e.f. 06.11.2020.

Details of Number of Directorships in other Bodies Corporate and Chairmanship(s)/ Membership(s) held in Committees of Public Limited Companies as on 31.03.2021:

| Name of the Director(s) | No. of Directorships in other Companies (Excluding Private Company., Section 8 and One person Company) * | No. of Chairmanship(s) and Membership(s) of Committees of Public Ltd. Cos. Including DACL ** | |
|---------------------------------------|--|--|---|
| | | Chairmanship in Committees in which Directors are Members | Memberships in Committees of Companies in which they hold Directorships |
| Mr. Amit M. Mehta | 03 | - | 01 |
| Mr. Rajendra Chhabra | 01 | 01 | 01 |
| Mr. G. S. Venkatachalam | 01 | - | - |
| Dr. Ambrish Dalal | - | - | 02 |
| Mr. Dhruv Mehta (w.e.f. 03.12.2019) | 01 | 01 | 01 |
| Mrs. Kejal Pandya (w.e.f. 27.04.2018) | - | - | 02 |

*Excluding Diamines and Chemicals Limited.

**The committees mentioned above include only Audit Committee, Stakeholders Relationship Committee.

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None of the Directors of the Company was a member of more than ten Committees of Boards as stipulated under Regulation 26(1) of the SEBI (LODR), Regulations, 2015 nor was a Chairman of more than five such committees across all Companies in which he was a director.

BOARD COMMITTEES:

To enable better and more focused attention on the affairs of the Company, the Board has appointed the following Committees:

Audit Committee:

The Company has an adequately qualified Audit Committee and its composition meets the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulation, 2015. The Audit Committee was formed on 14th March, 2001. The committee was reconstituted on 01.04.2020 and 06.11.2020 in FY 2020-21. The quorum of the said Audit Committee Meetings is 2 (Two) members or one third (1/3) of the members of the Audit Committee, whichever is greater, with at least two independent directors.

The composition of the Audit Committee as on 31st March, 2021 is as stated below:

| Name | Designation | Category |
|----------------------|-------------|--|
| Mr. Dhruv Mehta | Chairman | Non-Executive & Independent Director |
| Mr. Rajendra Chhabra | Member | Non-Executive & Non Independent Director |
| Dr. Ambrish Dalal | Member | Non-Executive & Independent Director |
| Mrs. Kejal Pandya | Member | Non-Executive & Independent Director |

NOTE:- Mr. Rajendra Chhabra, Member of the Audit Committee appointed as Professional Director in the category of Non-Executive Director of the Company with effect from 6th November, 2020.

The terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines as amended from time to time.

The Executive Director, Chief Financial Officer (CFO) and Internal Auditor are permanent invitees to the Committee Meetings. The Statutory Auditors are also invited to attend the Meetings. The Company Secretary acts as the Secretary of the Audit Committee.

The Committee members are paid a sitting fee as decided by the Board from time to time for each meeting attended by them.

Meetings and attendance during the year:

The details of attendance of the Members at these Audit Committee Meetings are as follows:

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



| Member | Attendance at Audit Committee Meetings held on | | | |
|-----------------------|--|------------|------------|------------|
| | 18.06.2020 | 10.08.2010 | 05.11.2020 | 04.02.2021 |
| Mr. Dhruv Mehta | Yes | Yes | Yes | Yes |
| Mr. Rajendra Chhabra* | Yes | Yes | Yes | Yes |
| Dr. Ambrish Dalal | Yes | Yes | Yes | Yes |
| Mrs. Kejal Pandya | Yes | Yes | Yes | Yes |

*Mr. Rajendra Chhabra, Member of the Audit Committee appointed as Professional Director in the category of Non-Executive Director of the Company with effect from 6th November, 2020. .

The Minutes of Audit Committee Meetings are noted by the Board of Directors at the Board Meetings. The past Chairman of the Audit Committee (Mr. Rajendra Chhabra) was present at the 44th Annual General Meeting held on 4th September, 2020.

Stakeholders Relationship Committee of Directors:

As on 31st March, 2021, Stakeholders Relationship Committee comprises of Four (4) members in that one (1) Executive, one (1) Non-Executive Director and two (2) are Non-Executive & Independent Director of the Company.

Mr. Rajendra Chhabra who is Non - Executive Director chairs the Meetings. The Committee has been reconstituted with effect from 1st April, 2020 and 6th November, 2020 during the FY 2020-21. During the year under review, the Committee met as and when required.

A summary of various complaints received and cleared by the Company during the year is given below:

| Nature of Complaint | Received | Cleared |
|-----------------------------------|----------|----------|
| Non-receipt of Dividend Warrant | Nil | Nil |
| Non-receipt of Share Certificates | Nil | Nil |
| SEBI/Stock Exchange Letter/ROC | 3 | 3 |
| Miscellaneous | Nil | Nil |
| Total | 3 | 3 |

Normally all complaints/queries are disposed-off expeditiously. The Company had no complaint pending at the close of the financial year.

The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of declared dividends. The present composition of the Committee is as follows:

| Name of the Director | Executive / Non-Executive |
|----------------------|--|
| Mr. Rajendra Chhabra | Non-Executive & Non Independent Director |
| Mr. Amit M Mehta | Executive Chairman |
| Dr. Ambrish Dalal | Non-Executive & Independent Director |
| Ms. Kejal Pandya | Non-Executive & Independent Director |

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*Mr. Rajendra Chhabra was Non Executive Independent Director up to 05.11.2020 and appointed as Professional Director in the category of Non-Executive Director with effect from 06.11.2020.

Company Secretary of the Company acts as a Secretary to the Committee.

Nomination and Remuneration Committee:

The erstwhile Remuneration Committee is reconstituted as Nomination and Remuneration Committee, as per the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015. The Company has adopted a Remuneration Policy for its Directors, Key Managerial Personnel and other employees. The Remuneration Policy has laid down the criteria for determining qualifications, positive attributes, Independence of Director and Board diversity. The Policy lays down the factors for determining remuneration of Whole-time Directors, Non-Executive Directors, Key Managerial Personnel and other employees. The policy also lays down the evaluation criteria of the Independent Directors and the Board. The policy has revised on 3rd December, 2019.

At present, the Nomination and Remuneration Committee consists of Dr. Ambrish Dalal, Chairman, Mr. Rajendra Chhabra and Mr. Dhruv Mehta, whose function is to approve remuneration policy of Directors. The nomination and remuneration committee meetings were held on 10th August, 2020 and 5th November, 2020. The Committee has been reconstituted effective from 1st April, 2020 and 6th November, 2020 in financial year 2020-21.

The link of Nomination and Remuneration policy is <https://www.dacl.co.in/pdf/investors/Nomination-Remuneration-Policy-03-12-2019-new.pdf>

Details of remuneration paid to the Executive Director (s) for the financial year 2020 – 2021.**(₹ in Lakhs)**

| Name of Director | Designation | Salary & Allowance | Perquisite | Commission [₹] | Total |
|-------------------------|--------------------|--------------------|------------|---------------------|-------|
| Mr. Amit Mehta | Executive Chairman | 71.23 | - | 27.57 | 98.80 |
| Mr. G. S. Venkatachalam | Executive Director | 47.23 | - | 16.75 | 64.18 |

REMUNERATION PAID/PAYABLE TO NON-EXECUTIVE DIRECTORS:

The remuneration paid to non-executive Directors for the year from 01.04.2020 to 31.03.2021 is as under:

(₹ in Lakhs)

| Name | Remuneration | Sitting Fee | Commission | Total |
|----------------------|--------------|-------------|------------|-------|
| Mr. Rajendra Chhabra | 6.00 | 2.84 | 3.45 | 12.29 |
| Dr. Ambrish Dalal | Nil | 2.44 | 1.38 | 3.82 |
| Mr. Dhruv Mehta | Nil | 2.40 | 1.38 | 3.78 |
| Mrs. Kejal Pandya | Nil | 2.24 | 1.38 | 3.62 |

- Remuneration includes Professional Fees. The Company does not have any stock option scheme.

No. of shares held by the Non – Executive Directors of the Company as on 31.03.2021:

| Sr. No. | Name | No. of Equity Shares Held |
|---------|------------------------|---------------------------|
| 1. | Mr. Rajendra Chhabra * | 18,100 |
| 2. | Dr. Ambrish Dalal | 26,200 |
| 3. | Mr. Dhruv Mehta | 45000 |
| 4. | Mrs. Kejal Pandya | 0 |

*Mr. Rajendra Chhabra was Non Executive Independent Director up to 05.11.2020 and appointed as Professional Director in the category of Non-Executive Director with effect from 06.11.2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Composition of the Corporate Social Responsibility Committee and details of meetings attended by the Members of the Corporate Social Responsibility Committee during the financial year 2020-2021 are given below:

| Name | Position in Committee | Category | No. of Meetings Held | No. of Meetings Attended |
|-------------------------|-----------------------|------------------------------------|----------------------|--------------------------|
| Mr. Amit Mehta | Chairman | Executive Chairman | 2 | 2 |
| Mr. G. S. Venkatachalam | Member | Executive Director | 2 | 2 |
| Mr. Rajendra Chhabra * | Member | Non-Executive Director | 2 | 2 |
| Mrs. Kejal Pandya | Member | Non-Executive Independent Director | 1 | 1 |

*Mr. Rajendra Chhabra was Non Executive Independent Director up to 05.11.2020 and appointed as Professional Director in the category of Non-Executive Director with effect from 06.11.2020.

Formation of CSR Committee:

The Board in its meeting held on 28th April, 2018, formulated and adopted Corporate Social Responsibility (CSR) Policy and composed / formed Corporate Social Responsibility (CSR) Committee to determine the scope, applicability and determine of the Corporate Social Responsibility Expenditure. The Committee was reconstituted w.e.f. November 06, 2020.

Terms of Reference:

The Committee is primarily responsible for formulating and recommending to the Board of Directors a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR activities.



CSR Policy

The Company has formulated CSR Policy and the same is available at the website of the Company at <https://www.dacl.co.in/pdf/investors/CSR.pdf>

Company Secretary acts as the Secretary to the Corporate Social Responsibility Committee.

DISCLOSURES:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year that may have potential conflict with the interests of the Company at large. Related party transactions have been disclosed in Note 41 to the financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review. Segment Reporting as per Ind As-108 applicable to the Company is given in note No.40.

Material Subsidiaries: The Company does not have a material subsidiary as defined under Regulation 16(1)(c) SEBI (LODR) Regulations, 2015.

CEO/CFO Certification: A certification from the CEO and CFO in terms of Regulation 33(2) (a) of SEBI (LODR) Regulations, 2015 was placed before the Board Meeting held on May 18, 2021 to approve the Audited Annual Accounts for the year ended 31st March, 2021.

REGULATORY COMPLIANCES:

The Company has complied with all the requirements of regulatory authorities on capital markets and no penalties, strictures have been imposed against it by the Stock Exchange or SEBI or any other regulatory authorities for the time being in force.

POLICES:

Related party Transaction policy

Your company has formulated Related Party Transaction policy (RPT) to disclose materiality of related party transactions and dealing with related party transactions to be entered into by individual or taken together with previous transaction during a financial year.

The detail of establishment of such policy is disclosed on the company's website at https://www.dacl.co.in/pdf/investors/RPT_Policy.pdf

MEANS OF COMMUNICATION:

The Company has approx. Twelve Thousand (12,000) shareholders. The main source of information to the Shareholders is Annual Report of the Company, which includes *inter-alia*, the Report of the Board of Directors, Operational and Financial Review and the Audited Financial Results. Shareholders are also informed through press publication about the quarterly financial performance of the Company.

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Quarterly results of the Company have been announced within a period of Forty five (45) days of the respective quarter. Whenever, the audited results are published for the fourth quarter, they are announced within Sixty (60) days of the quarter as prescribed.

Quarterly, Half Yearly and Annual Financial Results are published in the Business Standard (in English) and in Vadodara Samachar (Regional Language newspaper). These results are also immediately posted on the website of the Company at www.dacl.co.in.

GENERAL SHAREHOLDER INFORMATION:

| | |
|--|--|
| 1. Book Closure Date | July 14, 2021 to July 20 , 2021 (both days inclusive) |
| 2. Date, Time and Venue of the 45 th Annual General Meeting | July 20, 2021 at 12.00 Noon through VC/OAVM |
| 3. Listing on Stock Exchanges | BSE Limited, Floor 25, P.J Towers, Dalal Street, Mumbai 400 001. Tel: 022 –2272 1233 / 34. Fax: 022 –2272 2082/3132. (Scrip code: 500120) |
| 4. Listing Fees | Paid to the above Stock Exchange for the Financial Year 2020 – 2021. |
| 5. Registered Office/Plant location and address for correspondence | Plot No. 13, PCC Area, P. O. Petrochemicals, Vadodara – 391 346. Tel: 0265 – 3534200 Fax: 0265 – 2230 218 e-mail: info@dacl.co.in website: www.dacl.co.in |
| 6. Place where Share Transfers are to be lodged: | In view of the SEBI circular, every listed company is required to appoint one common agency for handling both Physical & Demat related services in respect of its shares. Following are the details for the Shareholders: M/s Link In time India Pvt. Ltd. B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara - 390 020 Gujarat, India. Tel. No.: +91 265 2356573, +91 265 2356794, +91 265 6136000 E-mail : Vadodara@inkintime.co.in |
| 7. International Securities Identification Number (ISIN) | INE 591D01014 |
| 8. Compliance Officer | Ms. Hemaxi Pawar Tel no: 0265 3534200 Email: secretarial@dacl.co.in |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



| | |
|---|---|
| 9. Date, Time and Venue for the last 3 (Three) A.G.M.'s. | <p>44th AGM – 4th September, 2020 at 11.00 a.m. held Through VC/OAVM</p> <p>EOGM – 13th March, 2020 at 11.00 a.m. held at the Registered office of the Company</p> <p>43rd AGM – 9th August, 2019 at 12.00 noon held at the Registered office of the Company</p> <p>42nd AGM - 6th August, 2018 at 12.00 noon held at the Registered office of the Company</p> <p>*No Postal Ballots were used/invited for voting at these meetings.</p> |
| 10. Special resolutions passed. | <p>44th AGM- 1 Special Resolution was passed</p> <p>EOGM- 1 Special Resolution was passed</p> <p>43rd AGM – 4 special Resolutions were passed</p> <p>42nd AGM - 1 Special Resolution was passed</p> <p>*No Postal Ballots were used/invited for voting at these meetings.</p> |
| 11. Closing Price of the Company's Shares on 31 st March, 2021. Bombay Stock Exchange (BSE) | ₹ 264.15/- |
| 12. Financial Year | 1 st April to 31 st March each year. |
| 13. Dividend declared for current and earlier years | <p>2019-20 : 40% (Final)</p> <p>2019-20 : 40% (Interim)</p> <p>2018-19 : 20% (Final)</p> <p>2018-19 : 30% (Interim)</p> <p>2017-18 : 25%</p> <p>2016 -17 : 15%</p> |
| 14. Trading in Shares (Electronic Form) on Stock Exchanges | SEBI has made trading in the Company's Shares compulsory in electronic form for all categories of Investors. |

MARKET PRICE DATA: High and low during each month in the last financial year:

| Sr. No. | Month | The Stock Exchange, Mumbai | |
|---------|-----------------|----------------------------|-----------|
| | | High (₹) | Low (₹) |
| 1. | April, 2020 | 209.70 | 143.00 |
| 2. | May, 2020 | 202.00 | 167.40 |
| 3. | June, 2020 | 294.30 | 185.00 |
| 4. | July, 2020 | 389.90 | 251.00 |
| 5. | August, 2020 | 562.45 | 355.05 |
| 6. | September, 2020 | 509.00 | 390.05 |
| 7. | October, 2020 | 458.00 | 388.10 |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



| | | | |
|-----|----------------|--------|--------|
| 8. | November, 2020 | 437.50 | 342.45 |
| 9. | December, 2020 | 369.00 | 293.00 |
| 10. | January, 2021 | 418.80 | 325.00 |
| 11. | February, 2021 | 378.00 | 288.00 |
| 12. | March, 2021 | 315.00 | 253.40 |

DISTRIBUTION OF SHAREHOLDING: (as on 31st March, 2021)

| Shareholding of nominal value | Shareholders | | Share Amount | |
|-------------------------------|--------------|----------------|-----------------|----------------|
| (1) | Number (2) | % of total (3) | (4) | % of total (5) |
| Upto 500 | 12100 | 92.46 | 11494780 | 11.75 |
| 501 - 1,000 | 507 | 3.87 | 3887470 | 3.97 |
| 1,001 - 2,000 | 222 | 1.70 | 3258690 | 3.33 |
| 2,001 - 3,000 | 78 | 0.60 | 1952950 | 2.00 |
| 3,001 - 4,000 | 40 | 0.30 | 1409150 | 1.44 |
| 4,001 - 5000 | 26 | 0.20 | 1180490 | 1.21 |
| 5,001 - 10,000 | 48 | 0.37 | 3433400 | 3.51 |
| Above 10000 | 66 | 0.50 | 71215470 | 72.79 |
| TOTAL | 13087 | 100.00 | 97832400 | 100.00 |

SHAREHOLDING PATTERN: (as on 31st March, 2021)

| Sr. No. | Category | No. of Shares Held | % of total Shares |
|---------|--|--------------------|-------------------|
| 1 | Promoters & persons acting in concert | 5305068 | 54.23 |
| 2 | Mutual Funds/Banks & FI's/ Insurance Co. | 3537 | 0.04 |
| 3 | Central Govt/State Govt/POI | 151063 | 1.54 |
| 4 | Other Corporate Bodies/HUF | 255878 | 2.61 |
| 5 | Public | 3839148 | 39.24 |
| 6 | NRI's | 68230 | 0.70 |
| 7 | Director or Director's Relative | 115667 | 1.18 |
| 8 | Any Other | 44649 | 0.46 |
| | TOTAL | 9783240 | 100.00% |

DEMATERIALISATION OF SHARES: (as on 31st March, 2020)

| Particulars | No. of Equity Shares | % to Share Capital |
|--------------|----------------------|--------------------|
| NSDL | 80,36,362 | 82.14% |
| CDSL | 15,05,370 | 15.39% |
| Physical | 2,41,508 | 2.47% |
| TOTAL | 97,83,240 | 100% |

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**Details of Plant Locations/Address of Correspondence:**

Plot No. 13, PCC Area, P. O. Petrochemicals, VADODARA – 391 346

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity: The Company has not issued any of these instruments.

The names of the listed entities where the person is a director and the category of directorship

| Director Name | Details as on March 31, 2021 (Excluding Diamines and Chemicals Limited) | |
|-------------------------|---|--|
| | Name of listed entities where the person is a director | Category of Directorship |
| Mr. Amit Mehta | Sadhana Nitro Chem Limited | Non Executive Independent Director |
| Mr. Rajendra Chhabra | - | - |
| Mr. G. S. Venkatachalam | - | - |
| Dr. Ambrish Dalal | - | - |
| Mr. Dhruv Mehta | Shriram Asset Management Company Limited | Non Executive Non - Independent Director |
| Mrs. Kejal Pandya | - | - |

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

| | |
|------------------------------|--|
| Financial | Leadership of a financial firm or management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes. |
| Global Business | Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks, and a board perspective on global market opportunities. |
| Leadership | Extended leadership experience for a significant enterprise, resulting in a practical understanding of organisations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth. |
| Board Service and Governance | Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices. |
| Sales and Marketing | Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation |

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Directors having skills/expertise /competencies fundamental for the effective functioning of the Company

| Name of Director | skills /expertise / competencies |
|-------------------------|--|
| Mr. Amit Mehta | Global Business, Leadership, Sales and Marketing |
| Mr. G. S. Venkatachalam | Financial, Leadership, Sales and Marketing |
| Mr. Rajendra Chhabra | Financial, Board Service and Governance |
| Dr. Ambrish Dalal | Financial, Board Service and Governance |
| Mr. Dhruv Mehta | Financial, Board Service and Governance |
| Mrs. Kejal Pandya | Financial, Board Service and Governance |

Confirmation that in the opinion of the board that the independent directors fulfill the conditions specified in LODR regulations and are independent of the management.

Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided- Not Applicable

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad- Not Applicable

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). – Not Applicable

A certificate from a company secretary 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 attached herewith as “Annexure G”.

The Company has paid fees for all services on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year - Nil
- b. number of complaints disposed of during the financial year - Nil
- c. number of complaints pending as on end of the financial year - Nil

Non-mandatory disclosures/requirements:

- **Reporting of Internal Auditor:** Internal Auditor of the Company is reporting directly to the Audit Committee on quarterly basis.
- The Company has in place a Whistle Blower Policy through which Directors, Employees and other Stakeholders may report their genuine concerns or grievances. The Whistle Blower Policy of the Company has been disclosed on the website of the Company at https://www.dacl.co.in/pdf/investors/Whistle_blower_policy-DACL.pdf. No personnel have been denied access to the Audit Committee to report its genuine concerns or grievances.

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- The Risk Management Policy as required by Listing Regulations is Not Applicable to the Company.
- The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Conduct for fair disclosures pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 and also adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information under SEBI (Prohibition of Insider Trading) (Amendments) Regulations, 2018.

As required by Regulation 9 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, the Board of Directors has approved the Policy for Preservation of Documents and Archival Policy and the same is available at the website of the Company at www.dacl.co.in

For Diamines and Chemicals Limited

Place: Mumbai
Date: May 18, 2021

Amit Mehta
Executive Chairman
DIN : 00073907

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



CIN : - L24110GJ1976PLC002905

Nominal Capital: - 1,75,500,000/-

Paid-up Capital: - 97,832,400/-

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
M/s. Diamines and Chemicals Limited
Plot No. 13, PCC Area,
P. O. Petrochemicals,
Vadodara - 391346

We have examined all relevant records of **Diamines and Chemicals Limited** for the purpose of certifying compliance of conditions of Corporate Governance para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, for the Financial Year ended on 31st March, 2021. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure 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. This certificate 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.

On the basis of our examination of the records produced, explanation and information furnished, We certify that the Company has complied with all the mandatory conditions of the para C of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, except as reported by the Secretarial Auditor in his respective report, if any

For, Sandip Sheth & Associates
Company Secretaries
Firm Unique Code: P2001GJ041000
UDIN: F005467C000340087

Sandip Sheth
Partner
FCS No: 5467
COP No.: 4354

Date: 18th May, 2021
Place: Ahmedabad

ANNEXURE - I**FORM AOC-I****Statement of salient features of the financial statement of subsidiary****Annexure A: Subsidiary****(information in respect of each subsidiary to be presented with amounts)****(₹ in Lakhs)**

| Name of Subsidiary | DACL Fine Chem Limited |
|---|-------------------------------|
| Country of Incorporation | India |
| Date of Incorporation | 30/07/2020 |
| Percentage of shareholding (by Holding Company) | 100% |
| Financial Year/Period | 2020-21 |
| Reporting Currency | INR |
| Share Capital | 5.00 |
| Other Equity | (3.88) |
| Liabilities | 3.34 |
| Total Liabilities | 3.34 |
| Total Assets | 4.46 |
| Investments | - |
| Turnover | - |
| Profit Before Taxation | (3.88) |
| Provision for Taxation | - |
| Profit After Taxation | (3.88) |
| Proposed Dividend | - |
| % of shareholding | 100% |

Notes:

1. The above mentioned subsidiary is yet to commence operation.

For Diamines and Chemicals Limited**Place: Mumbai**
Date: May 18, 2021**Amit Mehta**
Executive Chairman
DIN : 00073907



DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that Company has adopted a Code of Conduct for its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended on 31st March, 2021, received from the Senior Management team of the Company and the members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management team means the Chief Financial Officer and employees in the General Manager cadre as on 31st March, 2021.

For Diamines and Chemicals Limited

Sd/-

G. S. Venkatachalam

Executive Director

DIN: 02205898

Place: Mumbai

Date: May 17, 2021



INDEPENDENT AUDITORS' REPORT

To the Members of
Diamines and Chemicals Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Diamines and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of 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 Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these

requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sr. No. | Key Audit Matter | How our audit addressed the key audit matter |
|---------|--|--|
| 1 | <p>Litigations and claims (Refer to note 37(c) to the standalone financial statements)</p> <p>The cases are pending with multiple tax authorities like Income Tax, Excise/Service Tax and Provident Fund Authority etc. and there are claims which have not been acknowledged as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from litigation and claims which are not acknowledged as debt by the company. Whether a claim needs to be recognised as liability or disclosed as contingent liability in the standalone financial statements is dependent on number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the standalone financial statements, is inherently subjective.</p> <p>We considered the above area as a key audit matter due to associated</p> | <p>Our audit procedures, inter alia, included the following:</p> <ul style="list-style-type: none"> • Evaluation of management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's response on the subject matter were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. • Understanding the current status of the tax assessments & other litigations and discussing selected matters with the entity's management. • Assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone financial statements. |



| | | |
|--|--|---|
| | <p>uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.</p> | <ul style="list-style-type: none"> Assessment of the probability of negative result of litigation and the reliability of estimates of related obligations. <p>Conclusion: Based on procedure described above, we did not identify any material exceptions relating to management's assertions, and treatment, presentation and disclosure of the subject matter in the standalone financial statements.</p> |
|--|--|---|

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information but does not include the standalone financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a



true and fair view of the financial position, financial performance, total 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) prescribed under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management is 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 management 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.

Auditors' 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 auditors' 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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 matters 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 (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, 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";
 - g. with respect to the other matters to be included in the Auditors' Report in accordance



with the requirements of section 197(16) of the Act, as amended:

in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- h. 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:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 37 to the standalone financial statements;
 - ii. the Company did not have any long-term contracts including derivative contracts as at March 31, 2021 for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For K.C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 21101533AAAABC9848
Place: Vadodara
Date: May 18, 2021



"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditors' Report to the members of **Diamines and Chemicals Limited** ("the Company") on the standalone financial statements for the year ended March 31, 2021, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (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 / lease deeds of immovable properties are held in the name of the Company, as on date of this report.
- ii. The Inventories except for goods-in-transit, have been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies on physical verification of inventory as compared to the book records.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) (a) to clause (iii) (c) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 186 of the Act in respect of the Investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Act, and the rules framed thereunder or under the directives issued by the Reserve Bank of India and therefore, reporting under clause (v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the cost records and accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as specified by the Central Government under section 148(1) of the Act 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 same.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company has been regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income-tax, duty of customs, goods and service tax, cess and any other statutory dues applicable to it. Further, no undisputed amounts payable in respect of income tax, duty of customs, goods and services tax, cess and other statutory dues were in arrears, as at March 31, 2021 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no disputed dues in respect of goods and service tax which have not been deposited. According to the information and explanations given to us, the following are the particulars of Income tax, Service tax, duty of customs and duty of excise as at March 31, 2021 which have not been deposited on account of dispute:

| Name of the statute (Nature of disputed dues) | Amount (₹ in lakhs) | Period to which the amount relates | Forum where pending |
|--|--------------------------------|---|---|
| Income Tax Act, 1961 (Income Tax) | 4.45 | A.Y 2010-11 | Income-tax Appellate Tribunal – Ahmedabad |
| Income Tax Act, 1961 (Income Tax) | 11.97 | A.Y 2013-14 | Income-tax Appellate Tribunal – Ahmedabad |
| Income Tax Act, 1961 (Income Tax) | 31.00 | A.Y 2014-15 | Income-tax Appellate Tribunal – Ahmedabad |
| Income Tax Act, 1961 (Income Tax) | 5.64 | A.Y 2016-17 | Commissioner of Income-Tax (Appeals), Vadodara |
| Income Tax Act, 1961 (Income Tax) | 38.75 | A.Y 2017-18 | Commissioner of Income-Tax (Appeals), Vadodara |
| Finance Act, 1994 (Service tax/ Excise) | 62.63 | F.Y. 2004-05 to 2012-13 | Customs, Excise & Service Tax Appellate Tribunal (CESTAT), Ahmedabad. |



| | | | |
|---|------|-------------------------|--|
| Finance Act, 1994 (Service tax/ Excise) | 3.71 | F.Y. 2011-12 to 2016-17 | Superintendent - Central Excise, Customs and Service Tax, Vadodara-I |
|---|------|-------------------------|--|

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings obtained from the bank. The company has not taken any loans from financial institution or Government. It has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to information and explanations given to us, no fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards (Ind AS).
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with them and therefore, reporting under clause(xv) of the Order is not applicable to the Company.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For K.C. Mehta & Co.

Chartered Accountants

Firm's Registration No. 106237W

Vishal P. Doshi

Partner

Membership No. 101533

UDIN: 21101533AAAABC9848

Place: Vadodara

Date: May 18, 2021



“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Diamines and Chemicals Limited** on the standalone financial statements of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to standalone financial statements of **Diamines and Chemicals Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, “Guidance note”) and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 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 standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' 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 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 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 control 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.

Opinion

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 with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For K.C. Mehta & Co.

Chartered Accountants

Firm's Registration No. 106237W

Vishal P. Doshi

Partner

Membership No. 101533

UDIN: 21101533AAAABC9848

Place: Vadodara

Date: May 18, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 |
|---|----------|------------------------|------------------------|
| ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 4A | 2,243.88 | 2,039.90 |
| (b) Capital work-in-progress | 4B | 15.39 | 115.83 |
| (c) Intangible assets | 4C | 2.68 | 1.25 |
| (d) Financial Assets | | | |
| (i) Investments | 5 | | |
| (A) Investment in Subsidiary | | 5.00 | - |
| (B) Other Investments | | 593.67 | 206.73 |
| (ii) Others | 6 | 2.96 | 12.78 |
| (e) Other non-current assets | 7 | 957.57 | 125.68 |
| Total Non-Current Assets | | 3,821.15 | 2,502.17 |
| (2) Current Assets | | | |
| (a) Inventories | 8 | 1,254.17 | 700.22 |
| (b) Financial Assets | | | |
| (i) Trade receivables | 9 | 943.25 | 1,248.75 |
| (ii) Cash and cash equivalents | 10 | 45.71 | 374.75 |
| (iii) Other bank balances | 11 | 3,261.16 | 2,711.85 |
| (iv) Others | 12 | 11.78 | 10.96 |
| (c) Current Tax Assets (Net) | 13 | 48.72 | - |
| (d) Other current assets | 14 | 95.56 | 84.65 |
| Total Current Assets | | 5,660.35 | 5,131.18 |
| TOTAL ASSETS | | 9,481.50 | 7,633.35 |
| EQUITY AND LIABILITIES | | | |
| (a) Equity Share capital | 15 | 978.32 | 978.32 |
| (b) Other Equity | 16 | 7,524.25 | 5,539.65 |
| Total Equity | | 8,502.57 | 6,517.97 |
| Liabilities | | | |
| (1) Non-Current Liabilities | | | |
| (a) Provisions | 17 | 36.20 | 88.82 |
| (b) Deferred Tax Liabilities (Net) | 18 | 358.68 | 418.49 |
| Total Non-Current Liabilities | | 394.88 | 507.31 |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 19 | 30.24 | - |
| (ii) Trade payables | 20 | | |
| (A) due to micro enterprises and small enterprises | | 12.62 | 0.97 |
| (B) due to other than micro enterprises and small enterprises | | 273.91 | 285.19 |
| (iii) Other financial liabilities | 21 | 187.17 | 172.18 |
| (b) Other current liabilities | 22 | 37.81 | 103.21 |
| (c) Provisions | 23 | 42.30 | 32.90 |
| (d) Current Tax Liabilities (Net) | 24 | - | 13.62 |
| Total Current Liabilities | | 584.05 | 608.07 |
| Total Liabilities | | 978.93 | 1,115.38 |
| TOTAL EQUITY AND LIABILITIES | | 9,481.50 | 7,633.35 |

Significant Accounting Policies and Notes to the Standalone Financial Statements
As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

1-46
For and on behalf of the Board

AMIT MEHTA
Executive Chairman
DIN: 00073907

DIPEN RUPARELIA
Chief Financial Officer

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

HEMAXI PAWAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905


STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

| | Particulars | Note No. | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|------|--|----------|--|--|
| I | Revenue from Operations | 25 | 6,281.71 | 6,929.93 |
| II | Other Income | 26 | 255.24 | 208.53 |
| III | Total income (I+II) | | 6,536.95 | 7,138.46 |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 27 | 1,640.02 | 1,261.82 |
| | Changes in inventories of finished goods and work-in-progress | 28 | 113.21 | 176.74 |
| | Employee benefits expense | 29 | 736.69 | 538.02 |
| | Finance costs | 30 | 7.54 | 7.82 |
| | Depreciation and Amortisation expense | 31 | 178.55 | 206.45 |
| | Other expenses | 32 | 1,276.55 | 1,430.27 |
| | Total expenses (IV) | | 3,952.56 | 3,621.12 |
| V | Profit before tax (III-IV) | | 2,584.39 | 3,517.34 |
| VI | Tax expense: | | | |
| | (a) Current Tax | 35 | 695.55 | 1,126.35 |
| | (b) Tax relating to Earlier Years | 35 | (117.11) | (13.18) |
| | (c) Deferred Tax | 18 | (97.42) | 5.59 |
| VII | Profit for the year (V-VI) | | 2,103.37 | 2,398.58 |
| VIII | Other Comprehensive Income (OCI) | | | |
| | A. Items that will not be reclassified subsequently to profit or loss : | | | |
| | (i) Remeasurement gain/(loss) on the Defined Benefit Plans | | (2.33) | (25.95) |
| | (ii) Gain/(Loss) on measuring equity instruments at Fair Value carried through Other Comprehensive Income (FVTOCI) | | 334.04 | (32.91) |
| | (iii) Income tax on above | | (37.63) | 7.56 |
| | B. Items that will be reclassified subsequently to profit or loss | | - | - |
| IX | Total Comprehensive Income for the year (VII+VIII) | | 2,397.45 | 2,347.28 |
| X | Earnings per equity share | 36 | | |
| | Basic & Diluted | | 21.50 | 24.52 |

Significant Accounting Policies and Notes to the Standalone Financial Statements

1-46

As per our report of even date attached

For and on behalf of the Board

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

AMIT MEHTA
Executive Chairman
DIN: 00073907

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

DIPEN RUPARELIA
Chief Financial Officer

HEMAXI PAWAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905


STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

| | Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-----------|--|--|--|
| A. | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit/(Loss) before tax | 2,584.39 | 3,517.34 |
| | Adjustments for: | | |
| | Depreciation / Amortisation / Impairment of Property, Plant and Equipment | 311.75 | 658.83 |
| | Dividend Income | (61.28) | - |
| | Interest Income | (189.87) | (192.27) |
| | Finance Costs | 7.54 | 7.82 |
| | (Profit) / Loss on Property, Plant and Equipment Sold | - | (7.47) |
| | Unrealised Loss on Foreign Exchange | 0.76 | 0.19 |
| | Provision for Doubtful Receivables/Advances/Sundry balances written off | 9.04 | 0.67 |
| | Provision for Non Moving Stock | (1.10) | - |
| | Provision/Advances/Sundry Balances written back | (0.04) | (4.04) |
| | Operating Profit/(Loss) before changes in working capital | 2,661.19 | 3,981.07 |
| | Adjustment for (Increase)/Decrease in Operating Assets | | |
| | Trade Receivables | 297.89 | (484.53) |
| | Inventories | (553.95) | 232.17 |
| | Financial Assets and Other Assets | (11.73) | (31.11) |
| | Long-term Loans and Advances and Other Non-current Assets | (120.07) | 24.44 |
| | Adjustment for Increase/(Decrease) in Operating Liabilities | | |
| | Trade Payables | (0.36) | (115.52) |
| | Other Financial Liabilities | 14.99 | 5.20 |
| | Other Liabilities and provisions | (108.62) | 104.19 |
| | Cash flow from operations after changes in working capital | 2,179.34 | 3,715.91 |
| | Income-tax paid | (642.01) | (1,120.49) |
| | Net Cash Flow from/(used in) Operating Activities | 1,537.33 | 2,595.42 |
| B. | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | Interest Received | 189.87 | 192.27 |
| | Dividend Received | 61.28 | - |
| | Purchase of Equity Instruments | (174.67) | (214.32) |
| | Sale of Equity Instruments | 100.27 | - |
| | Investment in Subsidiary | (5.00) | - |
| | Purchase of Property, Plant and Equipment, Intangible assets including CWIP & Capital Advances | (1,131.03) | (301.66) |
| | Sale of Property, Plant and Equipment | - | 7.47 |
| | Bank Balances not considered as Cash and Cash Equivalents | (538.46) | (987.85) |
| | Net Cash Flow from/(used in) Investing Activities | (1,497.74) | (1,304.09) |
| C. | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | Finance Costs | (7.54) | (7.82) |
| | Dividend Paid (Including Dividend Distribution Tax) | (391.33) | (710.35) |
| | Increase / (Decrease) in Current Borrowings | 30.24 | (198.61) |
| | Net Cash Flow from/(used in) Financing Activities | (368.63) | (916.78) |
| | Net Increase/ (Decrease) in Cash and Cash Equivalents | (329.04) | 374.55 |
| | Cash & Cash Equivalents at beginning of period (see Note 1) | 374.75 | 0.20 |
| | Cash and Cash Equivalents at end of period (see Note 1) | 45.71 | 374.75 |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021**

(₹ in Lakhs)

| | Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---------------|--|--|--|
| Notes: | | | |
| 1 | Cash and Cash equivalents comprise of: | | |
| | Cash on hand | 0.30 | 0.56 |
| | Balance with Banks | 45.41 | 374.19 |
| | Cash and Cash equivalents | 45.71 | 374.75 |
| 2 | The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 - "Statement of Cash Flows". | | |
| 3 | Figures for previous year have been regrouped wherever necessary for uniformity in presentation. | | |

As per our report of even date attached

For and on behalf of the Board

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

AMIT MEHTA
Executive Chairman
DIN: 00073907

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

DIPEN RUPARELIA
Chief Financial Officer

HEMAXI PA WAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021

A. Equity Share Capital (₹ in Lakhs)

| Particulars | Amount |
|--------------------------------|--------|
| Balance as at 1st April, 2019 | 978.32 |
| Additions/(Reductions) | - |
| Balance as at 31st March, 2020 | 978.32 |
| Balance as at 1st April, 2020 | 978.32 |
| Additions/(Reductions) | - |
| Balance as at 31st March, 2021 | 978.32 |

B. Other Equity (₹ in Lakhs)

| Particulars | Reserves & Surplus | | Equity Instruments carried through OCI | Total |
|--|--------------------|-------------------|--|----------|
| | General Reserve | Retained Earnings | | |
| Balance as at 1st April, 2019 | 517.12 | 3,368.13 | 17.46 | 3,902.71 |
| Movement during the year: | | | | |
| Profit for the period | | 2,398.58 | | 2,398.58 |
| Other Comprehensive Income for the year, net of income tax | | (18.39) | | (18.39) |
| Net fair value gain/(loss) on investment in equity instrument carried through OCI | | | (32.91) | (32.91) |
| Payment of Dividend (Interim and Final) | | (586.99) | | (586.99) |
| Tax on Dividend (Interim and Final) | | (123.35) | | (123.35) |
| Balances as at 31st March, 2020 | 517.12 | 5,037.98 | (15.45) | 5,539.65 |
| Movement during the year: | | | | |
| Profit for the period | | 2,103.37 | | 2,103.37 |
| Other Comprehensive Income for the year, net of income tax | | (1.74) | | (1.74) |
| Net fair value gain/(loss) on investment in equity instrument carried through OCI, net of income tax | | | 295.83 | 295.83 |
| Gain/(Loss) on sale of Investment | | | (21.52) | (21.52) |
| Payment of Dividend (Final) | | (365.67) | | (365.67) |
| Tax on Dividend (Final) | | (25.66) | | (25.66) |
| Balances as at 31st March, 2021 | 517.12 | 6,748.28 | 258.85 | 7,524.25 |

Significant Accounting Policies and Notes to the Financial Statements 1-46

As per our report of even date attached

For and on behalf of the Board

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

AMIT MEHTA
Executive Chairman
DIN: 00073907

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

DIPEN RUPARELIA
Chief Financial Officer

HEMAXI PAWAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021



Notes to the Standalone Financial Statements for the year ended 31st March 2021

1. Corporate Information

The Standalone Financial Statements of "Diamines and Chemicals Limited" ("the Company") are for the year ended 31st March, 2021.

The Company is a domestic public limited company incorporated and domiciled in India and has its registered office at Plot No. 13, New IPCL Rd, PCC Area, Vadodara, Gujarat. The Company's shares are listed and traded on the Bombay Stock Exchange Ltd. (BSE). The company is engaged in business of manufacturing and marketing of organic chemicals compounds and Power Generation.

2. Significant Accounting Policies

i) Statement of Compliance

These Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

New Standards/ amendments and other changes effective April 1,2020

Ministry of Corporate Affairs notified amendments to the existing standards vide notification G.S.R. 463(E) dated 24th July 2020. The effect of those amendments is not material.

ii) Basis of Preparation

The Standalone Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values / amortized cost / net present value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 to the Companies Act, 2013. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Ind AS-1 'Presentation of Standalone Financial Statements' and Schedule III to the Companies Act, 2013.

The Standalone Financial Statements have been presented in Indian Rupees (INR), which is also the Company's presentation and functional currency. All values are rounded off to the nearest two decimal lakhs, unless otherwise indicated.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Company categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3: inputs are unobservable for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

iii) Property, Plant and Equipment

The Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Standalone Statement of Profit and Loss.

As per internal technical evaluation carried out by the management, the management of the company believes that its Property, Plant & Equipment are of such nature that separate components are not distinctly identifiable having different useful life. And therefore, Component level accounting and reporting is not practically feasible for the company.

Depreciation of these PPE commences when the assets are ready for their intended use.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



Depreciation is provided on the cost of Property, Plant and Equipment (other than Freehold land) less their estimated residual value, using the straight-line method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on internal technical evaluation. The management believes that the useful lives as assessed best represent the period over which management expects to use these assets.

Useful lives of following class of PPE are as prescribed under Part C of Schedule II to the Companies Act, 2013, which are as under:-

| Asset Description | Assets Useful life (in Years) |
|--------------------------------------|-------------------------------|
| Factory Building | 30 |
| Building other than Factory Building | 60 |
| R & D Equipments | 10 |
| Office Equipments | 5 |
| Computers | 3 |
| Server | 10 |
| Road | 5 |
| Furniture and Fixtures | 10 |
| Vehicle | 8 |

Useful lives of following class of PPE are based on internal technical evaluation carried out by the Company which is as under:-

| Asset Description | Assets Useful life (in Years) |
|--------------------------|-------------------------------|
| Plant & Machinery | 20 |
| Plant & Machinery (Tank) | 25 |
| Wind Electric Generators | 22 |

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Freehold land is not depreciated.

iv) Intangible Assets

The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



Intangible assets with finite useful life acquired separately, are recognised only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Standalone Statement of Profit and Loss when the asset is derecognised .

Intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets as estimated by the Management as under:

| Asset Description | Assets Useful life (in Years) |
|---------------------|-------------------------------|
| Software & Licenses | 3 |

v) Impairment of non-financial assets

The Company reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Standalone Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the lower of its recoverable amount and the carrying amount that is determined, net of depreciation, had no impairment loss been recognized for the asset in prior years."

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognised earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates which has the effect of increasing the asset's recoverable amount since the previous impairment loss was recognised. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that has been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of impairment loss are recognised in the Standalone Statement of Profit and Loss.

vi) Investments in Subsidiary

The Company records the Investment in equity instrument of Subsidiary at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

vii) Inventories

Inventories are valued at lower of cost and net realisable value after providing for impairment and other losses, where considered necessary. The basis of determining the value of each class of inventory is as follows:

| Inventories | Cost Formulae |
|--|--|
| Raw Material, packing materials, fuels and stores and spares | At first-in-first out basis (Net of eligible credit) |
| Raw Material (Goods in transit) | At invoice price |
| Work-in-progress | At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads based on stage of completion. |
| Finished Goods (Including in Transit) | At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads. |
| Scrap | At lower of Cost or Net Realisable Value |

viii) Revenue from Contracts with Customers

Revenues from sale of goods including power units or services are recognised upon transfer of control of the goods or services to the customer in an amount that reflects the consideration which the company expects to receive in exchange for those goods or services.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.



When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not be required). The Company typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the company has a present unconditional rights to consideration, it is recognised separately as a receivable.

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income is recognised when the right to receive the same is established.

Export incentives (Duty Drawback Scheme benefits) are accrued in the year when the right to receive the same is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

Other income is recognised on accrual basis except when realization of such income is uncertain.

ix) Foreign Exchange Transactions

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the spot exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using closing exchange rate prevailing on the last day of the reporting period.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences on monetary items are recognised in the Standalone Statement of Profit and Loss in the period in which they arise.

x) Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees.

As a lessee

The Company's lease assets primarily consist of lease for land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:



- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases and corresponding Right-of-use Asset. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

xi) Employees Benefits

Post Employment Benefit

(i) Defined Contribution Plan

The company's contribution to defined contribution plan paid/payable for the year is charged to the Standalone Statement of Profit and loss.

(ii) Defined Benefit Plan

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuation under the Projected Unit Credit method are carried out at the balance sheet date. Remeasurement gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income (OCI). These gains/losses which are recognised in OCI are reflected in retained earnings and are not reclassified to Profit or Loss. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets. The plan assets are measured at fair value.

(iii) Short Term Employee Benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salaries, wages, bonus, performance incentives, etc.

(iv) Other Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date, using Projected Unit Credit method.

xii) Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Standalone Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Standalone Statement of Profit and Loss in the period in which they are incurred.

xiii) Statement of Cash Flows

Standalone Statement of Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

xiv) Income Taxes

Income tax expense represents the sum of the current tax and deferred tax.

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Standalone Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.



Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(iii) Current and Deferred Tax Expense for the Year

Current and deferred tax expense is recognised in the Standalone Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xv) Financial Instruments

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Standalone Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial Assets are measured at amortised cost e.g., deposits, trade receivables and bank balance

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. On that basis, the Company estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense (or income) in the Standalone Statement of Profit and Loss.

Derecognition of financial assets:

The Company derecognises a financial asset when the contractual right to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained



interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Standalone Statement of Profit and Loss.

Other Financial Liabilities at amortised cost:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities and equity instruments:

- Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.



- Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

Derecognition of financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

xvi) Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in Standalone Statement of Profit and Loss.

xvii) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Making Body (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/ assets/liabilities" respectively.



xviii) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax with the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, with the aggregate of weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xix) Dividend

Provision is made in the accounts for the amount of any final dividend declared on the date of its approval by the shareholders. Interim dividends, if any, are recorded as a liability on the date of its declaration by the company's board of directors.

xx) Research and Development

Revenue expenditure on research and development is charged to Standalone Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to Property, Plant & Equipment/Intangible Assets.

xxi) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when, based on Company's present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities and Assets

Contingent liabilities are disclosed in the Standalone Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Standalone Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3. Critical Accounting Judgments, Estimates, Assumptions and Key Sources of Estimation Uncertainty

The preparation of the Company's Standalone Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the Standalone Financial Statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key estimates, assumptions and judgements

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the Standalone Financial Statements. Changes in estimates are accounted for prospectively.

(i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits.

(ii) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(iii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iv) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by Company.

(v) Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the income statement and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(vi) Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectable on the assessment of the underlying facts and circumstances.

(vii) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(viii) Revenue Recognition:

The Company's contracts with customers include promises to transfer products and power units to the customers. The Company assesses the products and power units promised in a contract and identifies distinct performance obligations, if any, in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is also required to determine the transaction price for the contract. The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over time. The Company considers indicators such as to who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. The judgment is also exercised in determining the variable consideration, if any, involved in transaction price and also in estimating the impact of customer's right to return the goods, based on prior experience. The company has exercised judgments and concluded that it has only one performance obligation from each of its contract with customers and it is being satisfied at a point in time.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



Notes to the Standalone Financial Statements for the Year ended 31st March, 2021

4A. Property, Plant and Equipment (Including Right-of-use Assets)

| Particulars | Freehold Land | Right-of-use Assets (Leasehold Land) | Buildings | Plant and Machinery | R & D Equipment | Wind Electric Generators | Furniture and Fixtures | Office Equipments | Vehicles | Server | Computers | Road | QA Lab Equipment | Low Value Assets | Total |
|--|---------------|--------------------------------------|-----------|---------------------|-----------------|--------------------------|------------------------|-------------------|----------|--------|-----------|-------|------------------|------------------|----------|
| | | | | | | | | | | | | | | | |
| Gross Block | | | | | | | | | | | | | | | |
| As at 31st March, 2019 | 31.54 | 189.93 | 173.05 | 1,072.04 | 68.09 | 744.33 | 51.66 | 17.06 | 45.80 | 9.79 | 20.93 | 1.47 | - | - | 3,034.70 |
| Additions | - | 4.79 | 82.94 | 93.43 | 22.12 | - | 22.86 | 0.99 | - | 0.57 | 3.49 | 20.21 | 3.08 | 1.19 | 295.07 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2020 | 31.54 | 194.78 | 255.99 | 1,765.47 | 90.21 | 744.33 | 74.52 | 18.05 | 45.80 | 10.36 | 33.42 | 21.63 | 3.08 | 1.19 | 3,289.77 |
| Additions | - | - | 22.94 | 29.69 | 34.00 | - | 9.35 | 5.10 | - | - | 11.11 | - | - | 2.56 | 514.75 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2021 | 31.54 | 194.78 | 478.33 | 1,995.16 | 124.21 | 744.33 | 83.87 | 23.15 | 45.80 | 10.36 | 44.53 | 21.63 | 3.08 | 3.75 | 3,804.52 |
| Accumulated Depreciation | | | | | | | | | | | | | | | |
| As at 31st March, 2019 | - | 9.84 | 23.17 | 297.72 | 28.45 | 167.79 | 4.51 | 4.16 | 38.56 | 4.66 | 8.79 | 0.06 | - | - | 587.71 |
| Charge for the year | - | 3.28 | 9.64 | 203.33 | 6.86 | 55.93 | 5.97 | 1.28 | 0.74 | 1.11 | 13.24 | 3.32 | 0.15 | 1.13 | 205.87 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2020 | - | 13.12 | 32.81 | 401.05 | 35.31 | 223.72 | 10.48 | 5.44 | 39.30 | 5.77 | 21.99 | 3.38 | 0.15 | 1.13 | 793.58 |
| Charge for the year | - | 3.36 | 11.67 | 78.39 | 7.86 | 55.95 | 6.63 | 1.21 | 0.74 | 0.97 | 3.62 | 4.11 | 0.29 | 2.44 | 177.54 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2021 | - | 16.48 | 44.48 | 479.44 | 43.17 | 279.67 | 17.11 | 6.65 | 40.04 | 6.74 | 25.65 | 7.49 | 0.44 | 3.57 | 971.12 |
| Accumulated Impairment | | | | | | | | | | | | | | | |
| As at 31st March, 2019 | - | - | - | 3.90 | - | - | - | - | - | - | - | - | - | - | 3.90 |
| Charge for the year | - | - | - | 452.38 | - | - | - | - | - | - | - | - | - | - | 452.38 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2020 | - | - | - | 456.28 | - | - | - | - | - | - | - | - | - | - | 456.28 |
| Charge for the year (Refer note below) | - | - | - | 14.50 | - | - | - | - | - | - | - | - | - | - | 133.20 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2021 | - | - | - | 470.78 | - | - | - | - | - | - | - | - | - | - | 589.47 |
| Net Block | | | | | | | | | | | | | | | |
| Balance as at 31st March, 2020 | 31.54 | 181.66 | 222.58 | 903.24 | 54.90 | 520.61 | 64.04 | 12.61 | 6.50 | 4.59 | 11.49 | 18.25 | 2.93 | 0.06 | 2,039.90 |
| Balance as at 31st March, 2021 | 31.54 | 178.30 | 433.85 | 1,044.94 | 81.04 | 345.96 | 66.76 | 16.50 | 5.77 | 3.62 | 18.68 | 14.14 | 2.64 | 0.18 | 2,243.88 |

Note:

- The Company has recognised impairment provision of ₹14,50 Lakhs on NMP Plant related Machinery & Equipment ("NMP Plant") and ₹118.70 Lakhs on power generation segment (Wind Turbine Generator) for the year ended on 31st March, 2021 in accordance with requirements of Ind AS-36 "Impairment of Assets".
- The Company has elected to continue with the carrying value of its Property, Plant & Equipment (PPE) recognised as of April 1, 2019 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

Diamines and Chemicals Limited

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****4B. Capital work-in-progress**

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|---------------------------|---------------------------|
| Opening Balance | 115.83 | 78.77 |
| Add : Addition during the year | 417.06 | 292.13 |
| Less : Transferred during the year | 517.50 | 255.07 |
| Total | 15.39 | 115.83 |

4C. Intangible assets

(₹ in Lakhs)

| Particulars | Software & Licenses | Total |
|---------------------------------------|---------------------|-------------|
| Gross Block | | |
| As at 31st March, 2019 | 1.84 | 1.84 |
| Additions | - | - |
| Deductions/Adjustments | - | - |
| As at 31st March, 2020 | 1.84 | 1.84 |
| Additions | 2.43 | 2.43 |
| Deductions/Adjustments | - | - |
| As at 31st March, 2021 | 4.27 | 4.27 |
| Accumulated Amortisation | | |
| As at 31st March, 2019 | - | - |
| Charge for the year | 0.59 | 0.59 |
| Deductions/Adjustments | - | - |
| As at 31st March, 2020 | 0.59 | 0.59 |
| Charge for the year | 1.01 | 1.01 |
| Deductions/Adjustments | - | - |
| As at 31st March, 2021 | 1.59 | 1.59 |
| Net Block | | |
| Balance as at 31st March, 2020 | 1.25 | 1.25 |
| Balance as at 31st March, 2021 | 2.68 | 2.68 |

Note :

1. The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

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Notes to the Standalone Financial Statements for the year ended 31st March, 2021
5. Investments

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Long Term Equity Instrument in wholly Owned Subsidiary Company (unquoted-Fully paid up) - At Cost | | |
| 50,000 (P.Y. Nil) equity shares of DACL Fine Chem Limited (Fully paid up) (Face Value ₹10 per share) | 5.00 | - |
| Total | 5.00 | - |
| Investments in Equity Instruments in other Entities (at FVTOCI) | | |
| Long Term Investments in Quoted Securities | | |
| 87,950 (P.Y. 87,950) Equity Shares of Sintex Industries Limited (Fully paid up) (Face Value ₹ 1 per share) | 2.95 | 0.55 |
| 2,37,950 (P.Y. 87,950) Equity Shares of Sintex Plastics Technology Limited (Fully paid up) (Face Value ₹ 1 per share) | 7.85 | 0.58 |
| 232 (P.Y. 232) Equity Shares of Alkyl Amines Chemicals Limited (Fully paid up) (Face Value ₹ 5 per share) | 13.22 | 2.79 |
| 10,847 (P.Y. 9,000) Equity Shares of Deepak Nitrite Limited (Fully paid up) (Face Value ₹ 2 per share) | 179.68 | 34.79 |
| 6,500 (P.Y. 8,500) Equity Shares of P.I. Industries Limited (Fully paid up) (Face Value ₹ 1 per share) | 146.78 | 99.41 |
| 2,500 (P.Y. 2,500) Equity Shares of Reliance Industries Limited (Fully paid up) (Face Value ₹ 10 per share) | 50.08 | 27.81 |
| 21,000 (P.Y. 12,500) Equity Shares of UPL Limited (Fully paid up) (Fully paid up) (Face Value ₹ 2 per share) | 134.79 | 40.80 |
| 6,500 (P.Y. Nil) Equity Shares of GHCL Limited (Fully paid up) (Face Value ₹ 10 per share) | 14.92 | - |
| 37,220 (P.Y. Nil) Equity Shares of Meghmani Organics Limited (Fully paid up) (Face Value ₹ 1 per share) | 43.40 | - |
| Total | 593.67 | 206.73 |
| Aggregate cost of quoted investments | 275.08 | 222.20 |
| Aggregate market value of quoted investments | 593.67 | 206.73 |
| Aggregate carrying value of unquoted investments | 5.00 | - |

| Details of Subsidiary | Principal Activity | Place of Incorporation | place of business |
|---|----------------------------|------------------------|-------------------|
| DACL Fine Chem Limited | Manufacturing of Chemicals | Vadodara, India | Vadodara, India |
| Proportion of Ownership Interest /Voting rights held by the company | 100% | | |

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****Investment in Subsidiary:-**

Investment in subsidiary are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exist, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

| 6. Other Financial Assets (non-current) | | (₹ in Lakhs) |
|---|---------------------------|---------------------------|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| (Unsecured, Considered Good unless Otherwise Stated) | | |
| Security Deposits | 2.96 | 1.93 |
| Lien-marked Margin Money Deposits against Bank Guarantees | - | 10.85 |
| Total | 2.96 | 12.78 |

| 7. Other Non-current Assets | | (₹ in Lakhs) |
|---|---------------------------|---------------------------|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| (Unsecured, Considered Good unless Otherwise Stated) | | |
| Capital advances | 18.33 | 16.19 |
| Capital Advance - Advance for ROU Asset* | 712.14 | - |
| Prepaid Expenses | 13.48 | 2.58 |
| Balances with Government Authorities | | |
| -CST | 0.50 | 2.58 |
| -Income Tax (Refund Receivable) | 129.20 | 20.41 |
| -Income Tax paid under protest | 83.92 | 83.92 |
| Total | 957.57 | 125.68 |

* Sale certificate of Land has been received from official liquidator - Exclusive Fibers Limited (in liquidation) under IBC. The possession is with official liquidator and the same will be passed on to the company in FY. 2021-22, thereby enabling the company to establish right of control over Land. This includes ₹ 2.94 Lakhs Security Deposit paid for the same.

| 8. Inventories* | | (₹ in Lakhs) |
|-----------------------------------|---------------------------|---------------------------|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| Raw Materials | 885.79 | 172.63 |
| Raw Materials - Goods in transit | 18.14 | 66.42 |
| Work in Progress | 86.93 | 196.19 |
| Finished goods | 227.26 | 224.64 |
| Finished goods - Goods in transit | 1.05 | 7.62 |
| Packing materials | 5.42 | 4.91 |
| Fuel | 11.31 | 11.11 |
| Stores and Spares | 18.27 | 16.70 |
| Total | 1,254.17 | 700.22 |

* Valuation of inventories are done as per point no. (vii) of significant accounting policies (Note-2).
For Hypothecation details refer Note-19.

Diamines and Chemicals Limited

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****9. Trade Receivables**

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Unsecured, Considered good | | |
| Others | 943.25 | 1,248.75 |
| Doubtful Receivables | 7.61 | - |
| Less:- Allowance for Doubtful Receivables | 7.61 | - |
| Total | 943.25 | 1,248.75 |

Movement in allowance for Doubtful Debts

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Balance at the beginning of the year | - | - |
| Add:- Allowance loss Recognised | 7.61 | - |
| Less:- Reversed during the year | - | - |
| Less:- Amount Written off as Bed Debts | - | - |
| Balance at the End of the year | 7.61 | - |

10. Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------|---------------------------|---------------------------|
| Balances with Banks | | |
| In current account | 45.41 | 119.39 |
| In cash credit account | - | 254.80 |
| Cash on hand | 0.30 | 0.56 |
| Total | 45.71 | 374.75 |

11. Other Bank Balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Other bank deposits with original maturity of more than 3 months up to 12 months | 3,111.25 | 2,575.00 |
| Accrued Interest on FD | 107.10 | 100.17 |
| Earmarked bank balances* | 42.81 | 36.68 |
| Total | 3,261.16 | 2,711.85 |

*These balances represents unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose.

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****12. Financial Assets : Others**

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------|---------------------------|---------------------------|
| Wind Farm Income Receivable | 4.72 | 2.84 |
| Insurance Receivable | 3.97 | - |
| Advances to Related Party | | |
| - To Subsidiary Company | 3.09 | - |
| Forward Contract Asset | - | 8.12 |
| Total | 11.78 | 10.96 |

13. Current Tax Assets (Net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------|---------------------------|---------------------------|
| Advance Tax (Net of provisions) | 48.72 | - |
| Total | 48.72 | - |

14. Other Current Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------------|---------------------------|---------------------------|
| Unsecured, considered good | | |
| Balances with Government Authorities | 5.86 | 34.76 |
| Prepaid Expenses | 61.12 | 27.82 |
| Advances to vendors | 18.22 | 21.75 |
| Employee Advance | 0.11 | 0.16 |
| Others | 10.25 | 0.16 |
| Total | 95.56 | 84.65 |

15. Equity Share Capital

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Authorised | | |
| 17,550,000 (P.Y. 17,550,000) Equity shares of ₹ 10/- each | 1,755.00 | 1,755.00 |
| Total | 1,755.00 | 1,755.00 |
| Issued, Subscribed and Fully Paid Up | | |
| 9,783,240 (P.Y. 9,783,240) Equity Shares of ₹ 10/- each | 978.32 | 978.32 |
| Total | 978.32 | 978.32 |

Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:

| Particulars | No. of Shares | Share Capital (₹ in Lakhs) |
|------------------------|---------------|-------------------------------|
| As at 1st April, 2019 | 9,783,240 | 978.32 |
| Additions/(Reductions) | - | - |
| As at 31st March, 2020 | 9,783,240 | 978.32 |
| As at 1st April, 2020 | 9,783,240 | 978.32 |
| Additions/(Reductions) | - | - |
| As at 31st March, 2021 | 9,783,240 | 978.32 |

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Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Details of Shareholders holding more than 5 percent share in Company:

(₹ in Lakhs)

| Name of the Shareholder | As at 31st March, 2021 | | As at 31st March, 2020 | |
|----------------------------|------------------------|--------------|------------------------|--------------|
| | No. of shares | % of Holding | No. of shares | % of Holding |
| Amit M. Mehta | 1,237,726 | 12.65% | 1,237,726 | 12.65% |
| Cherry A Mehta | 1,053,278 | 10.77% | 1,053,278 | 10.77% |
| Finorga India Pvt Ltd | 492,067 | 5.03% | 492,067 | 5.03% |
| Perfo Chem (India) Pvt Ltd | 962,179 | 9.83% | 962,179 | 9.83% |

Right, Preferences and restrictions attached to Shares

- (i) The Company has only one class of shares i.e. equity shares having par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) The Board of Directors in their meeting held on 18th May, 2021 have recommended a final dividend of **₹ 5 per Equity Share** (previous year ₹ 4 per equity share) to be approved by the shareholders in the ensuing general meeting. On approval, this will result in an outflow of ₹ **489.16 Lakhs** (Previous year ₹ 391.33 Lakhs)

16. Other Equity

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| General Reserve | 517.12 | 517.12 |
| Retained Earnings | 6,748.28 | 5,037.98 |
| Equity instruments carried through other comprehensive income (OCI) | 258.85 | (15.45) |
| Total | 7,524.25 | 5,539.65 |

Particulars relating to Other Equity

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| General Reserve | | |
| Balance at the beginning of the year | 517.12 | 517.12 |
| Additions/Deductions during the year | | |
| Balance at the end of the year | 517.12 | 517.12 |
| Retained Earnings | | |
| Balance at the beginning of the year | 5,037.98 | 3,368.13 |
| Add: Net Profit for the year | 2,103.37 | 2,398.58 |
| Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax | (1.74) | (18.39) |
| Less: Payments of dividends (Interim and Final) | (365.67) | (586.99) |
| Less: Tax on Dividends (Interim and Final) | (25.66) | (123.35) |
| Balance at the end of the year | 6,748.28 | 5,037.98 |
| Equity instruments carried through other comprehensive income (OCI) | | |
| Balance at the beginning of the year | (15.45) | 17.46 |
| Fair value gain/(loss) on investments in equity instruments | 295.83 | (32.91) |
| Add:- Gain/(Loss) on sale of Investment (Net of Taxes) | (21.52) | - |
| Balance at the end of the year | 258.85 | (15.45) |
| Total | 7524.25 | 5,539.65 |

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Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Description of the nature and purpose of Other Equity

General Reserve : The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the provisions of Companies Act, 2013.

Retained Earnings: Retained Earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc.& amount distributed as dividends and related dividend distribution taxes.

Reserve for equity instruments through other comprehensive income : This represents cumulative gains / (losses) arising on the measurement of equity instruments at Fair Value through Other Comprehensive Income.

17. Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity | - | 58.27 |
| Compensated absences | 36.20 | 30.55 |
| Total | 36.20 | 88.82 |

18. Deferred Tax Liabilities (Net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|---------------------------|---------------------------|
| Deferred tax Liabilities | 392.65 | 453.72 |
| Less: Deferred tax Assets | (33.97) | (35.23) |
| Total | 358.68 | 418.49 |

2020-21

Major Components and Reconciliation of Deferred Tax (Assets)/Liabilities

(₹ in Lakhs)

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in other Comprehensive Income | Closing Balance |
|---|--------------------|---------------------------------|---|--------------------|
| Property, plant and equipment & intangible assets | 453.72 | (99.28) | - | 354.44 |
| Equity Instruments through FVTOCI | - | - | 38.21 | 38.21 |
| Provision for Provident Fund liability | (2.91) | 0.40 | - | (2.52) |
| Expenses claimed for tax purpose on payment basis | (31.12) | 2.93 | (0.59) | (28.78) |
| Provision for Doubtful debts | - | (1.92) | - | (1.92) |
| Provision for slow moving and obsolete items | (1.21) | 0.44 | - | (0.76) |
| Total | 418.49 | (97.42) | 37.63 | 358.68 |

2019-20

Major Components and Reconciliation of Deferred Tax (Assets)/Liabilities

(₹ in Lakhs)

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in other Comprehensive Income | Closing Balance |
|---|--------------------|---------------------------------|---|--------------------|
| Property, plant and equipment & intangible assets | 449.44 | 4.28 | - | 453.72 |
| Provision for Provident Fund liability | (2.91) | - | - | (2.91) |
| Expenses claimed for tax purpose on payment basis | (24.73) | 1.18 | (7.56) | (31.12) |
| Provision for slow moving and obsolete items | (1.21) | - | - | (1.21) |
| Provision for Cenvat Receivable | (0.14) | 0.14 | - | - |
| Total | 420.45 | 5.59 | (7.56) | 418.49 |

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****19. Borrowings****(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------|---------------------------|---------------------------|
| Loan Repayable on Demand | | |
| (i) Secured | | |
| - Cash Credit from bank* | 30.24 | - |
| Total | 30.24 | - |

*The Company has availed fund based working capital facilities viz., Cash Credit Facility and non-fund based working facilities from Bankers viz., Bank Guarantees and Letter of Credits, which are secured by hypothecation charge on Inventories, book debts and all other current assets of the company, as primary security and registered mortgage charge over land & building and hypothecation charge on plant & machinery as collateral security.

20. Trade Payables

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per the Micro, Small and Medium Enterprises Development Act, 2006 (hereinafter referred to as "the Act") are given below :

Payment made to suppliers beyond the due date during the year was ₹ Nil (P.Y. ₹ Nil). No interest during the year has been paid to Micro and Small Enterprises as there were no delayed payments. Further, interest accrued and remaining unpaid at the year end is ₹ Nil (P.Y. ₹ Nil).

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|---------------------------|---------------------------|
| Micro, Small & Medium Enterprises* | 12.62 | 0.97 |
| Others | 273.91 | 285.19 |
| Total | 286.53 | 286.16 |

21. Other Financial Liabilities**(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------------|---------------------------|---------------------------|
| Forward Contract Liability | 1.24 | - |
| Unclaimed dividends | 42.81 | 36.68 |
| Payable for Capital Goods | 0.97 | - |
| Employee Bonus / Exgratia Payable | 29.76 | 30.62 |
| Salary Payable | 38.68 | 33.30 |
| Outstanding Liabilities Expenses | 15.47 | 19.86 |
| Commission Payable to Directors | 51.90 | 27.62 |
| Provision for Quantity Discount | - | 18.00 |
| Other Payables | 6.34 | 6.10 |
| Total | 187.17 | 172.18 |

22. Other Current Liabilities**(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Liability for Statutory Payments | 29.62 | 97.62 |
| Contract Liability - Advance from Customers | 8.19 | 5.59 |
| Total | 37.81 | 103.21 |

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****23. Provisions****(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity | 6.34 | 13.22 |
| Compensated absences | 22.92 | 5.54 |
| Others | | |
| Others | 13.04 | 14.14 |
| Total | 42.30 | 32.90 |

24. Current Tax Liabilities (Net)**(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|---------------------------|---------------------------|
| Provision for Tax(Net of Advance Tax) | - | 13.62 |
| Total | - | 13.62 |

25. Revenue From Operations**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Sale of products | | |
| Manufactured Goods | 6,209.64 | 6,772.02 |
| Sale of Power generation from windmill | 59.61 | 145.22 |
| Other Operating Revenue | | |
| Sale of Scrap | 10.60 | 12.69 |
| Duty Drawback Scheme benefits | 1.86 | - |
| Total | 6,281.71 | 6,929.93 |

26. Other Income**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Interest on Fixed and Other Deposits | 189.87 | 161.53 |
| Interest on IT Refund | - | 30.74 |
| Insurance Income | 3.97 | - |
| Sales Tax Refund | - | 3.97 |
| Dividend Income | 61.28 | - |
| Exchange gains/(losses) on foreign currency | 0.08 | 0.78 |
| Profit/loss on Sale of Asset | - | 7.47 |
| Balances / Provisions written back (Net) | 0.04 | 4.04 |
| Total | 255.24 | 208.53 |

Diamines and Chemicals Limited

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****27. Cost of materials consumed****(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--------------------------|--|--|
| Raw Materials Consumed : | | |
| Opening Stock | 239.05 | 287.44 |
| Add: Purchases | 2,165.92 | 1,068.27 |
| Less: Closing Stock | 903.93 | 239.05 |
| | 1,501.04 | 1,116.66 |
| Packing Materials : | | |
| Opening Stock | 4.91 | 6.70 |
| Add: Purchases | 139.49 | 143.37 |
| Less: Closing Stock | 5.42 | 4.91 |
| | 138.98 | 145.16 |
| Total | 1,640.02 | 1,261.82 |

28. Changes in Inventories of Finished Goods and Work-In-Progress**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---------------------|--|--|
| Finished Goods | | |
| Closing Stock | 228.31 | 232.26 |
| Less: Opening Stock | 232.26 | 359.55 |
| | (3.95) | (127.29) |
| Work in Progress | | |
| Closing Stock | 86.93 | 196.19 |
| Less: Opening Stock | 196.19 | 245.64 |
| | (109.26) | (49.45) |
| Total | 113.21 | 176.74 |

29. Employee Benefits Expense**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Salaries, Wages and Bonus * | 628.17 | 436.96 |
| Contribution to Provident and Other Funds | 60.89 | 53.08 |
| Staff Welfare Expenses | 47.63 | 47.98 |
| Total | 736.69 | 538.02 |

* Including Commission to Executive Chairman & Director

30. Finance Costs**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|------------------------|--|--|
| Interest on | | |
| Cash Credit Facilities | 0.06 | 0.26 |
| Others | 0.34 | 1.02 |
| Other Borrowing Costs | | |
| Bank Charges | 4.07 | 6.54 |
| Processing Charges | 3.07 | - |
| Total | 7.54 | 7.82 |

31. Depreciation and Amortisation Expenses**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Depreciation on PPE (Including Right-of-use Assets) | 177.54 | 205.87 |
| Amortisation of Intangible Assets | 1.01 | 0.59 |
| Total | 178.55 | 206.45 |

Diamines and Chemicals Limited

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**Notes to the Standalone Financial Statements for the Year ended 31st March, 2021****32. Other Expenses****(₹in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Consumption of stores and spare parts | 80.53 | 69.06 |
| Power and Fuel | 364.67 | 409.38 |
| Rent | 9.87 | 9.54 |
| Repair and Maintenance | | |
| -Buildings | 43.32 | 28.61 |
| -Machinery | 84.54 | 86.71 |
| -Others | 8.84 | 6.83 |
| Insurance | 30.18 | 23.44 |
| Rates and Taxes | 4.21 | 4.94 |
| Legal and Professional Fees | | |
| -R&D Consultancy fees | 55.15 | 8.25 |
| -Others | 100.45 | 45.77 |
| Payment to Auditors (Refer note (i) below) | 11.21 | 9.13 |
| Director's Sitting fees | 9.92 | 15.03 |
| Commission to Non Executive Directors | 7.59 | 20.57 |
| Printing and Stationery | 2.66 | 4.12 |
| Security Charges | 25.97 | 20.62 |
| Research and Development Expenses | 1.32 | 2.30 |
| Travelling and Motor Car Expenses | 9.14 | 27.32 |
| Corporate Social Responsibility Expenses (Refer note (ii) below) | 42.06 | 22.25 |
| Factory Expenses | 15.44 | 12.18 |
| Material Handling | 54.64 | 48.62 |
| Selling Expenses | 56.91 | 49.18 |
| House Keeping Expenses | 12.07 | 11.68 |
| Impairment Loss on Property, Plant and Equipment | 133.20 | 452.38 |
| Loss on Deposit/Advances | 50.00 | - |
| Donation Exp | 25.00 | 4.50 |
| Miscellaneous Expenses* | 37.67 | 37.86 |
| Total | 1,276.55 | 1,430.27 |

* None of the item individually accounts for more than ₹ 10,00,000 or 1% of revenue whichever is higher.

(i) Payment to Auditors (Fees excluding tax):**(₹in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-------------------------------|--|--|
| (a) Statutory Auditors | | |
| - As Auditor | 7.70 | 6.25 |
| - For Taxation Service | 1.90 | 1.60 |
| - Certification | 1.16 | 0.92 |
| - Reimbursement of Expenses | - | 0.36 |
| (b) Cost Auditors | | |
| - As Auditor | 0.45 | - |
| Total | 11.21 | 9.13 |

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**Notes to the Standalone Financial Statements for the Year ended 31st March, 2021****(ii) Expenditure towards Corporate Social Responsibility (CSR) activities:**

(a) Gross amount required to be spent by the Company during the year: ₹ 42.06 Lakhs (Previous Year: ₹ 22.20 Lakhs)

(b) Amount spent in cash during the year on:

(₹ in Lakhs)

| Particulars | In Cash | Yet to be paid in cash | Total |
|---|------------------|------------------------|------------------|
| (i) Construction/acquisition of any Asset | - | - | - |
| (ii) On purposes other than above | 42.06 (22.25) | - - | 42.06 (22.25) |

Amounts in bracket indicate previous year figures.

33. Disclosure of the aggregate amount of research and development expenditure recognised as an expense during the period - Research and Development (R&D) :

The Company has in-House R&D unit at its registered office and is registered with the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, New Delhi.

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-----------------------|--|--|
| - Revenue Expenditure | 163.76 | 97.41 |
| Total | 163.76 | 97.41 |

34. Disclosures as per Ind AS- 115 "Revenue from Contracts with Customers":

1. The Company derives revenues from sale of goods, power units and scrap from its contracts with customers. The revenues have been disclosed in Note No.25 "Revenue from Operations"

2. The disaggregation of revenues is as under:

(₹ in Lakhs)

| Nature | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Revenue from contracts with customers | | |
| Revenues from sale of goods | 6,209.64 | 6,772.02 |
| Revenues from sale of power units | 59.61 | 145.22 |
| Other Operating Revenue | | |
| -Revenues from sale of scrap | 10.60 | 12.69 |
| -Duty Drawback Scheme benefits | 1.86 | - |
| Total | 6,281.71 | 6,929.93 |

The revenues are further disaggregated into revenues from domestic as well as export market as follows: (₹ in Lakhs)

| Nature | Domestic | | Exports | |
|-------------------------|--|--|--|--|
| | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| Sale of goods | 6,055.96 | 6,772.02 | 153.68 | - |
| Sale of power units | 59.61 | 145.22 | - | - |
| Other Operating Revenue | 12.46 | 12.69 | - | - |
| Total | 6,128.03 | 6,929.93 | 153.68 | - |

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**Notes to the Standalone Financial Statements for the Year ended 31st March, 2021**

3. The movement in Company's receivables, contract assets and contract liabilities are as under: (₹ in Lakhs)

| Particulars | Receivables | Contract Assets | Contract Liabilities |
|--|---------------|-----------------|----------------------|
| Balance as at the beginning of the year | 1,248.75 | - | 5.59 |
| Additions / (Adjustments) | (305.50) | - | 2.60 |
| Balance as at the end of the year | 943.25 | - | 8.19 |

The revenue of ₹5.59 lakhs (P.Y. ₹ 29.51 lakhs) has been recognised from the carried forward contract liabilities balance at the beginning of the year.

4. The revenue from contracts with customers for the year includes variable consideration (volume discounts) of ₹6.40 lakhs (P.Y. ₹ 102.20 lakhs), which has been deducted from the transaction price. The company uses expected value method in measuring the variable consideration. There were no constraints in estimating variable consideration.

5. The Company has applied practical expedient referred to in paragraph 121 of Ind AS 115 and accordingly, has not disclosed information related to remaining performance obligations. No consideration from contracts with customers is excluded from the remaining performance obligations.

35. Disclosure pursuant to Ind AS 12 on "Income Taxes"**A. Components of Tax Expenses/(Income)**

(₹ in Lakhs)

| a. Profit or Loss Section | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Current Tax | 695.55 | 1,126.35 |
| Earlier Year | (117.11) | (13.18) |
| Deferred Tax | (97.42) | 5.59 |
| Income tax expense recognised in the statement of profit or loss | 481.02 | 1,118.76 |

Income tax relating to Other Comprehensive Income

(₹ in Lakhs)

| b. Other Comprehensive Income Section | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Remeasurement of Defined Benefits Plans | (0.59) | (7.56) |
| Equity instruments through other comprehensive income | 38.21 | - |
| Income tax recognised in Other Comprehensive Income | 37.63 | (7.56) |

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**Notes to the Standalone Financial Statements for the Year ended 31st March, 2021****B. Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Profit before Tax | 2,584.39 | 3,517.34 |
| Corporate Tax rate as per Income Tax Act, 1961 | 25.17% | 29.12% |
| Tax on Accounting Profit | 650.44 | 1,024.25 |
| Effect of income exempt from tax | (15.42) | - |
| Effect of expenses/provisions not deductible in determining taxable profit | 29.53 | 143.52 |
| Effect of concessions | (2.87) | (38.64) |
| Effect of change in tax rate due to switch to new tax regime | (56.79) | - |
| Others | (6.75) | 2.82 |
| Tax adjustment of earlier years | (117.11) | (13.18) |
| Income tax expense recognised in the statement of profit or loss | 481.02 | 1,118.76 |

Note:-

The Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act w.e.f. 01/04/2019. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totaling to 25.17%) from 1st April, 2019, without claiming the major tax exemptions / incentives which were availed till previous financial year.

During the year the Income Tax expense and deferred tax expense for the year ended 31st March, 2021 include the effect of the net benefit of section 115BAA opted for by the Company from 1st April, 2019.

36. In accordance with Ind AS - 33, "Earnings Per Share", the Basic and Diluted EPS have been calculated as under: (₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Profits available to equity shareholders (₹ in Lakhs) | 2,103.37 | 2,398.58 |
| Weighted Average Number of Equity Shares | 9,783,240 | 9,783,240 |
| Earnings Per Share of ₹ 10 each | | |
| - Basic & Diluted (in ₹) | 21.50 | 24.52 |

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**Notes to the Standalone Financial Statements for the Year ended 31st March, 2021****37. Contingent Liabilities and Commitments (to the extent not provided for)****(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (A) Contingent liabilities not provided for in respect of: | | |
| (a) Guarantees issued by the bankers on behalf of the Company | 44.68 | 72.76 |
| Total (a) | 44.68 | 72.76 |
| (b) Claims against the company not acknowledged as debt | 6.40 | 7.30 |
| Total (b) | 6.40 | 7.30 |
| (c) <u>Pending Litigations:</u> | | |
| (i) Income Tax | 175.74 | 175.74 |
| (ii) Service Tax/Excise | 66.34 | 66.34 |
| (iii) Provident Fund | 29.50 | 29.50 |
| (iv) Directorate General of Foreign Trade | - | 5.46 |
| Total (c) | 271.58 | 277.05 |
| Total (a+b+c) | 322.66 | 357.10 |

(B) Commitments:

| | | |
|--|---------------|---------------|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) | 103.39 | 250.78 |
|--|---------------|---------------|

38. Leases

The Company has taken certain warehouses and vehicles on rent for its business operations under leave and license agreements and rent agreements respectively. These are generally not non-cancellable agreements and they are for the periods not exceeding 12 months under the said agreements. The said agreements are renewable by mutual consent on mutually agreeable terms.

Lease Payments recognised during the year:

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Lease Payments - Rent | 9.87 | 9.54 |
| Bus and Car Rent Payments (Included in note no. 29 under Staff Welfare Expenses) | 21.97 | 21.93 |

The company has adopted Ind AS 116 w.e.f. 1st April 2019. The Company has elected to apply recognition exemption permitted under the said Ind AS and accounted these leases as short-term leases. Hence, the payments in relation to these leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.


Notes to the Standalone Financial Statements for the year ended 31st March, 2021
39. Employee Benefits

The Company has classified various employee benefits as under:

A. Defined Contribution Plans

- i. Provident Fund
- ii. Superannuation Fund

The Provident Fund is operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

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

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|--------------------------------|--|--|
| Contribution to Provident Fund | 32.91 | 29.88 |
| Superannuation Fund | 4.25 | 5.10 |
| Total | 37.16 | 34.98 |

B. Defined Benefit Plans

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, subject to a payment ceiling of ₹ 20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The obligations under the compensated absences plan have been determined by Independent Actuary using Projected Unit Credit (PUC) method. Compensated absences is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The provision towards Compensated Absences is as under:

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------|---------------------------|---------------------------|
| Non-Current liability | 36.20 | 30.55 |
| Current liability | 22.92 | 5.54 |
| Total | 59.12 | 36.09 |

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021**

Gratuity is defined benefit plan and Company is exposed to following Risks:

Interest Risk :

A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk :

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk :

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Mortality Risk :

Since the benefits under the plan is not payable for the life time and payable till retirement age only, plan not have any longevity risk.

C. The Company offers the following employee benefits scheme to its employees

- a. Gratuity (Funded through annual payment to Life insurance corporation of India)
- b. Compensated absences encashment (Unfunded)

Gratuity

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following.

| Particulars | Valuation as at | |
|---|------------------------------|-----------------------|
| | 31st March, 2021 | 31st March, 2020 |
| i) Discount Rate (per annum) | 6.05% | 6.25% |
| ii) Rate of increase in compensation levels (per annum) | 6.00% | 6.00% |
| iii) Expected Rate of Return on Assets | 6.05% | 6.25% |
| iv) Attrition Rate | 2.00% | 2.00% |
| | Indian Assured Lives | Indian Assured Lives |
| | Mortality (2012-14) | Mortality (2012-14) |
| | Table | Table |
| v) Mortality rate during the employment | Projected Unit Credit | Projected Unit Credit |
| vi) Actuarial Valuation Method | Method | Method |
| vii) Retirement Age (years) | 58 | 58 |

- viii) The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.
- IX) The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- x) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

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Notes to the Standalone Financial Statements for the year ended 31st March, 2021
The provision towards the Gratuity is as under:
(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------|---------------------------|---------------------------|
| Non-Current liability | - | 58.27 |
| Current liability | 6.34 | 13.22 |
| Total | 6.34 | 71.49 |

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| | Gratuity Funded | Gratuity Funded |
| i. Change in the Present Value of Projected Benefit Obligation | | |
| Present Value of Benefit Obligation at the Beginning of the year | 106.12 | 90.47 |
| Interest Cost | 6.01 | 7.05 |
| Current Service Cost | 15.91 | 10.59 |
| (Benefit Paid From the Fund) | (11.07) | (26.47) |
| Actuarial (Gains)/ Losses on Obligations - Due to Change in Financial Assumptions | 1.25 | 13.67 |
| Due to change in Demographic assumptions | - | (0.04) |
| Actuarial (Gains)/ Losses on Obligations - Due to Experience | 3.83 | 10.84 |
| Present Value of Benefit Obligation at the End of the year | 122.05 | 106.12 |
| ii. Changes in the Fair value of Plan Assets | | |
| Fair Value of Plan Assets at the Beginning of the year | 34.63 | 47.74 |
| Interest Income | 1.95 | 3.72 |
| Contributions by the Employer | 87.45 | 11.11 |
| (Benefit Paid From the Fund) | (11.07) | (26.47) |
| Return on Plan Assets, Excluding Interest Income | 2.75 | (1.46) |
| Fair Value of Plan Assets at the End of the year | 115.71 | 34.63 |
| iii. Net (Liability)/Asset Recognised in the Balance Sheet | | |
| (Present Value of Benefit Obligation at the end of the year) | (122.05) | (106.12) |
| Fair Value of Plan Assets at the end of the year | 115.71 | 34.63 |
| Funded Status (Surplus/ (Deficit)) | (6.34) | (71.49) |
| Net (Liability)/Asset Recognised in the Balance Sheet | (6.34) | (71.49) |
| iv. Expenses Recognised in the Statement of Profit or Loss for the Current year | | |
| Current Service Cost | 15.91 | 10.59 |
| Net Interest Cost | 4.06 | 3.33 |
| Expenses Recognised | 19.97 | 13.92 |
| v. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Period | | |
| Actuarial (Gains)/ Losses on Obligation For the year | 5.08 | 24.48 |
| Return on Plan Assets, Excluding Interest Income | (2.75) | 1.46 |
| Net (Income)/Expenses For the year Recognised in OCI | 2.33 | 25.95 |

Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Lakhs)

| | | |
|---|---------------|--------|
| vi. Maturity Analysis of the Benefit Payments : From the Fund | | |
| Projected Benefits Payable in Future Years From the Date of Reporting | | |
| 1st Following Year | 61.34 | 19.94 |
| 2nd Following Year | 5.91 | 43.29 |
| 3rd Following Year | 15.01 | 5.60 |
| 4th Following Year | 9.69 | 14.09 |
| 5th Following Year | 1.84 | 8.99 |
| Sum of Years 6 to 10 | 14.10 | 12.93 |
| vii. Sensitivity Analysis | | |
| Projected Benefit Obligation on on Current Assumptions | 122.05 | 106.12 |
| Delta Effect of +1% Change in Rate of Discounting | (2.50) | (4.80) |
| Delta Effect of -1% Change in Rate of Discounting | 2.72 | 5.59 |
| Delta Effect of +1% Change in Rate of Salary Increase | 2.53% | 5.19% |
| Delta Effect of -1% Change in Rate of Salary Increase | (2.45) | (4.82) |
| Delta Effect of +1% Change in Rate of Employee Turnover | 0.04 | 0.01 |
| Delta Effect of -1% Change in Rate of Employee Turnover | (0.04) | (0.01) |

Notes on Sensitivity Analysis

- Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is presented in the table above.
- In presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to those in the previous year.

40. Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation.

The Company has identified two reportable primary segments, Speciality Chemicals and Power Generation in terms of Ind AS 108 on "Operating Segments".

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Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| A. Segment Revenue (Sales / Services to external customers): | | |
| a. Speciality Chemicals | 6,222.10 | 6,784.71 |
| b. Power Generation | 59.61 | 145.22 |
| Total Revenue | 6,281.71 | 6,929.93 |
| B. Segment Results : | | |
| Profit/ (Loss) before Tax and Interest | | |
| a. Speciality Chemicals | 2,549.48 | 3,320.09 |
| b. Power Generation | (149.25) | 58.36 |
| Total | 2,400.23 | 3,378.45 |
| Less: Interest Expense | 7.54 | 7.82 |
| Others Unallocated Expenses | (191.70) | (146.71) |
| Profit/(Loss) before Tax | 2,584.39 | 3,517.34 |
| Current Tax | 695.55 | 1,126.35 |
| Tax relating to Earlier Years | (117.11) | (13.18) |
| Deferred Tax | (97.42) | 5.59 |
| | 481.02 | 1,118.76 |
| Profit / (Loss) after Tax | 2,103.37 | 2,398.58 |

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Other Information : | | |
| <u>Segment Assets</u> | | |
| a. Speciality Chemicals | 8,502.25 | 6,874.47 |
| b. Power Generation | 377.49 | 552.14 |
| c. Others – Unallocated | 601.76 | 206.74 |
| Total | 9,481.50 | 7,633.35 |
| <u>Segment Liabilities</u> | | |
| a. Speciality Chemicals | 978.93 | 1,115.38 |
| b. Power Generation | - | - |
| c. Others – Unallocated | - | - |
| Total | 978.93 | 1,115.38 |
| <u>Capital Expenditure during the year</u> | | |
| a. Speciality Chemicals – Property, Plant and Equipment and Capital work-in-progress – Capital Advances | 517.18 | 255.07 |
| | 730.47 | 16.19 |
| b. Power Generation | - | - |
| c. Others – Unallocated | - | - |
| Total | 1,247.65 | 271.26 |
| <u>Depreciation during the year</u> | | |
| a. Speciality Chemicals | 134.01 | 161.92 |
| b. Power Generation | 44.54 | 44.53 |
| c. Others – Unallocated | - | - |
| Total | 178.55 | 206.45 |
| <u>Impairment during the year</u> | | |
| a. Speciality Chemicals | 14.50 | 452.38 |
| b. Power Generation | 118.70 | - |
| c. Others – Unallocated | - | - |
| Total | 133.20 | 452.38 |

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**Notes to the Standalone Financial Statements for the year ended 31st March, 2021****Notes :**

- i. There is only one single customer contributing 24% or more to the company's revenue for F.Y. 2020-21 i.e. **₹ 1,472.70 lakhs** (P.Y. ₹ 1,989.52 lakhs).
- ii. The revenue from the said customer pertains to the Speciality Chemicals.
- iii. The Company does not have any other reportable segment in terms of Ind AS 108 on "Operating Segments".

41. Related Party Disclosures:

Name of related parties and description of their relationships are as under:

(A) Key Managerial Personnel:

| | |
|-------------------------|--|
| Mr. Amit M Mehta | Executive Chairman (w.e.f. 1st April, 2020) |
| Mr. G. S. Venkatachalam | Executive Director |
| Mr. Rajendra Chhabra | Professional Director (Independent Director upto 5th November,2020) Professional Director-Non executive director(w.e.f 6th November, 2020) |
| Mr. Dhruv Mehta | Independent Director |
| Mr. Ambrish Dalal | Independent Director |
| Mrs. Kejal Pandya | Independent Director |
| Mr. Yogesh M Kothari | Chairman - Non Executive Director (up to 18th November,2019) |
| Mr. Kirat Patel | Non Executive Director (up to 18th November,2019) |
| Mr. Shreyas Mehta | Independent Director (up to 02nd December, 2019) |

(B) Relative of Key Managerial Personnel:

| | |
|-----------------|--------------------------------------|
| Mr. Mohak Mehta | Relative of Key Managerial personnel |
|-----------------|--------------------------------------|

(C) Wholly owned Subsidiary (WOS)

| | |
|------------------------|--|
| DAFL Fine Chem Limited | Subsidiary (since incorporation i.e 30th July, 2020) |
|------------------------|--|

(D) Director of WOS:

| | |
|----------------------|--|
| Mr. Tanmay Godiawala | Director of WOS (w.e.f. 17th November, 2020) |
|----------------------|--|

(E) Entities over which Key Managerial Personnel exercise significant influence:

S Amit & Co.
 S Amit Speciality Chemicals Pvt. Ltd.
 Divya Desh Tour & Travels LLP
 Holidaywalas.Com Travel LLP
 Perfo Chem (I) Private Limited
 Reaxa Chemistry Solutions LLP
 Hi End Property Developers LLP
 Mohar Properties and Trading LLP
 Finorga (I) Pvt. Ltd.
 Chem Amit
 Godiawala Trading Corporation
 R.S.Chhabra & Co.(Prop. Mr Rajendra Chhabra)

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Notes to the Standalone Financial Statements for the year ended 31st March, 2021

The following transactions were carried out with the related parties in ordinary course of business during the year:

(₹ in Lakhs)

| Nature of Transaction | Entities over which Key Managerial Personnel exercise significant influence | Key Managerial personnel | Relative of Key Managerial personnel | Wholly owned Subsidiary (WOS) | Director of WOS | Total |
|---|---|--------------------------|--------------------------------------|-------------------------------|-----------------|---------------|
| Remuneration paid | - | 118.66 | 23.35 | - | 5.17 | 147.18 |
| | - | (40.56) | (3.62) | - | - | (44.18) |
| Mr. G. S. Venkatachalam | - | 47.43 | - | - | - | 47.43 |
| | - | (40.56) | - | - | - | (40.56) |
| Mr. Amit M Mehta | - | 71.23 | - | - | - | 71.23 |
| | - | - | - | - | - | - |
| Mr. Mohak Mehta | - | - | 23.35 | - | - | 23.35 |
| | - | - | (3.62) | - | - | (3.62) |
| Mr. Tanmay Godiawala | - | - | - | - | 5.17 | 5.17 |
| | - | - | - | - | - | - |
| Sitting Fees paid | - | 9.92 | - | - | - | 9.92 |
| | - | (15.03) | - | - | - | (15.03) |
| Mr. Yogesh M Kothari | - | - | - | - | - | - |
| | - | (0.84) | - | - | - | (0.84) |
| Mr. Amit M Mehta | - | - | - | - | - | - |
| | - | (2.09) | - | - | - | (2.09) |
| Mr. Kirat Patel | - | - | - | - | - | - |
| | - | (2.60) | - | - | - | (2.60) |
| Mr. Rajendra Chhabra | - | 2.84 | - | - | - | 2.84 |
| | - | (4.70) | - | - | - | (4.70) |
| Mr. Shreyas Mehta | - | - | - | - | - | - |
| | - | (0.30) | - | - | - | (0.30) |
| Mr. Ambrish Dalal | - | 2.44 | - | - | - | 2.44 |
| | - | (2.30) | - | - | - | (2.30) |
| Mr. Dhruv Mehta | - | 2.40 | - | - | - | 2.40 |
| | - | (0.30) | - | - | - | (0.30) |
| Mrs. Kejal Pandya | - | 2.24 | - | - | - | 2.24 |
| | - | (1.91) | - | - | - | (1.91) |
| Legal & Professional Fees | 6.00 | - | - | - | 9.42 | 15.42 |
| | - | - | - | - | - | - |
| Mr. Tanmay Godiawala | - | - | - | - | 9.42 | 9.42 |
| | - | - | - | - | - | - |
| R.S.Chhabra & Co. (Prop. Mr. Rajendra Chhabra) | 6.00 | - | - | - | - | 6.00 |
| | - | - | - | - | - | - |

Diamines and Chemicals Limited

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Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(₹ in Lakhs)

| Nature of Transaction | Entities over which Key Managerial Personnel exercise significant influence | Key Managerial personnel | Relative of Key Managerial personnel | Wholly owned Subsidiary (WOS) | Director of WOS | Total |
|---------------------------------------|---|--------------------------|--------------------------------------|-------------------------------|-----------------|---------|
| Commission | - | 51.90 | - | | | 51.90 |
| | - | (27.62) | - | | | (27.62) |
| Mr. Amit M Mehta | - | 27.57 | - | | | 27.57 |
| | - | (10.73) | - | | | (10.73) |
| Mr. Rajendra Chhabra | - | 3.45 | - | | | 3.45 |
| | - | (4.47) | - | | | (4.47) |
| Mr. Dhruv Mehta | - | 1.38 | - | | | 1.38 |
| | - | (1.79) | - | | | (1.79) |
| Mr. Ambrish Dalal | - | 1.38 | - | | | 1.38 |
| | - | (1.79) | - | | | (1.79) |
| Mrs. Kejal Pandya | - | 1.38 | - | | | 1.38 |
| | - | (1.79) | - | | | (1.79) |
| Mr. G. S. Venkatachalam | - | 16.75 | - | | | 16.75 |
| | - | (7.05) | - | | | (7.05) |
| Reimbursement of Expenses | 0.34 | 0.60 | - | | | 0.94 |
| | (1.04) | (0.55) | - | | | (1.59) |
| Mr. G. S. Venkatachalam | - | 0.60 | - | | | 0.60 |
| | - | (0.55) | - | | | (0.55) |
| S Amit Speciality Chemicals Pvt. Ltd. | 0.34 | | | | | 0.34 |
| | - | | | | | - |
| S Amit & Co. | - | - | - | | | - |
| | (1.04) | - | - | | | (1.04) |
| Expenses incurred on behalf | | | | 3.09 | | 3.09 |
| DACL Fine Chem Limited | - | - | - | 3.09 | - | 3.09 |
| | - | - | - | - | - | - |
| Purchase of Goods | 2.95 | | | | | 2.95 |
| | - | - | - | - | - | - |
| Reaxa Chemistry Solutions LLP | 2.95 | | | | | 2.95 |
| | - | | | | | - |
| Sale of Goods | 0.27 | | | | | 0.27 |
| | - | - | - | - | - | - |
| Reaxa Chemistry Solutions LLP | 0.27 | | | | | 0.27 |
| | - | | | | | - |

Amounts in bracket indicate previous year figures.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**Notes to the Standalone Financial Statements for the year ended 31st March, 2021**

| Balance as at: | | (₹ in Lakhs) |
|---|---------------------------|---------------------------|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| Other payables: | 65.12 | 31.13 |
| Remuneration : | | |
| Mr. G. S. Venkatachalam | 2.62 | 2.45 |
| Mr. Amit M Mehta | 4.05 | - |
| Mr. Mohak Mehta | 1.60 | 1.04 |
| Mr. Tanmay Godiawala | 1.07 | - |
| Sitting Fees to Directors: | | |
| Mr. Amit M Mehta | - | 0.01 |
| Mr. Rajendra Chhabra | - | 0.01 |
| Legal & Professional Fees | | |
| R.S.Chhabra & Co. (Prop. Mr. Rajendra Chhabra) | 0.93 | - |
| Commission to Directors: | | |
| Mr. Amit M Mehta | 27.57 | 10.73 |
| Mr. Rajendra Chhabra | 3.45 | 4.47 |
| Mr. Dhruv Mehta | 1.38 | 1.79 |
| Mr. Ambrish Dalal | 1.38 | 1.79 |
| Mrs. Kejal Pandya | 1.38 | 1.79 |
| Mr. G. S. Venkatachalam | 16.75 | 7.05 |
| Purchase of Goods | | |
| Reaxa Chemistry Solutions LLP | 2.94 | - |
| Other receivable: | 3.09 | - |
| Advances : | - | |
| DAFL Fine Chem Limited | 3.09 | - |

Note - 'Terms and Conditions' (i) All outstanding balances are unsecured.

Category-wise break up of compensation to key management personnel during the year is as follows:

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|------------------------------|--|--|
| Short-term employee benefits | 162.98 | 47.61 |
| Post-employment benefits | 33.78 | 21.20 |


Notes to the Standalone Financial Statements for the year ended 31st March, 2021
42. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) Financial assets and liabilities:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at 31st March, 2021 and 31st March, 2020.

| I. Financial assets: | | (₹ in Lakhs) | |
|---|-----------------------------------|-----------------------------------|--|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 | |
| Measured at fair value through Profit and Loss (FVTPL) | | | |
| Derivatives | | | |
| - Forward Contracts | - | 8.12 | |
| Total | - | 8.12 | |
| Measured at fair value through Other Comprehensive Income (FVTOCI) | | | |
| Investments in equity instruments (Quoted) | 593.67 | 206.73 | |
| Total | 593.67 | 206.73 | |
| Measured at amortised cost | | | |
| Trade and other receivables | 943.25 | 1,248.75 | |
| Cash and cash equivalents | 45.71 | 374.75 | |
| Other bank balances | 3,261.16 | 2,711.85 | |
| Other financial assets | 14.74 | 23.74 | |
| Total | 4,264.86 | 4,359.09 | |
| II. Financial liabilities: | | | |
| | | (₹ in Lakhs) | |
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 | |
| Measured at fair value through Profit and Loss (FVTPL) | | | |
| Derivatives | | | |
| - Forward Contracts | 1.24 | - | |
| Total | 1.24 | - | |
| Measured at amortised cost | | | |
| Borrowings | 30.24 | - | |
| Trade payables | 286.53 | 286.17 | |
| Other financial liabilities | 185.93 | 172.18 | |
| Total | 502.70 | 458.35 | |

The carrying value of Financial Assets and Financial Liabilities measured at amortised cost approximates to their fair values.



Notes to the Standalone Financial Statements for the year ended 31st March, 2021

(b) Capital Management

The company's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Company is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The Company's Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board considers the cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

Fair Value Measurement:

This note provides information about how the Company determines fair values of various financial assets.

Fair value of the Company's financial assets / financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

1. Financial assets / liabilities at fair value through Profit and Loss (FVTPL)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|------------------------|---------|---------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets / (liabilities) measured at fair value | | | | | | |
| Gain / (Loss) on Forward Contract | | (1.24) | | | 8.12 | |

Valuation technique and key input: Mark to market Statement provided by State Bank of India

2. Financial assets / liabilities at fair value through other comprehensive income (FVTOCI)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|------------------------|---------|---------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | | | |
| Investments in equity - | | | | | | |
| Quoted | 593.67 | | | 206.73 | | |

Valuation technique and key input: Level 1-Quoted bid prices from Bombay Stock Exchange

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements (except fair value of investments in equity instruments and Derivatives - Forward Contracts) approximate their fair values. There has been no transfers between level 1, level 2 and level 3 for the years ended 31st March, 2021.

3. Disclosure related to Derecognition of investments in equity instruments measured at fair value through other comprehensive income during the reporting period;

(a) **the reasons for disposing of the investments** - The company has disposed of certain long-term investments in equity instruments in line with its risk management policy to mitigate the associated risks.

(b) **the fair value of the investments at the date of derecognition** - Sale Price on the date of sale.

(c) **the cumulative gain or loss on disposal** - Loss on disposal ₹ 21.52 Lakhs

(c) Financial risk management:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of borrowings (if any), trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in selective instances. The Company's principal financial


Notes to the Standalone Financial Statements for the year ended 31st March, 2021

assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc. The objectives of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Company's capital structure is managed using equity and debt ratios as part of the Company's financial planning.

(a) Market risk:

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

(i) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Foreign currency exposure as at 31st March, 2021 are hedged as per the policy of the company

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|-------------|----------------------------|------------|----------------------------|------------|
| | Amount in Foreign currency | ₹ in Lakhs | Amount in Foreign currency | ₹ in Lakhs |
| Payable USD | 212,200.56 | 157.35 | 266,443.00 | 194.22 |

Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in Lakhs)

| USD sensitivity at year end | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Assets: | | |
| Weakening of INR by 5% | - | - |
| Strengthening of INR by | - | - |
| Liabilities: | | |
| Weakening of INR by 5% | -7.87 | -9.71 |
| Strengthening of INR by | 7.87 | 9.71 |

Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover foreign currency payments in USD. The Company enters in to contracts with terms up to 120 days.

Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.



Notes to the Standalone Financial Statements for the year ended 31st March, 2021

Though the forward contracts are not designated as hedging instruments, they are used for hedging foreign currency exposure and outstanding as at year ended 31st March, 2021 and 31st March, 2020 are as under:-

| Outstanding contracts | Average exchange rates | | Foreign Currency | |
|-----------------------|------------------------|------------------|------------------|------------------|
| | 31st March, 2021 | 31st March, 2020 | 31st March, 2021 | 31st March, 2020 |
| USD-Sell | 74.15 | 72.89 | 212,200.56 | 266,443.00 |

(₹ in Lakhs)

| Outstanding contracts | Nominal Amounts | | Fair Value | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 31st March, 2021 | 31st March, 2020 | 31st March, 2021 | 31st March, 2020 |
| In INR | 157.35 | 194.22 | 156.11 | 202.35 |
| Total | 157.35 | 194.22 | 156.11 | 202.35 |

(II) Interest rate risk:

The Company invests the surplus fund generated from operations in bank deposits. Bank deposits are made for a period of up to 12 months and carry interest rate of 5%-5.40% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. There is no significant utilisation of borrowings.

(III) Price risk:

The Company's equity securities price risk arises from investments held and classified in the balance sheet at fair value through OCI. The Company's equity investments in Securities are publicly traded.

Price sensitivity analysis:

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended 31st March, 2021 would increase / decrease by ₹ 29.69 Lakhs (P.Y. ₹ 10.34 Lakhs) as a result of 5% changes in fair value of equity investments measured at FVTOCI.

(b) Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in equity instruments and trade receivables. None of the financial instruments of the Company result in material concentrations of credit risks, which may result into financial loss for the company.

(c) Liquidity risk:

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**Notes to the Standalone Financial Statements for the year ended 31st March, 2021**

expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Lakhs)

| Particulars | Less than 1 year | 1 Years to 3 Years | 3 Years to 5 Years | 5 Years and above |
|-------------------------------|---------------------|-----------------------|-----------------------|-------------------------|
| As at 31st March, 2021 | | | | |
| Borrowings | 30.24 | | | |
| Trade payables | 286.53 | | | |
| Other Financial Liabilities | 187.17 | | | |
| Total | 503.94 | | | |
| As at 31st March, 2020 | | | | |
| Borrowings | - | | | |
| Trade payables | 286.17 | | | |
| Other Financial Liabilities | 172.18 | | | |
| Total | 458.35 | | | |



Notes to the Standalone Financial Statements for the year ended 31st March, 2021

43. The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.

44. The nature of the company's business is such that by and large, it continues to remain unaffected from the effects of Covid-19 pandemic. Therefore, there is no material impact on the operations and financials of the company for the year ended 31st March, 2021. The Company will continue to closely monitor any material changes to future economic conditions.

45. The previous year's figures have been regrouped wherever necessary to make it comparable with the current year.

46. Approval of Standalone Financials

The Standalone Financial Statements were approved for issue by the Board of Directors on 18th May, 2021.

As per our report of even date attached

For and on behalf of the Board

**For K. C. Mehta & Co.
Chartered Accountants**

**Vishal P. Doshi
Partner
Membership No. 101533**

**AMIT MEHTA
Executive Chairman
DIN: 00073907**

**G.S.VENKATACHALAM
Executive Director
DIN: 02205898**

**DIPEN RUPARELIA
Chief Financial Officer**

**HEMAXI PAWAR
Company Secretary**

Place : Mumbai

Date : 18th May, 2021



INDEPENDENT AUDITORS' REPORT

To the Members of

Diamines and Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Diamines and Chemicals Limited** ("the Holding Company" or "the Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, 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 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, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sr. No. | Key Audit Matter | How our audit addressed the key audit matter |
|---------|--|---|
| 1 | <p>Litigations and claims (Refer to note 36(c) to the consolidated financial statements)</p> <p>The cases are pending with multiple tax authorities like Income Tax, Excise/Service Tax and Provident Fund Authority etc. and there are claims which have not been acknowledged as debt by the holding company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings and from litigation and claims which are not acknowledged as debt by the holding company. Whether a claim needs to be recognised as liability or disclosed as contingent liability in the consolidated financial statements is dependent on number of significant assumptions and judgments. The amounts involved are potentially significant and determining the amount, if any, to be recognised or disclosed in the consolidated financial statements, is inherently subjective.</p> <p>We considered the above area as a key audit matter due to associated uncertainty related to the outcome of these matters and application of material judgement in interpretation of law.</p> | <p>Our audit procedures, inter alia, included the following:</p> <ul style="list-style-type: none"> • Evaluation of holding company's management's judgment of tax risks, estimates of tax exposures, other claims and contingencies. Past and current experience with the tax authorities and management's response on the subject matter were used to assess the appropriateness of management's best estimate of the most likely outcome of each uncertain contingent liability. • Understanding the current status of the tax assessments & other litigations and discussing selected matters with the holding company's management. • Assessing the holding company's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the consolidated financial statements. • Assessment of the probability of negative result of litigation and the reliability of estimates of related obligations. |

| | | |
|--|--|---|
| | | Conclusion: Based on procedure described above, we did not identify any material exceptions relating to management's assertions, and treatment, presentation and disclosure of the subject matter in the consolidated financial statements. |
|--|--|---|

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Corporate Governance Report and Shareholder's Information but does not include the consolidated financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

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 identified above when it becomes available 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.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group 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 Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for



safeguarding of the assets of the Group 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 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group 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 are also responsible for overseeing the financial reporting process of the Group.

Auditors' 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 auditors' 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 whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group 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 the entities or business activities within the Group, to express an opinion on the consolidated financial statements. For the entities included in the consolidated financial statements, which have been audited by us, we remain responsible for the direction, supervision and performance of the audits carried out by us. We remain solely responsible for our audit opinion.

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 consolidated financial statements of the current year 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 have audited the financial statements of wholly owned subsidiary, whose financial statements reflect total assets of ₹ 4.46 Lakhs as at March 31, 2021, total revenues of ₹ Nil, total comprehensive income (comprising of Loss and other comprehensive income) of ₹ (3.88) Lakhs and net cash inflows amounting to ₹ 4.26 Lakhs for the year ended on that date, as considered in the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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;
 - 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 and records maintained for the purpose of preparation of the consolidated financial statements;
 - d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors of the Group as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company and its subsidiary, none of the directors of the Group companies is disqualified as on March 31, 2021 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 Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”;
- g. with respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Group, to its directors during the year is in accordance with the provisions of section 197 of the Act; and

- h. 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:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 36(c) to the consolidated financial statements;
 - ii. the Group did not have any long-term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2021;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For K.C. Mehta & Co.
Chartered Accountants
Firm’s Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 21101533AAAABD5247
Place: Vadodara
Date: May 18, 2021



“ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Diamines and Chemicals Limited** on the consolidated financial statements of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to consolidated financial statements of Diamines and Chemicals Limited (“the Company”) (hereinafter referred to as “the Holding Company”) and its subsidiary (Holding Company and its subsidiary together referred to as “the Group”) as of March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the, “Guidance note”) and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 internal control based on the assessed risk. The procedures selected depend on the auditors' 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 is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



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 control 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.

Opinion

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

For K.C. Mehta & Co.
Chartered Accountants
Firm's Registration No. 106237W

Vishal P. Doshi
Partner
Membership No. 101533
UDIN: 21101533AAAABD5247
Place: Vadodara
Date: May 18, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31st March, 2021 | As at 31st March, 2020 (Refer Note 44) |
|---|----------|------------------------|--|
| ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant and Equipment | 4A | 2,243.88 | - |
| (b) Capital work-in-progress | 4B | 15.39 | - |
| (c) Intangible assets | 4C | 2.68 | - |
| (d) Financial Assets | | | - |
| (i) Investments | 5 | 593.67 | - |
| (ii) Others | 6 | 3.16 | - |
| (e) Other non-current assets | 7 | 957.57 | - |
| Total Non-Current Assets | | 3,816.35 | - |
| (2) Current Assets | | | |
| (a) Inventories | 8 | 1,254.17 | - |
| (b) Financial Assets | | | - |
| (i) Trade receivables | 9 | 943.25 | - |
| (ii) Cash and cash equivalents | 10 | 49.97 | - |
| (iii) Other bank balances | 11 | 3,261.16 | - |
| (iv) Others | 12 | 8.69 | - |
| (c) Current Tax Assets (Net) | 13 | 48.72 | - |
| (d) Other current assets | 14 | 95.56 | - |
| Total Current Assets | | 5,661.52 | - |
| TOTAL ASSETS | | 9,477.87 | - |
| EQUITY AND LIABILITIES | | | |
| (a) Equity Share capital | 15 | 978.32 | - |
| (b) Other Equity | 16 | 7,520.37 | - |
| Total Equity | | 8,498.69 | - |
| Liabilities | | | |
| (1) Non-Current Liabilities | | | |
| (a) Provisions | 17 | 36.20 | - |
| (b) Deferred Tax Liabilities (Net) | 18 | 358.68 | - |
| Total Non-Current Liabilities | | 394.88 | - |
| (2) Current Liabilities | | | |
| (a) Financial Liabilities | | | - |
| (i) Borrowings | 19 | 30.24 | - |
| (ii) Trade payables | 20 | | - |
| (A) due to micro enterprises and small enterprises | | 12.62 | - |
| (B) due to other than micro enterprises and small enterprises | | 273.91 | - |
| (iii) Other financial liabilities | 21 | 187.42 | - |
| (b) Other current liabilities | 22 | 37.81 | - |
| (c) Provisions | 23 | 42.30 | - |
| Total Current Liabilities | | 584.30 | - |
| Total Liabilities | | 979.18 | - |
| TOTAL EQUITY AND LIABILITIES | | 9,477.87 | - |

Significant Accounting Policies and Notes to the Consolidated Financial Statements 1-46

For and on behalf of the Board

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

AMIT MEHTA
Executive Chairman
DIN: 00073907

DIPEN RUPARELIA
Chief Financial Officer

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

HEMAXI PAWAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905


CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

| | Particulars | Note No. | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 (Refer Note 44) |
|------|--|----------|-------------------------------------|---|
| I | Revenue from Operations | 24 | 6,281.71 | - |
| II | Other Income | 25 | 255.24 | - |
| III | Total income (I+II) | | 6,536.95 | - |
| IV | EXPENSES | | | |
| | Cost of materials consumed | 26 | 1,640.02 | - |
| | Changes in inventories of finished goods and work-in-progress | 27 | 113.21 | - |
| | Employee benefits expense | 28 | 736.69 | - |
| | Finance costs | 29 | 7.54 | - |
| | Depreciation and Amortisation expense | 30 | 178.55 | - |
| | Other expenses | 31 | 1,280.43 | - |
| | Total expenses (IV) | | 3,956.44 | - |
| V | Profit before tax (III-IV) | | 2,580.51 | - |
| VI | Tax expense: | | | |
| | (a) Current Tax | 34 | 695.55 | - |
| | (b) Tax relating to Earlier Years | 34 | (117.11) | - |
| | (c) Deferred Tax | 18 | (97.42) | - |
| VII | Profit for the year (V-VI) | | 2,099.49 | - |
| VIII | Other Comprehensive Income (OCI) | | | |
| | A. Items that will not be reclassified subsequently to profit or loss : | | | |
| | (i) Remeasurement gain/(loss) on the Defined Benefit Plans | | (2.33) | - |
| | (ii) Gain/(Loss) on measuring equity instruments at Fair Value carried through Other Comprehensive Income (FVTOCI) | | 334.04 | - |
| | (iii) Income tax on above | | (37.63) | - |
| | B. Items that will be reclassified subsequently to profit or loss | | - | - |
| IX | Total Comprehensive Income for the year ((VII+VIII)) | | 2,393.57 | - |
| | Profit for the year attributable to: | | | |
| | - Owners of the Company | | 2,099.49 | - |
| | - Non-controlling interests | | - | - |
| | Other comprehensive income for the year | | | |
| | - Owners of the Company | | 294.08 | - |
| | - Non-controlling interests | | - | - |
| | Total comprehensive income for the year | | 2,393.57 | - |
| | - Owners of the Company | | 2,393.57 | - |
| | - Non-controlling interests | | - | - |
| X | Earnings per equity share | | | |
| | Basic & Diluted | 35 | 21.46 | - |

Significant Accounting Policies and Notes to the Consolidated Financial Statements

1-46

For and on behalf of the Board

As per our report of even date attached

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

AMIT MEHTA
Executive Chairman
DIN: 00073907

DIPEN RUPARELIA
Chief Financial Officer

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

HEMAXI PAWAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905


CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 (Refer Note 44) |
|--|--|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax | 2,580.51 | - |
| Adjustments for: | | |
| Depreciation / Amortisation / Impairment of Property, Plant and Equipment | 311.75 | - |
| Dividend Income | (61.28) | - |
| Interest Income | (189.87) | - |
| Finance Costs | 7.54 | - |
| Unrealised Loss on Foreign Exchange | 0.76 | - |
| Provision for Doubtful Receivables/Advances/Sundry balances written off | 9.04 | - |
| Provision for Non Moving Stock | (1.10) | - |
| Provision/Advances/Sundry Balances written back | (0.04) | - |
| Operating Profit/(Loss) before changes in working capital | 2,657.31 | - |
| Adjustment for (Increase)/Decrease in Operating Assets | | |
| Trade Receivables | 297.89 | - |
| Inventories | (553.95) | - |
| Financial Assets and Other Assets | (8.63) | - |
| Long-term Loans and Advances and Other Non-current Assets | (120.27) | - |
| Adjustment for Increase/(Decrease) in Operating Liabilities | | |
| Trade Payables | (0.36) | - |
| Other Financial Liabilities | 15.24 | - |
| Other Liabilities and provisions | (108.62) | - |
| Cash flow from operations after changes in working capital | 2,178.60 | - |
| Income-tax paid | (642.01) | - |
| Net Cash Flow from/(used in) Operating Activities | 1,536.58 | - |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest Received | 189.87 | - |
| Dividend Received | 61.28 | - |
| Purchase of Equity Instruments | (174.67) | - |
| Sale of Equity Instruments | 100.27 | - |
| Purchase of Property, Plant and Equipment, Intangible assets including CWIP & Capital Advances | (1,131.03) | - |
| Bank Balances not considered as Cash and Cash Equivalents | (538.46) | - |
| Net Cash Flow from/(used in) Investing Activities | (1,492.74) | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Finance Costs | (7.54) | - |
| Dividend Paid (Including Dividend Distribution Tax) | (391.33) | - |
| Increase / (Decrease) in Current Borrowings | 30.24 | - |
| Net Cash Flow from/(used in) Financing Activities | (368.63) | - |
| Net Increase/ (Decrease) in Cash and Cash Equivalents | (324.78) | - |
| Cash & Cash Equivalents at beginning of period (see Note 1) | 374.75 | - |
| Cash and Cash Equivalents at end of period (see Note 1) | 49.97 | - |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED AS ON 31ST MARCH, 2021****(₹ in Lakhs)**

| | Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 (Refer Note 44) |
|---------------|--|--|---|
| Notes: | | | |
| 1 | Cash and Cash equivalents comprise of: | | |
| | Cash on hand | 0.30 | - |
| | Balance with Banks | 49.67 | - |
| | Cash and Cash equivalents | 49.97 | - |
| 2 | The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 - "Statement of Cash Flows". | | |

As per our report of even date attached**For and on behalf of the Board**

For K. C. Mehta & Co.
Chartered Accountants

Vishal Doshi
Partner
Membership No. 101533

AMIT MEHTA
Executive Chairman
DIN: 00073907

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

DIPEN RUPARELIA
Chief Financial Officer

HEMAXI PAWAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021**

| A. Equity Share Capital (₹ in Lakhs) | |
|--|--------|
| Particulars | Amount |
| Balance as at 31st March, 2020 (Refer Note 44) | - |
| Balance as at 1st April, 2020 | 978.32 |
| Additions/(Reductions) | - |
| Balance as at 31st March, 2021 | 978.32 |

| B. Other Equity (₹ in Lakhs) | | | | |
|--|--------------------|----------|--|----------|
| Particulars | Reserves & Surplus | | Equity Instruments carried through OCI | Total |
| | General | Reserve | Retained Earnings | |
| Balance as at 31st March, 2020 (Refer Note 44) | - | - | - | - |
| Balances as at 1st April, 2020 | 517.12 | 5,037.98 | (15.45) | 5,539.65 |
| Movement during the year: | | | | |
| Profit for the period | | 2,099.49 | | 2,099.49 |
| Other Comprehensive Income for the year, net of income tax | | (1.74) | | (1.74) |
| Net fair value gain/(loss) on investment in equity instrument carried through OCI, net of income tax | | | 295.83 | 295.83 |
| Gain / (Loss) on sale of Investment | | | (21.52) | (21.52) |
| Payment of Dividend (Final) | | (365.67) | | (365.67) |
| Tax on Dividend (Final) | | (25.66) | | (25.66) |
| Balances as at 31st March, 2021 | 517.12 | 6,744.40 | 258.85 | 7,520.37 |

As per our report of even date attached

For and on behalf of the Board

For K. C. Mehta & Co.
Chartered Accountants

Vishal P. Doshi
Partner
Membership No. 101533

AMIT MEHTA
Executive Chairman
DIN: 00073907

G.S.VENKATACHALAM
Executive Director
DIN: 02205898

DIPEN RUPARELIA
Chief Financial Officer

HEMAXI PAWAR
Company Secretary

Place : Mumbai
Date : 18th May, 2021



Notes to the Consolidated Financial Statements for the year ended March 31, 2021

1. Corporate Information

The Consolidated Financial Statements comprise Financial statements of "Diamines and Chemicals Limited" ("the Holding company" or "Parent Company") and its Subsidiary (collectively referred as "the Group") for the year ended March 31, 2021.

The Holding company is a domestic public limited company incorporated and domiciled in India having its registered office at Plot No. 13, New IPCL Rd, PCC Area, Vadodara, Gujarat. The Holding Company's shares are listed and traded on the Bombay Stock Exchange Ltd (BSE).

The Holding company has its Wholly owned Subsidiary (DACL Fine Chem Limited) domiciled in India. The Group is mainly engaged in business of manufacturing and marketing of organic chemicals compounds and Power Generation.

2. Significant Accounting Policies

i) Statement of Compliance

These Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

New Standards/ amendments and other changes effective April 1, 2020

Ministry of Corporate Affairs notified amendments to the existing standards vide notification G.S.R. 463(E) dated 24th July 2020. The effect of those amendments is not material.

ii) Basis of Preparation

The Consolidated Financial Statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments that are measured at fair values / amortized cost / net present value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 to the Companies Act, 2013. The Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Accordingly, all assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in Ind AS-1 'Presentation of Financial Statements' and Schedule III to the Companies Act, 2013.

Items included in the Consolidated Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('functional currency'). The Consolidated Financial Statements of the Group are presented in Indian currency (INR), which is also the functional and presentation currency of the Group. All values are rounded off to the nearest two decimal lakhs, unless otherwise indicated.



Principles of Consolidation:

Subsidiary:

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries (collectively referred as “the Group”).

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Company obtains control and continue to be consolidated until the date that such control ceases.

The Consolidated Financial Statements are prepared using uniform accounting policies consistently for material like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s Standalone Financial Statements except otherwise stated. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

The Consolidated Financial Statements have been prepared by combining the financial statements of the company and its subsidiaries on a line-by-line basis by adding together the book values of like items of assets, liabilities, equity, income, expenses and cash flow after eliminating in full intra-group assets, liabilities, equity, income, expenses and cash flow relating to intra-group transactions and unrealized profits. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Such unrealized profit/losses are fully attributed to the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to the consolidated statement of profit and loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The Group categorises assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- (i) Level 1: Quoted Prices (unadjusted) in active markets for identical assets or liabilities
- (ii) Level 2: inputs are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.
- (iii) Level 3: inputs are unobservable for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants.

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

iii) Property, Plant and Equipment

The Holding Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

Property, Plant & Equipment (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation and accumulated impairment losses, if any; until the date of the Balance Sheet. The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, if any), any cost directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Group's accounting policy.

Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905



An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

As per internal technical evaluation carried out by the management, the management of the group believes that its Property, Plant & Equipment are of such nature that separate components are not distinctly identifiable having different useful life. And therefore, Component level accounting and reporting is not practically feasible for the group.

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is provided on the cost of Property, Plant and Equipment (other than Freehold land) less their estimated residual value, using the straight-line method over the useful life of PPE as stated in the Schedule II to the Companies Act, 2013 or based on internal technical evaluation. The management believes that the useful lives as assessed best represent the period over which management expects to use these assets.

Useful lives of following class of PPE are as prescribed under Part C of Schedule II to the Companies Act, 2013, which are as under:-

| Asset Description | Assets Useful life (in Years) |
|--------------------------------------|-------------------------------|
| Factory Building | 30 |
| Building other than Factory Building | 60 |
| R & D Equipments | 10 |
| Office Equipments | 5 |
| Computers | 3 |
| Server | 10 |
| Road | 5 |
| Furniture and Fixtures | 10 |
| Vehicle | 8 |

Useful lives of following class of PPE are based on internal technical evaluation carried out by the Group which is as under:-

| Asset Description | Assets Useful life (in Years) |
|--------------------------|-------------------------------|
| Plant & Machinery | 20 |
| Plant & Machinery (Tank) | 25 |
| Wind Electric Generators | 22 |

The estimated useful lives, residual values and depreciation method are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

Depreciation on additions/deletions to PPE during the year is provided for on a pro-rata basis with reference to the date of additions/deletions.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Freehold land is not depreciated.

iv) Intangible Assets

The Holding Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

Intangible assets with finite useful life acquired separately, are recognised only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over the estimated period of benefit, not exceeding ten years.

Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised .

Intangible assets are amortised on Straight Line Method from the date they are available for use, over the useful lives of the assets as estimated by the Management as under:

| Asset Description | Assets Useful life (in Years) |
|--------------------------|--------------------------------------|
| Software & Licenses | 3 |

v) Impairment of non-financial assets

The Group reviews at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Consolidated Statement of Profit & Loss. If at the reporting period, there is an indication that there is change in the previously assessed impairment loss, the recoverable amount is reassessed and the asset is reflected at the lower of its recoverable amount and the carrying amount that is determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.”

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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An assessment is made at the end of each reporting period to see if there are any indications that impairment losses recognised earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates which has the effect of increasing the asset's recoverable amount since the previous impairment loss was recognised. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that has been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognised in the Consolidated Statement of Profit and Loss.

vi) Inventories

Inventories are valued at lower of cost and net realisable value after providing for impairment and other losses, where considered necessary. The basis of determining the value of each class of inventory is as follows:

| Inventories | Cost Formulae |
|--|--|
| Raw Material, packing materials, fuels and stores and spares | At first-in-first out basis (Net of eligible credit) |
| Raw Material (Goods in transit) | At invoice price |
| Work-in-progress | At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads based on stage of completion. |
| Finished Goods (Including in Transit) | At Cost, comprising of raw material cost, labour cost and appropriate proportion of manufacturing expenses and overheads. |
| Scrap | At lower of Cost or Net Realisable Value |

vii) Revenue from Contracts with Customers

Revenues from sale of goods including power units or services are recognised upon transfer of control of the goods or services to the customer in an amount that reflects the consideration which the group expects to receive in exchange for those goods or services.

Revenue is measured at the transaction price of the consideration received or receivable duly adjusted for variable consideration & customer's right to return the goods and the same represents amounts receivable for goods and services provided in the normal course of business. Revenue also excludes taxes collected from customers. Any retrospective revision in prices is accounted for in the year of such revision.

Revenue is recognised at a point in time on accrual basis as per the terms of the contract, when there is no uncertainty as to measurement or collectability of consideration. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

When sales discount and rebate arrangements result in variable consideration, appropriate estimates are made and estimated variable consideration is recognised as a deduction from revenue at the point of sale (to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not be required). The Group typically uses the expected value method for estimating variable consideration, reflecting that such contracts have similar characteristics and a range of possible outcomes.

The contract asset or a contract liability is recognised when either party to a contract has performed, depending on the relationship between the entity's performance and the customer's payment. When the group has a present unconditional rights to consideration, it is recognised separately as a receivable.

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Dividend income is recognised when the right to receive the same is established.

Export incentives (Duty Drawback Scheme benefits) are accrued in the year when the right to receive the same is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

Other income is recognised on accrual basis except when realization of such income is uncertain.

viii) Foreign Exchange Transactions

Transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the spot exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated using closing exchange rate prevailing on the last day of the reporting period.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences on monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise.

ix) Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 introduces a single, on-Consolidated balance sheet lease accounting model for lessees.

As a lessee

The Group's lease assets primarily consist of lease for land. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases and corresponding Right-of-use Asset. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Right-of-use Assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use Assets are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

x) Employees Benefits**Post Employment Benefit****(i) Defined Contribution Plan**

The group's contribution to defined contribution plan paid/payable for the year is charged to the Consolidated Statement of Profit and loss.

(ii) Defined Benefit Plan

The liabilities towards defined benefit schemes are determined using the Projected Unit Credit method. Actuarial valuation under the Projected Unit Credit method are carried out at the balance sheet date. Remeasurement gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income (OCI). These gains/losses which are recognised in OCI are reflected in retained earnings and are not reclassified to Profit or Loss. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets. The plan assets are measured at fair value.

(iii) Short Term Employee Benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include salaries, wages, bonus, performance incentives, etc.

(iv) Other Long Term Employee Benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at present value of the defined benefit obligation at the balance sheet date, using Projected Unit Credit method.

xi) Borrowing Costs

Borrowing costs are interest and ancillary costs incurred in connection with the arrangement of borrowings. General and specific borrowing costs attributable to acquisition and construction of qualifying assets is added to the cost of the assets upto the date the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended and charged to the Consolidated Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

xii) Statement of Cash Flows

Consolidated Statement of Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

xiii) Income Taxes

Income tax expense represents the sum of the current tax and deferred tax.

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.



(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

(iii) Current and Deferred Tax Expense for the Year

Current and deferred tax expense is recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xiv) Financial Instruments

Financial assets and Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.



Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through OCI:

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following Financial Assets and credit risk exposure:

a) Financial Assets and are measured at amortised cost e.g., deposits, trade receivables and bank balance

Simplified Approach

The Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

General Approach

For recognition of impairment loss on other Financial Assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the group reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. On that basis, the Group estimates provision on trade receivables at the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense (or income) in the Consolidated Statement of Profit and Loss.

Derecognition of financial assets:

The Group derecognises a financial asset when the contractual right to receive the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Other Financial Liabilities at amortised cost:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial liabilities and equity instruments:

- Classification as debt or equity:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

- Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Group are recognised at the proceeds received.

Derecognition of financial liabilities:

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

xv) Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign exchange forward contracts to manage its exposure to foreign currency exchange rate risks.

Derivatives are initially recognised at fair value at the date the contracts are entered into. Subsequent to initial recognition, these contracts are measured at fair value at the end of each reporting period and changes are recognised in the Consolidated Statement of Profit and Loss.



xvi) Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Making Body (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue/expenses/ assets/liabilities” respectively.

xvii) Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax with the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, with the aggregate of weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

xviii) Dividend

Provision is made in the accounts for the amount of any final dividend declared on the date of its approval by the shareholders. Interim dividends, if any, are recorded as a liability on the date of its declaration by the respective companies' board of directors.

xix) Research and Development

Revenue expenditure on research and development is charged to the Consolidated Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to Property, Plant & Equipment/Intangible Assets.

xx) Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when, based on Group's present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent Liabilities and Assets

Contingent liabilities are disclosed in the Consolidated Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Consolidated Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

3. Critical Accounting Judgments, Estimates, Assumptions and Key Sources of Estimation Uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key estimates, assumptions and judgements

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

(i) Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits.

(ii) Useful lives of Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

(iii) Contingent Liabilities

In the normal course of business, Contingent Liabilities may arise from litigation and other claims against the Group. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the Notes but are not recognised. Potential liabilities that are remote are neither recognised nor disclosed as contingent liability. The management decides whether the matters need to be classified as 'remote', 'possible' or 'probable' based on expert advice, past judgements, experiences etc.

(iv) Evaluation of Indicators for Impairment of Property, Plant and Equipment

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the idle assets etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment and such assessment is based on estimates, future plans as envisaged by Group.

(v) Actuarial Valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the income statement and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

(vi) Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case -to-case basis if deemed not to be collectable on the assessment of the underlying facts and circumstances.

(vii) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

(viii) Revenue Recognition:

The Group's contracts with customers include promises to transfer products and power units to the customers. The Group assesses the products and power units promised in a contract and identifies distinct performance obligations, if any, in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. Judgement is also required to determine the transaction price for the contract. The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over time. The Group considers indicators such as to who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. The judgment is also exercised in determining the variable consideration, if any, involved in transaction price and also in estimating the impact of customer's right to return the goods, based on prior experience. The group has exercised judgments and concluded that it has only one performance obligation from each of its contract with customers and it is being satisfied at a point in time.

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

4A. Property, Plant and Equipment (Including Right-of-use Assets)

(₹ in Lakhs)

| Particulars | Freehold Land | Right-of-use Assets (Leasehold Land) | Buildings | Plant and Machinery | R & D Equipment | Wind Electric Generators | Furniture and Fixtures | Office Equipments | Vehicles | Server | Computers | Road | QA Lab Equipment | Low Value Assets | Total |
|--|---------------|--------------------------------------|-----------|---------------------|-----------------|--------------------------|------------------------|-------------------|----------|--------|-----------|-------|------------------|------------------|----------|
| Gross Block | | | | | | | | | | | | | | | |
| As at 31st March, 2020 (Refer Note 4A) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 1st April, 2020 | 31.54 | 194.78 | 255.39 | 1,759.47 | 90.11 | 744.33 | 743.2 | 18.05 | 45.80 | 10.35 | 33.42 | 21.53 | 3.08 | 1.19 | 3,289.77 |
| Additions | - | - | 222.94 | 2,29.69 | 34.00 | - | 9.35 | 5.10 | - | - | 1.11 | - | - | 2.56 | 514.75 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2021 | 31.54 | 194.78 | 478.33 | 1,995.16 | 124.22 | 744.33 | 852.87 | 23.15 | 45.80 | 10.35 | 44.54 | 21.63 | 3.08 | 3.76 | 3,804.52 |
| Accumulated Depreciation | | | | | | | | | | | | | | | |
| As at 31st March, 2020 (Refer Note 4A) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 1st April, 2020 | - | 15.11 | 52.81 | 401.05 | 55.51 | 215.71 | 10.48 | 5.44 | 38.30 | 5.77 | 21.93 | 3.38 | 0.15 | 1.13 | 793.58 |
| Charge for the year | - | 3.36 | 11.67 | 78.39 | 7.86 | 55.95 | 6.63 | 1.21 | 0.74 | 0.97 | 3.92 | 4.11 | 0.29 | 2.44 | 177.54 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2021 | - | 16.49 | 64.48 | 479.45 | 63.17 | 279.67 | 17.10 | 6.65 | 40.04 | 6.74 | 25.85 | 7.49 | 0.44 | 3.57 | 971.12 |
| Accumulated Impairment | | | | | | | | | | | | | | | |
| As at 31st March, 2020 (Refer Note 4A) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 1st April, 2020 | - | - | - | 435.26 | - | - | - | - | - | - | - | - | - | - | 456.28 |
| Charge for the year (Refer note below) | - | - | - | 14.50 | - | 118.70 | - | - | - | - | - | - | - | - | 133.20 |
| Deductions/Adjustments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2021 | - | - | - | 470.78 | - | 118.70 | - | - | - | - | - | - | - | - | 589.47 |
| Net Block | | | | | | | | | | | | | | | |
| Balance as at 31st March, 2020 (Refer Note 4A) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2021 | 31.54 | 178.29 | 433.85 | 1,044.93 | 81.05 | 345.96 | 66.77 | 16.51 | 5.77 | 3.62 | 18.69 | 14.14 | 2.64 | 0.19 | 2,243.88 |

Note :

- The Holding Company has recognised impairment provision of ₹ 14,50 Lakhs on NMP Project Plant, related Machineries & Equipment ("NMP Plant") and ₹ 118.70 Lakhs on power generation segment (Wind Turbine Generator) for the year ended on 31st March, 2021 in accordance with requirements of Ind AS 36 "Impairment of Assets".
- The Holding Company has elected to continue with the carrying value of its Property Plant & Equipment (PPE) recognised as of April 1, 2016 (transition date) measured as per the Previous GAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

4B. Capital work-in-progress

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|---------------------------|---------------------------|
| Opening Balance | 115.83 | - |
| Add : Addition during the year | 417.06 | - |
| Less : Transferred during the year | 517.50 | - |
| Total | 15.39 | - |

4C. Intangible assets

(₹ in Lakhs)

| Particulars | Software & Licenses | Total |
|--|------------------------|-------------|
| Gross Block | | |
| As at 31st March, 2020 (Refer Note 44) | - | - |
| As at 1st April, 2020 | 1.84 | 1.84 |
| Additions | 2.43 | 2.43 |
| Deductions/Adjustments | - | - |
| As at 31st March, 2021 | 4.27 | 4.27 |
| Accumulated Amortisation | | |
| As at 31st March, 2020 (Refer Note 44) | - | - |
| As at 1st April, 2020 | 0.59 | 0.59 |
| Charge for the year | 1.01 | 1.01 |
| Deductions/Adjustments | - | - |
| As at 31st March, 2021 | 1.59 | 1.59 |
| Net Block | | |
| Balance as at 31st March, 2020 (Refer Note 44) | - | - |
| Balance as at 31st March, 2021 | 2.68 | 2.68 |

Note :

1. The Company has elected to continue with the carrying value of its Intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date as per Para D7AA of Ind AS 101.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

5. Investments

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Investments in Equity Instruments in other Entities (at FVTOCI) | | |
| Long Term Investments in Quoted Securities | | |
| 87,950 Equity Shares of Sintex Industries Limited (Fully paid up) (Face Value ₹ 1 per share) | 2.95 | - |
| 2,37,950 Equity Shares of Sintex Plastics Technology Limited (Fully paid up) (Face Value ₹ 1 per share) | 7.85 | - |
| 232 Equity Shares of Alkyl Amines Chemicals Limited (Fully paid up) (Face Value ₹ 5 per share) | 13.22 | - |
| 10,847 Equity Shares of Deepak Nitrite Limited (Fully paid up) (Face Value ₹ 2 per share) | 179.68 | - |
| 6,500 Equity Shares of P.I. Industries Limited (Fully paid up) (Face Value ₹ 1 per share) | 146.78 | - |
| 2,500 Equity Shares of Reliance Industries Limited (Fully paid up) (Face Value ₹ 10 per share) | 50.08 | - |
| 21,000 Equity Shares of UPL Limited (Fully paid up) (Face Value ₹ 2 per share) | 134.79 | - |
| 6,500 Equity Shares of GHCL Limited (Fully paid up) (Face Value ₹ 10 per share) | 14.92 | - |
| 37,220 Equity Shares of Meghmani Organics Limited (Fully paid up) (Face Value ₹ 1 per share) | 43.40 | - |
| Total | 593.67 | - |
| Aggregate cost of quoted investments | 275.08 | - |
| Aggregate market value of quoted investments | 593.67 | - |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

6. Other Financial Assets (non-current)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (Unsecured, Considered Good unless Otherwise Stated) | | |
| Security Deposits | 3.16 | - |
| Total | 3.16 | - |

7. Other Non-current Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (Unsecured, Considered Good unless Otherwise Stated) | | |
| Capital advances | 18.33 | - |
| Capital Advance - Advance for ROU Asset* | 712.14 | - |
| Prepaid Expenses | 13.48 | - |
| Balances with Government Authorities | | |
| - CST | 0.50 | - |
| - Income Tax (Refund Receivable) | 129.20 | - |
| - Income Tax paid under protest | 83.92 | - |
| Total | 957.57 | - |

* Sale certificate of Land has been received from official liquidator - Exclusive Fibers Limited (in liquidation) under IBC. The possession is with official liquidator and the same will be passed on to the company in F.Y. 2021-22, there by enabling the company to establish right of control over Land. This includes ₹ 2.94 Lakhs Security Deposit paid for the same.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

8. Inventories*

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------------|---------------------------|---------------------------|
| Raw Materials | 885.79 | - |
| Raw Materials - Goods in transit | 18.14 | - |
| Work in Progress | 86.93 | - |
| Finished goods | 227.26 | - |
| Finished goods - Goods in transit | 1.05 | - |
| Packing materials | 5.42 | - |
| Fuel | 11.31 | - |
| Stores and Spares | 18.27 | - |
| Total | 1,254.17 | - |

* Valuation of inventories are done as per point no. (vi) of significant accounting policies (Note-2).
For hypothecation details refer Note-19.

9. Trade Receivables

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Unsecured, Considered good | | |
| Others | 943.25 | - |
| Doubtful Receivables | 7.61 | - |
| Less:- Allowance for Doubtful Receivables | 7.61 | - |
| Total | 943.25 | - |

Movement in allowance for Doubtful Debts

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Balance at the beginning of the year | - | - |
| Add:- Allowance loss Recognised | 7.61 | - |
| Less:- Reversed during the year | - | - |
| Less:- Amount Written off as bed Debts | - | - |
| Balance at the End of the year | 7.61 | - |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

10. Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------|---------------------------|---------------------------|
| Balances with Banks | | |
| In current account | 49.67 | - |
| Cash on hand | 0.30 | - |
| Total | 49.97 | - |

11. Other Bank Balances

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Other bank deposits with original maturity of more than 3 months up to 12 months | 3,111.25 | - |
| Accrued Interest on FD | 107.10 | - |
| Earmarked bank balances* | 42.81 | - |
| Total | 3,261.16 | - |

*These balances represents unclaimed dividend account which is earmarked for payment of dividend and cannot be used for any other purpose.

12. Financial Assets : Others

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------|---------------------------|---------------------------|
| Wind Farm Income Receivable | 4.72 | - |
| Insurance Receivable | 3.97 | - |
| Total | 8.69 | - |

13. Current Tax Assets (Net)

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------|---------------------------|---------------------------|
| Advance Tax (Net of provisions) | 48.72 | - |
| Total | 48.72 | - |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

14. Other Current Assets

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------------|---------------------------|---------------------------|
| Unsecured, considered good | | |
| Balances with Government Authorities | 5.86 | - |
| Prepaid Expenses | 61.12 | - |
| Advances to vendors | 18.22 | - |
| Employee Advance | 0.11 | - |
| Others | 10.25 | - |
| Total | 95.56 | - |

15. Equity Share Capital

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Authorised | | |
| 17,550,000 Equity shares of ₹10/- each | 1,755.00 | - |
| Total | 1,755.00 | - |
| Issued, Subscribed and Fully Paid Up | | |
| 9,783,240 Equity Shares ₹ 10/- each | 978.32 | - |
| Total | 978.32 | - |

Reconciliation of number of equity shares outstanding at the beginning and at the end of reporting period is as under:

(₹ in Lakhs)

| Particulars | No. of Shares | Share Capital (₹ in Lakhs) |
|------------------------|---------------|-------------------------------|
| As at 1st April, 2020 | 9,783,240 | 978.32 |
| Additions/(Reductions) | - | - |
| As at 31st March, 2021 | 9,783,240 | 978.32 |

Details of Shareholders holding more than 5 percent shares in the Company:

| Name of the Shareholder | As at 31st March, 2021 | |
|----------------------------|------------------------|-----------|
| | No. of shares | % Holding |
| Amit M. Mehta | 1,237,726 | 12.65% |
| Cherry A Mehta | 1,053,278 | 10.77% |
| Finorga India Pvt Ltd | 492,067 | 5.03% |
| Perfo Chem (India) Pvt Ltd | 962,179 | 9.83% |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

Right, Preferences and restrictions attached to Shares

(i) The Company has only one class of shares i.e. equity shares having par value of ₹10 each. Each holder of equity shares is entitled to one vote per share.

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

(iii) The Board of Directors of the holding company in their meeting held on 18th May, 2021 have recommended a final dividend of **₹ 5 per Equity Share** to be approved by the shareholders in the ensuing general meeting. On approval, this will result in an outflow of **₹ 489.16 Lakhs**.

16. Other Equity

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| General Reserve | 517.12 | - |
| Retained Earnings | 6,744.40 | - |
| Equity instrument carried through other comprehensive income (OCI) | 258.85 | - |
| Total | 7,520.37 | - |

Particulars relating to Other Equity

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| General Reserve | | |
| Balance at the beginning of the year | 517.12 | - |
| Additions/Deductions during the year | - | - |
| Balance at the end of the year | 517.12 | - |
| Retained Earnings | | |
| Balance at the beginning of the year | 5,037.98 | - |
| Add: Net Profit for the year | 2,099.49 | - |
| Add: Other comprehensive income arising from re-measurement of defined benefit obligation, net of income tax | (1.74) | - |
| Less: Payments of dividends (Final) | (365.67) | - |
| Less: Tax on Dividends (Final) | (25.66) | - |
| Balance at the end of the year | 6,744.40 | - |
| Equity instruments carried through other comprehensive income (OCI) | | |
| Balance at the beginning of the year | (15.45) | - |
| Add:- Gain/(Loss) on sale of Investment (Net of Taxes) | (21.52) | - |
| Fair value gain/(loss) on investments in equity instruments | 295.83 | - |
| Balance at the end of the year | 258.85 | - |
| Total | 7,520.37 | - |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021**Description of the nature and purpose of Other Equity**

General Reserve : The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed/utilised by the Company in accordance with the provisions of Companies Act, 2013.

Retained Earnings: Retained Earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc. and amount distributed as dividends and related dividend distribution taxes.

Reserve for equity instruments through other comprehensive income : This represents cumulative gains / (losses) arising on the measurement of equity instruments at Fair Value through Other Comprehensive Income.

17. Provisions**(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Provision for employee benefits Compensated absences | 36.20 | - |
| Total | 36.20 | - |

18. Deferred Tax Liabilities (Net)**(₹ in Lakhs)**

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|---------------------------|---------------------------|
| Deferred tax Liabilities | 392.65 | - |
| Less: Deferred tax Assets | (33.97) | - |
| Total | 358.68 | - |

2020-21**Major Components and Reconciliation of Deferred Tax (Assets)/Liabilities****(₹ in Lakhs)**

| Particulars | Opening Balance | Recognised in Profit or Loss | Recognised in other Comprehensive Income | Closing Balance |
|---|-----------------|---------------------------------|---|-----------------|
| Property, plant and equipment & intangible assets | 453.72 | (99.28) | - | 354.44 |
| Equity Instruments through FVTOCI | - | - | 38.21 | 38.21 |
| Provision for Provident Fund liability | (2.91) | 0.40 | - | (2.52) |
| Expenses claimed for tax purpose on payment basis | (31.12) | 2.93 | (0.59) | (28.78) |
| Provision for Doubtful debts | - | (1.92) | - | (1.92) |
| Provision for slow moving and obsolete items | (1.21) | 0.44 | - | (0.76) |
| Total | 418.49 | (97.42) | 37.63 | 358.68 |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

19. Borrowings

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Loan Repayable on Demand (i) Secured - Cash Credit from bank* | 30.24 | - |
| Total | 30.24 | - |

*The Company has availed fund based working capital facilities viz., Cash Credit Facility and non-fund based working facilities from Bankers viz., Bank Guarantees and Letter of Credits, which are secured by hypothecation charge on Inventories, book debts and all other current assets of the company, as primary security and registered mortgage charge over land & building and hypothecation charge on plant & machinery as collateral security.

20. Trade Payables

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. The relevant disclosures are given below :

* Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprise Development Act, is based on the information available with the Parent Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Parent Company. Payment made to suppliers beyond the due date during the year was ₹ Nil. No interest during the year has been paid to Micro and Small Enterprises as there were no delayed payments. Further, interest accrued and remaining unpaid at the year end is ₹ Nil.

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------------|---------------------------|---------------------------|
| Micro, Small & Medium Enterprises* | 12.62 | - |
| Others | 273.91 | - |
| Total | 286.53 | - |


Notes to the Consolidated Financial Statements for the year ended 31st March, 2021
21. Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------------------|---------------------------|---------------------------|
| Forward Contract Liability | 1.24 | - |
| Unclaimed dividends | 42.81 | - |
| Payable for Capital Goods | 0.97 | - |
| Employee Bonus / Exgratia Payable | 29.76 | - |
| Salary Payable | 38.68 | - |
| Outstanding Liabilities Expenses | 15.72 | - |
| Commission Payable to Directors | 51.90 | - |
| Other Payables | 6.34 | - |
| Total | 187.42 | - |

22. Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Liability for Statutory Payments | 29.62 | - |
| Contract Liability - Advance from Customers | 8.19 | - |
| Total | 37.81 | - |

23. Provisions

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Provision for employee benefits | | |
| Gratuity | 6.34 | - |
| Compensated absences | 22.92 | - |
| Others | | |
| Others | 13.04 | - |
| Total | 42.30 | - |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2021****24. Revenue From Operations****(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Sale of products | | |
| Manufactured Goods | 6,209.64 | - |
| Sale of Power generation from windmill | 59.61 | - |
| Other Operating Revenue | | |
| Sale of Scrap | 10.60 | - |
| Duty Drawback Scheme benefits | 1.86 | - |
| Total | 6,281.71 | - |

25. Other Income**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Interest on Fixed and Other Deposits | 189.87 | - |
| Insurance Income | 3.97 | - |
| Dividend Income | 61.28 | - |
| Exchange gains/(losses) on foreign currency | 0.08 | - |
| Balances / Provisions written back (Net) | 0.04 | - |
| Total | 255.24 | - |

26. Cost of materials consumed**(₹ in Lakhs)**

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---------------------------------|--|--|
| Raw Materials Consumed : | | |
| Opening Stock | 239.05 | - |
| Add: Purchases | 2,165.92 | - |
| Less: Closing Stock | 903.93 | - |
| | 1,501.04 | - |
| Packing Materials : | | |
| Opening Stock | 4.91 | - |
| Add: Purchases | 139.49 | - |
| Less: Closing Stock | 5.42 | - |
| | 138.98 | - |
| Total | 1,640.02 | - |


Notes to the Consolidated Financial Statements for the year ended 31st March, 2021
27. Changes in Inventories of Finished Goods and Work-In-Progress
(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---------------------|--|--|
| Finished Goods | | |
| Closing Stock | 228.31 | - |
| Less: Opening Stock | 232.26 | - |
| | (3.95) | - |
| Work in Progress | | |
| Closing Stock | 86.93 | - |
| Less: Opening Stock | 196.19 | - |
| | (109.26) | - |
| Total | 113.21 | - |

28. Employee Benefits Expense
(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Salaries, Wages and Bonus * | 628.17 | - |
| Contribution to Provident and Other Funds | 60.89 | - |
| Staff Welfare Expenses | 47.63 | - |
| Total | 736.69 | - |

* Including Commission to Executive Chairman & Director

29. Finance Costs
(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|------------------------|--|--|
| Interest on | | |
| Cash Credit Facilities | 0.06 | - |
| Others | 0.34 | - |
| Other Borrowing Costs | | |
| Bank Charges | 4.07 | - |
| Processing Charges | 3.07 | - |
| Total | 7.54 | - |

30. Depreciation and Amortisation Expenses
(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Depreciation on PPE (Including Right-of-use Assets) | 177.54 | - |
| Amortisation of Intangible Assets | 1.01 | - |
| Total | 178.55 | - |

Diamines and Chemicals Limited

CIN NO: L24110GJ1976PLC002905


Notes to the Consolidated Financial Statements for the year ended 31st March, 2021
31. Other Expenses
(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Consumption of stores and spare parts | 80.53 | - |
| Power and Fuel | 364.67 | - |
| Rent | 9.87 | - |
| Repair and Maintenance | | |
| -Buildings | 43.32 | - |
| -Machinery | 84.54 | - |
| -Others | 8.84 | - |
| Insurance | 30.18 | - |
| Rates and Taxes | 4.39 | - |
| Incorporation Fees* | 2.57 | - |
| Legal and Professional Fees | | |
| -R&D Consultancy fees | 55.15 | - |
| -Others | 101.18 | - |
| Payment to Auditors (Refer note (i) below) | 11.46 | - |
| Director's Sitting fees | 9.92 | - |
| Commission to Non Executive Directors | 7.59 | - |
| Printing and Stationery | 2.76 | - |
| Security Charges | 25.97 | - |
| Research and Development Expenses | 1.32 | - |
| Travelling and Motor Car Expenses | 9.14 | - |
| Corporate Social Responsibility Expenses (Refer note (ii) below) | 42.06 | - |
| Factory Expenses | 15.44 | - |
| Material Handling | 54.64 | - |
| Selling Expenses | 56.91 | - |
| House Keeping Expenses | 12.07 | - |
| Impairment Loss on Property, Plant and Equipment | 133.20 | - |
| Loss on Deposit/Advances | 50.00 | - |
| Donation Exp | 25.00 | - |
| Miscellaneous Expenses** | 37.71 | - |
| Total | 1,280.43 | - |

* Incorporation Fees relates to Wholly owned Subsidiary (DACL Fine Chem Limited) which was incorporated as on 30th July, 2020

** None of the item individually accounts for more than ₹ 10,00,000 or 1% of revenue whichever is higher.

(i) Payment to Auditors (Fees excluding tax):
(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-------------------------------|--|--|
| (a) Statutory Auditors | | |
| - As Auditor | 7.95 | - |
| - For Taxation Service | 1.90 | - |
| - Certification | 1.16 | - |
| (b) Cost Auditors | | |
| - As Auditor | 0.45 | - |
| Total | 11.46 | - |

Diamines and Chemicals Limited

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**Notes to the Consolidated Financial Statements for the year ended 31st March, 2021****(ii) Expenditure towards Corporate Social Responsibility (CSR) activities:**

(a) Gross amount required to be spent by the Company during the year: ₹ 42.06 Lakhs

(b) Amount spent in cash during the year on:

(₹ in Lakhs)

| Particulars | In Cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| (i) Construction/acquisition of any Asset | - | - | - |
| (ii) On purposes other than above | 42.06 | - | 42.06 |

32. Disclosure of the aggregate amount of research and development expenditure recognised as an expense during the period - Research and Development (R&D) :

The Company has in-House R&D unit at its registered office and is registered with the Department of Scientific & Industrial Research (DSIR) Ministry of Science & Technology, New Delhi.

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-----------------------|--|--|
| - Revenue Expenditure | 163.76 | - |
| Total | 163.76 | - |

33. Disclosures as per Ind AS- 115 "Revenue from Contracts with Customers":

1. The Company derives revenues from sale of goods, power units and scrap from its contracts with customers.

The revenues have been disclosed in Note No.24 "Revenue from Operations".

2. The disaggregation of revenues is as under:

(₹ in Lakhs)

| Nature | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Revenue from contracts with customers | | |
| Revenues from sale of goods | 6,209.64 | - |
| Revenues from sale of power units | 59.61 | - |
| Other Operating Revenue | | |
| -Revenues from sale of scrap | 10.60 | - |
| -Duty Drawback Scheme benefits | 1.86 | - |
| Total | 6,281.71 | - |

The revenues are further disaggregated into revenues from domestic as well as export market as follows:

(₹ in Lakhs)

| Nature | Domestic | | Exports | |
|-------------------------|--|--|--|--|
| | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
| Sale of goods | 6,055.96 | - | 153.68 | - |
| Sale of power units | 59.61 | - | - | - |
| Other Operating Revenue | 12.46 | - | - | - |
| Total | 6,128.03 | - | 153.68 | - |

3. The movement in Company's receivables, contract assets and contract liabilities are as under:

(₹ in Lakhs)

| Particulars | Receivables | Contract Assets | Contract Liabilities |
|--|---------------|-----------------|----------------------|
| Balance as at the beginning of the year | 1,248.75 | - | 5.59 |
| Additions / (Adjustments) | (305.50) | - | 2.60 |
| Balance as at the end of the year | 943.25 | - | 8.19 |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

The revenue of ₹5.59 lakhs has been recognised from the carried forward contract liabilities balance as at the beginning of the year.

4. The revenue from contracts with customers for the year includes variable consideration (volume discounts) of ₹6.40 lakhs which has been deducted from the transaction price. The company uses expected value method in measuring the variable consideration. There were no constraints in estimating variable consideration.

5. The Company has applied practical expedient referred to in paragraph 121 of Ind AS 115 and accordingly, has not disclosed information related to remaining performance obligations. No consideration from contracts with customers is excluded from the remaining performance obligations.

34. Disclosure pursuant to Ind AS 12 on "Income Taxes"

A. Components of Tax Expenses/(Income)

(₹ in Lakhs)

| a. Profit or Loss Section | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Current Tax | 695.55 | - |
| Earlier Year | (117.11) | - |
| Deferred Tax | (97.42) | - |
| Income tax expense recognised in the statement of profit or loss | 481.02 | - |

Income tax relating to Other Comprehensive Income

(₹ in Lakhs)

| b. Other Comprehensive Income Section | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Remeasurement of Defined Benefits Plans | (0.59) | - |
| Equity instruments through other comprehensive income | 38.21 | - |
| Income tax recognised in Other Comprehensive Income | 37.63 | - |

B. Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Profit before Tax | 2580.51 | - |
| Corporate Tax rate as per Income Tax Act, 1961 | 25.17% | - |
| Tax on Accounting Profit | 649.46 | - |
| Effect of income exempt from tax | (15.42) | - |
| Effect of expenses/provisions not deductible in determining taxable profit | 29.53 | - |
| Effect of concessions | (2.87) | - |
| Effect of change in tax rate due to switch to new tax regime | (56.79) | - |
| Others | (5.77) | - |
| Tax adjustment of earlier years | (117.11) | - |
| Income tax expense recognised in the statement of profit or loss | 481.02 | - |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

Note:-

The Holding Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act w.e.f. 01/04/2019. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totaling to 25.17%) from 1st April, 2019, without claiming the major tax exemptions / incentives which were availed till previous financial year.

During the year the Income Tax expense and deferred tax expense for the year ended 31st March, 2021 include the effect of the net benefit of section 115BAA opted for by the Holding Company from 1st April, 2019.

35. In accordance with Ind AS - 33, "Earnings Per Share", the Basic and Diluted EPS have been calculated as under:

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| Profits available to equity shareholders (₹ in Lakhs) | 2,099.49 | - |
| Weighted Average Number of Equity Shares | 9,783,240 | - |
| Earnings Per Share of ₹10 each | | |
| - Basic & Diluted (in ₹) | 21.46 | - |

36. Contingent Liabilities and Commitments (to the extent not provided for) (₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (A) Contingent liabilities not provided for in respect of: | | |
| (a) Guarantees issued by the bankers on behalf of the Company | 44.68 | - |
| Total (a) | 44.68 | - |
| (b) Claims against the company not acknowledged as debt | 6.40 | - |
| Total (b) | 6.40 | - |
| (c) Pending Litigations: | | |
| (i) Income Tax | 175.74 | - |
| (ii) Service Tax/Excise | 66.34 | - |
| (iii) Provident Fund | 29.50 | - |
| Total (c) | 271.58 | - |
| Total (a+b+c) | 322.66 | - |

(B) Commitments:

| | | |
|--|--------|---|
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances) | 103.39 | - |
|--|--------|---|

37. Leases

The Company has taken certain warehouses and vehicles on rent for its business operations under leave and license agreements and rent agreements respectively. These are generally not non-cancellable agreements and they are for the periods not exceeding 12 months under the said agreements. The said agreements are renewable by mutual consent on mutually agreeable terms.

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

Lease Payments recognised during the year:

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| Lease Payments - Rent | 9.87 | - |
| Bus and Car Rent Payments (Included in note no. 28 under Staff Welfare Expenses) | 21.97 | - |

The company has adopted Ind AS 116 w.e.f. 1st April 2019. The Company has elected to apply recognition exemption permitted under the said Ind AS and accounted these leases as short-term leases. Hence, the payments in relation to these leases are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

38. Employee Benefits

The Company has classified various employee benefits as under:

A. Defined Contribution Plans

- Provident Fund
- Superannuation Fund

The Provident Fund is operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

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

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--------------------------------|--|--|
| Contribution to Provident Fund | 32.91 | - |
| Superannuation Fund | 4.25 | - |
| Total | 37.16 | - |

B. Defined Benefit Plans

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, subject to a payment ceiling of ₹ 20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The obligations under the compensated absences plan have been determined by Independent Actuary using Projected Unit Credit (PUC) method. Compensated absences is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The provision towards Compensated Absences is as under:

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------|---------------------------|---------------------------|
| Non-Current liability | 36.20 | - |
| Current liability | 22.92 | - |
| Total | 59.12 | - |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

Gratuity is defined benefit plan and Company is exposed to following Risks:

Interest Risk :

A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on duration of asset.

Salary Risk :

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk :

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Mortality Risk :

Since the benefits under the plan is not payable for the life time and payable till retirement age only, plan does not have any longevity risk.

C. The Company offers the following employee benefits scheme to its employees

- Gratuity (Funded through annual payment to Life insurance corporation of India)
- Compensated absences encashment (Unfunded)

a. Gratuity

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following

| Particulars | Valuation as at | |
|---|--|------------------|
| | 31st March, 2021 | 31st March, 2020 |
| i. Discount Rate (per annum) | 6.05% | - |
| ii. Rate of increase in compensation levels (per annum) | 6.00% | - |
| iii. Expected Rate of Return on Assets | 6.05% | - |
| iv. Attrition Rate | 2.00% | - |
| v. Mortality rate during the employment | Indian Assured Lives Mortality (2012-14) Table | - |
| vi. Actuarial Valuation Method | Projected Unit Credit Method | - |
| vii. Retirement Age (years) | 58 | - |

viii. The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc.

ix. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

x. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The provision towards the Gratuity is as under:

(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------------------|---------------------------|---------------------------|
| Non-Current liability | - | - |
| Current liability | 6.34 | - |
| Total | 6.34 | - |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021
(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|--|--|--|
| | Gratuity Funded | Gratuity Funded |
| i. Change in the Present Value of Projected Benefit Obligation | | |
| Present Value of Benefit Obligation at the Beginning of the Year | 106.12 | - |
| Interest Cost | 6.01 | - |
| Current Service Cost | 15.91 | - |
| (Benefit Paid From the Fund) | (11.07) | - |
| Actuarial (Gains)/ Losses on Obligations - Due to Change in Financial Assumptions | 1.25 | - |
| Due to change in Demographic assumptions | - | - |
| Actuarial (Gains)/ Losses on Obligations - Due to Experience | 3.83 | - |
| Present Value of Benefit Obligation at the End of the Year | 122.05 | - |
| ii. Changes in the Fair value of Plan Assets | | |
| Fair Value of Plan Assets at the Beginning of the Year | 34.63 | - |
| Interest Income | 1.95 | - |
| Contributions by the Employer | 87.45 | - |
| (Benefit Paid From the Fund) | (11.07) | - |
| Return on Plan Assets, Excluding Interest Income | 2.75 | - |
| Fair Value of Plan Assets at the End of the Year | 115.71 | - |
| iii. Net (Liability)/Asset Recognised in the Balance Sheet | | |
| (Present Value of Benefit Obligation at the end of the Year) | (122.05) | - |
| Fair Value of Plan Assets at the end of the Year | 115.71 | - |
| Funded Status (Surplus/ (Deficit)) | (6.34) | - |
| Net (Liability)/Asset Recognised in the Balance Sheet | (6.34) | - |
| iv. Expenses Recognised in the Statement of Profit or Loss for the Current Year | | |
| Current Service Cost | 15.91 | - |
| Net Interest Cost | 4.06 | - |
| Expenses Recognised | 19.97 | - |
| v. Expenses Recognised in the Other Comprehensive Income (OCI) for Current Year | | |
| Actuarial (Gains)/ Losses on Obligation For the Year | 5.08 | - |
| Return on Plan Assets, Excluding Interest Income | (2.75) | - |
| Net (Income)/Expenses For the Period Recognised in OCI | 2.33 | - |
| vi. Maturity Analysis of the Benefit Payments : From the Fund | | |
| Projected Benefits Payable in Future Years From the Date of Reporting | | |
| 1st Following Year | 61.34 | - |
| 2nd Following Year | 5.91 | - |
| 3rd Following Year | 15.01 | - |
| 4th Following Year | 9.69 | - |
| 5th Following Year | 1.84 | - |
| Sum of Years 6 to 10 | 14.10 | - |

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

| | | |
|---|--------|---|
| vii. Sensitivity Analysis | | |
| Projected Benefit Obligation on Current Assumptions | 122.05 | - |
| Delta Effect of +1% Change in Rate of Discounting | (2.50) | - |
| Delta Effect of -1% Change in Rate of Discounting | 2.72 | - |
| Delta Effect of +1% Change in Rate of Salary Increase | 2.53% | - |
| Delta Effect of -1% Change in Rate of Salary Increase | (2.45) | - |
| Delta Effect of +1% Change in Rate of Employee Turnover | 0.04 | - |
| Delta Effect of -1% Change in Rate of Employee Turnover | (0.04) | - |

Notes on Sensitivity Analysis

- Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is presented in the table above.
- In presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to those in the previous year.

39. Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation.

The Company has identified two reportable primary segments, Speciality Chemicals and Power Generation in terms of Ind AS 108 on "Operating Segments".

(₹ in Lakhs)

| Particulars | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|---|--|--|
| A. Segment Revenue (Sales / Services to external customers): | | |
| a. Speciality Chemicals | 6,222.10 | - |
| b. Power Generation | 59.61 | - |
| Total Revenue | 6,281.71 | - |
| B. Segment Results : | | |
| Profit/ (Loss) before Tax and Interest | | |
| a. Speciality Chemicals | 2,545.60 | - |
| b. Power Generation | (149.25) | - |
| Total | 2,396.35 | - |
| Less: Interest Expense | 7.54 | - |
| Others Unallocated Expenses | (191.70) | - |
| Profit/(Loss) before Tax | 2,580.51 | - |
| Current Tax | 695.55 | - |
| Tax relating to Earlier Years | (117.11) | - |
| Deferred Tax | (97.42) | - |
| | 481.02 | - |
| Profit / (Loss) after Tax | 2,099.49 | - |

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2021
(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Other Information : | | |
| <u>Segment Assets</u> | | |
| a. Speciality Chemicals | 8,502.25 | - |
| b. Power Generation | 377.49 | - |
| c. Others – Unallocated | 598.13 | - |
| Total | 9,477.87 | - |
| <u>Segment Liabilities</u> | | |
| a. Speciality Chemicals | 978.93 | - |
| b. Power Generation | - | - |
| c. Others – Unallocated | 0.25 | - |
| Total | 979.18 | - |
| <u>Capital Expenditure during the year</u> | | |
| a. Speciality Chemicals – Property, Plant and Equipment and Capital work-in-progress – Capital Advances | 517.18 | - |
| | 730.47 | - |
| b. Power Generation | - | - |
| c. Others – Unallocated | - | - |
| Total | 1,247.65 | - |
| <u>Depreciation during the year</u> | | |
| a. Speciality Chemicals | 134.01 | - |
| b. Power Generation | 44.54 | - |
| c. Others – Unallocated | - | - |
| Total | 178.55 | - |
| <u>Impairment during the year</u> | | |
| a. Speciality Chemicals | 14.50 | - |
| b. Power Generation | 118.70 | - |
| c. Others – Unallocated | - | - |
| Total | 133.20 | - |

Notes :

- There is only one single customer contributing 24% or more to the company's revenue for F.Y. 2020-21 i.e.
₹ 1,472.70 lakhs
- The revenue from the said customer pertains to the Speciality Chemicals.
- The Company does not have any other reportable segment in terms of Ind AS 108 on "Operating Segments".

**Notes to the Consolidated Financial Statements for the year ended 31st March, 2021****40. Related Party Disclosures:**

Name of related parties and description of their relationships are as under:

(A) Key Managerial Personnel:

| | |
|-------------------------|---|
| Mr. Amit M Mehta | Executive Chairman (w.e.f. 1st April, 2020) |
| Mr. G. S. Venkatachalam | Executive Director |
| Mr. Rajendra Chhabra | Professional Director (Independent Director up to 5th November,2020) Professional Director-Non executive director (w.e.f 06th November, 2020) |
| Mr. Dhruv Mehta | Independent Director |
| Mr. Ambrish Dalal | Independent Director |
| Mrs. Kejal Pandya | Independent Director |
| Mr. Yogesh M Kothari | Chairman - Non Executive Director (up to 18th November,2019) |
| Mr. Kirat Patel | Non Executive Director (up to 18th November,2019) |
| Mr. Shreyas Mehta | Independent Director (up to 02nd December, 2019) |

(B) Relative of Key Managerial Personnel:

| | |
|-----------------|--------------------------------------|
| Mr. Mohak Mehta | Relative of Key Managerial personnel |
|-----------------|--------------------------------------|

(C) Director of WOS:

| | |
|----------------------|--|
| Mr. Tanmay Godiawala | Director of WOS (w.e.f. 17th November, 2020) |
|----------------------|--|

(D) Entities over which Key Managerial Personnel exercise significant influence:

S Amit & Co.
S Amit Speciality Chemicals Pvt. Ltd.
Divya Desh Tour & Travels LLP
Holidaywalas.Com Travel LLP
Perfo Chem (I) Private Limited
Reaxa Chemistry Solutions LLP
Hi End Property Developers LLP
Mohar Properties and Trading LLP
Finorga (I) Pvt. Ltd.
Chem Amit
Godiawala Trading Corporation
R.S.Chhabra & Co.(Prop. Mr Rajendra Chhabra)

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

The following transactions were carried out with the related parties in ordinary course of business during the Year

(₹ in Lakhs)

| Nature of Transaction | Entities over which Key Managerial Personnel exercise significant influence | Key Managerial personnel | Relative of Key Managerial personnel | Director of WOS | Total |
|---|---|--------------------------|--------------------------------------|-----------------|--------|
| Remuneration paid | - | 118.66 | 23.35 | 5.17 | 147.18 |
| | - | - | - | - | - |
| Mr. G. S. Venkatachalam | - | 47.43 | - | - | 47.43 |
| | - | - | - | - | - |
| Mr. Amit M Mehta | - | 71.23 | - | - | 71.23 |
| | - | - | - | - | - |
| Mr. Mohak Mehta | - | - | 23.35 | - | 23.35 |
| | - | - | - | - | - |
| Mr. Tanmay Godiawala | - | - | - | 5.17 | 5.17 |
| | - | - | - | - | - |
| Sitting Fees paid | - | 9.92 | - | - | 9.92 |
| | - | - | - | - | - |
| Mr. Rajendra Chhabra | - | 2.84 | - | - | 2.84 |
| | - | - | - | - | - |
| Mr. Ambrish Dalal | - | 2.44 | - | - | 2.44 |
| | - | - | - | - | - |
| Mr. Dhruv Mehta | - | 2.40 | - | - | 2.40 |
| | - | - | - | - | - |
| Mrs. Kejal Pandya | - | 2.24 | - | - | 2.24 |
| | - | - | - | - | - |
| Legal & Professional Fees | 6.00 | - | - | 9.42 | 15.42 |
| | - | - | - | - | - |
| Mr. Tanmay Godiawala | - | - | - | 9.42 | 9.42 |
| | - | - | - | - | - |
| R.S.Chhabra & Co. (Prop. Mr. Rajendra Chhabra) | 6.00 | - | - | - | 6.00 |
| | - | - | - | - | - |
| Commission | - | 51.90 | - | - | 51.90 |
| | - | - | - | - | - |
| Mr. Amit M Mehta | - | 27.57 | - | - | 27.57 |
| | - | - | - | - | - |
| Mr. Rajendra Chhabra | - | 3.45 | - | - | 3.45 |
| | - | - | - | - | - |
| Mr. Dhruv Mehta | - | 1.38 | - | - | 1.38 |
| | - | - | - | - | - |
| Mr. Ambrish Dalal | - | 1.38 | - | - | 1.38 |
| | - | - | - | - | - |
| Mrs. Kejal Pandya | - | 1.38 | - | - | 1.38 |
| | - | - | - | - | - |
| Mr. G. S. Venkatachalam | - | 16.75 | - | - | 16.75 |
| | - | - | - | - | - |

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Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

| | | | | | |
|--|-------------|-------------|----------|----------|-------------|
| Reimbursement of Expenses | 0.34 | 0.60 | - | - | 0.94 |
| | - | - | - | - | - |
| Mr. G. S. Venkatachalam | - | 0.60 | - | - | 0.60 |
| | - | - | - | - | - |
| S Amit Speciality Chemicals Pvt. Ltd.. | 0.34 | - | - | - | 0.34 |
| | - | - | - | - | - |
| Purchase of Goods | 2.95 | - | - | - | 2.95 |
| | - | - | - | - | - |
| Reaxa Chemistry Solutions, LLP | 2.95 | - | - | - | 2.95 |
| | - | - | - | - | - |
| Sale of Goods | 0.27 | - | - | - | 0.27 |
| | - | - | - | - | - |
| Reaxa Chemistry Solutions, LLP | 0.27 | - | - | - | 0.27 |
| | - | - | - | - | - |

Balance as at:
(₹ in Lakhs)

| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
|---|-----------------------------------|-----------------------------------|
| Other payable: | 65.12 | - |
| Remuneration : | | |
| Mr. G. S. Venkatachalam | 2.62 | - |
| Mr. Amit M Mehta | 4.05 | - |
| Mr. Mohak Mehta | 1.60 | - |
| Mr. Tanmay Godiawala | 1.07 | - |
| Legal & Professional Fees : | | |
| R.S.Chhabra & Co. (Prop. Mr. Rajendra Chhabra) | 0.93 | - |
| Commission to Directors: | | |
| Mr. Amit M Mehta | 27.57 | - |
| Mr. Rajendra Chhabra | 3.45 | - |
| Mr. Dhruv Mehta | 1.38 | - |
| Mr. Ambrish Dalal | 1.38 | - |
| Mrs. Kejal Pandya | 1.38 | - |
| Mr. G. S. Venkatachalam | 16.75 | - |
| Purchase of Goods : | | |
| Reaxa Chemistry Solutions, LLP | 2.94 | - |

Note :

' 'Terms and Conditions' (i) All outstanding balances are unsecured.

Category-wise break up of compensation to key management personnel during the year is as follows:

(₹ in Lakhs)

| Particulars | For the Year ended 31st March, 2021 | For the Year ended 31st March, 2020 |
|------------------------------|--|--|
| Short-term employee benefits | 162.98 | - |
| Post-employment benefits | 33.78 | - |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

41. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial Statements.

(a) Financial assets and liabilities:

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at 31st March, 2021

| I. Financial assets: | | (₹ in Lakhs) |
|---|---------------------------|---------------------------|
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| Measured at fair value through Other Comprehensive Income (FVTOCI) | | |
| (a) Investments in equity instruments (Quoted) | 593.67 | - |
| Total | 593.67 | - |
| Measured at amortised cost | | |
| Trade and other receivables | 943.25 | - |
| Cash and cash equivalents | 49.97 | - |
| Other bank balances | 3,261.16 | - |
| Other financial assets | 11.85 | - |
| Total | 4,266.23 | - |
| II. Financial liabilities: | | (₹ in Lakhs) |
| Particulars | As at 31st March, 2021 | As at 31st March, 2020 |
| Measured at fair value through Profit and Loss (FVTPL) | | |
| Derivatives | | |
| - Forward Contracts | 1.24 | - |
| Total | 1.24 | - |
| Measured at amortised cost | | |
| Borrowings | 30.24 | - |
| Trade payables | 286.53 | - |
| Other financial liabilities | 186.18 | - |
| Total | 502.95 | - |

The carrying value of Financial Assets and Financial Liabilities measured at amortised cost approximates to their fair values.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(b) Capital Management

The Group's objective when managing capital is to:

- Safeguard its ability to continue as a going concern so that the Group is able to provide maximum return to stakeholders and benefits for other stakeholders.
- Maintain an optimal capital structure to reduce the cost of capital.

The Group's Board of Directors reviews the capital structure on a regular basis. As part of this review, the Board considers the cost of capital, risk associated with each class of capital requirements and maintenance of adequate liquidity.

Fair Value Measurement:

This note provides information about how the Company determines fair values of various financial assets.

Fair value of the Company's financial assets / financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair Values of these Financial assets are determined.

1. Financial assets / liabilities at fair value through Profit and Loss (FVTPL) (₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|------------------------|---------|---------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets / (liabilities) measured at fair value | | | | | | |
| Gain / (Loss) on Forward Contract | | (1.24) | | | - | |

Valuation technique and key input: Mark to market Statement provided by State Bank of India

2. Financial assets / liabilities at fair value through other comprehensive income (FVTOCI) (₹ in Lakhs)

| Particulars | As at 31st March, 2021 | | | As at 31st March, 2020 | | |
|---|------------------------|---------|---------|------------------------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets measured at fair value | | | | | | |
| Investments in equity - | | | | | | |
| Quoted | 593.67 | | | - | | |

Valuation technique and key input: Quoted bid prices from Bombay Stock Exchange.

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Management considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements (except fair value of investments in equity instruments and Derivatives - Forward Contracts) approximate their fair values.

There has been no transfers between level 1, level 2 and level 3 for the years ended 31st March, 2021.

3 Disclosure related to Derecognition of investments in equity instruments measured at fair value through other comprehensive income during the reporting

(a) **the reasons for disposing of the investments** - The holding company has disposed of certain long-term investments in equity instruments in line with its risk management policy to mitigate the associated risks.

(b) **the fair value of the investments at the date of derecognition** - Sale Price on the date of sale.

(c) **the cumulative gain or loss on disposal** - Loss on disposal ₹ 21.52 Lakhs

(c) Financial risk management:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of borrowings (if any), trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in selective instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc. The objectives of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Company's capital structure is managed using equity and debt ratios as part of the Company's financial planning.



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(a) Market risk:

Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates and equity prices- will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

(I) Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Foreign currency exposure as at 31st March, 2021 are hedged as per the policy of the company

| Particulars | As at 31st March, 2021 | | As at 31st March, 2020 | |
|-------------|----------------------------|------------|------------------------|------------|
| | Amount in Foreign currency | ₹ in Lakhs | Amount in Foreign | ₹ in Lakhs |
| Payable USD | 212,200.56 | 157.35 | - | - |

Foreign Currency Sensitivity:

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables and payables.

As per management's assessment of reasonable possible changes in the exchange rate of +/- 5% between USD-INR currency pair, sensitivity of profit or loss only on outstanding foreign currency denominated monetary items at the period end is presented below:

(₹ in Lakhs)

| USD sensitivity at year end | For the year ended 31st March, 2021 | For the year ended 31st March, 2020 |
|-----------------------------|-------------------------------------|-------------------------------------|
| Assets: | | |
| Weakening of INR by 5% | - | - |
| Strengthening of INR by 5% | - | - |
| Liabilities: | | |
| Weakening of INR by 5% | -7.87 | - |
| Strengthening of INR by 5% | 7.87 | - |

Forward foreign exchange contracts

It is the policy of the Company to enter into forward foreign exchange contracts to cover foreign currency payments in USD. The Company enters in to contracts with terms up to 120 days.

Forward cover is obtained from bank for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

Though the forward contracts are not designated as hedging instruments, they are used for hedging foreign currency exposure and outstanding as at year ended 31st March, 2021 and 31st March, 2020 are as under:-

(₹ in Lakhs)

| Outstanding contracts | Average exchange rates | | Foreign Currency | |
|-----------------------|------------------------|------------------|------------------|------------------|
| | 31st March, 2021 | 31st March, 2020 | 31st March, 2021 | 31st March, 2020 |
| USD-Sell | 74.15 | - | 212,200.56 | - |

(₹ in Lakhs)

| Outstanding contracts | Nominal Amounts | | Fair Value | |
|-----------------------|------------------|------------------|------------------|------------------|
| | 31st March, 2021 | 31st March, 2020 | 31st March, 2021 | 31st March, 2020 |
| In INR | 157.35 | - | 156.11 | - |
| Total | 157.35 | - | 156.11 | - |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

(II) Interest rate risk:

The Company invests the surplus fund generated from operations in bank deposits. Bank deposits are made for a period of up to 12 months and carry interest rate of 5%-5.40% as per prevailing market interest rate. Considering these bank deposits are short term in nature, there is no significant interest rate risk. There is no significant utilisation of Borrowings.

(III) Price risk:

The Company's equity securities price risk arises from investments held and classified in the balance sheet at fair value through OCI. The Company's equity investments in Securities are publicly traded.

Price sensitivity analysis:

The sensitivity of profit or loss in respect of investments in equity shares at the end of the reporting period for +/-5% change in price and net asset value is presented below:

Other comprehensive income for the year ended 31st March, 2021 would increase / decrease by ₹ 29.69 Lakhs as a result of 5% changes in fair value of equity investments measured at FVTOCI.

(b) Credit risk:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Company. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, investments in equity instruments and trade receivables.

None of the financial instruments of the Company result in material concentrations of credit risks, which may result into financial loss for the company.

(c) Liquidity risk:

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in Lakhs)

| Particulars | Less than 1 year | 1 Years to 3 Years | 3 Years to 5 Years | 5 Years and above |
|-------------------------------|---------------------|-----------------------|-----------------------|----------------------|
| As at 31st March, 2021 | | | | |
| Borrowings | 30.24 | | | |
| Trade payables | 286.53 | | | |
| Other Financial Liabilities | 187.42 | | | |
| Total | 504.19 | | | |

Notes to the Consolidated Financial Statements for the year ended 31st March, 2021
42. Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to the Schedule III to the Companies Act, 2013 :

| Name of the Entity in the Group | Net Assets (Total Assets Minus Total Liabilities) | | Share in Profit/ (Loss) after Tax | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
|---------------------------------|---|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|-------------------------------------|--------------------|
| | As % of Consolidated Net Assets | Amount (₹ in lacs) | As % of Consolidated Profit or Loss | Amount (₹ in lacs) | As % of Total | Amount (₹ in lacs) | As % of Total | Amount (₹ in lacs) |
| Parent Company | | | | | | | | |
| Diamines and Chemicals Limited | 100.05% | 8,502.57 | 100.18% | 2,103.37 | 100.00% | 294.08 | 100.16% | 2,397.45 |
| Sub Total (A) | | 8,502.57 | | 2,103.37 | | 294.08 | | 2,397.45 |
| Subsidiary Company | | | | | | | | |
| DACL Fine Chem Limited | 0.01% | 1.12 | -0.18% | (3.88) | 0.00% | - | -0.16% | (3.88) |
| Sub Total (B) | | 1.12 | | (3.88) | | - | | (3.88) |
| Eliminations (C) | | | | | | | | |
| | -0.06% | (5.00) | | - | | - | | - |
| Sub Total (A+B+C) | 100.00% | 8,498.69 | 100.00% | 2,099.49 | 100.00% | 294.08 | 100.00% | 2,393.57 |



Notes to the Consolidated Financial Statements for the year ended 31st March, 2021

43. The company has sought balance confirmations from trade receivables and trade payables, wherever such balance confirmations are received by the Company, the same are reconciled and appropriate adjustments if required, are made in the books of account.

44 Since the wholly owned subsidiary (DACL Fine Chem Limited) was incorporated as on 30th July, 2020, and therefore, the comparative consolidated financial Statements have not been presented for the previous year ended 31st March, 2020.

45 The nature of Group's business is such that by and large, it continues to remain unaffected from the effects of Covid-19 pandemic. Therefore, there is no material impact on the operations and financials of the Group for the year ended 31st March, 2021. The Group will continue to closely monitor any material changes to future economic conditions.

46. Approval of Consolidated Financials Statements

The Consolidated Financial Statements were approved for issue by the Board of Directors on 18th May, 2021.

As per our report of even date attached

For and on behalf of the Board

**For K. C. Mehta & Co.
Chartered Accountants**

**Vishal P. Doshi
Partner
Membership No. 101533**

**AMIT MEHTA
Executive Chairman
DIN: 00073907**

**G.S.VENKATACHALAM
Executive Director
DIN: 02205898**

**DIPEN RUPARELIA
Chief Financial Officer**

**HEMAXI PAWAR
Company Secretary**

**Place : Mumbai
Date : 18th May, 2021**



This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.



Diamines and Chemicals Limited

Regd Office:

Plot o. 13, PCC Area, P.O. Petrochemicals,
Vadodara - 391 346.