

July 6, 2020

**BSE Ltd.,**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai - 400 001.

Dear Sir/ Madam,

**Sub: Notice of 60<sup>th</sup> Annual General Meeting and Annual Report for Financial Year 2019-20**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice of 60<sup>th</sup> Annual General Meeting, which is to be held on Thursday, July 30, 2020 at 11:30 a.m. (IST) through Video Conferencing / Other Audio Visual Means ("VC/OAVM") facility and Annual Report for Financial Year 2019-20.

The aforesaid documents are available on the website of the Company at <http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Annual-Report-2019-20.pdf> and are being sent through electronic mode to those Members whose e-mail addresses are registered with the Company / Registrar and Transfer Agent/Depository Participants.

This is for your information and records

Yours faithfully,

For **Dai-ichi Karkaria Limited**



Kavita Thadeshwar  
**Company Secretary**

Encl: as above



**DAI-KI**

**Specialty Chemicals**

**60th ANNUAL REPORT**

**2019-2020**



# DAI-ICHI KARKARIA LIMITED

(CIN: L24100MH1960PLC011681)

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## **60th Annual General Meeting**

### **Date & Time:**

Thursday, July 30, 2020 at 11:30 a.m. (IST) through Video Conferencing/ Other Audio Visual Means ("VC/OAVM")

## **BOARD OF DIRECTORS:**

Mrs. Shernaz Vakil	Chairperson & Managing Director
Ms. Meher Vakil	Whole-time Director & COO
Mr. Adi Jehangir	Non-Executive Director
Dr. Anil Naik	Independent Director
Mr. Behram Sorabji (Upto 9.6.2020)	Independent Director
Mr. Kavas Patel	Independent Director
Mr. Keki Elavia	Independent Director

## **Chief Financial Officer:**

Mr. Shailesh Chauhan  
(W.e.f. 13.11.2020)

Mr. Nitin Nimkar  
(Upto 30.6.2019)

## **Company Secretary:**

Mrs. Kavita Thadeshwar

## **Bankers:**

Axis Bank Ltd.  
HDFC Bank Ltd.  
Bank of India

## **Statutory Auditors:**

B S R & Co. LLP, Mumbai

## **Solicitors:**

Bharucha & Partners

## **Registered Office:**

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

## **Works:**

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

## **Registrars and Transfer Agents:**

Sharex Dynamic (India) Pvt. Ltd.  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083.  
Tel: 2851 5606/2851 5644  
Fax: 2851 2885  
E-mail: [support@sharexindia.com](mailto:support@sharexindia.com)  
Website: [www.sharexindia.com](http://www.sharexindia.com)

**NOTICE**

**NOTICE** is hereby given that Sixtieth Annual General Meeting of **DAI-ICHI KARKARIA LIMITED** (L24100MH1960PLC011681) will be held on Thursday, July 30, 2020 at 11:30 a.m. (IST) through Video Conferencing / Other Audio Visual Means (“VC/OAVM”) facility, to transact the following business:

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

- a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Reports of Board of Directors and Auditors thereon; and
  - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 and the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Shernaz Vakil (DIN: 00002519), who retires by rotation and, being eligible, offers herself for re-appointment.

**Special Business**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), remuneration payable to Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599), appointed by the Board of Directors, to conduct the audit of the Cost records of the Company amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of actual out of pocket expenses incurred in connection with the Cost Audit of the Company for the financial year ending March 31, 2021, be and is hereby ratified.

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

**Registered Office:**

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

Place: Mumbai

Date: June 8, 2020

By Order of the Board  
For Dai - ichi Karkaria Limited

**Kavita Thadeshwar**  
**Company Secretary**



## **NOTES:**

1. In view of the continuing Covid-19 pandemic and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020 and 5<sup>th</sup> May 2020, respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”) and in compliance with the provisions of the Companies Act, 2013 (“The Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 60<sup>th</sup> Annual General Meeting (“AGM”) of the Company is being conducted on 30<sup>th</sup> July, 2020 at 11:30 am (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) Facility, which does not require physical presence of members at a common venue. The deemed venue for the 60<sup>th</sup> AGM shall be the Registered Office of the Company.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. In pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the Corporate Members can attend the AGM through VC/OAVM and cast their votes through e-voting.
4. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 the Companies Act, 2013.
6. Central Depository Services (India) Ltd. (“CDSL”) will be providing facility for voting through remote e-Voting, for participation in the 60<sup>th</sup> AGM through VC/OAVM Facility and e-Voting during the 60<sup>th</sup> AGM.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the below Instructions. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis. The Members will be able to view the proceedings by logging into the Central Depository Services (India) Ltd.’s (‘CDSL’) e-Voting website at [www.evotingindia.com](http://www.evotingindia.com)
8. In line with the MCA Circulars, the Notice of the AGM alongwith the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 60<sup>th</sup> AGM has been uploaded on the website of the Company at [www.dai-ichiindia.com](http://www.dai-ichiindia.com) under ‘Investor Relations’ section and may also be accessed on the websites of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice is also available on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
9. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of business to be transacted with respect to the item of Special Business is annexed hereto.
10. As per Regulation 40 of the Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company’s Registrar and Transfer Agent, Sharex Dynamic (India) Private Limited for assistance in this regard.
11. Members whose shareholding is in physical mode are requested to immediately notify any change pertaining to their postal address, e-mail address, telephone/mobile numbers, Bank Mandate details, etc. to M/s. Sharex Dynamic (India) Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 or email at [support@sharexindia.com](mailto:support@sharexindia.com) and members whose shareholding is in electronic mode are requested to direct change of the aforesaid details to their respective Depository Participants. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participants with whom they maintained their demat accounts. Members holding shares in physical form should submit their PAN to M/s. Sharex Dynamic (India) Private Limited.
12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members may register their nomination by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form No. SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at [support@sharexindia.com](mailto:support@sharexindia.com) in case the shares are held in physical form, quoting their folio number.

13. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”) read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (“IEPF”), constituted by the Central Government. Also, pursuant to the provisions of IEPF Rules, all the corresponding shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority (“IEPF Account”) within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

The Company has been sending reminders to Members having unpaid/ unclaimed dividends before transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at [www.dai-ichiindia.com](http://www.dai-ichiindia.com). Accordingly, Members who have not encashed Dividend for the financial year ended 31<sup>st</sup> March, 2013 or any subsequent dividend declared by the Company, are advised to write to the Company / Registrar of the Company immediately.

14. Details of members whose shares are transferred to IEPF Suspense Account till date are uploaded on its website at [www.dai-ichiindia.com](http://www.dai-ichiindia.com). The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the members from IEPF Authority, after following the procedure prescribed under the Rules.
15. Electronic copy of all the documents referred to in the accompanying Notice of the 60<sup>th</sup> AGM and the Explanatory Statement shall be available for inspection in the Investor Section of the website of the Company at [www.dai-ichiindia.com](http://www.dai-ichiindia.com).
16. In compliance with the provisions of Section 108 of the Companies Act, 2013, (the Act), Rule 20 of the Companies (Management & Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members remote e-Voting facility in respect of the business to be transacted at the 60<sup>th</sup> AGM and facility for those Members participating in the 60<sup>th</sup> AGM to cast vote through e-Voting system during the 60<sup>th</sup> AGM.

**A. THE INTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on Monday, 27<sup>th</sup> July, 2020 at 10 a.m. (IST) and ends on Wednesday, 29<sup>th</sup> July, 2020 at 5 p.m. (IST) During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> July, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote during the AGM.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.



- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant Company **DAI-ICHI KARKARIA LIMITED** on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

1. For Physical shareholders - please provide signed request letter mentioning the Folio No., Name of shareholder, PAN (self-attested scanned copy of PAN card) and AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com) OR RTA at [support@sharexindia.com](mailto:support@sharexindia.com). The company/RTA shall co-ordinate with CDSL and provide the login credentials to such shareholders.
2. For Demat shareholders - please update the email addresses with Depository through their Depository Participant.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders'/members' login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com). The Shareholders desiring any information are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.



**D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

Those persons, who have acquired shares and have become Members of the Company after the despatch of Notice of the AGM by the Company and whose names appear in the Register of Members or Register of beneficial holders as on cut-off date i.e. 23<sup>rd</sup> July, 2020 can view the Notice of the 60th AGM on the Company’s website or on the website of CDSL. Such Members shall exercise their voting rights through remote e-voting by following the procedures as mentioned above or by voting at the AGM.

M/s Ragini Chokshi & Co., Practicing Company Secretary, has been appointed as a Scrutinizer to scrutinize the remote e-voting process and process of e-voting during the 60<sup>th</sup> AGM in a fair and transparent manner. Remote E-Voting is optional to the shareholders’, the shareholders can alternatively undertake the process of e-voting during the AGM. The members attending the meeting, who have not already cast their vote through remote e-voting shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting may attend the meeting but shall not be entitled to cast their vote again at the AGM.

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

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



17. In terms of Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and pursuant to Clause 1.2.5 of the Secretarial Standard on General Meetings (SS-2) details of Director seeking re-appointment at the 60<sup>th</sup> Annual General Meeting:

Name of the Director	Mrs. Shernaz Vakil (DIN: 00002519)
Age	68 years
Brief resume, Qualification and Expertise	Mrs. Shernaz Vakil holds an M.A. degree in Industrial Psychology from Bombay University and M.B.A. degree from U.S.A. She has an experience of 39 years in Business Management.
Terms and conditions of appointment/ reappointment	Appointed as Chairperson & Managing Director for a period from 1st April, 2019 to 31st March, 2022, liable to retire by rotation.
Last drawn remuneration (F.Y. 2019-20)	a. Salary – ₹ 84,00,000/- b. Perquisites – ₹ 82,88,766/- Total Remuneration - ₹ 1,66,88,766/-
Date of first appointment on the Board	26.2.1979
No. of share held	37,69,182 shares (50.58%)
Relationship with Directors interse	Mrs. Shernaz Vakil and Ms. Meher Vakil, Wholetime Director of the Company are related to each other.
Number of Board Meeting attended during FY 2019-20	4 (four) Board meetings were held and attended during F.Y. 2019-20
List of Directorships held in other companies	i. Rose Investments Limited ii. Unitel Finance & Investments Private Limited iii. Indian Oxides & Chemicals Private Limited iv. ChampionX Dai-ichi India Private Limited v. Performance Polymers & Chemicals Private Limited vi. Dai-ichi Gosei Chemicals (India) Limited vii. Chemicals & Ferro Alloys Private Limited viii. Natch Products and Services Private Limited ix. FDN Properties Private Limited x. SFV Properties Private Limited
Chairman/ Member of the Committees of Boards of other companies	Rose Investments Limited: Chairperson – Stakeholders Relationship Committee ChampionX Dai-ichi India Private Limited: Chairperson - CSR Committee

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

**Item no. 3**

The Board, on recommendation of the Audit Committee, has approved the appointment of Mr. Sudhir Govind Jog, Cost Accountant (Membership No. 5599) to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2021, on a remuneration of ₹ 1,50,000/- (plus applicable taxes and reimbursement of actual out of pocket expenses).

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

Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item no. 3 for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, in the resolution set out at Item No. 3 of the Notice.

**Registered Office:**

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

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

**Kavita Thadeshwar**  
Company Secretary

Place: Mumbai  
Date: June 8, 2020

**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the Sixtieth Annual Report together with the audited accounts for the year ended March 31, 2020.

**FINANCIAL RESULTS:**

(₹ in Lakhs)

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
Revenue from operations	10717	9235
Other Income	384	324
Total Income	11101	9559
Loss before Depreciation/Amortization, Interest and Tax	(124)	(757)
Loss after exceptional item before tax	(2494)	(2436)
Earnings per equity share: Basic and Diluted (₹ 10/- each)	(33.47)	(16.95)
Book Value of shares (₹)	132.37	166.00

**DIVIDEND:**

Considering the challenges faced by the Company during the financial year 2019-20, the Board of Directors have not recommended any dividend on equity shares for the financial year 2019-20.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

There were several positive milestones the Company was able to achieve this year.

The Company had successfully executed and implemented Consent Terms dtd. November 1, 2019 with Hind Kamgar Sanghata (HKS), an unrecognized union and certain retired / retrenched workers, to resolve the long pending labour matter. The settlement involved an amount of ₹ 3.65 crores (Rupees Three Crores Sixty Five Lakhs Only).

Pursuant to the settlement, all the litigations filed against the Company by HKS, were withdrawn in December, 2019 and the free movement of equipment & material to its newly established Dahej Plant became possible.

The Company executed a Memorandum of Understanding on December 24, 2019 with Pune based developer, for sale of its Kasarwadi Land Parcel. The Parties will be moving forward with Agreement for Sale on fulfillment of certain conditions precedent which are basically requisite permissions from the concerned authorities.

At the end of the year, the Company was granted a Labour NOC from Mantralaya, Government of Maharashtra for dealing in the Kasarwadi Land Parcel. Also, challan under the Urban Land Ceiling Act by Office of the Collector and Competent Authority, Urban Agglomeration, Pune is issued and the order under it is expected very soon

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

The pandemic of COVID – 19 is changing the dynamics of global trade and exports. One outcome could be that the economy which is already under recession would receive an irreversible blow due to the pandemic. And the other view is that the pandemic will just shift the axis of trade and India may significantly benefit from new opportunities. In any case it would probably take some months to recover.

Locally the COVID – 19 outbreak has had a significant impact on supply chains and emphasizes the key role that logistics play in supporting the business model.

We are therefore faced with a unique scenario of challenges which have opportunities and threats. There will be a change in markets and consumer behaviour depending on the verticals, whilst essential commodities and verticals like Agro, Cleaning and Home & Personal care may witness some growth opportunities.

The COVID pandemic has affected the fourth quarter results since most of our export consignments and local shipments could not be dispatched at the end of March due to the lockdown. In fact, in the month of February the highest sales for the year was achieved.

We are very hopeful that the new year will see some growth in some of our key verticals specifically the Oilfield business with our partners.

The Company has shown reasonable growth over the previous year despite losing substantial business at the end of the year due to COVID – 19 pandemic. However, in terms of meeting its budgeted targets there has been a shortfall amongst the following verticals - Construction Industry, Paints & Coatings Segment and the Textile Processing Industries.



The main hurdle in ramping up production at Dahej has been our inability to move certain key balancing equipment from Kasarwadi for the whole year. It is only after agreeing to settle an unreasonable demand made by an unrecognized union that we were able to settle the issue.

Equipment started getting dismantled by January and several key reactors moved out by February. Unfortunately, by mid-March the entire operation was halted as the Pimpri area went under lockdown. Though some equipment that reached Dahej were installed, many others remained uninstalled at Dahej due to lockdown and lack of contractor's team.

In addition, there has been a general slowdown in the Indian Economy and though our exports picked up in February and March, we were unable to complete dispatches once the lockdown commenced.

**Vertical wise Performance:**

In the Agro vertical we mainly supply emulsifiers for bio pesticides and synthetic insecticides. Here we have seen a growth of 23% in terms of volume and 43% for the bio pesticide emulsifiers used for export formulations. Pesticides being a seasonal commodity, our agro business depends on the monsoon. Despite these uncertainties, the agro segment is likely to remain steady in the next two quarters and we are reasonably confident that in the following quarters this will remain an area of focus and growth.

In the area of Construction Chemicals our focus has been to develop additives that improve the quality of cement and our new formulations in this field are being evaluated and approved by several customers. However, the Q1 and Q2 business will be impacted due to the lockdown and the issues of migrant workforce keeping our Customers from evaluating our newly developed products.

In the Home & Personal Care vertical, we have been able to achieve certain milestones after having received the Kosher, Halal and FSSAI certificates for some of our products. This has resulted in our expanding the customer base and ensuring that we get orders from customers for spice oil and food grade emulsifiers.

In the Oilfield segment which is a vital segment for our company, the growth has been good and we have achieved considerable sales over the previous year. Our products have been approved in various regions from the Gulf, Middle East and Asia Pacific regions and sales through our partner company are robust. We believe in the coming year this will be our area of focus and growth despite the current slowdown in the oil field industry.

In the Paints & Coatings segment, our performance has been affected mainly due to the sales of our pigment dispersants, which have witnessed a slow down due to the slowing down of pigment manufacturing business based around Ahmedabad region. The uncertainty in this Industry remains as of now and this will not be our area of focus for the next two quarters.

In the area of Rayon, we are supplying our products to all the major Rayon producing units in the country and our customer base has grown in the past year. We have successfully developed not only new customers but also some new products which have been well accepted. However, due to the lockdown there will be a slowdown in the first quarter of the current year.

In the Sizing chemicals vertical, we have achieved a major breakthrough as one of our large customers requires our specialized product for their fabrics to be made into haz-mat suits for PPE. This has resulted in bagging a contract order for the first quarter and may continue as we progress through the year. However, a majority of small and medium Polyester units in Surat region remained closed and will be affected due to the uncertainty of the Pandemic. We do not expect these units to start immediately since the buyers of the fabric produced are also not operational.

The textile processing vertical continues to suffer from issues of pollution and delayed payments. Stricter norms by the Pollution Control Boards at key markets of Rajasthan and Ahmedabad are forcing units to operate at lower capacities to meet the limits on quantity of water that can be discharged into common effluent treatment plants. The Company has not put in much efforts in going after this vertical due to the very large number of players including small scale units and the problem of payment risk.

Our Company was fortunate that we were able to start production by April 6 because we are manufacturing specialty chemicals that goes into haz - mat suits for PPE. As a result, we have been able to meet some of our export demand and were able to retain some labour who were around our Plant at that time. We had made arrangements for them to stay at our site in a clean safe way and are therefore not facing too many difficulties on the labour front. Of course, we are operating at only 40% level presently. With regard to our Chemists we had made arrangements for them to stay in hotels nearby and therefore our production continues as far as possible.

**KEY FINANCIAL RATIOS:**

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

Particulars	As at 31.3.2020	As at 31.3.2019	Variance	Explanation for variance
Interest Coverage Ratio	-1.04	-2.36	56%	The Ratio improved in FY 2019-20, due to increase in EBIT on account of decrease in losses as compared to last year.
Debt Equity Ratio	1.10	0.84	31%	During FY 2019-20, the debt equity ratio increased due to net increase in borrowings to the tune of ₹ 5 crores and decrease in reserves on account of losses.
Operating Profit/ Loss Margin (%)	-16%	-20%	20%	Improvement in Operating Margin due to higher sales in FY 2019-20 lead to improvement in the ratio
Return on Net Worth (%)	-25%	-10%	-150%	Due to loss in the year 2019-20, return on net worth is negative.

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

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

Ecolab Inc. has spun off its Upstream energy businesses as a stand-alone publicly-traded company. The new Upstream energy business named as ChampionX – will be singularly focused on the upstream oil and gas markets. The JV partner CTI Chemicals Asia Pacific Pte. Ltd. will continue to hold the 50% stake in the Joint Venture Company (JVC) and will be transferred to ChampionX. The name of the JVC was thus changed to ChampionX Dai-ichi India Private Limited w.e.f. January 2, 2020.

The Company has a Subsidiary, **Dai-ichi Gosei Chemicals (India) Limited**.

The Annual accounts of the Subsidiary Company are placed on the website of the Company and will be provided to the members on request.

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

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

**DIRECTORS AND KMP:**

Mrs. Shernaz Vakil retires from the Board of Directors by rotation, in pursuance of the provisions of the Companies Act, 2013 and Articles of Association of the Company. Being eligible for reappointment, she has offered herself for re-appointment. The Board of Directors recommends her re-appointment. The information required to be furnished under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Secretarial Standards is given in the Notice of the 60th Annual General Meeting.

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

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

During the financial 2019-20, Mr. Nitin Nimkar on reaching the retirement age as per the Company's policy, ceased to be the Chief Financial Officer (CFO) of the Company w.e.f. June 30, 2019. Pursuant to the recommendations of the Nomination and Remuneration Committee ('NRC'), the Board of Directors, at its meeting held on November 13, 2019, appointed Mr. Shailesh Chauhan as Chief Financial Officer (CFO) of the Company.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are Mrs. Shernaz Vakil, Chairperson & Managing Director, Ms. Meher Vakil, Wholetime Director, Mr. Shailesh Chauhan, Chief Financial Officer and Mrs. Kavita Thadeshwar, Company Secretary.





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

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

- a) In the preparation of the annual accounts, for the financial year ended March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2020 and of the profit and loss of the company for that period;
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a 'going concern' basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively;
- f) Proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

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

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

### **BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, individual directors and its committees.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairperson of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

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

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

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

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

Due to extreme cashflow issues, the Company was not able to undertake CSR activities during the FY 2019-20. Detailed report on CSR is annexed to the report as 'Annexure A'.

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

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

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

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

As on March 31, 2020, the total numbers of employees on the payrolls of the company are 174.

### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

The information required pursuant to Section 197(12) read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report. In terms of Section 136 of the Act, the Report and Accounts are

being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may email to the Company in this regard.

**AUDITORS:**

**STATUTORY AUDITORS:**

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

**INTERNAL AUDITORS:**

B.K. Khare & Co., Chartered Accountants, are the Internal Auditors of the Company. The Management regularly reviews the findings of the Internal Auditors and effective steps to implement any suggestions/observations of the Internal Auditors are taken and monitored regularly. In addition, the Audit Committee of the Board regularly addresses significant issues raised by the Internal Auditors.

B. K. Khare & Co. were the Internal Auditors of the Company since financial year 2008 - 09. Though rotation of Internal Auditor is not mandatory, as a good corporate governance practice, the Audit Committee and Board of Directors have decided to rotate the Internal Auditors. Mazars Business Advisors Private Limited are appointed as the Internal Auditors of the Company w.e.f. financial year 2020 – 21.

**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. Kaushik M. Jhaveri & Co., a firm of Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the F.Y. 2019-20 is annexed herewith as 'Annexure B'.

**COST AUDITORS:**

As per Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audits) Rules, 2014, the Board of Directors on recommendation of the Audit Committee, approved the appointment of Mr. Sudhir Govind Jog, Cost Accountant, (Membership no. 5599), Pune as the Cost Auditor to conduct audit of the cost records of the Company for the financial year ending March 31, 2021. The Company has received written consent and certificate of eligibility in accordance with Section 148 read with Section 141 and other applicable provisions of the Act and Rules made thereunder.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, the matter relating to ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2021 is being placed at the 60th AGM.

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

The Company has not provided any loan or given any guarantee / security to any person.

Details of investment made by the Company are provided in the financial statements, under Investment Schedule.

**PARTICULARS OF CONTRACTS AND ARRANGEMENT COVERED UNDER SECTION 188 OF THE COMPANIES ACT, 2013:**

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

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

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

**EXTRACT OF ANNUAL RETURN:**

Pursuant to Sections 92 and 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is attached as **Annexure C**. The extract of the Annual Return of the Company can also be accessed on the website of the Company at [http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Extract-of-Annual-Return\\_31.3.2020.pdf](http://www.dai-ichiindia.com/wp-content/uploads/2014/08/Extract-of-Annual-Return_31.3.2020.pdf).

**CORPORATE GOVERNANCE:**

A separate report on Corporate Governance is attached as a part of the Annual Report along with the certificate from Vinod Kothari & Company, Practicing Company Secretaries on its compliance.

**LISTING:**

The Equity Shares of your company are presently listed on BSE Ltd. and the Company has paid the annual listing fees for the financial year 2020-2021.



## **HEALTH, SAFETY & ENVIRONMENT:**

Health, Safety & Protection of the Environment are the priority areas for the Company. The Company continues to put special emphasis in this area at every stage, from conception and design of new products, optimization of process, to commercial manufacturing and delivery of goods to the customers. Recently company has successfully completed DNV-GL Periodic Audit of ISO 14001:2015 & OHSAS 18001:2007 and Certification Audit of ISO 9001:2015. We are going for the transition of OHSAS 18001:2007 to ISO 45001:2018 in FY 2020-21

### **(a) Health:**

A special committee ensures good sanitation and hygienic condition in the plant and canteen. Medical examination of all the employees is carried out annually. Six monthly medical examinations are conducted for the employees who are working in Hazardous Areas. Health awareness trainings and programs are being conducted regularly.

### **(b) Safety:**

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

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

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

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

### **(c) Environment:**

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

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

Effluent Treatment Plant is upgraded with SUF (submersible ultra-filtration) technology and treated effluent is used in various processes, thus, increasing water conservation.

## **INDUSTRIAL RELATIONS:**

As mentioned in the Management and Discussion Analysis Report, all the pending litigations against the Company related to Labour matters are withdrawn.

Industrial relations at Dahej and Kurkumbh Plants remained cordial during the year.

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

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 are annexed to this report as ‘Annexure D’.

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

As per the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20;

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

## **ACKNOWLEDGEMENT:**

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

## **CAUTIONARY NOTE:**

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

For and on behalf of the Board

Place: Mumbai  
Date: June 8, 2020

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



**ANNEXURE 'A' TO THE DIRECTORS' REPORT**  
**REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

The Company has not undertaken CSR activities during F.Y. ended 31<sup>st</sup> March, 2020

The Company's CSR Policy may be viewed at following web link: <https://www.dai-ichiindia.com/wp-content/uploads/2014/08/CSR-Policy.pdf>

**2. The Composition of the CSR Committee:** The Committee comprises of Mr. Keki Elavia as Chairman, Mr. Adi Jehangir, Mr. Kavas Patel and Mrs. Shernaz Vakil as members.

**3. Average net profit of the Company for the last three financial years:** ₹ 354.38 lakhs

**4. Prescribed CSR Expenditure:** ₹ 7.09 lakhs

**5. Details of CSR spent during the financial year;**

a) Total amount to be spent for the financial year: ₹ 7.09 lakhs

b) Amount unspent, if any: ₹ 7.09 lakhs

c) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. no	CSR project or activity identified	Sector in which the Project is covered	Projects or Programs 1. Local area or other 2. Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on projects or programs 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
				NIL			

**6. Reasons for not spending the entire amount:** Due to extreme cashflow issues, the Company was not able to undertake CSR activities during the FY 2019-20.

**7. Responsibility statement:** The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

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

Place: Mumbai  
Date: June 8, 2020



**ANNEXURE 'B' TO THE DIRECTORS' REPORT  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020  
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

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

Liberty Building, Sir Vithaldas Thackersey Marg,  
Mumbai – 400020

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

Based on our verification of Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 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 **Dai-ichi Karkaria Limited** for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable to the Company during audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - (Not Applicable to the Company during audit period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999; - (Not Applicable to the Company during audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the company during audit period)
- (vi) Other applicable Acts/ Laws as per **Annexure-A**

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

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

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

**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. During the year under review Ms. Meher Vakil (DIN: 07778396) was appointed as a Wholetime Director w.e.f. April 01, 2019 and Mr. Behram Sorabji (DIN: 02035239) was appointed as an Independent Director w.e.f. May 09, 2019.

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.

Decisions at the board meetings are carried with the approval of Board and recorded in the minutes accordingly.

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

**We further report that** during the financial year under review, the Company has obtained approval of the members under Section 180(1)(a) of the Companies Act, 2013 by way of Special resolution through Postal Ballot which has been deemed to be approved and passed on 30th October, 2019 for Authorising Board of Directors of the Company to sell/ transfer or otherwise dispose of the Kasarwadi Land Parcel situated at 105th Milestone, Mumbai-Pune Road, P.O. Kasarwadi, Pune 411034.

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

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

**Date: June 6, 2020**  
**Place: Mumbai**

**Kaushik Jhaveri**  
**Practising company secretary**  
**FCS No.: 4254/ CP No.: 2592**  
**UDIN: F004254B000321945**



**Annexure - A to Secretarial Audit Report of  
Dai-ichi Karkaria Limited for the year ended 31<sup>st</sup> March, 2020**

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

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

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

**Annexure - B to Secretarial Audit Report of  
Dai-ichi Karkaria Limited for the year ended 31<sup>st</sup> March, 2020**

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

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

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

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

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

**Kaushik Jhaveri  
Practising Company Secretary  
FCS No.: 4254/ CP No.: 2592  
UDIN: F004254B000321945**

**Date: June 6, 2020  
Place: Mumbai**



## ANNEXURE 'C' TO THE DIRECTORS' REPORT

### EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020  
[Pursuant to Section 92(3) of the Companies Act, 2013 and  
Rule 12(1) of the Companies( Management and Administration) Rules, 2014

### Form No. MGT-9

#### I. REGISTRATION AND OTHER DETAILS:

<b>CIN</b>	L24100MH1960PLC011681
<b>Registration Date</b>	May 13, 1960
<b>Name of the Company</b>	DAI-ICHI KARKARIA LIMITED
<b>Category/ Sub-Category of the Company</b>	Public Limited Company having Share Capital
<b>Address of the Registered office and contact details</b>	Liberty Building, Sir Vithaldas Thackersey Marg, New Marine Lines, Mumbai - 400020. T: 2201 7130/2201 5895 E: <a href="mailto:investor@dai-ichiindia.com">investor@dai-ichiindia.com</a> website: <a href="http://www.dai-ichiindia.com">www.dai-ichiindia.com</a>
<b>Whether listed company</b>	Yes
<b>Name, Address and Contact details of Registrar and Transfer Agents</b>	Sharex Dynamic (India) Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel: 2851 5606/2851 5644 Fax: 2851 2885 E-mail: <a href="mailto:support@sharexindia.com">support@sharexindia.com</a> Website: <a href="http://www.sharexindia.com">www.sharexindia.com</a>

#### II. Principal Business Activities of the Company:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Oil Field Chemicals	20293	38%
2	Chemicals used in Paints and coatings	20221	23%
3	Chemicals used in Textiles	20297	21%
4	Agrochemical Products	20219	11%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Dai-ichi Gosei Chemicals (India) Limited	U24100MH1991PLC059922	Subsidiary	97%	2(87)
2	ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Limited)	U24110MH1990PTC055089	Associate/ Joint venture	50%	2(6)

## IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

## (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1.4.2019				No. of Shares held at the end of the year 31.3.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/ HUF	4483574	0	4483574	60.17	4483574	0	4483574	60.17	0.000
(b) Central Govt	0	0	0	0.00	0	0	0	0.000	0.000
(c) State Govt(s)	0	0	0	0.00	0	0	0	0.000	0.000
(d) Bodies Corp.	271875	0	271875	3.65	271875	0	271875	3.65	0.000
(e) Banks/FI	0	0	0	0.00	0	0	0	0.000	0.000
(f) Any Other	0	0	0	0.00	0	0	0	0.000	0.000
<b>Sub-total (A) (1):-</b>	<b>4755449</b>	<b>0</b>	<b>4755449</b>	<b>63.82</b>	<b>4755449</b>	<b>0</b>	<b>4755449</b>	<b>63.82</b>	<b>0.000</b>
<b>(2) Foreign</b>									
(a) NRIs Individual	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other Individual	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
(e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f) Any Other Specify	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4755449</b>	<b>0</b>	<b>4755449</b>	<b>63.82</b>	<b>4755449</b>	<b>0</b>	<b>4755449</b>	<b>63.82</b>	<b>0</b>
<b>(B) PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(b) Banks / FI	100	0	100	0.00	131	0	131	0.00	0.00
(c) Central Govt.	47256	0	47256	0.63	66066	0	66066	0.89	0.25
(d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Others: Alternate Investment Funds	0	0	0	0.00	38370	0	38370	0.52	0.52
<b>Sub-total (B)(1):-</b>	<b>47356</b>	<b>0</b>	<b>47356</b>	<b>0.64</b>	<b>104567</b>	<b>0</b>	<b>104567</b>	<b>1.40</b>	<b>0.77</b>
<b>2. Non-Institutions</b>									
<b>(a) BODIES CORP.</b>									
(i) Indian	282432	26000	308432	4.14	270530	26000	296530	3.98	-0.16
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00



<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	1339399	88127	1427526	19.16	1301221	80627	1381848	18.55	-0.61
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	802090	0	802090	10.77	818728	0	818728	10.99	0.22
<b>(c) Other (specify)</b>									
Non Resident Indians	77513	10800	88313	1.19	82569	8700	91269	1.23	0.04
Overseas Corporate Bodies	0	15000	15000	0.20	0	0	0	0.00	-0.20
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	7063	0	7063	0.10	2838	0	2838	0.04	-0.06
<b>Sub-total (B)(2):-</b>	<b>2508497</b>	<b>139927</b>	<b>2648424</b>	<b>35.54</b>	<b>2475886</b>	<b>115327</b>	<b>2591213</b>	<b>34.78</b>	<b>-0.77</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>2555853</b>	<b>139927</b>	<b>2695780</b>	<b>36.18</b>	<b>2580453</b>	<b>115327</b>	<b>2695780</b>	<b>36.18</b>	<b>0.002</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>7311302</b>	<b>139927</b>	<b>7451229</b>	<b>100</b>	<b>7335902</b>	<b>115327</b>	<b>7451229</b>	<b>100</b>	<b>0</b>

**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's name	Shareholding at the beginning of the year 1.4.2019			Shareholding at the end of the year 31.3.2020			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares/ Pledged/ encumbered to total shares	
1	SHERNAZ FIROZE VAKIL	3769182	50.59	0	3769182	50.59	0	0
2	PARVEENBIBI HAMIDKHAN MALIK	316083	4.24	0	316083	4.24	0	0
3	ROSHAN HOSHI GAZDAR	308367	4.14	0	308367	4.14	0	0
4	ROSE INVESTMENTS LTD	262800	3.53	0	262800	3.53	0	0
5	FIROZE ADI VAKIL	76109	1.02	0	76109	1.02	0	0
6	GENERAL PHARMACEUTICALS PRIVATE LIMITED	9075	0.12	0	9075	0.12	0	0
7	MEHERNAZ HOSHI GAZDAR	8833	0.12	0	8833	0.12	0	0
8	HAMIDKHAN UMARKHANJI MALIK	3200	0.04	0	3200	0.04	0	0
9	SHIREEN HOSHI GAZDAR	1300	0.02	0	1300	0.02	0	0
10	HOSHANG RUSTOM KARKARIA	300	0.00	0	300	0.00	0	0
11	ADI H JEHangIR	100	0.00	0	100	0.00	0	0
12	JEHangIR H C JEHangIR	100	0.00	0	100	0.00	0	0
	<b>Total</b>	<b>4755449</b>	<b>63.82</b>	<b>0</b>	<b>4755449</b>	<b>63.82</b>	<b>0</b>	<b>0</b>



(iii) Change in Promoter's Shareholding

There is no change in Promoter's Shareholding during the F.Y. 2019-20.

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

Sl. No.	Shareholder's name	Shareholding at the beginning of the year 1.4.2019		Transactions during the year		Cumulative Shareholding at the end of the year 31.3.2020	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	INCREASE / (DECREASE) IN SHARE-HOLDING	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	<b>PRATIKSHA SATISHCHANDRA DOSHI</b>	217128	2.91			217128	2.91
	-AT THE END OF THE YEAR					217128	2.91
2	<b>HITESH SATISHCHANDRA DOSHI</b>	140337	1.88			140337	1.88
	AT THE END OF THE YEAR					140337	1.88
3	<b>AJINKYA ELECTROMELT PRIVATE LIMITED</b>	138758	1.86			138758	1.86
	Transfer			27 Mar 2020	649	139407	1.87
	AT THE END OF THE YEAR					139407	1.87
4	<b>ASHOKKUMAR PARMAR</b>	117631	1.58			117631	1.58
	Transfer			12 Apr 2019	400	118031	1.58
	Transfer			19 Apr 2019	(1600)	116431	1.56
	Transfer			26 Apr 2019	(1000)	115431	1.55
	Transfer			03 May 2019	(700)	114731	1.54
	Transfer			10 May 2019	750	115481	1.55
	Transfer			17 May 2019	400	115881	1.56
	Transfer			24 May 2019	(1100)	114781	1.54
	Transfer			31 May 2019	200	114981	1.54
	Transfer			07 Jun 2019	200	115181	1.55
	Transfer			14 Jun 2019	100	115281	1.55
	Transfer			21 Jun 2019	200	115481	1.55
	Transfer			29 Jun 2019	100	115581	1.55
	Transfer			05 Jul 2019	50	115631	1.55
	Transfer			12 Jul 2019	200	115831	1.55
	Transfer			19 Jul 2019	250	116081	1.56
	Transfer			02 Aug 2019	300	116381	1.56
	Transfer			09 Aug 2019	100	116481	1.56
	Transfer			30 Aug 2019	100	116581	1.56
	Transfer			06 Sep 2019	150	116731	1.57
	Transfer			13 Sep 2019	50	116781	1.57
	Transfer			27 Sep 2019	100	116881	1.57
	Transfer			18 Oct 2019	100	116981	1.57
	Transfer			25 Oct 2019	100	117081	1.57
	Transfer			15 Nov 2019	100	117181	1.57
	Transfer			22 Nov 2019	200	117381	1.58



	Transfer			29 Nov 2019	100	117481	1.58
	Transfer			06 Dec 2019	100	117581	1.58
	Transfer			13 Dec 2019	200	117781	1.58
	Transfer			20 Dec 2019	300	118081	1.58
	Transfer			27 Dec 2019	100	118181	1.59
	Transfer			10 Jan 2020	(900)	117281	1.57
	Transfer			17 Jan 2020	100	117381	1.58
	Transfer			24 Jan 2020	200	117581	1.58
	Transfer			31 Jan 2020	200	117781	1.58
	Transfer			07 Feb 2020	200	117981	1.58
	Transfer			06 Mar 2020	200	118181	1.59
	Transfer			13 Mar 2020	400	118581	1.59
	Transfer			20 Mar 2020	600	119181	1.60
	Transfer			27 Mar 2020	400	119581	1.60
	AT THE END OF THE YEAR					119581	1.60
<b>5</b>	<b>INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS</b>	47256	0.63			47256	0.63
	Transfer			06 Sep 2019	18710	65966	0.89
	Transfer			13 Sep 2019	100	66066	0.89
	AT THE END OF THE YEAR					66066	0.89
<b>6</b>	<b>BHUPESH KUMAR LODHA</b>	55000	0.74			55000	0.74
	AT THE END OF THE YEAR					55000	0.74
<b>7</b>	<b>SHIRISH JOSHI</b>	44100	0.59			44100	0.59
	AT THE END OF THE YEAR					44100	0.59
<b>8</b>	<b>SHEPHERD'S HILL PRIVATE INVESTMENT FUND</b>	0	0.00			0	0.00
	Transfer			26 Apr 2019	11646	11646	0.16
	Transfer			03 May 2019	5497	17143	0.23
	Transfer			17 May 2019	7038	24181	0.32
	Transfer			07 Jun 2019	25	24206	0.32
	Transfer			14 Jun 2019	5371	29577	0.40
	Transfer			21 Jun 2019	5006	34583	0.46
	Transfer			29 Jun 2019	2572	37155	0.50
	Transfer			05 Jul 2019	1215	38370	0.51
	AT THE END OF THE YEAR					38370	0.51
<b>9</b>	<b>AJAY KUMAR TOSHNIWAL</b>	27700	0.37			27700	0.37
	AT THE END OF THE YEAR					27700	0.37
<b>10</b>	<b>SAURABH RANJIT PARIKH</b>	22606	0.30			22606	0.30
	Transfer			12 Apr 2019	60	22666	0.30
	Transfer			26 Apr 2019	30	22696	0.30
	Transfer			10 May 2019	250	22946	0.31
	Transfer			17 May 2019	539	23485	0.32
	Transfer			24 May 2019	365	23850	0.32

Transfer			31 May 2019	100	23950	0.32
Transfer			07 Jun 2019	140	24090	0.32
Transfer			14 Jun 2019	181	24271	0.33
Transfer			21 Jun 2019	280	24551	0.33
Transfer			29 Jun 2019	160	24711	0.33
Transfer			05 Jul 2019	65	24776	0.33
Transfer			12 Jul 2019	475	25251	0.34
Transfer			19 Jul 2019	60	25311	0.34
Transfer			26 Jul 2019	152	25463	0.34
Transfer			02 Aug 2019	340	25803	0.35
Transfer			09 Aug 2019	91	25894	0.35
Transfer			23 Aug 2019	70	25964	0.35
Transfer			30 Aug 2019	20	25984	0.35
Transfer			06 Sep 2019	20	26004	0.35
Transfer			13 Sep 2019	50	26054	0.35
Transfer			20 Sep 2019	35	26089	0.35
Transfer			27 Sep 2019	30	26119	0.35
Transfer			04 Oct 2019	37	26156	0.35
Transfer			11 Oct 2019	20	26176	0.35
Transfer			18 Oct 2019	17	26193	0.35
Transfer			25 Oct 2019	18	26211	0.35
Transfer			01 Nov 2019	31	26242	0.35
Transfer			08 Nov 2019	(114)	26128	0.35
Transfer			15 Nov 2019	18	26146	0.35
Transfer			22 Nov 2019	19	26165	0.35
Transfer			29 Nov 2019	17	26182	0.35
Transfer			06 Dec 2019	15	26197	0.35
Transfer			13 Dec 2019	37	26234	0.35
Transfer			20 Dec 2019	814	27048	0.36
Transfer			27 Dec 2019	130	27178	0.36
Transfer			31 Dec 2019	(1000)	26178	0.35
Transfer			03 Jan 2020	(1211)	24967	0.34
Transfer			10 Jan 2020	71	25038	0.34
Transfer			17 Jan 2020	(69)	24969	0.34
Transfer			24 Jan 2020	305	25274	0.34
Transfer			31 Jan 2020	86	25360	0.34
Transfer			07 Feb 2020	50	25410	0.34
Transfer			14 Feb 2020	52	25462	0.34
Transfer			21 Feb 2020	50	25512	0.34
Transfer			28 Feb 2020	70	25582	0.34
Transfer			06 Mar 2020	15	25597	0.34



	Transfer			13 Mar 2020	65	25662	0.34
	Transfer			20 Mar 2020	110	25772	0.35
	Transfer			27 Mar 2020	10	25782	0.35
	Transfer			31 Mar 2020	30	25812	0.35
	AT THE END OF THE YEAR					25812	0.35
<b>11</b>	<b>GANDHI SECURITIES &amp; INVESTMENT PRIVATE LIMITED</b>	28610	0.38			28610	0.38
	Transfer			30 Sep 2019	(25000)	3610	0.05
	AT THE END OF THE YEAR					3610	0.05
<b>12</b>	<b>JIGNEY BHACHECH HUF</b>	28792	0.39			28792	0.39
	Transfer			19 Apr 2019	(12792)	16000	0.21
	Transfer			26 Apr 2019	(3000)	13000	0.17
	Transfer			17 May 2019	(3000)	10000	0.13
	Transfer			27 Sep 2019	(5000)	5000	0.07
	Transfer			07 Oct 2019	(5000)	0	0.00
	AT THE END OF THE YEAR					0	0.00

**(v) Shareholding of Directors and Key managerial Personnel:**

SI. No.	Directors and KMP	Shareholding at the beginning of the year 1.4.2019		Date	Increase / (Decrease) in shareholding	Reason	Share holding at the end of the Year 31.3.2020	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	<b>Mrs. Shernaz Vakil, Chairperson &amp; Managing Director</b>	3769182	50.59	01-04-2019				
	-Closing Balance			31-03-2020			3769182	50.59
2	<b>Mr. Adi Jehangir, Director</b>	100	0	01-04-2019	-	-	-	-
	-Closing Balance	-	-	31-03-2020	-	-	100	0.00
3	<b>Mrs. Kavita Thadeshwar, Company Secretary</b>	1	-	01-04-2019	-	-	-	-
	Closing Balance	-	-	31-03-2020	-	-	1	0.00

**Note : None of the KMP/ Directors except Mrs. Shernaz Vakil, Mr. Adi Jehangir & Mrs. Kavita Thadeshwar holds shares in the Company.**

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year;				
i) Principal Amount	10299.17	-	-	10299.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	72.29	-	-	72.29
<b>Total (i+ii+iii)</b>	<b>10371.46</b>	-	-	<b>10371.46</b>
Change in Indebtedness during the financial year ;				
a) Addition	1344.12	670	-	2014.12
b) Reduction	-1657.05	-	-	-1657.05
<b>Net Change</b>				
Indebtedness at the end of the financial year;				
i) Principal Amount	10058.52	670	-	10728.52
ii) Interest due but not paid	-	23.72	-	23.72
iii) Interest accrued but not due	68.25	-	-	68.25
<b>Total (i+ii+iii)</b>	<b>10126.77</b>	693.72	0.00	<b>10820.49</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Director and Manager**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mrs. Shernaz Vakil, Chairperson & Managing Director	Ms. Meher Vakil, Whole-time Director	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	166.49	77.15	243.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	12.82	13.22
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	N.A.	0.00
2	Stock Option	N.A.	N.A.	0.00
3	Sweat Equity	N.A.	N.A.	0.00
4	Commission - as % of profit - others, specify...	N.A.	N.A.	0.00
5	Others	NIL	NIL	0.00
	<b>Total (A)</b>	<b>166.89</b>	<b>89.97</b>	<b>256.86</b>
	Ceiling as per the Act: Remuneration paid as per Schedule V to the Companies Act, 2013 and Special Resolutions passed at the Postal Ballot dated 18.3.2019.			


**B. Remuneration to other Directors:**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Non-Executive Directors				Total Amount
		Dr. Anil Naik	Mr. Kavas Patel	Mr. Keki Elavia	Mr. Behram Sorabji*	
1	Independent Directors					
	a. Fee for attending Board/ Committee meeting	0.85	3.40	2.45	1.70	8.40
	b. Commission	-	-	-	-	-
	c. Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>0.85</b>	<b>3.40</b>	<b>2.45</b>	<b>1.70</b>	<b>8.40</b>
2	Other Non-Executive Directors	<b>Mr. Adi Jehangir</b>				
	a. Fee for attending Board/ Committee meetings	1.10				1.10
	b. Commission	-				-
	c. Others, please specify	-				-
	<b>Total (2)</b>	<b>1.10</b>				<b>1.10</b>
	<b>Total (B)=(1+2)</b>					<b>9.50</b>
	<b>Total Managerial Remuneration (A) + (B)</b>					<b>266.36</b>
	Overall Ceiling as per the Act:- 1% of net profits excluding sitting fees paid for attending Board/Committee Meetings.					

\* Appointed w.e.f. 9th May, 2019.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD, WHOLE-TIME DIRECTOR & MANAGER**

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Nitin Nimkar (Chief Financial Officer) (upto 30.6.2019)	Mr. Shailesh Chauhan (Chief Financial Officer) (w.e.f. 13.11.2019)	Mrs. Kavita Thadeshwar (Company Secretary)	
1	Gross salary	13.01	20.14	33.15	66.30
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21.33	-	-	21.33
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others	-	-	-	-
	<b>Total</b>	<b>34.34</b>	<b>20.14</b>	<b>33.15</b>	<b>87.63</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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



## ANNEXURE 'D' TO THE DIRECTORS REPORT

**INFORMATION REQUIRED AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2020.**

**Form A & B Report:**

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

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

#### I. Conservation of Energy:

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

- i. Chilling plants are operated in Night shift to avail concessional rate benefits.
- ii. ETP treated water recycled for cooling tower makeup and gardening, resulting saving of GIDC fresh water considerably.
- iii. Imported coal is used for boiler fuel to get higher calorific value advantage.
- iv. Steam and water leaks are arrested on priority.
- iv. Boiler feedwater is heated by adding steam condensate from nearby steam drain point.

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

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

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

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

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

(₹ In Lakhs)

Sr. No	Description	2019-20	2018-19
A.	Power and fuel consumption		
1.	ELECTRICITY		
(a)	Purchased		
	Units (KWH)	<b>39,49,782</b>	41,85,354
	Purchased cost of units (₹)	<b>298.26</b>	347.07
	Rate per unit purchased	<b>7.55</b>	8.29
(b)	Own generation		
(i)	Through Diesel Generator		
	No of units Generated (KWH)	<b>22249.90</b>	11484
	Diesel Oil consumed (KL)	<b>22.88</b>	3.88
	Cost of Diesel Oil consumed (₹)	<b>15.92</b>	2.49
	Cost of Diesel/Unit generated (₹)	<b>71.57</b>	21.65



(ii)	Through Steam Turbine Generator	<b>NIL</b>	Nil
2.	COAL USED		
	No of Units consumed (MT)	<b>2499.542</b>	321
	Purchase cost (₹)	<b>175.96</b>	20.51
	Rate per unit (₹/MT)	<b>7.04</b>	6.38
3.	FURNACE OIL		
	Furnace oil consumed (KL)	<b>104.663</b>	96.16
	Cost of Furnace oil consumed (₹)	<b>37.48</b>	35.12
	Average rate (₹/Lt.)	<b>35.81</b>	36.52
4.	BIO-FUEL BRIQUETTES		
	Bio fuel briquettes consumed (MT)	<b>120.627</b>	3534.26
	Cost of B.F. briquettes consumed (₹)	<b>10.86</b>	207.85
	Average rate (₹/MT)	<b>9.0</b>	5.88
B	Consumption per unit of production in MT		
	Electricity-KWH/Ton	<b>342.518</b>	249.42
	Furnace Oil -(Lt./ Ton)	<b>10.257</b>	125.24
	Briquettes – (Ton / Ton)	<b>0.012</b>	0.21
	Coal -(Ton/Ton)	<b>0.245</b>	NA

**FORM 'B' FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF TECHNOLOGY ABSORPTION**

**II. RESEARCH & DEVELOPMENT:**

**1. Specific areas in which research & development activities were carried out by the Company:**

- i) **Surfactants & Speciality Chemicals:** New products in the Spin Finish, Textiles, Paints, Construction, Home & Personal Care, Rayon and other areas are developed and commercialised.
- ii) **Oilfield Chemicals and other related products:** Certain downstream and upstream chemical products are developed as per the Customer requirements. Processes are standardised and production of certain products is scaled up. Pilot batches for approved products are taken up.

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

New range of developed products will result into higher volume of business and improving the market share in various areas.

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

R&D will continue to focus on the development of new products in the areas of Paint, Oil field, Textiles, Home & Personal Care and other areas.

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

Capital - ₹ Nil

Recurring- ₹ 102.69 Lakhs

Total R&D expenditure as a percentage of turnover: 0.96%

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

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

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

Foreign Exchange received ₹ 3407.40 lakhs

Foreign Exchange paid for imports and other remittance ₹ 1362.16 lakhs



## CORPORATE GOVERNANCE REPORT

The following Corporate Governance Report is attached as a part of the Directors' Report of the Company for the year 2019-20.

### CORPORATE GOVERNANCE DISCLOSURE

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as applicable, with regard to Corporate Governance and the same is disclosed in this Report.

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

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

#### 2. BOARD OF DIRECTORS:

As on 31<sup>st</sup> March, 2020, Board of Directors consisted of Seven Directors. The Board comprises of a Managing Director, Whole-time Director and five Non- Executive Directors. Out of five Non-Executive Directors, four members are Independent Directors. The Managing Director and the Whole-time Director are the Woman Directors. The Board's composition is in conformity with the provisions of Companies Act, 2013 as well as Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### Number of Board Meetings:

During the financial year under review 4 (Four) Board Meetings were held on 9<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 5<sup>th</sup> February, 2020.

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

The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting (AGM), number of directorships, memberships/chairmanships of the Board and Committees of other public companies and details of directorships in listed entities and shareholding in the Company as at 31st March 2020 are as follows:

Name of Director & Category	Board meetings Attended	Attendance at last AGM	No. of Directorships in other Boards#	No. of Chairmanship/ Membership in other Board Committees\$	Name of the other Listed Companies in which Directors of the Company are Director & category of Directorship
<b>Promoter – Executive Director:</b>					
Mrs.Shermaz Vakil (Chairperson & Managing Director) (DIN 00002519)	4	Yes	2	1/0	Nil
Ms. Meher Vakil Whole-time Director & COO (DIN 07778396)	3	Yes	Nil	Nil	Nil
<b>Promoter – Non Executive Director:</b>					
Mr. Adi Jehangir (DIN 00001752)	2	Yes	Nil	Nil	Nil
<b>Independent – Non Executive Director:</b>					
Dr. Anil Naik (DIN 00002670)	1	No	2	1/1	Independent Director: • Indoco Remedies Limited • Greycells Education Limited
Mr. Behram Sorabji (DIN 02035239)	2	No	Nil	Nil	Nil

Mr. Kavas Patel (DIN 00002634)	4	Yes	2	3/0	Independent Director: Tasty Bite Eatables Limited
Mr. Keki Elavia (DIN 00003940)	3	Yes	9	5/4	Independent Director: <ul style="list-style-type: none"> <li>• Britannia Industries Limited</li> <li>• Goa Carbon Limited</li> <li>• Godrej Industries Limited</li> <li>• Grindwell Norton Limited</li> <li>• Sterling &amp; Wilson Solar Limited</li> <li>• The Bombay Dyeing and Manufacturing Company Limited</li> </ul>

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

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

Mrs. Shernaz Vakil, Chairperson & Managing Director and Ms. Meher Vakil, Whole-time Director & COO of the Company are related to each other.

Mrs. Shernaz Vakil holds 37,69,182 (50.58%) and Mr. Adi Jehangir holds 100 (0.00%) Equity Shares of the Company. No other Director holds any Shares in the Company. The Company has not issued any convertible instruments.

**Familiarization Programme for Independent Directors:**

Details of familiarization of Independent Directors with the working of the Company are available on the website of the Company and can be accessed through web link <https://www.dai-ichiindia.com/wp-content/uploads/2014/08/Familirsation-Programme-for-IDs.pdf>

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

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

**Resignation of Independent Director:**

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

**Meeting of Independent Directors:**

As mandated by the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, a separate meeting of Independent Directors was held on 8<sup>th</sup> June, 2020 for annual evaluation of the following;

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

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

**Board of Directors skills/expertise/competence matrix:**

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

<b>Leadership Experience</b>	Experience serving as a Chairperson of a Corporate/Committee, or in other positions of leadership.
<b>Risk Assessment</b>	Experience in the process of identifying principal corporate risks and to ensure that management has implemented the appropriate systems to manage risk.
<b>Strategy &amp; Planning</b>	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies for the Company.



<b>Governance</b>	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.
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**Board and Director's evaluation and criteria for evaluation:**

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

The NRC has defined the evaluation criteria and procedure for the Performance Evaluation process for the Board, its Committees and Directors. The criteria for Evaluation of Board, Individual Directors and Committees include, inter alia, the following:

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

**3. BOARD COMMITTEES:**

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

**(i) Audit Committee:**

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

The terms of reference broadly cover among other things oversight of financial reporting process, reviewing with the management the annual financial statements and auditors' report thereon before submission to the Board for approval, evaluation of internal financial controls and risk management systems, recommendation for appointment, remuneration and terms of appointment of auditors of the Company.

The Audit Committee comprises of Mr. Kavas Patel as Chairman, Dr. Anil Naik, Mr. Keki Elavia and Mr. Behram Sorabji as members.

During the financial year under review, four (4) Audit Committee Meetings were held on 9<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 13<sup>th</sup> November, 2019 and 5<sup>th</sup> February, 2020.

The attendance at the Audit Committee Meetings is as under:

Name of the Director	No. of meetings attended
Mr. Kavas Patel	4
Dr. Anil Naik	1
Mr. Keki Elavia	3
Mr. Behram Sorabji	2

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

**(ii) Stakeholders Relationship Committee:**

The Stakeholders Relationship Committee consists of Mr. Adi Jehangir as Chairman, Mrs. Shernaz Vakil, Dr. Anil Naik and Behram Sorabji as members. The terms of reference cover the matters specified for Stakeholders Relationship Committee under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

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

The Committee held eleven meetings during the financial year under review on 30<sup>th</sup> April, 2019, 17<sup>th</sup> May, 2019, 14<sup>th</sup> June, 2019, 3<sup>rd</sup> July, 2019, 26<sup>th</sup> July, 2019, 5<sup>th</sup> September, 2019, 20<sup>th</sup> September, 2019, 5<sup>th</sup> December, 2019, 7<sup>th</sup> January, 2020, 30<sup>th</sup> January, 2020 and 27<sup>th</sup> February, 2020, details of attendance are as follows:

Name of the Director	No. of meetings attended
Mr. Adi Jehangir	11
Dr. Anil Naik	1
Mr. Behram Sorabji	1
Mrs. Shernaz Vakil	9

Mrs. Kavita Thadeshwar, Company Secretary acts as Secretary to the Committee. There are no pending complaints/ grievances received during the F.Y. ended 31<sup>st</sup> March, 2020.

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

The Nomination and Remuneration Committee comprises of Mr. Kavas Patel as Chairman, Dr. Anil Naik, Mr. Keki Elavia, Mrs. Shernaz Vakil and Mr. Behram Sorabji as members.

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

During the financial year under review, meetings were held on 9<sup>th</sup> May, 2019, 13<sup>th</sup> November, 2019 and 5<sup>th</sup> February, 2020.

The attendance at the Nomination and Remuneration Committee is as under:

Name of the Director	No. of meetings attended
Mr. Kavas Patel	3
Dr. Anil Naik	1
Mr. Keki Elavia	2
Mrs. Shernaz Vakil	3
Mr. Behram Sorabji	2

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

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

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

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

During the financial year under review, meeting was held on 9<sup>th</sup> May, 2019. The attendance at the Corporate Social Responsibility (CSR) Committee is as under:

Name of the Director	No. of meetings attended
Mr. Keki Elavia	0
Mr. Kavas Patel	1
Mr. Adi Jehangir	1
Mrs. Shernaz Vakil	1

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



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

##### a) Executive Directors:

The Company pays remuneration by way of salary, perquisites and performance incentive to Mrs. Shernaz Vakil, Chairperson & Managing Director (CMD) and Ms. Ms. Meher Vakil, Whole-time Director (WTD) of the Company. In view of the challenges faced during the financial year under review no performance linked incentive was paid.

Following are the details of remuneration paid for the financial year ended 31<sup>st</sup> March, 2020:

(Amount in ₹)

Particulars	Mrs. Shernaz Vakil	Ms. Meher Vakil
Salary	84,00,000	60,00,000
Perquisites	82,88,766	29,97,410
<b>Total</b>	<b>1,66,88,766</b>	<b>89,97,410</b>
Service Contract / Notice Period	Term of 3 years w.e.f. 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2022 / 3 months' notice period	

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

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

Name of Directors	Fees for Board meeting (in ₹)	Fees for other Committees (in ₹)
Mr. Adi Jehangir	1,00,000/-	10,000/-
Dr. Anil Naik	50,000/-	35,000/-
Mr. Kavas Patel	2,00,000/-	1,40,000/-
Mr. Keki Elavia	1,50,000/-	95,000/-
Mr. Behram Sorabji	1,00,000/-	70,000/-
<b>Total</b>	<b>6,00,000/-</b>	<b>3,50,000/-</b>

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

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Location
2016 – 2017	17.7.2017	11:30 a.m	M.C. Ghia Hall, Mumbai
2017 – 2018	8.8.2018	11:30 a.m	M.C. Ghia Hall, Mumbai
2018 – 2019	13.8.2019	11:30 a.m	M.C. Ghia Hall, Mumbai

Special resolution passed at the last three Annual General Meeting:

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

b) **POSTAL BALLOT:** Pursuant to the provisions of Section 110 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the details of the special resolution passed during financial year 2019-20 by way of Postal Ballot are as follows:

A. The Company obtained approval of shareholders by way of special resolution for following;

1. Authorization to the Board of Directors to sell/ transfer or otherwise dispose of the Kasarwadi Land Parcel;

Details of voting pattern of the above-mentioned resolution are as under:

Resolution No.	Total number of valid votes	Votes in favour of the resolution		Votes against the resolution	
		No. of Votes	Percentage of Votes	No. of votes	Percentage of Votes
1	4923400	4923398	100	2	0

The aforesaid resolution was passed with requisite majority.

The Board of Directors had appointed Mr. Vijay Sonone, Practising Company Secretary, as the Scrutinizer to conduct the aforesaid postal ballot exercise in a fair and transparent manner. During the conduct of the postal ballot, the Company had in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,



2015, provided e-voting facility to its shareholders to cast their votes electronically through the CDSL e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. The scrutinizer submitted his report, after completion of the scrutiny, the results of voting by Postal Ballot were announced by the Company on 31<sup>st</sup> October, 2019 and were sent to the Exchange and displayed on the Company's website. The date of passing of the aforesaid resolutions have been deemed to be approved and passed on 30<sup>th</sup> October, 2019, last date of receipt of postal ballot forms and e-voting.

B. As on date, none of the special resolution is proposed to be conducted through Postal Ballot.

**6. RELATED PARTY TRANSACTIONS:**

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

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

**7. MEANS OF COMMUNICATION:**

- a. Quarterly results are taken on record by the Board of Directors and submitted to the stock exchange in terms of the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. Quarterly results have been published in Free Press Journal and Nav Shakti.
- c. Website of the company is [www.dai-ichiindia.com](http://www.dai-ichiindia.com)
- d. Exclusive email id for investor correspondence/grievance redressal is [investor@dai-ichiindia.com](mailto:investor@dai-ichiindia.com).
- e. No presentations have been made to institutional investors or to analysts.
- f. The Management Discussion and Analysis Report forms part of Directors' Report.

**8. GENERAL SHAREHOLDER INFORMATION:**

**A. Annual General Meeting:**

Date, Time and Venue:	30 <sup>th</sup> July, 2020 at 11:30 a.m. through VC / OAVM pursuant to the MCA Circular dated May 5, 2020.
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**B. Financial Calendar (tentative):**

<b>Financial Year:</b>	<b>1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021</b>
First Quarter Results:	Second week of August, 2020
Half Yearly Results:	Second week of November, 2020
Third Quarter Results:	Second week of February, 2021
Audited results for the year ending 31 <sup>st</sup> March, 2021:	Third week of May, 2021

**C. Dividend Payment Date:** The Board of Directors of the Company have not recommended any dividend for the financial year ended 31st March, 2020

**D. Listing on Stock Exchanges** BSE Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

**E. Stock Code -** DAI ICH KARK  
Demat ISIN Number for NSDL & CDSL INE928C01010

**F. Market Price Data:**

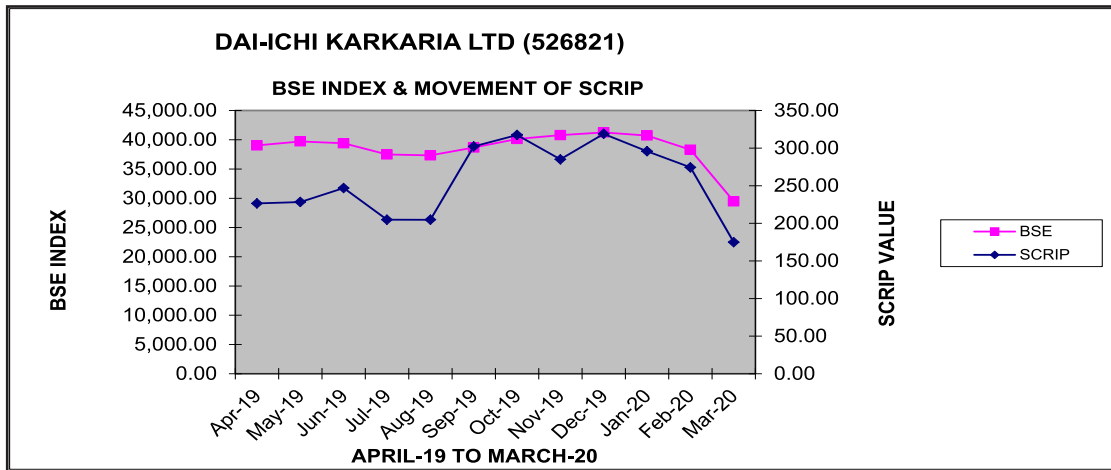
High/Low Share price of the Company during the last financial year on the BSE Ltd. (Face value ₹ 10/-)

Month	High (₹)	Low (₹)
April 2019	234.85	194.05
May 2019	238.00	192.10
June 2019	250.95	219.35



July 2019	246.95	185.00
August 2019	223.95	179.00
September 2019	319.50	198.00
October 2019	320.10	270.70
November 2019	361.00	268.00
December 2019	325.00	253.00
January 2020	349.30	288.45
February 2020	331.90	256.25
March 2020	285.00	155.75

**G. Stock performance:**



**H. Registrar and Share Transfer Agents:**

Registrars & Transfer Agents

Sharex Dynamic (India) Private Limited  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083.

Persons to contact

Mr. B.S. Baliga

Telephone No.

022-28515606/28515644

E-mail address:

[support@sharexindia.com](mailto:support@sharexindia.com)

**I. Share Transfer System:**

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

**J. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> March, 2020:**

No. of shares slab	Number of shareholders	(%) of shareholders	Number of shares	(%) of shares
upto to 100	3010	58.88	176242	2.37
101 to 200	748	14.63	134600	1.81
201 to 500	763	14.93	282135	3.79
501 to 1000	295	5.77	227226	3.05
1001 to 5000	227	4.44	502519	6.74
5001 to 10000	37	0.72	266753	3.58
10001 to 100000	24	0.47	588869	7.90
100001 to above	8	0.16	5272885	70.77
<b>TOTAL</b>	<b>5112</b>	<b>100</b>	<b>7451229</b>	<b>100</b>



**K. SHAREHOLDING PATTERN AS ON 31<sup>st</sup> March, 2020:**

Categories of Shareholders		No. of shares held	%
<b>A</b>	<b>Promoters Holding</b>	4755449	63.82
	<b>Sub Total</b>	<b>4755449</b>	<b>63.82</b>
<b>B</b>	<b>Non-Promoters Holding</b>		
	Institutional Investors:	-	-
(i)	Alternate Investment Funds	38370	0.51
(ii)	Banks/Financial Institutions	131	0.002
	<b>Sub Total</b>	<b>38501</b>	<b>0.52</b>
	<b>Others:</b>		
(i)	Bodies Corporate	296530	5.85
(ii)	Indian Public (including HUF)	2200576	29.53
(iii)	NRIs	91269	1.22
(iv)	IEPF Suspense Account	66066	0.89
(v)	Any other (Clearing Members)	2838	0.04
	<b>Sub Total</b>	<b>26,57,279</b>	<b>35.66</b>
	<b>GRAND TOTAL</b>	<b>74,51,229</b>	<b>100</b>

**L. Dematerialisation of shares:**

As on 31<sup>st</sup> March 2020, 73,35,902 equity shares representing 98.45% of the paid-up Share Capital is held in dematerialized form. Transaction in the equity shares of the company is permitted only in dematerialized form as per notification issued by SEBI.

**M. Plant locations**

- A. D – 2/20 at Dahej – 2, GIDC Industrial Estate, Bharuch - 392130,  
B. Kurkumbh Industrial Area, Plot No. D13, Village Kurkumbh, Tal Daund, Dist Pune.

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

Sharex Dynamic (India) Pvt. Ltd. at  
C 101, 247 Park, L B S Marg,  
Vikhroli West, Mumbai 400 083.  
Tel: 2851 5606/2851 5644  
Fax: 2851 2885  
E-mail: [support@sharexindia.com](mailto:support@sharexindia.com)

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

- O.** The Company has not issued any debt instruments or invited any fixed deposits or floated any scheme or proposal for mobilization of funds. Accordingly, there are no credit ratings obtained by the Company on such instruments / deposits / schemes.
- P.** The Company does not have any exposure hedged through commodity derivatives. The details of foreign currency exposure are disclosed in Notes to the Annual Financial Statements

**9. DISCLOSURES:**

- There were no materially significant related party transactions that may have potential conflict with the interest of the Company. The policy for dealing with related party transaction is uploaded on the website of the Company at the following link: <https://www.dai-ichiindia.com/wp-content/uploads/2014/08/RPT-Policy.pdf>
- During the past 3 (three) years there have been no instances of non-compliance by the Company with the requirements of the Stock Exchange, Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter



related to capital markets.

- The Company has a Vigil Mechanism / Whistle Blower Policy. No personnel have been denied access to the audit committee to lodge their grievances. The policy is uploaded on the website of the Company at the following link: <https://www.dai-ichiindia.com/wp-content/uploads/2014/08/Vigil-Mechanism-Policy.pdf>
- The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations. The Company has not adopted the non-mandatory requirements of the Listing Regulations.
- The Company has in place a Risk Management Policy which identifies elements of risk and the measures to counter it. The policy is reviewed by the Board every year, at the first Board Meeting held after the commencement of the financial year.
- The Company has not raised/utilised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- The Company has received a certificate dated 6<sup>th</sup> June, 2020 from Kaushik M. Jhaveri & Co. Company Secretaries in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed to this report.
- The Board has accepted all the recommendations of the Committees of the Board given from time to time during the financial year under review.
- The details of the total fees paid to B S R & Co. LLP, Chartered Accountant, Statutory Auditor of the Company during the financial year ended 31<sup>st</sup> March, 2020 is given below;

Particulars	Amount (₹ in lakhs)
Statutory Audit fees	25.00
Tax Audit	2.20
Other Services including quarterly review and certification	10.20
Reimbursement of expenses	1.51
<b>Total</b>	<b>38.91 lakhs</b>

- Disclosure in relation to the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, for the financial year ended 31<sup>st</sup> March, 2020;

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

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

#### 10. CODE OF CONDUCT:

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

Sd/-

Chairperson and Managing Director

#### 11. CERTIFICATE ON CORPORATE GOVERNANCE:

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Adi Hirji Jehangir	00001752	19/02/1986
2.	Shernaz Firoze Vakil	00002519	26/02/1979
3.	Kavas Dara Patel	00002634	26/04/2001
4.	Anil Mahadeo Naik	00002670	24/06/2005
5.	Keki Manchersha Elavia	00003940	22/02/2011
6.	Behram Maneck Sorabji	02035239	09/05/2019
7.	Meher Firoze Vakil	07778396	01/04/2019

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

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

**Kaushik M. Jhaveri**  
**Practising Company Secretary**  
**FCS No.: 4254**  
**CP No.: 2592**  
**UDIN: F004254B000321879**

**Date: June 6, 2020**  
**Place: Mumbai**



## **CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members**  
**Dai-ichi Karkaria Ltd.**  
**Mumbai**

We have examined the compliance of Corporate Governance by Dai-ichi Karkaria Ltd (“the Company”) for the period between April 1, 2019 and March 31, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations, 2015”) of the said Company with stock exchange(s) (as applicable).

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors, the management and the Company’s officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

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

**For Vinod Kothari & Company**  
**Practicing Company Secretaries**

**Vinita Nair**  
**Senior Partner**  
**Membership No.-F10559**  
**CP No.-11902**  
**UDIN: F010559B000321826**

**Date: June 6, 2020**  
**Place: Mumbai**

### **ANNEXURE I**

#### **LIST OF DOCUMENTS**

1. Minutes of:
  - Board Meetings;
  - Annual General Meeting;
  - Audit Committee Meetings;
  - Nomination and Remuneration Committee Meetings;
  - Stakeholders Relationship Committee Meetings;
  - Postal Ballot Minutes;
  - Independent Director Meeting Minutes;
2. Policies as available on the website;
3. Declaration by Independent Directors;
4. Omnibus approval as placed in Audit Committee Meeting;
5. Draft CG Report for FY 2019-20;
6. Details of other directorship as reflecting in Director’s Master Data on MCA and stock exchange filing for corporate governance;

**INDEPENDENT AUDITORS' REPORT**

To the Members of  
Dai-Ichi Karkaria Limited

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

We have audited the standalone financial statements of Dai-Ichi Karkaria Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

## Description of Key Audit Matters

The key audit matters	How the matter was addressed in our audit
<p>Going Concern</p> <p>The Company has incurred operating loss of INR 2,094 lakhs for the year ended 31 March 2020. The Company has net current liabilities of INR 657 lakhs and total borrowings of INR 10,821 lakhs as at 31 March 2020.</p> <p>Note 47 to the standalone financial statements explains how the management of the Company have formed a judgement that the going concern basis is appropriate in preparing the standalone financial statements. The management of the Company evaluated the Company's ability to continue as a going concern based upon an assessment of the Board approved business forecasts and cash flow forecasts. This required the exercise of significant judgement in forecasting the Company's future revenue, Earnings before Interest, Taxes, Depreciation, and Amortization ('EBITDA') and in assessing the Company's ability to repay its existing borrowings.</p>	<p>Our procedures to obtain sufficient and appropriate audit evidence regarding the appropriateness of management's use of the going concern assumption included the following:</p> <ul style="list-style-type: none"> <li>• Examined the Going Concern assessment done by the Company with respect to the assumptions made therein, and the accuracy and reliability of prior year forecasts by comparing them with the current year's results.</li> <li>• Assessed the availability of banking and other financing facilities by inspecting underlying documentation, past trend and other related covenants therein.</li> <li>• Examined communication between the Company and its lenders (banks) in relation to provision of moratorium period for repayments.</li> <li>• Analysed key operational and financial ratios.</li> <li>• Examined the adequacy of the disclosures in the financial statements.</li> </ul>



The key audit matters	How the matter was addressed in our audit
<p>Based on their assessment, management concluded that there are no material uncertainties which, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern.</p> <p>Further, the slowdown in the business environment due to COVID-19 pandemic and the ensuing lockdowns, required a thorough analysis involving significant judgements to conclude on the Company's ability to continue as a going concern.</p> <p><b>Revenue Recognition</b></p> <p>The Company recognises revenue from sale of products when the control over the products has been transferred to the customer based on the specific terms and conditions of the sales contracts entered into with respective customers.</p> <p>We have identified Revenue Recognition as a key audit matter as revenue is a key performance indicator. Also, there is a presumed fraud risk of revenue being overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards.</li> <li>• Tested the design, implementation and operating effectiveness of the Company's general Information Technology (IT) controls and key IT application controls by involving our IT specialists.</li> <li>• Performed substantive procedures including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year.</li> <li>• Examined the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents for the selected transactions.</li> <li>• Assessed the manual journals posted in the revenue ledger to identify any unusual items.</li> </ul>

#### Other Information

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - (A) As required by Section 143(3) of the Act, we report that:
    - 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts 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; and
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

**Balajirao Pothana**  
**Partner**  
Membership No: 122632  
UDIN: 20122632AAAAAU8689

Mumbai  
8 June 2020



**Annexure A to the Independent Auditors' Report – 31 March 2020**

- i. The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties of land and building that are freehold, as disclosed in Note 4 to the standalone financial statements, are held in the name of the Company. In respect of leasehold land, we have verified the lease deed duly registered with the appropriate authorities with the Company as lessee.
- ii. The inventory, except for goods-in-transit, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records have been suitably dealt with in the books of accounts.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made, guarantees given and security provided, as applicable. The Company has not granted any loans.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. In our opinion, and according to the information and explanations given to us, the Company is not required to maintain cost records as per Section 148(1) of the Act read with the Companies (Cost Record and Audit) Rules, 2014. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax (GST), Sales-tax, Service tax, Duty of Customs, Duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable, except the below:

Name of the Statute	Nature of the Dues	Amount (₹)	Period to which the amount relates	Due Date	Date of Payment
Income tax	194H	3,831	2017-18	30 Apr 18	5 June 2020

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, details of dues of Income-tax, Sales-tax, Service tax and Value added tax which have not been deposited as on 31 March 2020 on account of disputes are given below:



Name of the statute	Nature of the dues	Amount of demand under dispute (Rs)	Amount paid under protest (Rs)	Amount under dispute not deposited (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income-tax, interest and penalty	2,981,358	-	2,981,358	FY 2005-06	High Court
Income-tax Act, 1961	Income-tax, interest and penalty	183,969	-	183,969	FY 2006-07	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	29,539,577	7,500,000	22,039,577	FY 2008-09	ITAT
Income-tax Act, 1961	Income-tax, interest and penalty	23,943,546	-	23,943,546	FY 2008-09	CIT (A)
Income-tax Act, 1961	Income-tax, interest and penalty	1,662,680	-	1,662,680	FY 2010-11	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	3,458,400	-	3,458,400	FY 2011-12	DCIT
Income-tax Act, 1961	Income-tax, interest and penalty	1,978,861	-	1,978,861	FY 2012-13	CIT (A)
Income-tax Act, 1961	Income-tax and interest	584,845	-	584,845	FY 2016-17	CIT (A)
Service tax under Finance Act	Service tax	5,444,777	-	5,444,777	FY 2008-09 to FY 2011-12	High Court
Service tax under Finance Act	Service tax	6,168,350	-	6,168,350	April 2013 to June 2017	Addl. Commissioner Central Excise & Service Tax

There are no dues of Duty of Customs, Duty of Excise and Cess which have not been deposited as on 31 March 2020 on account of disputes.

- viii. In our opinion and according to the information and explanations given to us, and based on the records of the Company, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- ix. According to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come

across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Ind AS.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

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

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

**Balajirao Pothana**  
**Partner**

Membership No: 122632  
UDIN: 20122632AAAAAU8689

Mumbai  
8 June 2020



**Annexure B to the Independent Auditors' report on the standalone financial statements of Dai-Ichi Karkaria Limited for the year ended 31 March 2020.**

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

**(Referred to in paragraph (1A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

**Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Dai-Ichi Karkaria Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

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

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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

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

Mumbai  
8 June 2020

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

**Balajirao Pothana**  
**Partner**  
Membership No: 122632  
ICAI UDIN: 20122632AAAAAU8689



## Standalone Balance Sheet as at 31 March 2020

(₹ in lakhs)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
<b>A. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment .....	4	15,328	16,360
(b) Capital work-in-progress .....		267	534
(c) Intangible assets .....		11	17
(d) Financial assets .....			
(i) Investments in Subsidiary & Joint Venture .....	5(a)	70	70
(ii) Other Investments .....	5(b)	1	133
(iii) Other non-current financial assets.....	6	275	266
(e) Deferred tax assets (net) .....	7	1,076	1,076
(f) Non current Tax assets (net) .....	8	387	437
(g) Other non-current assets .....	9	130	129
<b>Total non-current assets</b> .....		<b>17,545</b>	<b>19,022</b>
<b>CURRENT ASSETS</b>			
(a) Inventories .....	10	2,040	1,705
(b) Financial Assets			
(i) Investments .....	11	104	282
(ii) Trade receivables .....	12	2,042	1,650
(iii) Cash and Cash Equivalents .....	13	79	494
(iv) Bank balances other than (iii) above .....	14	279	272
(v) Other Financial assets .....	15	135	121
(c) Assets held for sale.....	4	505	-
(d) Other Current assets .....	16	2,203	2,669
<b>Total Current assets</b> .....		<b>7,387</b>	<b>7,193</b>
<b>TOTAL ASSETS</b> .....		<b>24,932</b>	<b>26,215</b>
<b>B. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital .....	17	745	745
(b) Other Equity .....	18	9,118	11,624
<b>Total Equity</b> .....		<b>9,863</b>	<b>12,369</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings .....	19(a)	6,778	7,318
(ii) Other financial liabilities.....	19(b)	57	-
(b) Provisions .....	20	165	155
(c) Other non-current liabilities.....	21	25	-
<b>Total Non-Current Liabilities</b> .....		<b>7,025</b>	<b>7,473</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings .....	22	2,357	1,405
(ii) Trade Payables .....			
Total outstanding dues of Micro Enterprises and Small Enterprises	23	78	40
Total outstanding dues to other than Micro Enterprises and Small Enterprises	23	2,782	2,180
(iii) Other Financial Liabilities .....	24	2,087	2,582
(b) Provisions.....	26	149	116
(c) Other Current liabilities.....	25	591	50
<b>Total Current Liabilities</b> .....		<b>8,044</b>	<b>6,373</b>
<b>TOTAL EQUITY AND LIABILITIES</b> .....		<b>24,932</b>	<b>26,215</b>

Notes forming part of the Standalone financial statements

1-50

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

As per our report of even date attached

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

Chartered Accountants

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

**Balajirao Pothana**

Partner

Membership No. 122632

UDIN: 20122632AAAAAU8689

Place : Mumbai

Date : 8 June 2020

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director

(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer

Membership No. 116610

Place : Mumbai

Date : 8 June 2020

**Anil Naik**

Director

(DIN: 00002670)

**Kavita Thadeshwar**

Company Secretary

Membership No. A18651

## Standalone Statement of Profit and Loss for the year ended 31 March 2020

Particulars	Note No.	(₹ in lakhs)	
		Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Income</b>			
Revenue from operations.....	27	10,717	9,235
Other income.....	28	384	324
<b>Total income.....</b>		<b>11,101</b>	<b>9,559</b>
<b>Expenses</b>			
Cost of materials consumed.....	29	7,448	6,237
Changes in inventories of finished goods and work-in-progress	30	(297)	111
Employee benefits expense.....	31	1,615	1,653
Finance costs.....	32	1,024	724
Depreciation and amortisation expense.....	33	946	813
Other expenses.....	34	2,459	2,315
<b>Total expenses.....</b>		<b>13,195</b>	<b>11,853</b>
<b>Loss before tax</b>		<b>(2,094)</b>	<b>(2,294)</b>
<b>Exceptional item</b>			
<b>Retrenchment compensation.....</b>		<b>-</b>	<b>142</b>
<b>Cost for settlement of litigations.....</b>		<b>400</b>	<b>-</b>
<b>Loss after exceptional items before tax .....</b>		<b>(2,494)</b>	<b>(2,436)</b>
<b>Tax Expenses:</b>			
Current tax.....		-	-
Deferred tax (net).....		-	(1,173)
<b>Total Tax Expenses .....</b>		<b>-</b>	<b>(1,173)</b>
<b>Loss for the year</b>		<b>(2,494)</b>	<b>(1,263)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment benefit obligation.....		(13)	43
Income tax related to items that will not be reclassified to profit or loss....		-	(12)
<b>Other comprehensive income for the year, (net of income tax).....</b>		<b>(13)</b>	<b>31</b>
<b>Total comprehensive income for the Year.....</b>		<b>(2,507)</b>	<b>(1,294)</b>
Earnings per equity share Basic and Diluted (of ₹ 10/- each) .....	39	<b>(33.47)</b>	(16.95)

Notes forming part of the Standalone financial statements

The accompanying notes are an integral part of these Standalone financial statements 1-50

As per our report of even dated attached

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

Chartered Accountants

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

**Balajirao Pothana**

Partner

Membership No. 122632

UDIN: 20122632AAAAAU8689

Place : Mumbai

Date : 8 June 2020

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director  
(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer  
Membership No. 116610

Place : Mumbai

Date : 8 June 2020

**Anil Naik**

Director  
(DIN: 00002670)

**Kavita Thadeshwar**

Company Secretary  
Membership No. A18651

Place : Mumbai

Date : 8 June 2020



**Standalone Statement of Changes in Equity  
for the Year ended 31 March 2020**

**A - Equity share capital**

(₹ in lakhs)

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the reporting year	74,51,229	745	7,451,229	745
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	74,51,229	745	7,451,229	745

**B - Other Equity**

Particulars	Reserves and Surplus					Items of OCI	
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of Defined benefit plans	Total other equity
Balance as at 1 April 2018	77	2,594	16	519	9,966	(30)	13,142
Profit for the year	-	-	-	-	(1,263)	-	(1,263)
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	(31)	(31)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(1,263)	(31)	(1,294)
<b>Transactions with owners of the company</b>							
Interim Dividend on Equity Shares	-	-	-	-	(186)	-	(186)
Dividend Distribution Tax	-	-	-	-	(38)	-	(38)
Balance as at 31 March 2019	77	2,594	16	519	8,478	(61)	11,623
Profit for the year	-	-	-	-	(2,494)	-	(2,494)
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	(13)	(13)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(2,494)	(13)	(2,507)
<b>Transactions with owners of the company</b>							
<b>Balance as at 31 March 2020</b>	<b>77</b>	<b>2,594</b>	<b>16</b>	<b>519</b>	<b>5,984</b>	<b>(74)</b>	<b>9,118</b>

Notes forming part of the Standalone financial statements 1-50

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

As per our report of even date attached.

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

Chartered Accountants

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

**Balajirao Pothana**

Partner

Membership No. 122632

UDIN: 20122632AAAAAU8689

Place : Mumbai

Date : 8 June 2020

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director

(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer

Membership No. 116610

Place : Mumbai

Date : 8 June 2020

**Anil Naik**

Director

(DIN: 00002670)

**Kavita Thadeshwar**

Company Secretary

Membership No. A18651



## Standalone Statement of Cash Flow for the year ended 31 March, 2020

(₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Loss after exceptional items before tax	(2,494)	(2,436)
Adjustments for:		
Depreciation and amortisation	946	813
Loss /(Profit) on sale of investments (net)	34	(41)
Profit on sales of property, plant and equipment	(8)	-
Liabilities no longer payable written back	108	-
Inventory Assets Written off During the Year	54	-
Net loss on Investments at fair value through profit and loss	10	99
Dividend income	(6)	(84)
Interest income	(22)	(36)
Interest expenses	1,024	724
Unrealised foreign currency loss/(gain) on revaluation (net)	(36)	2
<b>Subtotal of Adjustments</b>	<b>2,105</b>	<b>1,477</b>
<b>Operating profit before working capital changes</b>	<b>(389)</b>	<b>(959)</b>
Changes in working capital:		
Adjustments for increase/decrease in:		
Decrease/(Increase) in trade receivables	(349)	1,366
Decrease/(Increase) in loans, other financial assets and other assets	417	(56)
Decrease/(Increase) in inventories	(389)	226
Increase in trade payable, other financial liabilities and other liabilities	714	64
Increase/(Decrease) in provisions	43	10
<b>Subtotal of Adjustments</b>	<b>435</b>	<b>1,610</b>
<b>Cash generated from operations</b>	<b>46</b>	<b>651</b>
Add: Income tax refund	50	(28)
<b>Net cash from/(used in) operating activities</b>	<b>96</b>	<b>623</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchases of property, plant and equipment	(711)	(3,828)
Sale of property, plant and equipment	8	-
Advance received against Sale of property, plant and equipment	500	-
Proceeds from sale of current investments	265	1,596
Movement in bank deposits having maturity of more than 3 months	(9)	53
Dividend received	6	84
Interest received	28	36
<b>Net Cash from/(used in) investing activities</b>	<b>87</b>	<b>(2,059)</b>



## Standalone Statement of Cash Flow for the year ended March 31, 2020 (Contd.)

Particulars	For the year ended 31 March, 2020	(₹ in lakhs) For the year ended 31 March, 2020
<b>C Cash Flow from Financing Activities:</b>		
Repayment towards non-current borrowings (net)	(1,565)	(20)
Proceeds from non-current borrowings (net)	1,052	2,352
Proceeds from current borrowings (net)	952	399
Dividends and corporate dividend tax paid	-	(224)
Interest paid	(1,024)	(899)
<b>Net cash from/(used in) financing activities</b>	<b>(586)</b>	<b>1,608</b>
<b>D Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(403)</b>	<b>172</b>
<b>E Cash and cash equivalents as at beginning of the year</b>	<b>494</b>	<b>364</b>
Net Comprehensive (Expense)/Income	(13)	(43)
Add: Effect of exchange differences on cash and cash equivalents held in foreign currency	-	1
<b>F Cash and cash equivalents as at end of the year (D+E)</b>	<b>79</b>	<b>494</b>

\* Amount below Rupees One Lakh

Reconciliation of liabilities from financing activities	Non-current borrowing (including current portion) (a)	Current borrowings (b)	Total liabilities from financing activities (a+b)
Opening Balance (as at 1 April 2019)	8,967	1,405	10,372
Add : Proceeds during the year	1,063	952	2,015
Less : Repayment during the year	1,565	-	1,565
<b>Closing Balance (as at 31 March 2020)</b>	<b>8,465</b>	<b>2,357</b>	<b>10,821</b>

### Notes:

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

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

As per our report of even date attached.

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

Chartered Accountants

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

#### Balajirao Pothana

Partner

Membership No. 122632

UDIN: 20122632AAAAAU8689

Place : Mumbai

Date : 8 June 2020

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

Dai-ichi Karkaria Limited

CIN: L24100MH1960PLC011681

#### S. F. Vakil

Chairperson and Managing Director

(DIN: 00002519)

#### Shailesh Chauhan

Chief Financial Officer

Membership No. 116610

Place : Mumbai

Date : 8 June 2020

#### Anil Naik

Director

(DIN: 00002670)

#### Kavita Thadeshwar

Company Secretary

Membership No. A18651

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020****(Currency: ₹ in Lakhs)****1. Company overview**

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

The manufacturing activities of the Company are carried out from its plants located at Kasarwadi (until 25 January 2019), Kurkumbh, Pune (Maharashtra) and Dahej (Gujarat).

**2. Basis of preparation****A. Statement of compliance**

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on 9 May 2019.

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

**B. Functional and presentation currency**

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

**C. Basis of measurement**

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

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

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

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

**E. Use of estimates and judgements**

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

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

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

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

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



## Notes forming part of the Standalone financial statements for the year ended 31 March 2020(Contd.)

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

### **Recoverability of deferred tax assets**

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

### **Fair value Measurement of financial instrument**

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

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

### **Provisions and contingent liabilities**

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

## **3. Significant Accounting Policies**

### **A. Financial instruments**

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

#### **Cash and cash equivalents**

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

#### **Financial assets at amortised cost**

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

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

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

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)****Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

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

**Financial liabilities**

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

**Equity instruments**

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

**Derecognition of financial instruments**

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

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

**B. Impairment****Financial assets (other than at fair value)**

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

**Non-financial assets****Tangible and intangible assets**

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

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

**C. Property, plant and equipment / Depreciation****(i) Recognition and measurement**

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

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



## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

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

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

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

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

### (ii) Subsequent expenditure

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

### (iii) Expenditure during construction period

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

### (iv) Depreciation

Depreciation of property, plant and equipment located at Dahej and Kurkumbh is calculated using the straight-line method. Depreciation of property, plant and equipment located at Kasarwadi calculated using the diminishing method. Freehold land is not depreciated.

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

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

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

With effect from 1 April 2018, the Company has changed its method of depreciation on tangible assets from diminishing balance method to straight-line method on one of its plant, based on the expected pattern of consumption of the future economic benefits embodied in the assets.

## D. Intangible assets

### (i) Recognition and measurement

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

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020(Contd.)****(ii) Subsequent expenditure**

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

**(iii) Amortisation**

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

The estimated useful lives are as follows:

Software	6 years
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Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**E. Inventories**

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

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

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

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

**F. Employee benefits****i. Short-term employee benefits**

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

**ii. Defined contribution plans**

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

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

**iii. Defined benefit plan**

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





## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

### Gratuity

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

### iv. Other long- term employee benefits – Compensated absences

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

## G. Provisions, contingent liabilities and contingent assets

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

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

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

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

## H. Revenue

### i. Sale of goods

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

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

### ii. Rendering of services

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

### iii. Rental income

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

### iv. Export benefits

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)****v. Dividend**

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

**vi. Interest income**

Interest income is recognised using the effective interest rate method.

**I. Income tax**

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

**Current tax**

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

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

**Deferred tax**

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

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

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

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

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

**Minimum alternate tax Credit Entitlement**

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

**J. Borrowing costs**

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



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## Notes forming part of the Standalone financial statements for the year ended 31 March 2020(Contd.)

### **K. Earnings per share**

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

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

### **L. Foreign currency transactions**

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

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

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

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

### **N. Cash and cash equivalents**

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

## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

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

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

\*Amount below Rupees One Lakh



**Notes forming part of Standalone the financial statements for the year ended 31 March 2020(Contd.)**

**4. Property, plant and equipment, capital work in progress and Intangible Assets.**

(₹ in lakhs)

Particulars	Gross block			Accumulated depreciation/amortisation			Net Block As at 31 March 2019
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	For the year	Deductions	
<b>A. Tangible Assets</b>							
<b>Assets taken on lease</b>							
Leasehold Land	1,201	2	-	1,203	13	-	1,160
Freehold Land	505	-	-	505	-	-	505
Buildings Residential	46	-	-	46	6	-	22
Buildings: Non Residential							
Own lease	2,317	2,213	-	4,530	115	-	4,314
Road	468	142	-	610	55	-	530
Plant and Machinery	5,003	5,279	-	10,282	519	-	9,397
Furniture and Fixtures	40	151	-	191	16	-	166
Laboratory, Office and Factory Equipment and Air conditioners	282	40	-	322	57	-	202
Vehicles	118	-	-	118	20	-	50
<b>Scientific Research- Capital Expenditure :</b>							
Buildings - Non Residential	1	-	-	1	*	-	1
Plant and Machinery	7	-	-	7	1	-	4
Furniture and Fixtures	*	-	-	*	*	*	-
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	*	-	9
<b>Total Tangible Assets</b>	<b>9,997</b>	<b>7,827</b>	-	<b>17,824</b>	<b>802</b>	-	<b>16,360</b>
<b>B. Intangible Assets</b>							
Computer Software	38	-	-	38	11	-	17
<b>Total</b>	<b>10,035</b>	<b>7,827</b>	-	<b>17,862</b>	<b>813</b>	-	<b>16,377</b>
<b>C. Capital Work-in-Progress</b>							<b>534</b>

\* Amount below Rupees One Lakh

**Notes**

- 1) Borrowing cost capitalised related to construction of Dahej plant aggregating ₹. Nil (31 March 2019 ₹ 175 Lakhs)
- 2) Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Company
- 3) The Company intends to dispose off its land parcel at Kasarwadi (Book Value ₹ 505 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale" and shown as a deduction from Property, plant and equipment in current year. The land is pledged with banks against Term Loans. No impairment loss was recognised on above reclassification.

## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>5(a). Investments - Non-current</b>		
<b>In Equity Shares, Unquoted (at cost)</b>		
<b>In Subsidiary and Joint Venture</b>		
(i) Dai-ichi Gosei Chemicals (India) Limited. 48,500 shares (Previous year : 48,500 shares) .....	5	5
(ii) ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Ltd.) 1,125,000 shares (31 March 2019 : 1,125,000 shares)	68 <b>73</b>	68 73
Less : Provision for diminution in value of investment - Investment in Equity Shares of Dai-ichi Gosei Chemicals (India) Limited .....	3	3
<b>Total</b>	<b>70</b>	70
<b>5(b). Other Investments</b>		
<b>(a) Unquoted:</b>		
<b>The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss)</b>		
4,000 shares (Previous year 4,000 shares) .....	1	1
<b>(b) in debentures and bonds (at fair value through profit and loss)</b>		
<b>(i) Quoted:</b>		
11.40% Tata Power Perpetual Bonds Nil units (31 March 2019 : 10 units) .....	-	105
8.20% NHAI Bonds Nil units (31 March 2019 : 2,472 units).....	-	27
<b>Total</b>	<b>1</b>	133
1) Aggregate cost of quoted investments .....	-	132
2) Aggregate market value of quoted investments .....	-	132
<b>6. Financial Assets - Non-current</b>		
(Unsecured and considered good)		
To parties other than related parties		
Security Deposits .....	268	266
Margin Money Deposits with maturity greater than 12 months.....	7	-
<b>Total</b>	<b>275</b>	266



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>7. Deferred tax assets (net)</b>		
<b>Deferred Tax Assets</b>		
Retirement benefits .....	103	91
Loss allowance on trade receivables .....	6	1
Bonus .....	8	7
MAT Credit entitlement .....	87	87
Income tax loss .....	2,204	1,377
Indexation of land .....	454	436
Others .....	6	10
<b>Total deferred tax assets (a)</b>	<b>2,868</b>	<b>2,009</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and Intangible assets .....	(1,146)	(916)
Fair valuation of investments .....	(2)	(17)
<b>Total deferred tax liabilities (b)</b>	<b>(1,148)</b>	<b>(933)</b>
<b>Net deferred tax assets (a-b)</b>	<b>1,720</b>	<b>1,076</b>
<b>Deferred tax assets recognised (net)</b>	<b>1,076</b>	<b>1076</b>
<b>8. Non Current Tax Assets</b>		
(Unsecured, considered good)		
Advance Tax (Net of provision ₹ 3,534 lakhs (31 March 2019 : ₹ 3,534 lakhs))	387	437
<b>Total</b>	<b>387</b>	<b>437</b>
<b>9. Other non current assets</b>		
(Unsecured, considered good)		
Capital advances .....	-	22
Balance with Government Authorities .....	98	97
Prepaid expenses .....	32	10
<b>Total</b>	<b>130</b>	<b>129</b>
<b>10. Inventories</b>		
(At lower of cost and net realisable value)		
Raw Materials (including goods-in-transit ₹ Nil ;31 March 2019 ₹ 74 Lakhs) .....	787	825
Packing material .....	73	45
Work-in-progress .....	16	5
Finished goods(including goods-in-transit ₹4 Lakhs; 31 March 2019 ₹35Lakhs)	802	490
Semi finished goods .....	216	253
Spare and consumables .....	146	87
<b>Total</b>	<b>2,040</b>	<b>1,705</b>

Note: Inventories are pledged as security for Borrowings from bank



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>11. Current investments</b>		
<b>(a) in equity instruments (at fair value through profit and loss)</b>		
<b>(i) Quoted:</b>		
2,412 shares (31 March 2019 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited .....	5	209
8,100 shares (31 March 2019 8,100 shares) of ₹ 10 each fully paid up in Bank of India .....	3	9
2,000 shares (31 March 2019 2,000) of ₹ 2 each in Bharat Seats Limited	1	3
<b>(ii) Unquoted</b>		
1,000 shares (31 March 2019 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited.....	* -	* -
2,500 shares (31 March 2019 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited .....	* -	* -
<b>(b) in Mutual funds (at fair value through profit and loss)</b>		
Quoted Mutual Funds : .....	95	61
<b>Total</b>	<b>104</b>	<b>282</b>
1) Aggregate cost of quoted investments .....	104	282
2) Aggregate market value of listed and quoted investments .....	104	282
* Amount below Rupees One Lakh		
<b>12. Trade receivables (Unsecured)</b>		
Considered good .....	2,042	1,650
Considered doubtful .....	26	3
Less :- Loss allowance .....	(26)	(3)
<b>Total</b>	<b>2,042</b>	<b>1,650</b>
(i) Of the above, dues include amount due from related parties ₹ 158 lakhs (31 March 2019: ₹77 lakhs)		
(ii) Trade Receivables include ₹ 459 Lakhs (31 March 2019: ₹188 Lakhs) due from the one customer.		
(iii) Trade receivables are pledged as Security for Borrowings		
<b>13. Cash and cash equivalents</b>		
Cash on Hand	* -	* -
Balances with Banks		
(i) In current accounts .....	48	483
(ii) In Exchange Earners Foreign Currency (EEFC) account .....	29	9
(iii) Deposits with maturity of less than three months .....	2	2
<b>Total</b>	<b>79</b>	<b>494</b>
* Amount below Rupees One Lakh		



## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	As at	
	31 March 2020	31 March 2019
<b>14. Bank balances other than cash and cash equivalents</b>		
Unpaid dividend .....	20	23
Deposits with original maturity of more than three months but less than 12 months (Balances held as margin money against guarantees and other commitments)	259	249
<b>Total</b>	<b>279</b>	<b>272</b>
<b>15. Other financial assets - current</b>		
(unsecured, considered good)		
From parties other than related parties:		
Export Incentive receivable .....	135	115
Interest Receivable on investments and deposits .....	* -	6
<b>Total</b>	<b>135</b>	<b>121</b>
* Amount below Rupees One Lakh		
<b>16. Other current assets</b>		
(unsecured, considered good)		
Prepaid expenses .....	69	6
Advance to suppliers .....	339	90
Advance to employees .....	* -	2
Balances with government authorities .....	1,795	2,571
<b>Total</b>	<b>2,203</b>	<b>2,669</b>
* Amount below Rupees One Lakh		

### 17. Share capital

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>(A) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights .....	10,000,000	1,000	10,000,000	1,000
<b>(B) Issued, Subscribed and fully paid</b>				
Equity shares of ₹ 10/- each with voting rights .....	7,451,229	745	7,451,229	745
<b>Total</b>	<b>7,451,229</b>	<b>745</b>	<b>7,451,229</b>	<b>745</b>

### (C) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Opening balance .....	7,451,229	745	7,451,229	745
Add / (Less): Equity shares issued / bought back during the year	-	-	-	-
<b>Closing Balance</b> .....	<b>7,451,229</b>	<b>745</b>	<b>7,451,229</b>	<b>745</b>

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020(Contd.)**

(₹ in lakhs)

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

Class of shares / Name of shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Mrs. S. F. Vakil .....	<b>3,769,182</b>	<b>50.58</b>	<b>3,769,182</b>	<b>50.58</b>

- (E) There were no equity shares allotted as fully paid up pursuant to contracts without payment received in cash, there were no bonus shares allotted and there were no equity shares bought back, during the period of 5 years immediately preceding the Balance Sheet date.
- (F) The Company has one class of equity shares having par value of ₹ 10/- per share. The dividend proposed by the Board of Directors is subject to the approval of the members at the ensuing AGM of the Company, except in case of interim dividend which is paid as and when declared by the Board of Directors.

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

**18. Other equity**

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Capital reserve		
Balance at the commencement and end of the year .....	<b>77</b>	77
(b) Capital redemption reserve		
Balance at the commencement and end of the year .....	<b>16</b>	16
(c) Securities premium account		
Balance at the commencement and end of the year.....	<b>2,594</b>	2,594
(d) General reserve		
Balance at the commencement and end of the year .....	<b>519</b>	519
(e) Retained Earnings		
Balance as at the commencement of the year .....	<b>8,479</b>	9,966
Add: Profit for the year .....	<b>(2,494)</b>	(1,263)
	<b>5,985</b>	8,703
Less : Dividend to equity shareholders (₹ Nil per share) (Previous Year ₹ 2.50 per share)	-	186
Tax on dividend	-	38
	-	224
Balance as at the end of the year .....	<b>5,985</b>	8,479
(f) Other items of other comprehensive income / expenses		
Balance as at the commencement of the year .....	<b>(61)</b>	(30)
Add: Remeasurements of employment benefit obligation .....	<b>(13)</b>	(43)
Less :Income tax related to items that will not be reclassified to profit or loss .	-	12
Balance as at the end of the year .....	<b>(74)</b>	(61)
<b>Total</b>	<b>9,118</b>	11,624

\* Amount below Rupees One Lakh



## Notes forming part of the Standalone financial statements for the year ended 31 March 2020(Contd.)

### Nature and Purpose of Reserves

- (a) Capital reserve  
Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.
- (b) Capital redemption reserve  
A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of company's own shares pursuant to Section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.
- (c) Securities premium account  
Securities premium reserve is credited when shares are issued at a premium. It is utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.
- (d) General reserve  
General reserve is a free reserve, which is created by transferring funds from retained earnings to be used time to time to transfer profits from retained earnings for appropriation purposes.
- (e) Retained Earnings  
Retained earnings comprises of undistributed earnings net of amounts transferred to General reserve.
- (f) Other items of other comprehensive income  
Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset.
- (g) The Company has not paid any dividend on shares during the year ended 31 March 2020 (₹ 2.50 per share aggregating to ₹ 186 Lakhs during the year ended 31 March 2019) and tax there on of ₹ Nil (₹ 38 Lakhs during the year ended 31 March 2019, which was proposed in the meeting of Annual General Meeting held on 13 August 2019).

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>19(a). Non - current financial liabilities - borrowings</b>		
(a) Term loans from banks - Secured (Refer Note (i) below) .....	6,765	7,291
(b) Vehicle loan from bank - Secured (Refer Note (ii) below).....	11	19
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below) .....	2	8
<b>Total</b>	<b>6,778</b>	<b>7,318</b>

### Note (i)

#### The term loan from Axis Bank and HDFC Bank is secured by:

- a) First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable property, plant and equipment of the Company, both present and future at Dahej, Kasarwadi, Kurkumbh and Ceejay House
- b) Second pari-passu charge by way of hypothecation charge on entire current assets of the Company, including stock and book debts, both present and future.

### Terms Loan

Name of lender	Loan amount	Rate of Interest
	₹ in Lakhs	%
Axis Bank .....	4,125	6 months MCLR + 1.4%
Axis Bank .....	1,000	6 months MCLR + 1.4%
HDFC Bank Limited .....	3,251	6 months MCLR + 1.25%

Interest is paid on a monthly basis.

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020(Contd.)**

(₹ in lakhs)

Axis Bank repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2019-20 .....	6	-	75	-
	5	-	85	-
Financial Year 2020-21 .....	7	7	85	595
	2	2	95	190
Financial Year 2021-22 .....	12	12	95	1,140
Financial Year 2022-23 .....	10	10	95	950
	2	2	100	200
Financial Year 2023-24 .....	9	9	100	900
	1	1	150	150
<b>Total</b>	<b>54</b>	<b>43</b>		<b>4,125</b>

Axis Bank repayment schedule

The principal amount of loan shall be repaid in 24 Monthly Instalments from November 2020

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2020-21 .....	5	5	42	208
Financial Year 2021-22 .....	12	12	42	500
Financial Year 2022-23 .....	7	7	42	292
<b>Total</b>	<b>24</b>	<b>24</b>		<b>1,000</b>

HDFC Bank repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2019-20 .....	6	-	59	-
	5	-	67	
Financial Year 2020-21 .....	7	7	67	619
	2	2	75	
Financial Year 2021-22 .....	12	12	75	899
Financial Year 2022-23 .....	10	10	75	906
	2	2	79	
Financial Year 2023-24 .....	9	9	79	828
	1	1	118	
<b>Total</b>	<b>54</b>	<b>43</b>		<b>3,251</b>



## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

### Note (ii)

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

#### Vehicle loan from bank

Name of lender	Original Loan amount	Rate of Interest	EMI Amount	Total Nos. of EMI	Outstanding EMI
	₹ in Lakhs	%	₹	Nos.	Nos.
HDFC Bank Ltd. ....	38	10.00%	80,740	60	26

### Note (iii)

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

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

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Financial Year 2019-20 .....	-	10
Financial Year 2020-21 .....	6	6
Financial Year 2021-22 .....	2	2
<b>Total</b>	<b>8</b>	<b>18</b>

### Note (iv)

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

### Note (v)

#### Current maturities of long term borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
- Term loans from banks & others .....	1,689	1,657
- Deferred sales tax liabilities .....	6	10

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

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Security Deposit.....	57	-
	<b>57</b>	<b>-</b>
<b>20. Provision - non current</b>		
Provision for employee benefits		
Gratuity.....	43	34
Compensated absences .....	122	121
<b>Total</b>	<b>165</b>	<b>155</b>

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>21. Other Non-Current liabilities</b>		
Deferred Rent.....	25	-
<b>Total</b>	<b>25</b>	<b>-</b>
<b>22. Current financial liabilities - borrowings</b>		
Loan From Director.....	694	* -
Cashcredit(secured).....	1,663	1,405
<b>Total</b>	<b>2,357</b>	<b>1,405</b>
* Amount below Rupees One Lakh		
Note :-		
1) Loan from Director carries interest rate of 9.15% per annum		
2) Cash Credit Facility from Axis Bank is secured by inventories and trade receivables of the Company, rate of interest is 3 months MCLR + 1.20%		
<b>23. Trade payables- Current</b>		
i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below) .....	78	40
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises .....	2,782	2,180
<b>Total</b>	<b>2,860</b>	<b>2,220</b>
Note (i)		
Micro enterprises and small enterprises		
Information in respect of micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.		
The following disclosures are made for the amounts due to the micro, small and medium enterprises:		
(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year .....	75	39
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year .....	* -	* -
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .....	-	-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act) .....	3	1
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year .....	-	1
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid .....	-	-

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

\* Amount below Rupees One Lakh





## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>24. Other financial liabilities - current</b>		
Current maturities of long term borrowings		
- Term loans from banks & others .....	1,689	1,657
- Deferred sales tax liabilities .....	6	10
Unpaid dividends** .....	20	23
Employee benefits payable .....	254	198
Accrual for expenses .....	-	17
Security deposits .....	5	2
Payables on purchase of property, plant and equipment .....	113	675
<b>Total</b>	<b>2,087</b>	<b>2,582</b>

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

### 25. Other current liabilities

Advance from customers	22	18
Advance for Asset held for Sale (Refer note 4)	500	-
Payable to statutory authorities (TDS, provident fund, ESIC)	63	32
Deferred Rent	6	-
<b>Total</b>	<b>591</b>	<b>50</b>

### 26. Provisions - current

Provision for Employee Benefits		
Gratuity .....	63	50
Compensated Absences.....	86	66
<b>Total</b>	<b>149</b>	<b>116</b>

\*Amount below Rupees One Lakh

### 27. Revenue from operations

(a) Sale of products .....	10,613	9,155
(b) Sale of services (Job work) .....	12	20
(c) Other operating revenues (Refer Note (i) below) .....	92	60
<b>Total</b>	<b>10,717</b>	<b>9,235</b>

### Notes:

(i) Other operating revenues comprises:

Scrap sales .....	77	50
Others .....	15	10
<b>Total</b>	<b>92</b>	<b>60</b>

(₹ in lakhs)

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

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

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020(Contd.)**

(₹ in lakhs)

(B) Reconciliation of revenue recognised from Contract liability:

<b>Particulars</b>	<b>As at 31 March 2020</b>	As at 31 March 2019
Opening Contract liability .....	<b>18</b>	15
Less: Recognised as revenue during the year .....	<b>(18)</b>	(8)
Add: Addition to contract liability during the year .....	<b>12</b>	16
Add: Other Adjustments .....	<b>(7)</b>	(5)
Closing Contract liability .....	<b>5</b>	18

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

Revenue from contract with customer as per Contract price .....	<b>10,776</b>	9,293
Less: Discounts and other adjustments .....	<b>(3)</b>	(45)
Less:- Sales Returns /Credits / Reversals .....	<b>(56)</b>	(13)
Revenue from contract with customer as per statement of profit and loss .....	<b>10,717</b>	9,235

**Disaggregation of revenue- Revenue from major products**

<b>Particulars</b>	<b>Revenue for the year ended 31 March 2020</b>	Revenue for the year ended 31 March 2019
R-54560 (DAITROLITE PDC 1309 M 45) PCK-180	<b>1,065</b>	-
DAITROLITE PDL 96 - PCK - ISO TANK	<b>999</b>	686
POLYSORGEN - 85 -PCK-1000	<b>406</b>	238
DAITROLITE FIOD MT - 50 - PCK - 180	<b>367</b>	2
NOIGEN BA 55 PCK 200	<b>338</b>	136
Others	<b>7,438</b>	8,093
	<b>10,613</b>	9,155

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	For the year ended 31 March 2019
<b>28. Other income</b>		
Interest income - others (Refer Note (i) below) .....	<b>22</b>	36
<b>Dividend income from .....</b>		
-Current investment .....	<b>3</b>	-
-Joint venture .....	<b>* -</b>	78
-Others .....	<b>3</b>	6
Profit on sale of investments.....	<b>-</b>	41
Export Incentive.....	<b>117</b>	98
Rent Received.....	<b>31</b>	-
Profit on sales of property, plant and equipment.....	<b>8</b>	-
Other non-operating Income (Including Exchange Gain) (Note (ii)).....	<b>200</b>	65
<b>Total</b>	<b>384</b>	324
<b>Note (i) Interest income comprises:</b>		
Interest from banks on deposits .....	<b>18</b>	21
Interest income from long term investments .....	<b>4</b>	15
<b>Total</b>	<b>22</b>	36
<b>Note (ii) Other non-operating Income</b>		
Net gain on foreign currency transactions and translation	<b>91</b>	64
Miscellaneous receipts	<b>* -</b>	1
Liabilities no longer payable written back	<b>108</b>	-
<b>Total</b>	<b>199</b>	65

\* Amount below Rupees One Lakh



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020  
(Contd.)**

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>29. Cost of materials consumed</b>		
Opening Stock.....	870	1,035
Add : Purchases.....	7,481	6,072
Less : Closing Stock.....	(903)	(870)
<b>Total</b>	<b>7,448</b>	<b>6,237</b>
Raw Materials consumed comprise :		
Ethylene Oxide .....	1,648	1,530
Fatty Alcohol, Phenol & Glycol .....	1,665	1,101
Oils & Fatty Acids .....	493	462
Acrylamide .....	274	297
Amines .....	203	183
Other items .....	3,165	2,664
<b>Total</b>	<b>7,448</b>	<b>6,237</b>
<b>30. Changes in inventories of finished goods, Semi finished goods and work-in-progress</b>		
<b>Inventories at the end of the year</b>		
Finished goods .....	806	490
Semi finished goods .....	224	253
Work-in-progress .....	16	5
	<b>1,045</b>	<b>748</b>
<b>Inventories at the beginning of the year</b>		
Finished goods .....	490	606
Semi finished goods .....	253	253
Work-in-progress.....	5	-
	<b>748</b>	<b>859</b>
<b>Net (increase) / decrease</b>	<b>(297)</b>	<b>111</b>
<b>31. Employee Benefits Expense</b>		
Salaries, wages and bonus .....	1,442	1,472
Contribution to provident and other funds.....	92	85
Staff welfare expenses .....	81	96
<b>Total</b>	<b>1,615</b>	<b>1,653</b>
<b>32. Finance costs</b>		
Interest expenses - On borrowings .....	993	718
- Others .....	31	6
<b>Total</b>	<b>1,024</b>	<b>724</b>
<b>33. Depreciation and amortisation expense</b>		
Depreciation on Property, plant and equipment.....	940	802
Amortisation of intangible asset .....	6	11
<b>Total</b>	<b>946</b>	<b>813</b>

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>34. Other expenses</b>		
Consumption of stores and spare parts.....	54	28
Power and fuel.....	609	706
Repairs to Buildings.....	4	4
Repairs to Plant and Machinery.....	28	30
Repairs to Others.....	150	44
Effluent Treatment Expenses.....	9	45
Insurance.....	45	28
Rates and Taxes, excluding, taxes on income.....	71	50
Traveling Expenses.....	53	69
Legal and Professional Fees.....	226	114
Payment to Auditors		
Audit fees.....	25	25
Tax Audit.....	2	2
Other Services (Limited Review).....	10	10
Out of Pocket Expenses.....	2	1
Freight and forwarding on sales.....	328	221
Commission on sales.....	107	121
Contract Labour Charges.....	317	283
Directors' fees.....	10	12
Corporate Social Responsibility.....	-	1
Security Charges.....	99	106
Loss on sale on investment.....	34	-
Inventory Assets Written off During the Year.....	54	-
Loss on Revulation of Investments.....	10	99
Miscellaneous Expenses.....	212	315
<b>Total</b>	<b>2,459</b>	<b>2,315</b>

**35. Contingent Liabilities and Capital Commitments**  
**a) Contingent Liabilities**

Sr. No	Particulars	As at 31 March 2020	As at 31 March 2019
	Claims against the Company not acknowledged as debt:		
(i)	Octroi (classification of raw materials)* * Includes ₹ 142 lakhs (previous year ₹ 142 lakhs) for which bank guarantee has been given and shown under note below 35(vi).	243	243
(ii)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	30	30
(iii)	Labour matters (back wages and compensation under Workmen Compensation Act, 1923)	-	23
(iv)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Income Tax Authorities	550	545
(v)	Service Tax (Dispute on availment of cenvat on exempt goods)	86	86
(vi)	Guarantees issued to others by Bank secured by counter guarantee of the Company and by charge on the property, plant and equipment, inventories and trade receivables of the company	386	142



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

**b) Capital Commitments**

**Particulars**

**As at  
31 March 2020**

As at  
31 March 2019

Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant and equipment (net of advances)

-

154

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

- I. There were no outstanding forward exchange contracts entered into by the Company during the financial year and outstanding as at 31 March 2020 ₹ Nil (31 March 2019 : Nil)
- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 March 2020		As at 31 March 2019	
	(INR in Lakhs)	(USD in Lakhs)	(INR in Lakhs)	(USD in Lakhs)
Receivables	954	13	415	6
(Payables)	(132)	(2)	(229)	(3)

**37. Corporate Social Responsibility expenditure**

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The Company was required to spend the gross amount of ₹ 7 Lakhs (31 March 2019: ₹ 34 lakh) during the year on corporate social responsibility activities.

Amount spent during the year on:

**Particulars**

**31st March 2020**

31st March 2019

1) Construction/acquisition of any asset .....

-

-

2) On purposes other than (1) above .....

-

1

Promoting healthcare, education and environment conservation

**38. Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:**

**i) Defined contribution plans:**

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

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

**Particulars**

**For the year ended  
31 March 2020**

For the year ended  
31 March 2019

- Contribution to Provident Fund .....

74

84

- Contribution to Employee State Insurance Corporation .....

1

4

**Total**

**75**

**88**

**ii) Defined benefit plan:**

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

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

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

**Notes forming part of Standalone the financial statements for the year ended 31 March 2020 (Contd.)**

b) On death in service:

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

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2020 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at 31 March 2020

		(₹ in lakhs)	
Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
i)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost .....	17	20
	Interest Cost .....	18	26
	Past Service Cost .....	-	-
	Protected Gratuity Payment .....	-	-
	Actuarial (gain) / losses .....	(2)	36
	Benefits paid .....	(76)	(193)
	PVO at the beginning of the year .....	235	394
	PVO at end of the year .....	192	235
ii)	Change in fair value of plan assets:		
	Expected return on plan assets.....	13	24
	Return on plan assets.....	(12)	(7)
	Contributions by the employer.....	8	33
	Benefits paid.....	(76)	(193)
	Fair value of plan assets at beginning of the year.....	172	315
	Fair value of plan assets at end of the year.....	105	172
iii)	Analysis of Defined Benefit Obligation :		
	Defined Benefit Obligation at the end of the year .....	192	235
	Provision for protected gratuity.....	19	21
	Fair Value of Plan assets at the end of the year .....	105	172
	Net Asset/(Liabilities) recognized in the Balance Sheet .....	106	84



**Notes forming part of Standalone the financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
	<b>Current / Non current classifications</b>		
	Current .....	<b>63</b>	50
	Non current .....	<b>43</b>	34
	<b>Total</b>	<b>106</b>	84
iv)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year.....	<b>192</b>	235
	Provision for protected gratuity.....	<b>19</b>	21
	Fair Value of plan assets.....	<b>105</b>	172
	Funded status.....	<b>105</b>	172
	Net (liability) recognised in the balance sheet .....	<b>106</b>	84
v)	Expense recognised in the statement of profit or loss:		
	Current Service cost .....	<b>17</b>	20
	Net interest.....	<b>5</b>	2
	Expense recognised in the statement of profit or loss.....	<b>22</b>	23
vi)	Other comprehensive income (OCI):		
	Actuarial Loss/(Gain) recognised for the period.....	<b>(2)</b>	35
	Return on plan assets excluding interest income.....	<b>12</b>	7
	Total actuarial Loss/(Gain) recognised in OCI.....	<b>10</b>	42
vii)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	<b>6.2%</b>	7.5%
	Expected return on plan assets	<b>6.2%</b>	7.5%
	Salary escalation rate (%)	<b>7.0%</b>	7.0%
	Attrition	<b>15.0%</b>	10.0%
	Mortality Table	<b>Indian Assured Live Mortality (2006-08)</b>	Indian Assured Live Mortality (2006-08)

\* Amount below Rupees One Lakh

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

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

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

Experience adjustments	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
<b>Gratuity</b>					
Expected gain / (loss) adjustments on plan liabilities	<b>8</b>	34	12	29	31
Experience gain / (loss) adjustments on plan assets	<b>(12)</b>	(7)	2	(1)	(1)
Defined Benefits at the end of the year	<b>192</b>	257	394	428	459



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

<b>Experience adjustments</b>	<b>As at 31 March 2020</b>	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Plan Assets at the end of the year	<b>105</b>	172	315	311	343
Funded status Deficit	<b>(87)</b>	(84)	(79)	(117)	(116)
Contribution expected to be paid to the plan during next financial year	<b>48</b>	30	60	45	44

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

**Sensitivity Analysis**

(₹ in lakhs)

<b>Particulars</b>	<b>As at 31 March 2020</b>	As at 31 March 2019
Delta Effect of +1% Change in Rate of Discounting .....	<b>(5)</b>	(7)
Delta Effect of -1% Change in Rate of Discounting .....	<b>6</b>	8
Delta Effect of +1% Change in Rate of Salary Increase .....	<b>5</b>	8
Delta Effect of -1% Change in Rate of Salary Increase .....	<b>(5)</b>	(7)
Delta Effect of +1% Change in Rate of Employee attrition .....	* -	* -
Delta Effect of -1% Change in Rate of Employee attrition .....	* -	* -

\* Amount below Rupees One Lakh

**39. Earnings per share (EPS)**

	₹	A	<b>As at 31 March 2020</b>	As at 31 March 2019
Loss after tax attributable to equity shareholders			<b>(2,494)</b>	(1,263)
Weighted average number of equity shares outstanding during the year	Nos.	B	<b>74,51,229</b>	74,51,229
Basic and diluted earnings per equity share (₹) - Face value of ₹10 per share	In ₹	(A / B)	<b>(33.47)</b>	(16.95)

**40. Dividend paid and proposed:**

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

<b>Particulars</b>	<b>Dividend Per Equity Shares (₹)</b>	<b>Year ended 31 March 2020</b>	<b>Dividend Per Equity Shares (₹)</b>	<b>Year ended 31 March 2019</b>
Final Dividend on Equity Shares .....	-	-	2.50	186
Dividend Distribution Tax .....	-	-	-	38
<b>Total</b>	-	-	-	224

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

**41. Segment Reporting**

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



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

**42. Related party disclosures**

<b>Description of relationship</b>	<b>Names of related parties</b>
(i) Subsidiary	Dai-ichi Gosei Chemicals (India) Limited (DGCIL)
(ii) Jointly controlled entities (JCE)	ChampionX Dai-ichi India Private Ltd. (CXDI) (formerly known as Nalco Champion Dai-ichi India Private Ltd) (NCD)
(iii) Key Management Personnel (KMP)	i) Mrs. S. F. Vakil - Chairperson and Managing Director (SFV)
	ii) Ms. Meher F. Vakil - Wholetime Director & COO Daughter of Managing Director (MFV)
	iii) Mr. A H Jehangir (AHJ)
	iv) Dr. Anil Naik (Independent Director) (AMN)
	v) Mr. Kavas Patel (Independent Director)
	vi) Mr. Keki Elavia (Independent Director)
	vii) Mr. Behram Sorabji (Independent Director)
	viii) Mr. Nitin Nimkar (Chief Financial Officer) (NN) upto 30 June 2019
	ix) Mr. Shailesh Chauhan (Chief Financial Officer) (SC) w.e.f 13 November 2019
	x) Mrs. Kavita Thadeshwar (Company Secretary) (KT)
(iv) Relatives of KMP	i) Mr. Firoze Adi Vakil - Husband of Managing Director (FAV)
	ii) Mr. Jahangir F. Vakil - Son of Managing Director
	iii) Mrs. P. R. Mehta -Sister of Managing Director (PRM)
	iv) Mr. Matthew I. Taff - Husband of Ms. Meher F Vakil
(v) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Limited (IOCL)
	ii) Rose Investments Limited (RIL),
	iii) General Pharmaceuticals Pvt. Ltd. (GPPL)
	iv) Netal India Limited (NIL)
	v) Neterwala Consulting & Corporate Services Limited (NCCL)
	vi) Chemicals and Ferro Alloys Pvt. Ltd (CFAPL)
	vii) Uni Klinger Limited (UKL)
	viii) Natch Products & Services Pvt. Ltd. (NPSPL)
(vi) Enterprises over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation

Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
<b>Purchase of goods:</b>							
IOCL	-	-	-	-	215	-	215
	-	-	-	-	(156)	-	(156)
GPPL	-	-	-	-	36	-	36
	-	-	-	-	(54)	-	(54)
UKL	-	-	-	-	1	-	1
	-	-	-	-	(38)	-	(38)
NIL	-	-	-	-	-	-	-
	-	-	-	-	(4)	-	(4)
Natch Products & Services Pvt. Ltd.	-	-	-	-	*	-	*
	-	-	-	-	(-)	-	(-)
CXDI	-	-	-	-	-	-	-
	-	(1)	-	-	-	-	(1)
<b>Sale of goods:</b>							
CXDI	-	926	-	-	-	-	926
	-	(483)	-	-	-	-	(483)
GPPL	-	-	-	-	32	-	32
	-	-	-	-	(31)	-	(31)
IOCL	-	-	-	-	2	-	2
	-	-	-	-	(17)	-	(17)
<b>Sale of service (Job Work)</b>							
IOCL	-	-	-	-	15	-	15
	-	-	-	-	(23)	-	(23)
<b>Rendering of services/ Reimbursement of expenses:</b>							
CXDI	-	9	-	-	-	-	9
	-	(12)	-	-	-	-	(12)
IOCL	-	-	-	-	-	-	-
	-	-	-	-	(9)	-	(9)
CFAPL	-	-	-	-	*	-	*
	-	-	-	-	*	-	*
<b>Receiving of services/ Reimbursement of expenses:</b>							
MFV	-	-	6	-	-	-	6
	-	-	(17)	-	-	-	(17)
SFV	-	-	7	-	-	-	7
	-	-	(3)	-	-	-	(3)
CFAPL	-	-	-	-	*	-	*
	-	-	-	-	-	-	-

\* Amount below Rupees One Lakh



Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
GPPL					2		2
					-		-
<b>Compensation/others:</b>							
SFV	-	-	28	-	-	-	28
	-	-	(35)	-	-	-	(35)
<b>Remuneration :</b>							
SFV	-	-	167	-	-	-	167
	-	-	(167)	-	-	-	(167)
MFV	-	-	90	-	-	-	90
	-	-	(89)	-	-	-	(89)
NN	-	-	34	-	-	-	34
	-	-	(50)	-	-	-	(50)
SC	-	-	20	-	-	-	20
	-	-	-	-	-	-	-
KT	-	-	33	-	-	-	33
	-	-	(32)	-	-	-	(32)
<b>Dividend received</b>							
CXDI	-	-	-	-	-	-	-
	-	(79)	-	-	-	-	(79)
<b>Dividend paid:</b>							
SFV	-	-	-	-	-	-	-
	-	-	(94)	-	-	-	(94)
FAV	-	-	-	-	-	-	-
	-	-	-	(2)	-	-	(2)
RIL	-	-	-	-	-	-	-
	-	-	-	-	(7)	-	(7)
GPPL	-	-	-	-	*	-	*
	-	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>							
<b>Investments :</b>							
CXDI	2	68	-	-	-	-	70
	(2)	(68)	-	-	-	-	(70)
<b>Trade receivables:</b>							
CXDI	-	130	-	-	-	-	130
	-	(68)	-	-	-	-	(68)
IOCL	-	-	-	-	14	-	14
	-	-	-	-	-	-	-
GPPL	-	-	-	-	14	-	14
	-	-	-	-	-	-	-
CFAPL	-	-	-	-	*	-	*
	-	-	-	-	*	-	*

\* Amount below Rupees One Lakh

## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
<b>Deposits for office :</b>							
KMP	-	-	32	-	-	-	32
	-	-	(32)	-	-	-	(32)
<b>Trade payable :</b>							
IOCL	-	-	-	-	175	-	175
	-	-	-	-	(131)	-	(131)
UKL	-	-	-	-	2	-	2
	-	-	-	-	(17)	-	(17)
NIL	-	-	-	-	* -	-	* -
	-	-	-	-	* -	-	(-)
GPPL	-	-	-	-	8	-	8
	-	-	-	-	(8)	-	(8)
CFAPL	-	-	-	-	* -	-	* -
	-	-	-	-	-	-	-
MFV	-	-	-	-	-	-	-
	-	-	(4)	-	-	-	(4)

\* Amount below Rupees One Lakh

Note: Figures in bracket relate to the previous year

**Payment of sitting fees to Independent directors**

Sitting fees .....

Year ended  
31 March 2020

10

Year ended  
31 March 2019

12

**Key management personnel compensation**

Key management personnel compensation comprised the following :

**Particulars**

Post-employment benefits .....

Other long-term benefits .....

Year ended  
31 March 2020

39

72

Year ended  
31 March 2019

45

67

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

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



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

**43. Interest in joint ventures**

Jointly controlled entity (JCE):							
Name of JCE and country of incorporation	% of interest / ownership	Amount of interest based on accounts for the year ended 31 March 2020					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
ChampionX Dai-ichi India Private Ltd (formerly known as Nalco Champion Dai-ichi India Pvt. Ltd.-India).....	50	2,851	2,851	2,107	1,859	713	-
Previous year	50	2,607	2,607	2,064	2,043	713	-

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

**A. Accounting classification and fair values**

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

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

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

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

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

	As at 31st March 2020							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	79	79	-	-	-	-
Other bank balances	-	-	279	279	-	-	-	-
Current investments	104	-	-	104	104	-	-	104
Non current investments (other than in subsidiary and joint venture)	-	-	1	1	-	-	-	-
Financial Assets - Non-current	-	-	275	275	-	-	-	-
Trade receivables	-	-	2,042	2,042	-	-	-	-
Other current financial assets	-	-	135	135	-	-	-	-
	<b>104</b>	-	<b>2,811</b>	<b>2,915</b>	<b>104</b>	-	-	<b>104</b>
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	8,467	8,467	-	-	-	-
Current borrowings	-	-	2,357	2,357	-	-	-	-
Other financial liabilities	-	-	57	57	-	-	-	-
Trade payables	-	-	2,860	2,860	-	-	-	-
Other current financial liabilities	-	-	398	398	-	-	-	-
	-	-	<b>14,139</b>	<b>14,139</b>	-	-	-	-

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

	As at 31st March 2019							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	494	494	-	-	-	-
Other bank balances	-	-	272	272	-	-	-	-
Current investments	282	-	-	282	282	-	-	282
Non current investments (other than in subsidiary and joint venture)	-	-	133	133	-	-	-	-
Non current loans	-	-	266	266	-	-	-	-
Trade receivables	-	-	1,650	1,650	-	-	-	-
Other current financial assets	-	-	121	121	-	-	-	-
	<b>282</b>	-	<b>2,936</b>	<b>3,218</b>	<b>282</b>	-	-	<b>282</b>
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	8,985	8,985	-	-	-	-
Current borrowings	-	-	1,405	1,405	-	-	-	-
Trade payables	-	-	2,220	2,220	-	-	-	-
Other current financial liabilities	-	-	915	915	-	-	-	-
	-	-	<b>13,525</b>	<b>13,525</b>	-	-	-	-

**B. Measurement of fair values**

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

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

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

**i. Risk management framework**

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

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

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

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

**i. Credit risk**

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

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



## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

### Trade and other receivables

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

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

At 31 March 2020, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2020	31 March 2019
India .....	1,088	1,235
Other regions .....	954	415
	2,042	1,650

### Impairment

At March 31, 2020, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

	31 March 2020	31 March 2019
Neither past due nor impaired		
Past due 1-180 days .....	2,019	1,617
Past due more than 180 days .....	23	33
	2,042	1,650

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

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

(₹ in lakhs)

	31 March 2020	31 March 2019
Balance as at the beginning of the year .....	3	3
Impairment loss recognised .....	23	
Balance as at the end of the year .....	26	3

### ii. Liquidity risk

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

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

### Exposure to liquidity risk

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



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

31 March, 2020	Carrying amount	Contractual cash flows				
		Total	less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Term loans from banks .....	8,467	8,467	1,694	2,547	4,226	-
Working capital loans from banks .....	2,357	2,357	2,357	-	-	-
Trade payables .....	2,860	2,860	2,860	-	-	-
Other Current financial liabilities .....	398	398	398	-	-	-
Contractual cash flows						
31 March, 2019	Carrying amount	Total	less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Term loans from banks .....	8,985	8,985	1,667	1,930	5,388	-
Working capital loans from banks .....	1,405	1,405	1,405	-	-	-
Trade payables .....	2,220	2,220	2,220	-	-	-
Other Current financial liabilities .....	915	915	913	-	-	2

**iii. 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 instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

**Currency risk**

The Company is exposed to currency risk on account of its payables and receivables in foreign currency. The functional currency of the Company is Indian Rupee. The Company has major exposure to USD

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

	31 March 2020	31 March 2019
	\$ in Lakhs	\$ in Lakhs
<b>Financial assets</b>		
Trade and other receivables .....	13	6
	13	6
<b>Financial liabilities</b>		
Trade and other payables .....	2	3
	2	3

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
	31 March 2020	31 March 2019
USD	75.40	69.26

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Effect in INR	Profit or loss	
	Strengthening	Weakening
<b>31 March 2020</b>		
10% movement .....	82	(82)
USD .....	-	-
	82	(82)
Effect in INR	Strengthening	Weakening
31 March 2019		
10% movement .....	20	(20)
USD .....	-	-
	20	(20)

**Interest rate risk**

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

**Exposure to interest rate risk**

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

(₹ in lakhs)

	31 March 2020	31 March 2019
<b>Fixed-rate instruments</b>		
Financial assets bonds .....	1	133
Financial liabilities vehicle loans .....	19	39
	(18)	94
<b>Variable-rate instruments</b>		
Financial liabilities - term loan and Cash Credit .....	10,801	10,333
	10,801	10,333
<b>Total</b>	<b>(10,819)</b>	<b>(10,239)</b>

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

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

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

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

**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

INR	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2019				
Variable-rate instruments .....	103	(103)	75	(75)
Cash flow sensitivity (net) .....	103	(103)	75	(75)

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

**45. Capital Management**

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

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

The Company's adjusted net debt to equity ratio at 31 March 2020 was as follows.

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Total Borrowing .....	10,821	10,371
Less : Cash and cash equivalent .....	79	494
<b>Adjusted net debt</b> .....	<b>10,742</b>	9,878
Total equity .....	<b>9,863</b>	12,369
Net debt to equity ratio .....	<b>1.09</b>	0.80

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

(₹ in lakhs)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current tax</b>		
Current period tax .....	-	-
<b>Deferred tax</b>		
Decrease/Increase in Deferred Tax Asset .....	-	(1,158)
Increase/Decrease in Deferred Tax Liability		
Mat Credit entitlement .....	-	(27)
Total Deferred Tax Expense/(benefit) .....	-	(1,185)
<b>Tax expense for the year</b> .....	<b>-</b>	<b>(1,185)</b>



**Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)**

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

(₹ in lakhs)

	For the year ended 31 March 2020			For the year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans .....	13	-	13	43	(12)	31
	13	-	13	43	(12)	31

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

(₹ in lakhs)

	(%)	For the year ended 31 March 2020	(%)	For the year ended 31 March 2019
<b>Loss before tax</b>		<b>(2,494)</b>		(2,478)
Tax using the Company's domestic tax rate (Current year 27.8% and 31 March 2019 27.8%).....	27.8%	(694)	27.8%	(689)
<b>Tax effect of:</b>				
Unrecognised Deferred Tax on carry forward Losses		694		
Land indexation	-	-		(436)
Income exempt from income taxes		-		(23)
Unrecognised MAT credit of previous year		-		(27)
Others		-		(10)
		-		(1,185)

The Company's domestic tax rates for the years ended 31 March 2020 and 31 March 2019 were 27.8%.

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

	31 March, 2020					
	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>						
Property, plant and equipment and Intangible assets .....	(916)	(230)	-	(1,146)	-	(1,146)
Investment .....	(17)	15	-	(2)	-	(2)
<b>Deferred Tax Assets:</b>						
Employee benefits .....	91	12	-	103	103	-
Bonus .....	7	1	-	8	8	-
Trade receivables .....	1	5	-	6	6	-
Income tax loss (including depreciation) .....	1,377	827	-	2,204	2,204	-
Other items .....	10	(4)	-	6	6	-
Indexed Cost of Land .....	436	18	-	454	454	-
MAT credit entitlement .....	87	-	-	87	87	-

## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

	31 March, 2020					
	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax assets (Liabilities) .....</b>	<b>1,076</b>	<b>644</b>	<b>-</b>	<b>1,720</b>	<b>2,868</b>	<b>(1,148)</b>
Offsetting of deferred tax assets and deferred tax liabilities .....					<b>(1,148)</b>	<b>1,148</b>
<b>Net Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>644</b>	<b>-</b>	<b>1,720</b>	<b>1,720</b>	<b>-</b>
<b>Net Deferred Tax assets Recognised in books.....</b>					<b>1,076</b>	
	31 March, 2019					
	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>						
Property, plant and equipment and Intangible assets .....	(175)	(741)	-	(916)	-	(916)
Investment .....	(103)	86	-	(17)	-	(17)
<b>Deferred Tax Assets:</b>						
Employee benefits.....	92	(13)	12	91	91	-
Bonus.....	11	(4)	-	7	7	-
Trade receivables.....	1	-	-	1	1	-
Income tax loss (including depreciation).....	-	1,377	-	1,377	1,377	-
Other items.....	5	5	-	10	10	-
Indexed Cost of Land.....	-	436	-	436	436	-
MAT credit entitlement.....	60	27	-	87	87	-
<b>Deferred Tax assets (Liabilities)</b>	<b>(109)</b>	<b>1,173</b>	<b>12</b>	<b>1,076</b>	<b>2,009</b>	<b>(933)</b>
Offsetting of deferred tax assets and deferred tax liabilities .....					<b>(933)</b>	<b>933</b>
<b>Net Deferred Tax assets (Liabilities)</b>	<b>(109)</b>	<b>1,173</b>	<b>12</b>	<b>1,076</b>	<b>1,076</b>	<b>-</b>

The Company has not recognised deferred tax asset (DTA) on carry forward losses aggregating ₹ 644 lakhs (31 March 2019: Nil) in absence of convincing evidence of sufficient future taxable income against which such DTA can be realised.

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

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

**D. Tax assets and liabilities**

Particulars	As at 31 March 2020	As at 31 March 2019
Non Current tax assets (net) .....	<b>387</b>	437
Current tax assets (net) .....	-	-
Current tax liabilities (net) .....	-	-



## Notes forming part of the Standalone financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

### 47. Going Concern

The Company has incurred operating loss of INR 2,094 lakhs for the current year, net current liabilities of INR 657 lakhs and total borrowings of INR 10,821 lakhs as at 31 March 2020. Further, the Company's borrowings have increased in the current year by INR 449 lakhs and it continues to experience constraints in cash flow from operations. The net worth of the Company as at 31 March 2020 is positive.

In the light of the above facts, management of the Company evaluated the Company's ability to continue as a going concern. The assessment was based upon the Board approved business forecasts and cash flow forecasts. This required the exercise of significant judgement in forecasting the Company's future revenue, Earnings before Interest, Taxes, Depreciation, and Amortization ('EBITDA') and in assessing the Company's ability to repay its existing borrowings.

The Company had entered into a Memorandum of Understanding (MOU) on 24 Dec 2019 with Gera Developments Private Limited (Pune) for sale of its Kasarwadi land for an agreed purchase consideration of approx. INR 15,325 lakhs. An advance of INR 500 lakhs was received by the Company in this regard in the current year. Management expects to enter into an Agreement for Sale in FY 2021. This sale of land will resolve the cashflow constrains.

Based on their assessment, the management concluded that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern.

### 48. Impact of COVID-19 Pandemic

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

### 49. Previous year comparatives

Previous year's figures have been regrouped / restated wherever necessary to conform to the current year's classification:

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

As per our report of even dated attached

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

Chartered Accountants

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

**Balajirao Pothana**

Partner

Membership No. 122632

UDIN: 20122632AAAAAU8689

Place : Mumbai

Date : 8 June 2020

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director

(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer

Membership No. 116610

Place : Mumbai

Date : 8 June 2020

**Anil Naik**

Director

(DIN: 00002670)

**Kavita Thadeshwar**

Company Secretary

Membership No. A18651

## Independent Auditors' Report

To the Members of  
Dai-ichi Karkaria Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Dai-ichi Karkaria Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint venture as at 31 March 2020, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

#### Description of Key Audit Matter

The key audit matters	How the matter was addressed in our audit
<p><b>Going Concern</b></p> <p>The Group has incurred operating loss of INR 2,094 lakhs for the year ended 31 March 2020. The Group has net current liabilities of INR 655 lakhs and total borrowings of INR 10,821 lakhs as at 31 March 2020.</p> <p>Note 47 to the consolidated financial statements explains how the management of the Group have formed a judgement that the going concern basis is appropriate in preparing the standalone financial statements. The management of the Group evaluated the Group's ability to continue as a going concern based upon an assessment of the Board approved business forecasts and cash flow forecasts. This required the exercise of significant judgement in forecasting the Group's future revenue, Earnings before Interest, Taxes, Depreciation, and Amortization ('EBITDA') and in assessing the Group's ability to repay its existing borrowings.</p> <p>Based on their assessment, management concluded that there are no material uncertainties which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.</p> <p>Further, the slowdown in the business environment due to COVID-19 pandemic and the ensuing lockdowns, required a thorough analysis involving significant judgements to conclude on the Group's ability to continue as a going concern.</p>	<p>Our procedures to obtain sufficient and appropriate audit evidence regarding the appropriateness of management's use of the going concern assumption included the following:</p> <ul style="list-style-type: none"> <li>• Examined the Going Concern assessment done by the Group with respect to the assumptions made therein, and the accuracy and reliability of prior year forecasts by comparing them with the current year's results.</li> <li>• Assessed the availability of banking and other financing facilities by inspecting underlying documentation, past trend and other related covenants therein.</li> <li>• Examined communication between the Group and its lenders (banks) in relation to provision of moratorium period for repayments.</li> <li>• Analysed key operational and financial ratios.</li> <li>• Examined the adequacy of the disclosures in the financial statements.</li> </ul>





The key audit matters	How the matter was addressed in our audit
<p><b>Revenue Recognition</b></p> <p>The Group recognises revenue from sale of products when the control over the products has been transferred to the customer based on the specific terms and conditions of the sales contracts entered into with respective customers.</p> <p>We have identified Revenue Recognition as a key audit matter as revenue is a key performance indicator. Also, there is a presumed fraud risk of revenue being overstated through manipulation on the timing of transfer of control arising from pressure to achieve performance targets as well as meeting external expectations.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards.</li> <li>• Tested the design, implementation and operating effectiveness of the Group's general Information Technology (IT) controls and key IT application controls by involving our IT specialists.</li> <li>• Performed substantive procedures including testing of recognition of revenue in the appropriate period by selecting statistical samples of revenue transactions recorded during and at the end of the financial year.</li> <li>• Examined the underlying documents, which included sales invoices/ contracts and dispatch/shipping documents for the selected transactions.</li> <li>• Assessed the manual journals posted in the revenue ledger to identify any unusual items.</li> </ul>

**Other Information**

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



## Other Matters

- (a) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,34,193 as at 31 March 2020, total revenues (before consolidation adjustments) of ₹ 11,636 and net cash flows (before consolidation adjustments) amounting to ₹ 14,540 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of the other auditor.

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

## Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies and joint venture incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary and joint venture, as noted in the 'Other Matters' paragraph:
- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its joint venture. Refer Note 35 to the consolidated financial statements.
  - The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
  - There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Group and its joint venture incorporated in India during the year ended 31 March 2020.
  - The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, its subsidiary company and joint venture, where applicable, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary company and joint venture is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

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

**Balajirao Pothana**

Partner

Membership No: 122632

UDIN: 20122632AAAAV1531

Mumbai  
8 June 2020



**Annexure A to the Independent Auditors' report on the consolidated financial statements of Dai-Ichi Karkaria Limited for the year ended 31 March 2020.**

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

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

**Opinion**

In conjunction with our audit of the consolidated financial statements of Dai-Ichi Karkaria Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2020, we have audited the internal financial controls of Dai-Ichi Karkaria Limited (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India under the Companies Act, 2013 (hereinafter referred to as "the Act") and to whom the internal financial reporting is applicable, as of that date.

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India and to whom internal financial control reporting is applicable, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

**Other Matter**

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

Mumbai  
8 June 2020

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

**Balajirao Pothana**  
**Partner**  
Membership No: 122632  
UDIN: 20122632AAAAV1531



## Consolidated Balance Sheet as at 31 March 2020

(₹ in lakhs)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
<b>A. ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, plant and equipment .....	4	15,328	16,360
(b) Capital work-in-progress .....		267	534
(c) Intangible assets .....		10	17
(d) Financial assets .....			
(i) Investments in Subsidiary & Joint Venture .....	5(a)	2,170	1,968
(ii) Other Investments .....	5(b)	1	133
(iii) Other non-current financial assets.....	6	275	266
(e) Deferred tax assets (net) .....	7	1,076	1,076
(f) Non current Tax assets (net) .....	8	387	437
(g) Other non-current assets .....	9	130	129
<b>Total non-current assets</b> .....		<b>19,645</b>	<b>20,920</b>
<b>CURRENT ASSETS</b>			
(a) Inventories .....	10	2,040	1,705
(b) Financial Assets .....			
(i) Investments .....	11	104	282
(ii) Trade receivables .....	12	2,042	1,651
(iii) Cash and Cash Equivalents .....	13	79	494
(iv) Bank balances other than (iii) above .....	14	281	274
(v) Other Financial assets .....	15	135	121
(c) Assets held for sale.....	4	505	-
(d) Other Current assets .....	16	2,203	2,669
<b>Total Current assets</b> .....		<b>7,389</b>	<b>7,196</b>
<b>TOTAL ASSETS</b> .....		<b>27,034</b>	<b>28,116</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital .....	17	745	745
(b) Other Equity .....	18	11,220	13,525
<b>Total Equity</b> .....		<b>11,965</b>	<b>14,270</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	19(a)	6,778	7,318
(ii) Other financial liabilities.....	19(b)	57	-
(b) Provisions .....	20	165	155
(c) Other non-current liabilities.....	21	25	-
<b>Total Non-Current Liabilities</b> .....		<b>7,025</b>	<b>7,473</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities .....			
(i) Borrowings .....	22	2,357	1,405
(ii) Trade Payables .....			
Total outstanding dues of Micro Enterprises and Small Enterprises	23	78	40
Total outstanding dues to other than Micro Enterprises and Small Enterprises	23	2,782	2,180
(iii) Other Financial Liabilities .....	24	2,087	2,582
(b) Provisions.....	26	149	116
(c) Other Current liabilities.....	25	591	50
<b>Total Current Liabilities</b> .....		<b>8,044</b>	<b>6,373</b>
<b>TOTAL EQUITY AND LIABILITIES</b> .....		<b>27,034</b>	<b>28,116</b>

Notes forming part of the Consolidated financial statements

1-50

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

As per our report of even date attached

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

Chartered Accountants

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

**Balajirao Pothana**

Partner

Membership No. 122632

UDIN: 20122632AAAAAV1531

Place : Mumbai

Date : 8 June 2020

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director

(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer

Membership No. 116610

Place : Mumbai

Date : 8 June 2020

**Anil Naik**

Director

(DIN: 00002670)

**Kavita Thadeshwar**

Company Secretary

Membership No. A18651

**Consolidated Statement of Profit and Loss for the year ended 31 March 2020**

(₹ in lakhs)

Particulars	Note No.	Year ended 31 March, 2020	Year ended 31 March, 2019
<b>Income</b>			
Revenue from operations.....	27	10,717	9,235
Other income.....	28	384	324
<b>Total income.....</b>		<b>11,101</b>	<b>9,559</b>
<b>Expenses</b>			
Cost of materials consumed.....	29	7,448	6,237
Changes in inventories of finished goods and work-in-progress	30	(297)	111
Employee benefits expense.....	31	1,615	1,653
Finance costs.....	32	1,024	724
Depreciation and amortisation expense.....	33	946	813
Other expenses.....	34	2,459	2,315
<b>Total expenses.....</b>		<b>13,195</b>	<b>11,853</b>
<b>Loss before tax and exceptional items.....</b>		<b>(2,094)</b>	<b>(2,294)</b>
<b>Exceptional item</b>			
Retrenchment compensation.....		.	142
Cost for settlement of litigations.....		400	.
<b>Loss after exceptional items before tax .....</b>		<b>(2,494)</b>	<b>(2,436)</b>
<b>Tax Expenses:</b>			
Current tax.....		-	-
Deferred tax (net).....		-	(1,173)
<b>Total Tax Expenses .....</b>		<b>-</b>	<b>(1,173)</b>
<b>Loss after tax before share of Joint Venture</b>		<b>(2,494)</b>	<b>(1,263)</b>
Share of Profit in Joint Ventures (net of Tax)		202	2
<b>Loss for the year</b>		<b>(2,292)</b>	<b>(1,261)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit and loss.....			
Remeasurements of post-employment benefit obligation.....		(13)	43
Income tax related to items that will not be reclassified to profit or loss....		-	(12)
Share of Profit/ (Loss) in Joint Ventures (net of tax).....		(1)	2
<b>Other comprehensive income for the year, (net of income tax).....</b>		<b>(14)</b>	<b>33</b>
<b>Total comprehensive income for the Year.....</b>		<b>(2,306)</b>	<b>(1,294)</b>
Earnings per equity share Basic and Diluted (of ₹ 10/- each) .....	38	<b>(30.75)</b>	(16.92)

Notes forming part of the Consolidated financial statements 1-50  
The accompanying notes are an integral part of these consolidated financial statements  
As per our report of even dated attached

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

Chartered Accountants

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

**Balajirao Pothana**

Partner

Membership No. 122632

UDIN: 20122632AAAAAV1531

Place : Mumbai

Date : 8 June 2020

**For and on behalf of the Board of Directors****Dai-ichi Karkaria Limited****CIN: L24100MH1960PLC011681****S. F. Vakil**Chairperson and Managing Director  
(DIN: 00002519)**Shailesh Chauhan**Chief Financial Officer  
Membership No. 116610

Place : Mumbai

Date : 8 June 2020

**Anil Naik**Director  
(DIN: 00002670)**Kavita Thadeshwar**Company Secretary  
Membership No. A18651

Place : Mumbai

Date : 8 June 2020



**Consolidated Statement of Changes in Equity  
for the Year ended 31 March 2020**

**A - Equity share capital**

(₹ in lakhs)

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10/- each with voting rights				
Balance at the beginning of the reporting year	74,51,229	745	7,451,229	745
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	74,51,229	745	7,451,229	745

**B - Other Equity**

Particulars	Reserves and Surplus					Items of OCI		Total other equity
	Capital Reserve	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings	Share of Joint Venture	Remeasurement of Defined benefit plans	
Balance as at 1 April 2018	77	2,594	16	519	10,536	1,421	(25)	15,138
Profit for the year	-	-	-	-	(1,261)	-	-	(1,261)
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	(95)	(33)	(128)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(1,261)	-	(33)	(1,389)
<b>Transactions with owners of the Group</b>								
Interim Dividend on Equity Shares	-	-	-	-	(186)	-	-	(186)
Dividend Distribution Tax	-	-	-	-	(38)	-	-	(38)
<b>Balance as at 31 March 2019</b>	<b>77</b>	<b>2,594</b>	<b>16</b>	<b>519</b>	<b>9,051</b>	<b>1,326</b>	<b>(58)</b>	<b>13,525</b>
Profit for the year	-	-	-	-	(2,292)	-	-	(2,292)
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(13)	(13)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	(2,292)	-	(13)	(2,305)
<b>Transactions with owners of the Group</b>								
<b>Balance as at 31 March 2020</b>	<b>77</b>	<b>2,594</b>	<b>16</b>	<b>519</b>	<b>6,759</b>	<b>1,326</b>	<b>(71)</b>	<b>11,220</b>

Notes forming part of the Consolidated financial statements 1-50

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

As per our report of even date attached.

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

Chartered Accountants

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

**Balajirao Pothana**

Partner

Membership No. 122632

UDIN: 20122632AAAAAV1531

Place : Mumbai

Date : 8 June 2020

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

**Dai-ichi Karkaria Limited**

**CIN: L24100MH1960PLC011681**

**S. F. Vakil**

Chairperson and Managing Director  
(DIN: 00002519)

**Shailesh Chauhan**

Chief Financial Officer  
Membership No. 116610

Place : Mumbai

Date : 8 June 2020

**Anil Naik**

Director  
(DIN: 00002670)

**Kavita Thadeshwar**

Company Secretary  
Membership No. A18651



**Consolidated Statement of Cash Flow for the year ended 31 March, 2020**

(₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Loss after exceptional items before tax	(2,292)	(2,434)
Adjustments for:		
Depreciation and amortisation.....	946	813
Loss /(Profit) on sale of investments (net).....	34	(41)
Profit on sales of property, plant and equipment.....	(8)	-
Liabilities no longer payable written back.....	108	-
Inventory Assets Written off During the Year.....	54	-
Net loss on Investments at fair value through profit and loss.....	10	99
Dividend income.....	(6)	(84)
Interest income.....	(22)	(36)
Interest expenses.....	1,024	724
Share of profit in joint venture.....	(202)	(2)
Unrealised foreign currency loss/(gain) on revaluation (net).....	(36)	2
<b>Subtotal of Adjustments</b>	<b>1,903</b>	<b>1,475</b>
<b>Operating profit before working capital changes</b>	<b>(389)</b>	<b>(959)</b>
Changes in working capital:		
Adjustments for increase/decrease in:		
Decrease/(Increase) in trade receivables.....	(349)	1,365
Decrease/(Increase) in loans, other financial assets and other assets.....	417	(56)
Decrease/(Increase) in inventories.....	(389)	226
Increase in trade payable, other financial liabilities and other liabilities.....	714	64
Increase/(Decrease) in provisions.....	43	10
<b>Subtotal of Adjustments.....</b>	<b>435</b>	<b>1,609</b>
<b>Cash generated from operations.....</b>	<b>46</b>	<b>650</b>
Add: Income tax refund.....	50	(28)
<b>Net cash from/(used in) operating activities.....</b>	<b>96</b>	<b>622</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchases of property, plant and equipment.....	(711)	(3,828)
Sale of property, plant and equipment.....	8	-
Advance received against Sale of property, plant and equipment.....	500	-
Proceeds from sale of current investments.....	265	1,596
Movement in bank deposits having maturity of more than 3 months.....	(9)	53
Dividend received.....	6	84
Interest received.....	28	36
<b>Net Cash from/(used in) investing activities.....</b>	<b>87</b>	<b>(2,059)</b>



**Consolidated Statement of Cash Flow for the year ended March 31, 2020 (Contd.)**

(₹ in lakhs)

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2020
<b>C Cash Flow from Financing Activities:</b>		
Repayment towards non-current borrowings (net).....	(1,565)	(20)
Proceeds from non-current borrowings (net).....	1,052	2,352
Proceeds from current borrowings (net).....	952	399
Dividends and corporate dividend tax paid.....	-	(224)
Interest paid.....	(1,024)	(899)
<b>Net cash from/(used in) financing activities.....</b>	<b>(586)</b>	<b>1,608</b>
<b>D Net Increase / (Decrease) in cash and cash equivalents (A+B+C)....</b>	<b>(402)</b>	<b>171</b>
<b>E Cash and cash equivalents as at beginning of the year.....</b>	<b>494</b>	<b>365</b>
Net Comprehensive (Expense)/Income.....	(13)	(43)
Add: Effect of exchange differences on cash and cash equivalents held in foreign currency.....	-	1
<b>F Cash and cash equivalents as at end of the year (D+E).....</b>	<b>79</b>	<b>494</b>

\* Amount below Rupees One Lakh

Reconciliation of liabilities from financing activities	Non-current borrowing (including current portion) (a)	Current borrowings (b)	Total liabilities from financing activities (a+b)
Opening Balance (as at 1 April 2019)	8,967	1,405	10,372
Add : Proceeds during the year	1,063	952	2,015
Less : Repayment during the year	1,565	-	1,565
<b>Closing Balance (as at 31 March 2020)</b>	<b>8,465</b>	<b>2,357</b>	<b>10,821</b>

**Notes:**

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

The accompanying notes are an integral part of these consolidated financial statements  
As per our report of even date attached.

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

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

**Balajirao Pothana**  
Partner  
Membership No. 122632  
UDIN: 20122632AAAAV1531

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

**Anil Naik**  
Director  
(DIN: 00002670)

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

**Kavita Thadeshwar**  
Company Secretary  
Membership No. A18651

Place : Mumbai  
Date : 8 June 2020

Place : Mumbai  
Date : 8 June 2020

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020**

(Currency: ₹ in Lakhs)

**1. General Information**

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

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

These consolidated financial statements comprise the Company, its subsidiary and joint venture (collectively the 'Group' and individually 'Group companies').

**2. Basis of preparation****A. Statement of compliance**

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

The consolidated financial statements were authorised for issue by the Board of Directors of the group at their meeting held on 8 June 2020.

**B. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded off to the nearest lakh, except for share data and per share data, unless otherwise stated.

**C. Basis of measurement**

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

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

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

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

**E. Use of estimates and judgements**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

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

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

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and on the historical experience with similar assets. It is possible, however, that future results from operations could be materially affected by changes in estimates brought about



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020(Contd.)

by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. The estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

### Recoverability of deferred tax assets

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

### Fair value measurement of financial instruments

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

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

### Provisions and contingent liabilities

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

## F. Basis of Consolidation

### 1. Subsidiaries

Subsidiary is entity that is controlled by the Group. Control exists when the Group is exposed to, or has the ability to affect those returns through power over the entity.

In assessing control, potential voting rights are considered only if the rights are substantive. The financial statements of subsidiary is included in these consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the Group and its subsidiary have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances as mentioned in those policies.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Consolidated Statement of Profit and Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

Subsequently, it is accounted for as an equity accounted investee depending on the level of influence retained.

### 1. Joint ventures (equity accounted investees)

Investment in jointly controlled entity is accounted for using the equity method (equity accounted investees) and are initially recognized at cost. The carrying value of the Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The Group does not consolidate entities where the non-controlling interest ("NCI") holders have certain significant participating rights that provide for effective involvement in significant decisions in the ordinary course of business of such entities. Investment in such entities are accounted by the equity method of accounting. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

### 2. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements. Unrealized gains or losses arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

Details of Subsidiary and Joint venture

Name of Company	Nature	Principal Place of Business	% of Shareholding and voting power	
			As at 31 March 2020	As at 31 March 2019
Dai-ichi Gosei Chemicals (India) Limited.	Subsidiary	India	97%	97%
Championx Dai-ichi India Private Limited (Formerly known as Nalco Champion Dai-ichi India Pvt. Ltd.	Joint venture	India	50%	50%

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

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

**Cash and cash equivalents**

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

**Financial assets at amortised cost**

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

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

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

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

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

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

**Financial liabilities**

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

**Equity instruments**

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

**Derecognition of financial instruments**

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

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



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

### B. Impairment

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

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

#### Non-financial assets

##### Tangible and intangible assets

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

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

### C. Property, plant and equipment

#### (i) Recognition and measurement

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

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

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

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

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

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

#### (ii) Subsequent expenditure

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

#### (iii) Expenditure during construction period

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

#### (iv) Depreciation

Depreciation of property, plant and equipment located at Dahej, Kurkumbh and Jejuri is calculated using Straight-line method. Property, plant and equipment located at Kasarwadi is calculated using the written down value method. Freehold land is not depreciated.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

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

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

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

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

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

**(ii) Subsequent expenditure**

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

**(iii) Amortisation**

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

The estimated useful lives are as follows:

Software	6 years
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Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**E Inventories**

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

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

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

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

**F. Employee benefits****i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has





## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### ii. Defined contribution plans

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

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

### iii. Defined benefit plan

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

#### Gratuity

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

### iv. Other long- term employee benefits – Compensated absences

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

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

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

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

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

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

### H. Revenue

#### (i) Sale of goods

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

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

**(ii) Rendering of services**

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

**(iii) Rental income**

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

**(iv) Export benefits**

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and no significant uncertainty exist regarding its ultimate collection.

**(v) Dividend**

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

**(vi) Interest income**

Interest income is recognised using the effective interest rate method.

**I. Income tax**

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

**Current tax**

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

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

**Deferred tax**

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

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

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

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

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



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

### **MAT Credit Entitlement**

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

### **J. Borrowing costs**

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

### **K. Earnings per share**

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

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

### **L. Foreign currency transactions**

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

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

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

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

### **N. Cash and cash equivalents**

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

## Notes forming part of the Consolidated financial statements for the year ended 31 March 2020 (Contd.)

## 4. Property, plant and equipment, capital work in progress and Intangible Assets

(₹ in lakhs)

Particulars	Gross block			Accumulated depreciation/amortisation			Net Block	
	As at 1 April 2019	Additions	Deductions	As at 31 March 2020	As at 1 April 2019	For the year	Deductions	As at 31 March 2020
<b>A. Tangible Assets</b>								
Leasehold Land	1,203	30	-	1,233	43	13	-	1,177
Freehold Land	505	-	505	-	-	-	-	-
Buildings Residential	46	-	-	46	24	5	-	17
Buildings: Non Residential								
Own lease	4,530	20	-	4,550	216	152	-	4,182
Road	610	-	-	610	80	58	-	472
Plant and Machinery	10,282	363	69	10,576	885	664	69	9,097
Furniture and Fixtures	191	-	-	191	25	16	-	150
Laboratory, Office and Factory Equipment and Air conditioners	322	-	-	322	120	18	-	184
Vehicles	118	-	-	118	68	14	-	36
<b>Scientific Research-Capital Expenditure :</b>								
Buildings - Non Residential	1	-	-	1	*	-	-	1
Plant and Machinery	7	-	-	7	3	-	-	4
Furniture and Fixtures	*	-	-	*	*	*	*	*
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	*	*	*	9
<b>Total Tangible Assets</b>	<b>17,824</b>	<b>413</b>	<b>574</b>	<b>17,662</b>	<b>1,464</b>	<b>939</b>	<b>69</b>	<b>15,328</b>
<b>B. Intangible Assets</b>								
Computer Software	38	-	-	38	21	7	-	10
<b>Total</b>	<b>17,862</b>	<b>413</b>	<b>574</b>	<b>17,701</b>	<b>1,486</b>	<b>946</b>	<b>69</b>	<b>15,339</b>
<b>C. Capital Work-in-Progress</b>								<b>267</b>

\*Amount below Rupees One Lakh



**Notes forming part of the Consolidated financial statements for the year ended 31 March 2020(Contd.)**

**4. Property, plant and equipment, capital work in progress and Intangible Assets**

(₹ in lakhs)

Particulars	Gross block			Accumulated depreciation/amortisation				Net Block
	As at 1 April 2018	Additions	Deductions	As at 31 March 2019	As at 1 April 2018	For the year	Deductions	As at 31 March 2019
<b>A. Tangible Assets</b>								
<b>Assets taken on lease</b>								
Leasehold Land	1,201	2	-	1,203	30	13	-	1,160
Freehold Land	505	-	-	505	-	-	-	505
Buildings Residential	46	-	-	46	18	6	-	22
Buildings: Non Residential								
Own lease	2,317	2,213	-	4,530	101	115	-	4,314
Road	468	142	-	610	25	55	-	530
Plant & Machinery	5,003	5,279	-	10,282	366	519	-	9,397
Furniture & Fixtures	40	151	-	191	9	16	-	166
Laboratory, Office and Factory Equipment and Air conditioners	282	40	-	322	63	57	-	202
Vehicles	118	-	-	118	48	20	-	50
<b>Scientific Research-Capital Expenditure :</b>								
Buildings - Non Residential	1	-	-	1	-	*	-	1
Plant & Machinery	7	-	-	7	2	1	-	4
Furniture & Fixtures	*	-	-	*	*	*	*	-
Laboratory, Office and Factory Equipment and Air conditioners	9	-	-	9	-	*	-	9
<b>Total Tangible Assets</b>	<b>9,996</b>	<b>7,827</b>	-	<b>17,824</b>	<b>662</b>	<b>802</b>	-	<b>1,464</b>
<b>B. Intangible Assets</b>								
Computer Software	38	-	-	38	10	11	-	17
<b>Total</b>	<b>10,034</b>	<b>7,827</b>	-	<b>17,862</b>	<b>672</b>	<b>813</b>	-	<b>1,485</b>
<b>C. Capital Work-in-Progress</b>								
<b>Total</b>								<b>534</b>

\* Amount below Rupees One Lakh

**Notes**

- 1) Borrowing cost capitalised related to construction of Dahej plant aggregating ₹ Nil (31 March 2019 ₹ 175 Lakhs)
- 2) Kindly refer note no 19 on Borrowings, for the details related to hypothecated property, plant and equipment of the Holding Company
- 3) The Holding Company intends to dispose off its land parcel at Kasarwadi (Book Value ₹ 505 lakhs) as it no longer intends to utilise in the next 12 months. The same is classified as "Asset held for sale" and shown as a deduction from Property, plant and equipment in current year. The land is pledged with banks against Term Loans. No impairment loss was recognised on above reclassification.

## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>5 (a). Investments - Non-current</b>		
<b>In Equity Shares, Unquoted (at cost)</b>		
<b>In Subsidiary and Joint Venture</b>		
(i) ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Ltd.)		
1,125,000 shares (31 March 2019 : 1,125,000 shares) .....	68	68
Add :- Shares of Profit in Joint Ventures .....	2102	1900
<b>Total</b>	<b>2170</b>	<b>1968</b>
<b>5 (b). Other Investments</b>		
<b>(a) Unquoted:</b>		
<b>The Zoroastrian Co-operative Bank Limited, unquoted (at fair value through profit and loss)</b>		
4,000 shares (31 March 2019: 4,000 shares) .....	1	1
<b>(b) in debentures and bonds (at fair value through profit and loss)</b>		
<b>(i) Quoted:</b>		
11.40% Tata Power Perpetual Bonds Nil units (31 March 2019 : 10 units) .....	-	105
NHAI Bonds Nil units (31 March 2019 : 2,472 units).....	-	27
<b>Total</b>	<b>1</b>	<b>133</b>
1) Aggregate cost of quoted investments .....	-	132
2) Aggregate market value of quoted investments .....	-	132
<b>6. Financial Assets - Non-current</b>		
(Unsecured and considered good)		
To parties other than related parties		
Security Deposits .....	268	266
Margin Money Deposits with maturity greater than 12 months.....	7	-
<b>Total</b>	<b>275</b>	<b>266</b>



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>7. Deferred tax assets (net)</b>		
<b>Deferred Tax Assets</b>		
Retirement benefits .....	103	91
Loss allowance on trade receivables .....	6	1
Bonus .....	8	7
MAT Credit entitlement .....	87	87
Income tax loss .....	2,204	1,377
Indexation of land .....	454	436
Others .....	6	10
<b>Total deferred tax assets (a)</b>	<b>2,868</b>	2,009
<b>Deferred tax liabilities</b>		
Property, plant and equipment and Intangible assets .....	(1,146)	(916)
Fair valuation of investments .....	(2)	(17)
<b>Total deferred tax liabilities (b)</b>	<b>(1,148)</b>	(933)
<b>Net deferred tax assets (a-b)</b>	<b>1,720</b>	1,076
<b>Deferred tax assets recognised (net)</b>	<b>1,076</b>	1,076
<b>8. Non Current Tax Assets</b>		
(Unsecured, considered good)		
Advance Tax (Net of provision ₹3,534 lakhs (31 March 2019 : ₹3,534 lakhs))	387	437
<b>Total</b>	<b>387</b>	437
<b>9. Other non current assets</b>		
(Unsecured, considered good)		
Capital advances .....	-	22
Balance with Government Authorities .....	98	97
Prepaid expenses .....	32	10
<b>Total</b>	<b>130</b>	129
<b>10. Inventories</b>		
(At lower of cost and net realisable value)		
Raw Materials (including goods-in-transit ₹ Nil ;31 March 2019 ₹74 Lakhs) .....	787	825
Packing material .....	73	45
Work-in-progress .....	16	5
Finished goods(including goods-in-transit ₹4 Lakhs; 31 March 2019 ₹35Lakhs)	802	490
Semi finished goods .....	216	253
Spare and consumables .....	146	87
<b>Total</b>	<b>2,040</b>	1,705

Note: Inventories are pledged as security for Borrowings from bank

Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>11. Current investments</b>		
<b>(a) in equity instruments (at fair value through profit and loss)</b>		
<b>Quoted:</b>		
2,412 shares (31 March 2019 57,167 shares) of ₹ 10 each fully paid up in Clariant Chemicals (India) Limited .....	5	209
8,100 shares (31 March 2019 8,100 shares) of ₹ 10 each fully paid up in Bank of India .....	3	9
2,000 shares (31 March 2019 2,000) of ₹ 2 each in Bharat Seats Limited	1	3
<b>Unquoted</b>		
1,000 shares (31 March 2019 1,000 shares) of ₹ 25 each fully paid up of The Shamrao Vithal Co-operative Bank Limited.....	* -	* -
2,500 shares (31 March 2019 2,500 shares) of ₹ 10 each fully paid up of The Saraswat Co-operative Bank Limited .....	* -	* -
<b>(b) in Mutual funds (at fair value through profit and loss)</b>		
Quoted Mutual Funds : .....	95	61
<b>Total</b>	<b>104</b>	<b>282</b>
1) Aggregate cost of quoted investments .....	104	282
2) Aggregate market value of listed and quoted investments .....	104	282
* Amount below Rupees One Lakh		
<b>12. Trade receivables (Unsecured)</b>		
Considered good .....	2,042	1,651
Considered doubtful .....	26	3
Less :- Loss allowance .....	(26)	(3)
<b>Total</b>	<b>2,042</b>	<b>1,651</b>
(i) Of the above, dues include amount due from related parties ₹ 158 lakhs (31 March 2019: ₹77 lakhs)		
(ii) Trade Receivables include ₹ 459 Lakhs (31 March 2019: ₹188 Lakhs) due from the one customer.		
(iii) Trade receivables are pledged as Security for Borrowings		
<b>13. Cash and cash equivalents</b>		
Cash on Hand	* -	* -
Balances with Banks		
(i) In current accounts .....	48	483
(ii) In Exchange Earners Foreign Currency (EEFC) account .....	29	9
(iii) Deposits with maturity of less than three months .....	2	2
<b>Total</b>	<b>79</b>	<b>494</b>
* Amount below Rupees One Lakh		



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	As at	
	31 March 2020	31 March 2019
<b>14. Bank balances other than cash and cash equivalents</b>		
Unpaid dividend .....	20	23
Deposits with original maturity of more than three months but less than 12 months (Balances held as margin money against guarantees and other commitments)	261	251
<b>Total</b>	<b>281</b>	<b>274</b>
<b>15. Other financial assets - current</b> (unsecured, considered good)		
From parties other than related parties:		
Export Incentive receivable .....	135	115
Interest Receivable on 11.40% Tata Power Perpetual Bonds .....	-	6
<b>Total</b>	<b>135</b>	<b>121</b>
* Amount below Rupees One Lakh		
<b>16. Other current assets</b> (unsecured, considered good)		
Prepaid expenses .....	69	6
Advance to suppliers .....	339	90
Advance to employees .....	* -	2
Balances with government authorities .....	1,795	2,571
<b>Total</b>	<b>2,203</b>	<b>2,669</b>
* Amount below Rupees One Lakh		

**17. Share capital**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>(A) Authorised</b>				
Equity shares of ₹ 10/- each with voting rights .....	10,000,000	1,000	10,000,000	1,000
<b>(B) Issued, Subscribed and fully paid</b>				
Equity shares of ₹ 10/- each with voting rights .....	7,451,229	745	7,451,229	745
<b>Total</b>	<b>7,451,229</b>	<b>745</b>	<b>7,451,229</b>	<b>745</b>

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

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>				
Opening balance .....	7,451,229	745	7,451,229	745
Add / (Less): Equity shares issued / bought back during the year	-	-	-	-
<b>Closing Balance</b> .....	<b>7,451,229</b>	<b>745</b>	<b>7,451,229</b>	<b>745</b>



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

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

Class of shares / Name of shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding	Number of shares held	% holding
<b>Equity shares with voting rights</b>				
Mrs. S. F. Vakil .....	<b>3,769,182</b>	<b>50.58</b>	<b>3,769,182</b>	<b>50.58</b>

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

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

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

**18. Other equity**

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Capital reserve		
Balance as at the commencement and end of the year .....	<b>77</b>	77
(b) Capital redemption reserve		
Balance as at the commencement and end of the year .....	<b>16</b>	16
(c) Securities premium account		
Balance as at the commencement and end of the year .....	<b>2,594</b>	2,594
(d) General reserve		
Balance as at the commencement and end of the year .....	<b>519</b>	519
(e) Retained Earnings		
Balance as at the commencement and end of the year.....	<b>9,051</b>	10,536
Add: Profit for the year .....	<b>(2,292)</b>	(1,261)
	<b>6,759</b>	9,275
Less : Dividend to equity shareholders (₹ Nil per share) (31 March 2019 ₹ 2.50 per share).....	-	186
Tax on dividend.....	-	38
	-	225
Balance as at the end of the year .....	<b>6,759</b>	9,051
(f) Share of Joint Venture		
Share in Profit in Joint Venture	<b>1,326</b>	1,326
(g) Other items of other comprehensive income / expenses		
Balance as at the commencement of the year .....	<b>(58)</b>	(25)
Add: Remeasurement of employment benefit obligation.....	<b>(13)</b>	(43)
Add : Income tax related to items that will not be reclassified to profit or loss.....	-	12
Add : Share of Profit in Joint Ventures (net of Tax).....	<b>(1)</b>	(2)
<b>Balance as at the end of the year.....</b>	<b>(72)</b>	(58)
<b>Total</b>	<b>11,220</b>	13,525



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020(Contd.)

(₹ in lakhs)

### Nature and Purpose of Reserves

- (a) Capital reserve  
Any profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments is transferred to capital reserve.
- (b) Capital redemption reserve  
A statutory reserve created to the extent of sum equal to the nominal value of the share capital extinguished on buyback of company's own shares pursuant to Section 69 of the Companies Act, 2013. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.
- (c) Securities premium account  
Securities premium reserve is credited when shares are issued at a premium. It is utilized in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares, write-off equity related expenses like underwriting costs, etc.
- (d) General reserve  
General reserve is a free reserve, which is created by transferring funds from retained earnings to be used time to time to transfer profits from retained earnings for appropriation purposes.
- (e) Retained Earnings  
Retained earnings comprises of undistributed earnings net of amounts transferred to General reserve.
- (f) Other items of other comprehensive income  
Other items of other comprehensive income consist of re-measurement of net defined benefit liability/asset.
- (g) The Company has not paid any dividend on shares during the year ended 31 March 2020 (₹ 2.50 per share aggregating to ₹ 186 Lakhs during the year ended 31 March 2019) and tax there on of ₹ Nil (₹ 38 Lakhs during the year ended 31 March 2019, which was proposed in the meeting of Annual General Meeting held on 13 August 2019).

### Particulars

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

Particulars	As at 31 March 2020	As at 31 March 2019
(a) Term loans from banks - Secured (Refer Note (i) below) .....	6,765	7,291
(b) Vehicle Loan from Bank - Secured (Refer Note (ii) below) .....	11	19
(c) Deferred sales tax liability - Unsecured (Refer Note (iii) below) .....	2	8
<b>Total</b>	<b>6,778</b>	<b>7,318</b>

### Note (i)

#### The term loan from Axis Bank and HDFC Bank is secured by:

- a) First pari-passu charge by way of hypothecation/mortgage of entire movable and immovable assets of the Holding Company, both present and future at Dahej, Kasarwadi, Kurkumbh and Ceejay House
- b) Second pari-passu charge by way of hypothecation charge on entire current assets of the Holding Company, including stock and book debts, both present and future.

### Terms Loan

Name of lender	Loan amount	Rate of Interest
	₹ in Lakhs	%
Axis Bank .....	4,125	6 months MCLR + 1.4%
Axis Bank .....	1,000	6 months MCLR + 1.4%
HDFC Bank Limited .....	3,251	6 months MCLR + 1.25%

Interest is paid on a monthly basis.

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020(Contd.)**

(₹ in lakhs)

## Axis Bank repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2019-20 .....	6	-	75	-
	5	-	85	-
Financial Year 2020-21 .....	7	7	85	595
	2	2	95	190
Financial Year 2021-22 .....	12	12	95	1,140
Financial Year 2022-23 .....	10	10	95	950
	2	2	100	200
Financial Year 2023-24 .....	9	9	100	900
	1	1	150	150
<b>Total</b>	<b>54</b>	<b>43</b>		<b>4,125</b>

## Axis Bank repayment schedule

The principal amount of loan shall be repaid in 24 Monthly Instalments from November 2020

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2020-21 .....	5	5	42	208
Financial Year 2021-22 .....	12	12	42	500
Financial Year 2022-23 .....	7	7	42	292
<b>Total</b>	<b>24</b>	<b>24</b>		<b>1,000</b>

## HDFC Bank repayment Schedule

The principal amount of loan shall be repaid in 54 Monthly Instalments from May 2019

Particulars	Total Nos. of Instalments	Outstanding Nos. of Instalments	Monthly Instalments	Principal Loan amount ₹ in Lakhs
Financial Year 2019-20 .....	6	-	59	-
	5	-	67	
Financial Year 2020-21 .....	7	7	67	619
	2	2	75	
Financial Year 2021-22 .....	12	12	75	899
Financial Year 2022-23 .....	10	10	75	906
	2	2	79	
Financial Year 2023-24 .....	9	9	79	828
	1	1	118	
<b>Total</b>	<b>54</b>	<b>43</b>		<b>3,251</b>



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

**Note (ii)**

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

**Vehicle Loan from Bank**

Name of lender	Original Loan amount	Rate of Interest	EMI Amount	Total Nos. of EMI	Outstanding EMI
	₹ in Lakhs	%	₹	Nos.	Nos.
HDFC Bank Ltd. ....	38	10.00%	80,740	60	26

**Note (iii)**

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

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

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Financial Year 2019-20 .....	-	10
Financial Year 2020-21 .....	6	6
Financial Year 2021-22 .....	2	2
<b>Total</b>	<b>8</b>	<b>18</b>

**Note (iv)**

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

**Note (v)**

**Current maturities of long term borrowings**

Particulars	As at 31 March 2020	As at 31 March 2019
- Term loans from banks & others .....	1,689	1,657
- Deferred sales tax liabilities .....	6	10

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

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Security Deposit.....	57	-
	<b>57</b>	<b>-</b>

**20. Provision - non current**

Provision for Employee Benefits		
Gratuity.....	43	34
Compensated absences .....	122	121
<b>Total</b>	<b>165</b>	<b>155</b>

**21. Other Non-Current liabilities**

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

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>22. Current financial liabilities - borrowings</b>		
Loan From Director.....	694	* -
Cash credit(secured).....	1,663	1,405
<b>Total</b>	<b>2,357</b>	<b>1,405</b>

\* Amount below Rupees One Lakh

Note :-

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

**23. Trade payables- Current**

i) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note below) .....	78	40
ii) Total outstanding dues of creditors other than Micro enterprises and small enterprises .....	2,782	2,180
<b>Total</b>	<b>2,860</b>	<b>2,220</b>

Note (i)

Micro enterprises and small enterprises

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

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

(i) Principal Amount remaining unpaid to any supplier as at the end of the accounting year .....	75	39
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year .....	* -	* -
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day .....	-	-
(iv) The amount of interest due and payable for the period of the delay in making payment (which have been paid but beyond the appointed date during the year but without adding the interest specified under the MSMED Act).....	3	1
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year .....	-	1
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid .....	-	-

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

\* Amount below Rupees One Lakh



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>24. Other financial liabilities - current</b>		
Current maturities of long term borrowings		
- Term loans from banks & others .....	1,689	1,657
- Deferred sales tax liabilities .....	6	10
Unpaid dividends** .....	20	23
Employee benefits payable .....	254	198
Accrual for expenses .....	-	17
Security deposits .....	5	2
Payables on purchase of property, plant and equipment .....	113	675
<b>Total</b>	<b>2,087</b>	<b>2,582</b>

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

<b>25. Other current liabilities</b>		
Advance from customers	22	18
Advance for Asset held for Sale (Refer note 4)	500	-
Payable to statutory authorities (TDS, provident fund, ESIC)	63	32
Deferred Rent	6	-
<b>Total</b>	<b>591</b>	<b>50</b>

<b>26. Provisions - current</b>		
Provision for Employee Benefits		
Gratuity (Refer note 37).....	63	50
Compensated Absences.....	86	66
<b>Total</b>	<b>149</b>	<b>116</b>

<b>27. Revenue from operations</b>		
(a) Sale of products .....	10,613	9,155
(b) Sale of services (Job work) .....	12	20
(c) Other operating revenues (Refer Note (i) below) .....	92	60
<b>Total</b>	<b>10,717</b>	<b>9,235</b>

### Notes:

(i) Other operating revenues comprises:		
Scrap sales .....	77	50
Others .....	15	10
<b>Total</b>	<b>92</b>	<b>60</b>

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

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

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020(Contd.)**

(₹ in lakhs)

(B) Reconciliation of revenue recognised from Contract liability:

<b>Particulars</b>	<b>As at 31 March 2020</b>	As at 31 March 2019
Opening Contract liability .....	<b>18</b>	15
Less: Recognised as revenue during the year .....	<b>(18)</b>	(8)
Add: Addition to contract liability during the year .....	<b>12</b>	16
Add: Other Adjustments .....	<b>(7)</b>	(5)
Closing Contract liability .....	<b>5</b>	18

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

Revenue from contract with customer as per Contract price .....	<b>10,776</b>	9,293
Less: Discounts and other adjustments .....	<b>(3)</b>	(45)
Less:- Sales Returns /Credits / Reversals .....	<b>(56)</b>	(13)
Revenue from contract with customer as per consolidated statement of profit & loss .....	<b>10,717</b>	9,235

**Disaggregation of Revenue - Revenue from major products**

<b>Particulars</b>	<b>Revenue for the year ended 31 March 2020</b>	Revenue for the year ended 31 March 2019
R-54560 (DAITROLITE PDC 1309 M 45) PCK-180	<b>1,065</b>	-
DAITROLITE PDL 96 - PCK - ISO TANK	<b>999</b>	686
POLYSORGEN - 85 -PCK-1000	<b>406</b>	238
DAITROLITE FIOD MT - 50 - PCK - 180	<b>367</b>	2
NOIGEN BA 55 PCK 200	<b>338</b>	136
Others	<b>7,438</b>	8,093
	<b>10,613</b>	9,155

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	For the year ended 31 March 2019
<b>28. Other income</b>		
Interest income - others (Refer Note (i) below) .....	<b>22</b>	36
<b>Dividend income from</b> .....		
-Current investment .....	<b>3</b>	-
-Joint venture .....	<b>* -</b>	79
-Others .....	<b>3</b>	6
Profit on sale of investments.....	<b>-</b>	41
Export Incentive.....	<b>117</b>	98
Rent Received.....	<b>31</b>	-
Profit on sales of property, plant and equipment.....	<b>8</b>	-
Other non-operating Income (Including Exchange Gain) (Note (ii)).....	<b>200</b>	65
<b>Total</b>	<b>384</b>	324
<b>Note (i)</b> Interest income comprises:		
Interest from banks on deposits .....	<b>18</b>	21
Interest income from long term investments .....	<b>4</b>	15
<b>Total</b>	<b>22</b>	36
<b>Note (ii)</b> Other non-operating Income		
Net gain on foreign currency transactions and translation	<b>91</b>	64
Miscellaneous receipts	<b>* -</b>	1
Liabilities no longer payable written back	<b>108</b>	-
<b>Total</b>	<b>199</b>	65

\* Amount below Rupees One Lakh



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	<b>For the year ended 31 March 2019</b>
<b>29. Cost of materials consumed</b>		
Opening Stock.....	870	1,035
Add : Purchases.....	7,481	6,072
Less : Closing Stock.....	(903)	(870)
<b>Total</b>	<b>7,448</b>	<b>6,237</b>
Raw Materials consumed comprise :		
Ethylene Oxide .....	1,648	1,530
Fatty Alcohol, Phenol & Glycol .....	1,665	1,101
Oils & Fatty Acids .....	493	462
Acrylamide .....	274	296
Amines .....	203	182
Other items .....	3,164	2,664
<b>Total</b>	<b>7,448</b>	<b>6,237</b>
<b>30. Changes in inventories of finished goods, Semi finished goods and work-in-progress</b>		
<b>Inventories at the end of the year</b>		
Finished goods .....	806	490
Semi finished goods .....	224	253
Work-in-progress .....	16	5
	<b>1,045</b>	<b>748</b>
<b>Inventories at the beginning of the year</b>		
Finished goods .....	490	606
Semi finished goods .....	253	253
Work-in-progress.....	5	-
	<b>748</b>	<b>859</b>
<b>Net (increase)/ decrease</b>	<b>(297)</b>	<b>111</b>
<b>31. Employee Benefits Expense</b>		
Salaries, wages and bonus .....	1,442	1,472
Contribution to provident and other funds.....	92	85
Staff welfare expenses .....	81	96
<b>Total</b>	<b>1,615</b>	<b>1,653</b>
<b>32. Finance costs</b>		
Interest expenses - On borrowings .....	993	606
- Others .....	31	118
<b>Total</b>	<b>1,024</b>	<b>724</b>
<b>33. Depreciation and amortisation expense</b>		
Depreciation on Property, plant and equipment (refer note no 4) .....	933	799
Amortisation of intangible asset .....	13	14
<b>Total</b>	<b>946</b>	<b>813</b>



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

<b>Particulars</b>	<b>For the year ended 31 March 2020</b>	For the year ended 31 March 2019
<b>34. Other expenses</b>		
Consumption of stores and spare parts.....	54	28
Power and fuel.....	609	706
Repairs to Buildings.....	4	4
Repairs to Plant and Machinery.....	28	30
Repairs to Others.....	150	44
Effluent Treatment Expenses.....	9	45
Insurance.....	45	28
Rates and Taxes, excluding, taxes on income.....	71	50
Traveling Expenses.....	53	69
Legal and Professional Fees.....	226	114
Payment to Auditors		
Audit fees.....	25	25
Tax Audit.....	2	2
Other Services (Limited Review).....	10	10
Out of Pocket Expenses.....	2	1
Freight and forwarding on sales.....	328	221
Commission on sales.....	107	121
Contract Labour Charges.....	317	283
Directors' fees.....	10	12
Corporate Social Responsibility.....	-	1
Security Charges.....	99	106
Loss on sale on investment.....	34	-
Inventory Assets Written off During the Year.....	54	-
Loss on Revulation of Investments.....	10	99
Miscellaneous Expenses.....	214	315
<b>Total</b>	<b>2,459</b>	<b>2,315</b>



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

**35. Contingent Liabilities and Capital Commitments**

**a) Contingent Liabilities**

Sr. No	Particulars	As at 31 March 2020	As at 31 March 2019
	Claims against the Group not acknowledged as debt:		
(i)	Octroi (classification of raw materials)* * Includes ₹ 142 lakhs (31 March 2019: ₹ 142 lakhs) for which bank guarantee has been given and shown under note below 35 (vi).	243	243
(ii)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Appellate Tribunals (Determination of nature of receipt)	30	30
(iii)	Labour matters (back wages and compensation under Workmen Compensation Act, 1923)	-	23
(iv)	Disputed income tax demands in respect of deductions/disallowances for earlier years pending with Income Tax Authorities	550	545
(v)	Service Tax (Dispute on avilment of cervat on exempt goods)	86	86
(vi)	Guarantees issued to others by Bank secured by counter guarantee of the Holding Company and by charge on the property, plant and equipment, inventories and trade receivables of the Holding Company	386	142
(vii)	Group's share of Bonds for availing duty exemption under Exemption Entitlement certificate Scheme (pertaining to 50% Joint Venture - ChampionX Dai-ichi India Private Limited)	713	713

**b) Capital Commitments**

Particulars	As at 31 March 2020	As at 31 March 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for Tangible assets - Property, plant and equipment (net of advances)	-	154

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

- I. There were no outstanding forward exchange contracts entered into by the Company during the financial year and outstanding as at 31 March 2020 ₹ Nil (31 March 2019 : Nil)
- II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31 March 2020		As at 31 March 2019	
	(INR in Lakhs)	(USD in Lakhs)	(INR in Lakhs)	(USD in Lakhs)
Receivables	954	13	415	6
(Payables)	(132)	(2)	(229)	(3)

**37. Corporate Social Responsibility expenditure**

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. the Group was required to spend the gross amount of ₹ 7 Lakhs (31 March 2019 : ₹ 34 lakh) during the year on corporate social responsibility activities.

Amount spent during the year on:

Particulars	31st March 2020	31st March 2019
1) Construction/acquisition of any asset .....	-	-
2) On purposes other than (1) above .....	-	1
Promoting healthcare, education and environment conservation		

**Notes forming part of consolidated the financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

**38. Disclosure of Employee Benefits as per Indian Accounting Standard 19 is as under:**

**i) Defined contribution plans:**

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
- Contribution to Provident Fund .....	74	84
- Contribution to Employee State Insurance Corporation .....	1	4
<b>Total</b>	<b>75</b>	<b>88</b>

**ii) Defined benefit plan:**

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

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

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

b) On death in service:

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

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

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

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2020 by an independent actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at 31 March 2020

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
i)	Reconciliation in present value of obligations (PVO) – defined benefit obligation :		
	Current Service Cost .....	17	20
	Interest Cost .....	18	26
	Past Service Cost .....	-	-
	Protected Gratuity Payment .....	-	-
	Actuarial (gain) / losses .....	(2)	36
	Benefits paid .....	(76)	(193)
	PVO at the beginning of the year .....	235	394
	PVO at end of the year .....	192	235



**Notes forming part of consolidated the financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Sr. No.	Particulars	As at 31 March 2020	As at 31 March 2019
ii)	Change in fair value of plan assets		
	Expected return on plan assets.....	13	24
	Actuarial loss.....	(12)	(7)
	Contributions by the employer.....	8	33
	Benefits paid.....	(76)	(193)
	Fair value of plan assets at beginning of the year.....	172	315
	Fair value of plan assets at end of the year.....	105	172
iii)	Analysis of Defined Benefit Obligation :		
	Defined Benefit Obligation at the end of the year .....	192	235
	Provision for protected gratuity.....	19	21
	Fair Value of Plan assets at the end of the year .....	105	172
	Net (Liabilities) recognized in the Balance Sheet .....	106	84
	<b>Current / Non current classifications</b>		
	Current .....	63	50
	Non current .....	43	34
	<b>Total</b>	<b>106</b>	<b>84</b>
iv)	Reconciliation of PVO and fair value of plan assets:		
	PVO at end of year	192	235
	Fair Value of plan assets	105	172
	Funded status	(87)	(63)
	Net liability recognised in the balance sheet	(87)	(63)
V)	Expense recognised in the statement of profit or loss:		
	Current Service cost .....	17	20
	Net interest.....	5	2
	Expense recognised in the statement of profit or loss.....	22	23
VI)	Other comprehensive income (OCI):		
	Actuarial Loss/(Gain) recognised for the period.....	(2)	35
	Return on plan assets excluding interest income.....	12	7
	Total actuarial Loss/(Gain) recognised in OCI.....	10	42
VII)	Assumption used in accounting for the gratuity plan:		
	Discount rate (%)	6.2%	7.5%
	Expected return on plan assets	6.2%	7.5%
	Salary escalation rate (%)	7.0%	7.0%
	Attrition	15.0%	10.0%
	Mortality Table	<b>Indian Assured Live Mortality (2006-08)</b>	Indian Assured Live Mortality (2006-08)

\* Amount below Rupees One Lakh

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

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

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

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

<b>Experience adjustments</b>	<b>As at 31 March 2020</b>	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
<b>Gratuity</b>					
Expected gain / (loss) adjustments on plan liabilities	<b>8</b>	34	12	29	31
Experience gain / (loss) adjustments on plan assets	<b>(12)</b>	(7)	2	(1)	(1)
Defined Benefits at the end of the year	<b>192</b>	257	394	428	459
Plan Assets at the end of the year	<b>105</b>	172	315	311	343
Funded status Deficit	<b>(87)</b>	(84)	(79)	(117)	(116)
Contribution expected to be paid to the plan during next financial year	<b>48</b>	30	60	45	44

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

**Sensitivity Analysis**

(₹ in lakhs)

**Particulars**

Delta Effect of +1% Change in Rate of Discounting .....		
Delta Effect of -1% Change in Rate of Discounting .....		
Delta Effect of +1% Change in Rate of Salary Increase .....		
Delta Effect of -1% Change in Rate of Salary Increase .....		
Delta Effect of +1% Change in Rate of Employee attrition .....		
Delta Effect of -1% Change in Rate of Employee attrition .....		

**As at  
31 March 2020**

As at  
31 March 2019

(5)	(7)
6	8
5	8
(5)	(7)
* -	* -
* -	* -

\* Amount below Rupees One Lakh

**Particulars**

**39. Earnings per share (EPS)**

Loss after tax attributable to equity shareholders	₹	A
Weighted average number of equity shares outstanding during the year	Nos.	B
Basic and diluted earnings per equity share (Rs) - Face value of ₹ 10 per share	In ₹	(A / B)

**Year ended  
31 March 2020**

Year ended  
31 March 2019

(2,292)	(1,261)
7,451,229	7,451,229
(30.75)	(16.93)

**40. Dividend paid and proposed:**

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

<b>Particulars</b>	<b>Dividend Per Equity Shares (₹)</b>	<b>Year ended 31 March 2020</b>	<b>Dividend Per Equity Shares (₹)</b>	<b>Year ended 31 March 2019</b>
Final Dividend on Equity Shares .....	-	-	2.50	186
Dividend Distribution Tax .....	-	-	-	38
<b>Total</b>	-	-	-	224

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



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

### 41. Segment Reporting

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

### 42. Related party disclosures

Description of relationship	Names of related parties
(i) Jointly controlled entities (JCE)	ChampionX Dai-ichi India Private Ltd. (CXDI) (formerly known as Nalco Champion Dai-ichi India Private Ltd) (NCD)
(ii) Key Management Personnel (KMP)	i) Mrs. S. F. Vakil - Chairperson and Managing Director (SFV) ii) Ms. Meher F. Vakil - Wholetime Director & COO Daughter of Managing Director (MFV) iii) Mr. A H Jehangir (AHJ) iv) Dr. Anil Naik (Independent Director) (AMN) v) Mr. Kavas Patel (Independent Director) vi) Mr. Keki Elavia (Independent Director) vii) Mr. Behram Sorabji (Independent Director) viii) Mr. Nitin Nimkar (Chief Financial Officer) (NN) upto 30 June 2019 ix) Mr. Shailesh Chauhan (Chief Financial Officer) (SC) w.e.f 13 November 2019 x) Mrs. Kavita Thadeshwar (Company Secretary) (KT)
(iii) Relatives of KMP	i) Mr. Firoze Adi Vakil - Husband of Managing Director (FAV) ii) Mr. Jahangir F. Vakil - Son of Managing Director iii) Mrs. P. R. Mehta -Sister of Managing Director (PRM) iv) Mr. Matthew I. Taff - Husband of Ms. Meher F Vakil
(iv) Entities in which KMP / Relatives of KMP can exercise significant influence	i) Indian Oxides & Chemicals Limited (IOCL) ii) Rose Investments Limited (RIL), iii) General Pharmaceuticals Pvt. Ltd. (GPPL) iv) Netal India Limited (NIL) v) Neterwala Consulting & Corporate Services Limited (NCCL) vi) Chemicals and Ferro Alloys Pvt. Ltd (CFAPL) vii) Uni Klinger Limited (UKL) viii) Natch Products & Services Pvt. Ltd. (NPSPL)
(v) Enterprises over which director can exercise significant influence	i) Maneckji & Shirinbai Neterwala Foundation

## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprises over which director can exercise significant influence	Total
<b>Purchase of goods:</b>							
IOCL	-	-	-	-	215	-	215
	-	-	-	-	(156)	-	(156)
GPPL	-	-	-	-	36	-	36
	-	-	-	-	(54)	-	(54)
UKL	-	-	-	-	1	-	1
	-	-	-	-	(38)	-	(38)
NIL	-	-	-	-	-	-	-
	-	-	-	-	(4)	-	(4)
Natch Products & Services Pvt. Ltd.	-	-	-	-	*	-	*
	-	-	-	-	(-)	-	(-)
CXDI	-	-	-	-	-	-	-
	-	(1)	-	-	-	-	(1)
<b>Sale of goods:</b>							
CXDI	-	926	-	-	-	-	926
	-	(483)	-	-	-	-	(483)
GPPL	-	-	-	-	32	-	32
	-	-	-	-	(31)	-	(31)
IOCL	-	-	-	-	2	-	2
	-	-	-	-	(17)	-	(17)
<b>Sale of service (Job Work)</b>							
IOCL	-	-	-	-	15	-	15
	-	-	-	-	(23)	-	(23)
<b>Rendering of services/ Reimbursement of expenses:</b>							
CXDI	-	9	-	-	-	-	9
	-	(12)	-	-	-	-	(12)
IOCL	-	-	-	-	-	-	-
	-	-	-	-	(9)	-	(9)
CFAPL	-	-	-	-	*	-	*
	-	-	-	-	*	-	*
<b>Receiving of services/ Reimbursement of expenses:</b>							
MFV	-	-	6	-	-	-	6
	-	-	(17)	-	-	-	(17)
SFV	-	-	7	-	-	-	7
	-	-	(3)	-	-	-	(3)
CFAPL	-	-	-	-	*	-	*
	-	-	-	-	-	-	-

\* Amount below Rupees One Lakh



Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
GPPL					2		2
					-		-
<b>Compensation/others:</b>							
SFV	-	-	28	-	-	-	28
	-	-	(35)	-	-	-	(35)
<b>Remuneration :</b>							
SFV	-	-	167	-	-	-	167
	-	-	(167)	-	-	-	(167)
MFV	-	-	90	-	-	-	90
	-	-	(89)	-	-	-	(89)
NN	-	-	34	-	-	-	34
	-	-	(50)	-	-	-	(50)
SC	-	-	20	-	-	-	20
	-	-	-	-	-	-	-
KT	-	-	33	-	-	-	33
	-	-	(32)	-	-	-	(32)
<b>Dividend received</b>							
CXDI	-	-	-	-	-	-	-
	-	(79)	-	-	-	-	(79)
<b>Dividend paid:</b>							
SFV	-	-	-	-	-	-	-
	-	-	(94)	-	-	-	(94)
FAV	-	-	-	-	-	-	-
	-	-	-	(2)	-	-	(2)
RIL	-	-	-	-	-	-	-
	-	-	-	-	(7)	-	(7)
GPPL	-	-	-	-	*	-	*
	-	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>							
<b>Investments :</b>							
CXDI	2	68	-	-	-	-	70
	(2)	(68)	-	-	-	-	(70)
<b>Trade receivables:</b>							
CXDI	-	130	-	-	-	-	130
	-	(68)	-	-	-	-	(68)
IOCL	-	-	-	-	14	-	14
	-	-	-	-	-	-	-
GPPL	-	-	-	-	14	-	14
	-	-	-	-	-	-	-
CFAPL	-	-	-	-	*	-	*
	-	-	-	-	*	-	*

\* Amount below Rupees One Lakh



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

Particulars	Subsidiaries (DGCIL)	JCE (NCD)	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP can exercise significant influence	Enterprizes over which director can exercise significant influence	Total
<b>Deposits for office :</b>							
KMP	-	-	32	-	-	-	32
	-	-	(32)	-	-	-	(32)
<b>Trade payable :</b>							
IOCL	-	-	-	-	175	-	175
	-	-	-	-	(131)	-	(131)
UKL	-	-	-	-	2	-	2
	-	-	-	-	(17)	-	(17)
NIL	-	-	-	-	* -	-	* -
	-	-	-	-	* -	-	(-)
GPPL	-	-	-	-	8	-	8
	-	-	-	-	(8)	-	(8)
CFAPL	-	-	-	-	* -	-	* -
	-	-	-	-	-	-	-
MFV	-	-	-	-	-	-	-
	-	-	(4)	-	-	-	(4)

\* Amount below Rupees One Lakh

Note: Figures in bracket relate to the previous year

**Payment of sitting fees to Independent directors**

Sitting fees .....

**Year ended  
31 March 2020****10**Year ended  
31 March 2019

12

**Key management personnel compensation**

Key management personnel compensation comprised the following :

**Particulars**

Post-employment benefits .....

Other long-term benefits .....

**Year ended  
31 March 2020****39****72**Year ended  
31 March 2019

45

67

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

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



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

**43. Interest in joint ventures**

Jointly controlled entity (JCE):							
Name of JCE and country of incorporation	% of interest / ownership	Amount of interest based on accounts for the year ended 31 March 2020					
		Assets	Liabilities	Income	Expenditure	Contingent liabilities	Capital commitments
ChampionX Dai-ichi India Private Ltd (formerly known as Nalco Champion Dai-ichi India Pvt. Ltd.-India).....	50	2,851	2,851	2,107	1,859	713	-
Previous year	50	2,607	2,607	2,064	2,043	713	-

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

**A. Accounting classification and fair values**

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

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

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

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

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

	As at 31st March 2020							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	79	79	-	-	-	-
Other bank balances	-	-	281	281	-	-	-	-
Current investments	104	-	-	104	104	-	-	104
Non current investments (other than in subsidiary and joint venture)	-	-	1	1	-	-	-	-
Non current loans	-	-	275	275	-	-	-	-
Trade receivables	-	-	2,042	2,042	-	-	-	-
Other current financial assets	-	-	135	135	-	-	-	-
	<b>104</b>	<b>-</b>	<b>2,813</b>	<b>2,917</b>	<b>104</b>	<b>-</b>	<b>-</b>	<b>104</b>
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	8,467	8,467	-	-	-	-
Current borrowings	-	-	2,357	2,357	-	-	-	-
Other financial liabilities	-	-	57	57	-	-	-	-
Trade payables	-	-	2,860	2,860	-	-	-	-
Other current financial liabilities	-	-	398	398	-	-	-	-
	<b>-</b>	<b>-</b>	<b>14,139</b>	<b>14,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

(₹ in lakhs)

	As at 31st March 2019							
	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amotised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
Cash and cash equivalents	-	-	494	494	-	-	-	-
Other bank balances	-	-	272	272	-	-	-	-
Current investments	282	-	-	282	282	-	-	282
Non current investments (other than in subsidiary and joint venture)	-	-	133	133	-	-	-	-
Non current loans	-	-	266	266	-	-	-	-
Trade receivables	-	-	1,650	1,650	-	-	-	-
Other current financial assets	-	-	121	121	-	-	-	-
	<b>282</b>	<b>-</b>	<b>2,936</b>	<b>3,218</b>	<b>282</b>	<b>-</b>	<b>-</b>	<b>282</b>
<b>Financial liabilities</b>								
Non current borrowings (Including current maturity of long term debts)	-	-	8,985	8,985	-	-	-	-
Current borrowings	-	-	1,405	1,405	-	-	-	-
Trade payables	-	-	2,220	2,220	-	-	-	-
Other current financial liabilities	-	-	915	915	-	-	-	-
	<b>-</b>	<b>-</b>	<b>13,525</b>	<b>13,525</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**B. Measurement of fair values**

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

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

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

**i. Risk management framework**

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

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

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

The Group's has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

### i. Credit risk

Credit risk is the risk of financial loss to the Group's if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of following financial assets represents the maximum credit exposure:

#### Trade and other receivables

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

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

At 31 March 2020, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

(₹ in lakhs)

	31 March 2020	31 March 2019
India .....	1,088	1,235
Other regions .....	954	415
	2,042	1,651

#### Impairment

At March 31, 2020, the ageing of trade and other receivables that were not impaired was as follows.

(₹ in lakhs)

	31 March 2020	31 March 2019
Neither past due nor impaired		
Past due 1-180 days .....	2,019	1,617
Past due more than 180 days .....	23	33
	2,042	1,651

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

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

(₹ in lakhs)

	31 March 2020	31 March 2019
Balance as at the beginning of the year .....	3	3
Impairment loss recognised .....	23	-
Balance as at the end of the year .....	26	3

### ii. Liquidity risk

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

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

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)****Exposure to liquidity risk**

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

(₹ in lakhs)

31 March, 2020	Carrying amount	Contractual cash flows				
		Total	less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Term loans from banks .....	8,467	8,467	1,694	2,547	4,226	-
Working capital loans from banks .....	2,357	2,357	2,357	-	-	-
Trade payables .....	2,860	2,860	2,860	-	-	-
Other Current financial liabilities .....	398	398	398	-	-	-
Contractual cash flows						
31 March, 2019	Carrying amount	Total	less than 1 year	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Term loans from banks .....	8,985	8,985	1,667	1,930	5,388	-
Working capital loans from banks .....	1,405	1,405	1,405	-	-	-
Trade payables .....	2,220	2,220	2,220	-	-	-
Other Current financial liabilities .....	915	915	913	-	-	2

**iii. 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 Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

**Currency risk**

The Group is exposed to currency risk on account of its payables and receivables in foreign currency. The functional currency of the Group is Indian Rupee. The Group has major exposure to USD

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

	31 March 2020	31 March 2019
	\$ in Lakhs	\$ in Lakhs
<b>Financial assets</b>		
Trade and other receivables .....	13	6
	13	6
<b>Financial liabilities</b>		
Trade and other payables .....	2	3
	2	3

The following significant exchange rates have been applied during the year.

	Year-end spot rate	
	31 March 2020	31 March 2019
USD .....	75.40	69.26



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against various foreign currencies at 31 March 2020 would have affected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in lakhs)

Effect in INR	Profit or loss	
	Strengthening	Weakening
<b>31 March 2020</b>		
10% movement .....	<b>82</b>	<b>(82)</b>
USD .....	-	-
	<b>82</b>	<b>(82)</b>
	Profit or loss	
Effect in INR	Strengthening	Weakening
31 March 2019		
10% movement .....	20	(20)
USD .....	-	-
	20	(20)

### Interest rate risk

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

### Exposure to interest rate risk

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

(₹ in lakhs)

	31 March 2020	31 March 2019
<b>Fixed-rate instruments</b>		
Financial assets bonds .....	<b>1</b>	133
Financial liabilities vehicle loans .....	<b>19</b>	39
	<b>(18)</b>	94
<b>Variable-rate instruments</b>		
Financial liabilities - term loan and Cash Credit .....	<b>10,801</b>	10,333
	<b>10,801</b>	10,333
<b>Total</b>	<b>(10,819)</b>	(10,239)

**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)****Fair value sensitivity analysis for fixed-rate instruments**

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

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

	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2020				
Variable-rate instruments .....	<b>108</b>	<b>(108)</b>	<b>78</b>	<b>(78)</b>
Cash flow sensitivity (net) .....	<b>108</b>	<b>(108)</b>	<b>78</b>	<b>(78)</b>
31 March 2019				
Variable-rate instruments .....	103	(103)	75	(75)
Cash flow sensitivity (net) .....	103	(103)	75	(75)

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

**45. Capital Management**

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

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

The Group's adjusted net debt to equity ratio at 31 March 2020 was as follows.

(₹ in lakhs)

	As at 31 March 2020	As at 31 March 2019
Total Borrowing .....	<b>10,821</b>	10,371
Less : Cash and cash equivalent .....	<b>79</b>	494
<b>Adjusted net debt .....</b>	<b>10,742</b>	9,877
Total equity .....	<b>11,965</b>	14,270
Net debt to equity ratio .....	<b>0.90</b>	0.69



**Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)**

**46. Income Taxes**

**(A) Components of Income Tax Expenses**

**(i) Tax Expense recognised in Consolidated profit and loss**

(₹ in lakhs)

	<b>For the year ended 31 March 2020</b>	For the year ended 31 March 2019
<b>Current tax</b>		
Current period tax .....	-	-
<b>Deferred tax</b>		
Decrease/Increase in Deferred Tax Asset .....	-	(1,158)
Increase/Decrease in Deferred Tax Liability		
Mat Credit entitlement .....	-	(27)
Total deferred tax (benefit)/expense .....	-	(1,185)
<b>Tax expense for the year .....</b>	<b>-</b>	<b>(1,185)</b>

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

(₹ in lakhs)

	<b>For the year ended 31 March 2020</b>			For the year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans .....	<b>13</b>	-	<b>13</b>	43	(12)	31
	<b>13</b>	-	<b>13</b>	43	(12)	31

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

(₹ in lakhs)

	(%)	<b>For the year ended 31 March 2020</b>	(%)	For the year ended 31 March 2019
<b>Loss before tax</b>		<b>(2,494)</b>		(2,478)
Tax using the Group's domestic tax rate (Current year 27.8% and 31 March 2019 27.8%).....	<b>27.8%</b>	<b>(694)</b>	27.8%	(689)
<b>Tax effect of:</b>				
Unrecognised Deferred Tax on carry forward Losses		<b>694</b>		
Land indexation	-	-	17.6%	(436)
Income exempt from income taxes		-	0.9%	(23)
Unrecognised MAT credit of previous year		-	1.1%	(27)
Others		-	0.4%	(10)
		-		(1,185)

The Group's domestic tax rates for the years ended 31 March 2020 and 31 March 2019 were 27.8%.



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

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

	31 March, 2020					
	Net balance 1 April 2019	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>						
Property, plant and equipment and Intangible assets .....	(916)	(230)	-	(1,146)	-	(1,146)
Investment .....	(17)	15	-	(2)	-	(2)
<b>Deferred Tax Assets:</b>						
Employee benefits .....	91	12	-	103	103	-
Bonus .....	7	1	-	8	8	-
Trade receivables .....	1	5	-	6	6	-
Income tax loss (including depreciation) .....	1,377	827	-	2,204	2,204	-
Other items .....	10	(4)	-	6	6	-
Indexed Cost of Land .....	436	18	-	454	454	-
MAT credit entitlement .....	87	-	-	87	87	-
<b>Deferred Tax assets (Liabilities) .....</b>	<b>1,076</b>	<b>644</b>	<b>-</b>	<b>1,720</b>	<b>2,868</b>	<b>(1,148)</b>
Offsetting of deferred tax assets and deferred tax liabilities .....					(1,148)	1,148
<b>Net Deferred Tax assets (Liabilities)</b>	<b>1,076</b>	<b>644</b>	<b>-</b>	<b>1,720</b>	<b>1,720</b>	<b>-</b>
<b>Net Deferred Tax assets Recognised in books.....</b>					<b>1,076</b>	

	31 March, 2019					
	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
<b>Deferred Tax Liabilities:</b>						
Property, plant and equipment and Intangible assets .....	(175)	(741)	-	(916)	-	(916)
Investment .....	(103)	86	-	(17)	-	(17)
<b>Deferred Tax Assets:</b>						
Employee benefits	92	(13)	12	91	91	-
Bonus	11	(4)	-	7	7	-
Trade receivables	1	-	-	1	1	-
Income tax loss (including depreciation)	-	1,377	-	1,377	1,377	-
Other items	5	5	-	10	10	-
Indexed Cost of Land	-	436	-	436	436	-
MAT credit entitlement	60	27	-	87	87	-
<b>Deferred Tax assets (Liabilities)</b>	<b>(109)</b>	<b>1,173</b>	<b>12</b>	<b>1,076</b>	<b>2,009</b>	<b>(933)</b>
Offsetting of deferred tax assets and deferred tax liabilities .....					(933)	933
<b>Net Deferred Tax assets (Liabilities)</b>	<b>(109)</b>	<b>1,173</b>	<b>12</b>	<b>1,076</b>	<b>1,076</b>	<b>-</b>

The Group has not recognised deferred tax asset (DTA) on carry forward losses aggregating ₹ 644 lakhs (31 March 2019: Nil) in absence of convincing evidence of sufficient future taxable income against which such DTA can be realised.

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

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



## Notes forming part of the consolidated financial statements for the year ended 31 March 2020 (Contd.)

(₹ in lakhs)

### D. Tax assets and liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Non Current tax assets (net) .....	387	437
Current tax assets (net) .....	-	-
Current tax liabilities (net) .....	-	-

### 47. Going Concern

The Group has incurred operating loss of ₹ 2,094 lakhs for the current year, net current liabilities of ₹ 655 lakhs and total borrowings of ₹ 10,821 lakhs as at 31 March 2020. Further, the Group's borrowings have increased in the current year by ₹ 449 lakhs and it continues to experience constraints in cash flow from operations. The net worth of the Group as at 31 March 2020 is positive.

In the light of the above facts, management of the Group evaluated the Group's ability to continue as a going concern. The assessment was based upon the Board approved business forecasts and cash flow forecasts. This required the exercise of significant judgement in forecasting the Group's future revenue, Earnings before Interest, Taxes, Depreciation, and Amortization ('EBITDA') and in assessing the Group's ability to repay its existing borrowings.

The Holding Company had entered into a Memorandum of Understanding (MOU) on 24 Dec 2019 with Gera Developments Private Limited (Pune) for sale of its Kasarwadi land for an agreed purchase consideration of approx. ₹ 15,325 lakhs. An advance of ₹ 500 lakhs was received by the Holding Company in this regard in the current year. Management expects to enter into an Agreement for Sale in FY 2021. This sale of land will resolve the cashflow constrains.

Based on their assessment, the management concluded that there are no material uncertainties related to events or conditions which, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

### 48. Impact of COVID-19 Pandemic

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

### 49. Previous year comparatives

Previous year's figures have been regrouped / restated wherever necessary to conform to the current year's classification:

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

As per our report of even date attached.

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

Chartered Accountants

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

#### Balajirao Pothana

Partner

Membership No. 122632

UDIN: 20122632AAAAAV1531

Place : Mumbai

Date : 8 June 2020

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

Dai-ichi Karkaria Limited

CIN: L24100MH1960PLC011681

#### S. F. Vakil

Chairperson and Managing Director

(DIN: 00002519)

#### Shailesh Chauhan

Chief Financial Officer

Membership No. 116610

Place : Mumbai

Date : 8 June 2020

#### Anil Naik

Director

(DIN: 00002670)

#### Kavita Thadeshwar

Company Secretary

Membership No. A18651

**Form AOC-1****Statement containing salient features of the Financial Statement of Subsidiaries/Associate Companies/ Joint Ventures (Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)**

<b>Part "A" -Subsidiaries</b>		<b>(₹ in Lakh)</b>
1	Sl. No.	1
2	Name of the subsidiary	Dai-ichi Gosei Chemicals (India) Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
5	Share Capital	5
6	Reserves & Surplus	(3)
7	Total Assets	2
8	Total Liabilities	2
9	Investments	Nil
10	Turnover (Other Income)	* -
11	Loss before taxation	* -
12	Provision for taxation	-
13	Loss after taxation	* -
14	Proposed dividend	Nil
15	% of Shareholding	97%
16	Names of subsidiaries which is yet to commence operations	Nil
17	Names of subsidiaries which have been liquidated or sold during the year	Nil
* Amount below Rupees One Lakh		

**Statement pursuant to Section 129(3) of Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Part "B" - Joint Ventures</b>		<b>(₹ in Lakh)</b>
	Name of Joint Venture	ChampionX Dai-ichi India Private Limited (formerly known as Nalco Champion Dai-ichi India Private Limited)
1	Latest audited Balance Sheet date	31-03-2020
2	Shares of Joint Venture held by the Company on the year end :	
	No. of Shares	11,25,000
	Amount of investment in Joint Venture	68
	Extent of holding	50%
3	Description of how there is significant influence	50% holding in JV
4	Reason why the Joint venture is not consolidated	NA
5	Net worth attributable to shareholding as per last audited balance sheet	2,169
6	Profit for the year	
	1. Considered in consolidation	-
	2. Not considered in consolidation	-
7	Names of Associates or Joint Ventures which is yet to commence operations	Nil
8	Names of Associates or Joint Ventures which have been liquidated or sold during the year	Nil

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

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

**Anil Naik**  
Director  
(DIN: 00002670)

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

**Kavita Thadeshwar**  
Company Secretary  
Membership No. A18651

Place : Mumbai  
Date : 8 June 2019







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**Sir Vithaldas Thackersey Marg,**  
**Mumbai - 400 020.**