



30<sup>th</sup> August, 2021

To,  
The Manager,  
Listing & Compliance,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

**Ref: Scrip Code - 506405**

**Sub:** Submission of Notice of the 100<sup>th</sup> Annual General Meeting ('AGM') and Annual Report for the financial year 2020-21

Dear Sir/Madam,

Pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith enclose the electronic copy of the Annual Report of the Company for the financial year 2020-21 (along with the Notice of 100<sup>th</sup> AGM of the Company which is scheduled to be held on **Wednesday, 22<sup>nd</sup> September, 2021 at 11:30 a.m. (IST)** which is sent to all the members whose email IDs were registered with the Company / Depository Participant(s). The requirement of sending physical copies of the above to the members has been dispensed with in accordance with relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

In view of the continuing COVID-19 pandemic, the 100<sup>th</sup> AGM of the Company is being held through VC/OAVM **ONLY** without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

The Annual Report of the Company for the financial year 2020-21 along with the Notice of 100<sup>th</sup> AGM is also uploaded on the website of the Company at [www.dmcc.com](http://www.dmcc.com). The web-links to the same are given below:

Annual Report 2020-21- [https://www.dmcc.com/Media/pdf/DMCC\\_Annual-Report\\_2020-21.pdf](https://www.dmcc.com/Media/pdf/DMCC_Annual-Report_2020-21.pdf)

Notice of 100<sup>th</sup> AGM - [https://www.dmcc.com/Media/pdf/DMCC\\_AGM-Notice\\_2020-21.pdf](https://www.dmcc.com/Media/pdf/DMCC_AGM-Notice_2020-21.pdf)

You are requested to kindly take the same on your record.

Thanking you,  
**For The Dharamsi Morarji Chemical Company Ltd**

**Omkar C. Mhamunkar**  
**Company Secretary & Compliance Officer**  
Membership No. ACS 26645

Encl : As Above

**CIN NUMBER: L24110MH1919PLC000564**



RELIABLE



RESOLUTE



RESPONSIBLE



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#### RELIABLE

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PRESENCE



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BUSINESS MODEL

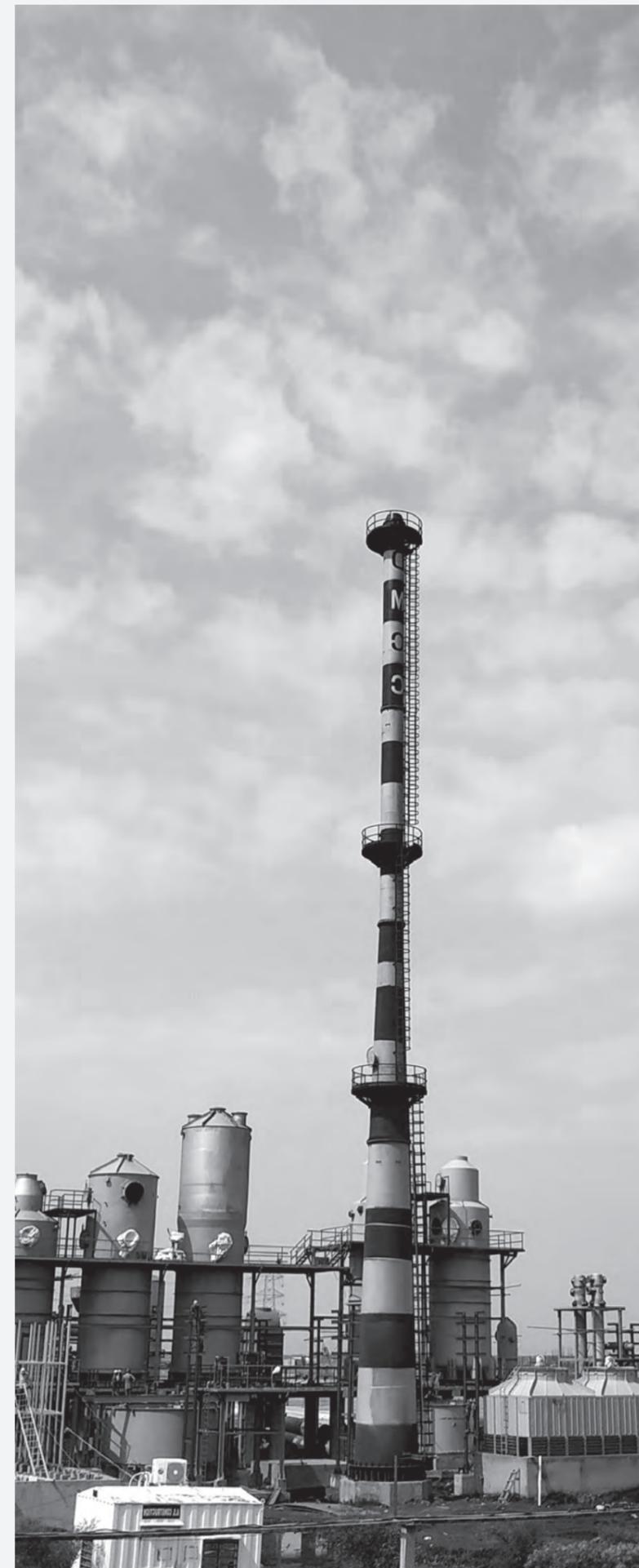


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COMMUNITIES



### FORWARD LOOKING STATEMENT

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate,' 'estimate,' 'expects,' 'projects,' 'intends,' 'plans,' 'believes,' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



## FY 2020-21 HIGHLIGHTS

### REVENUE FROM OPERATIONS

₹ in Crores

200.15

↑  
6.65  
Y-O-Y (%)

### PROFIT AFTER TAX

₹ in Crores

32.58

↑  
3.55  
Y-O-Y (%)

### EBITDA

₹ in Crores

43.27

↑  
27.09  
Y-O-Y



**LAXMIKUMAR N. GOCULDAS**  
CHAIRMAN

“We have been in the business for over 100 years and have established a name that resonates with quality and trust. I am optimistic that we will continue to uphold our legacy for the years to come on the back of our expanding product portfolio and global footprint, extensive research and development and technological innovations.”

→ Read more on [page 22](#)

At The Dharamsi Morarji Chemical Company Limited (DMCC), we believe in the adage 'The only constant in life is change.' Over our 100-year journey, we have grown, learned and evolved to become a name synonymous with and trusted for sulphur chemistry.

While many a storm came our way, we emerged stronger from each of them on the back of our reliable and responsible nature.

## Reliable

Trust is the foundation on which we have run our business successfully for over a century. We have established long-standing relationships and gained the trust of our clients with our diversified product portfolio, global export presence, and a passionate leadership team.

→ Read more about how we are and will continue to remain a **RELIABLE** partner for the sulphur needs of all our clients on [page 04](#).

## Resolute

We are confident that whatever comes our way, our strong fundamentals, a robust business model, prudent growth strategy, a strong balance sheet will continue to power us to help make a better tomorrow.

→ Read more about how our **RESOLUTE** demeanour has allowed us to create a strong roadmap for the future on [page 20](#).

## Responsible

For us, a successful business considers society and the environment in its growth journey. Therefore, we are marching tenaciously on the sustainability roadmap that we have laid out for ourselves and integrating the communities' needs and the environment in our core business strategy.

→ Read more about how we are a socially **RESPONSIBLE** business on [page 36](#).



Super Heater



## Sustainability-driven

Organisation

Ancillary revenue streams from

- Engineering services
- Licensing of brand fertilisers

Globally relevant manufacturer of

- Sodium vinyl sulfonate
- Benzene sulfonyl chloride
- Diethyl sulphate

**Recognised by the Council of Scientific and Industrial Research, Government of India**

**India's 1<sup>st</sup> producer of**

Sulphuric acid and phosphate fertilisers

**Backward integrated**

For value added products

**25+**

Countries export presence

**34**

Products manufactured

# Reliable

**Reliable** ( adjective )  
: dependable

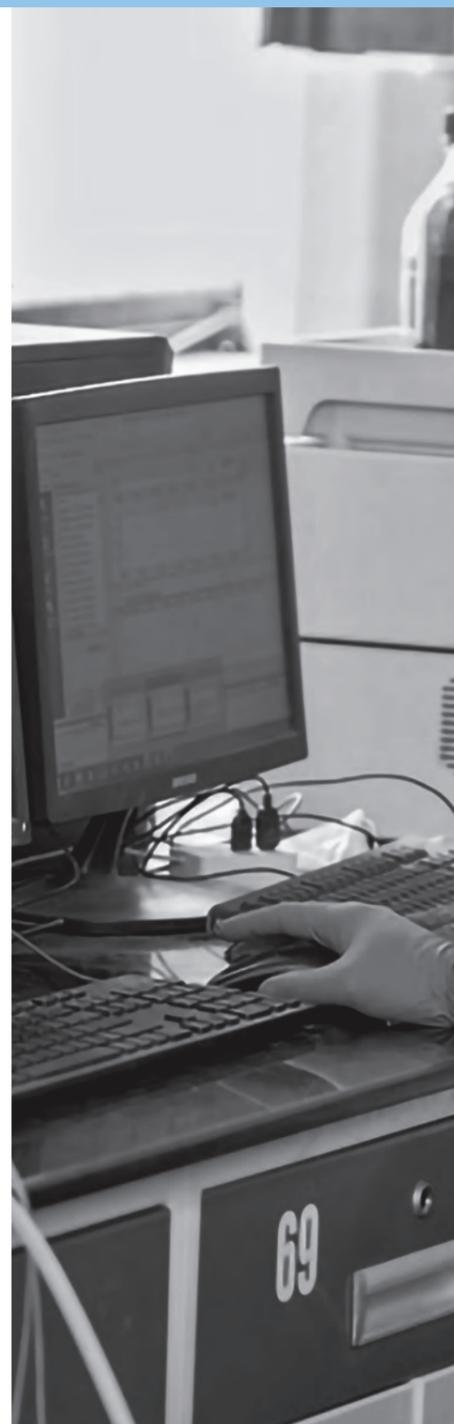
For any Company, growth depends on a solid foundation. For us, this solid foundation is our long legacy and strong chemistry. We are a fast-growing player in the global sulphur-based chemicals space and are leaving no stone unturned in ensuring that the entire world recognises us for our high-quality, cost-effective products.



We will continue changing the face of sulphur chemistry with our products and solutions.

We will continue to be recognised for superior quality.

We will continue to be a **RELIABLE** partner for clients looking for speciality chemical solutions.



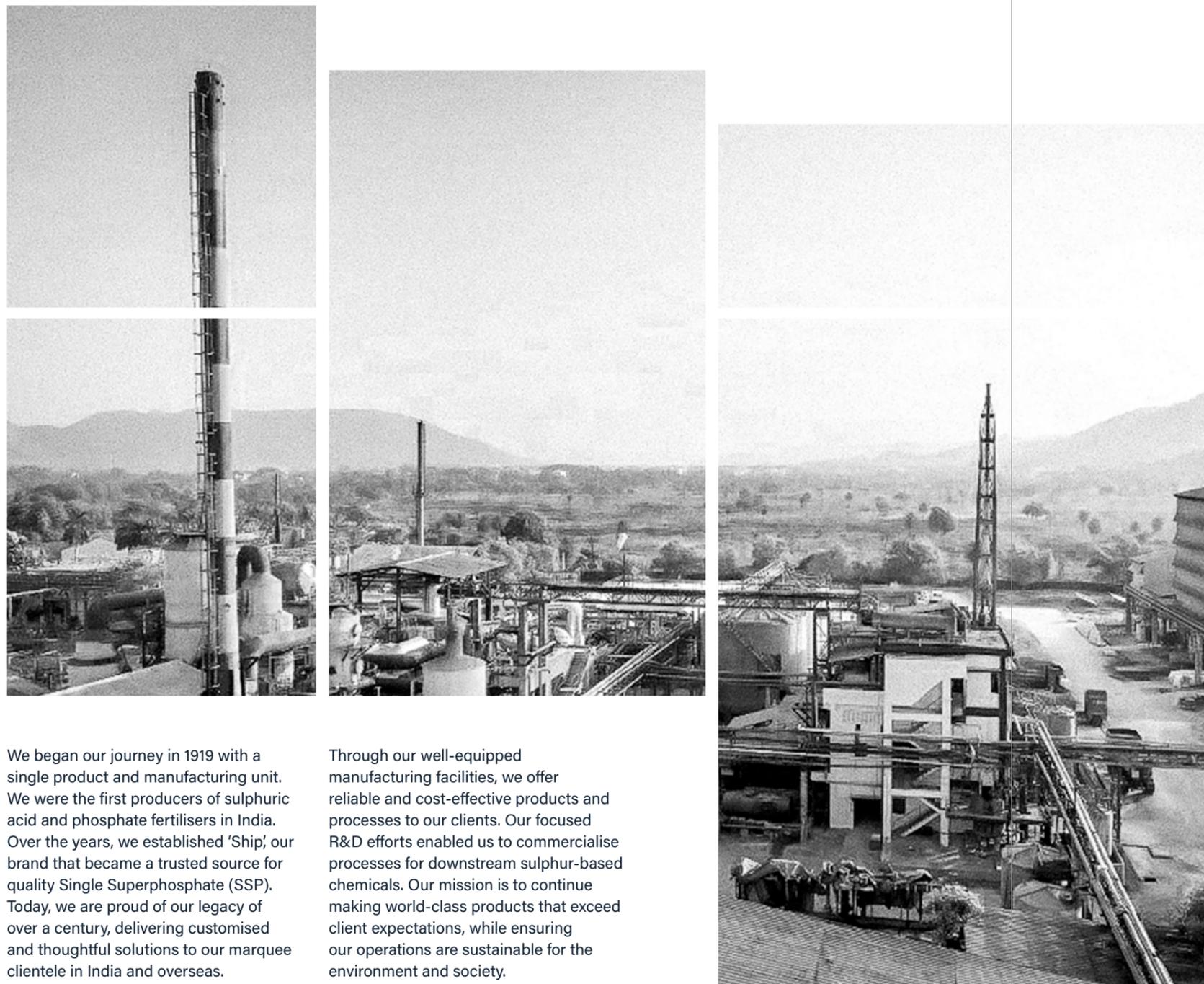
## RELIABLE

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ABOUT DMCC

# A legacy of delivering excellence in chemicals

The Dharamsi Morarji Chemical Company Limited (DMCC) is a fully integrated speciality chemicals player in sulphur, boron and ethanol chemistry. Our products find usage in a wide range of industries such as pharmaceuticals, detergents, dyes, fertilisers, pigments and cosmetics.



We began our journey in 1919 with a single product and manufacturing unit. We were the first producers of sulphuric acid and phosphate fertilisers in India. Over the years, we established 'Ship', our brand that became a trusted source for quality Single Superphosphate (SSP). Today, we are proud of our legacy of over a century, delivering customised and thoughtful solutions to our marquee clientele in India and overseas.

Through our well-equipped manufacturing facilities, we offer reliable and cost-effective products and processes to our clients. Our focused R&D efforts enabled us to commercialise processes for downstream sulphur-based chemicals. Our mission is to continue making world-class products that exceed client expectations, while ensuring our operations are sustainable for the environment and society.

MANUFACTURING FACILITIES

2



PRODUCTS MANUFACTURED

34



CREDIT RATING

CRISIL  
BBB\*



WORKFORCE

350



EXPORT PRESENCE



25 Countries  
6 Continents

PRODUCTS REVENUE



INVESTED FOR CAPACITY EXPANSION

₹ in Crores

35.50

\* Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.

## JOURNEY

## Over a century and still counting

We began taking small steps in 1919. We took judicious decisions and gradually made our way into achieving our aspiration of building a reputed organisation. However, our journey was not an easy one. We faced our share of difficulties and each time, we course-corrected, used the obstacles as stepping stones, and 102 years later, we have established a strong organisation that is India's leading manufacturer of sulphur-based speciality chemicals.



### 1919-2007

#### INCORPORATION AND FOCUS ON THE FERTILISER BUSINESS



↑ *The Dharamsi Morarji Chemical Company Ltd in 1965*

- DMCC was established in 1919
- Commenced operations as a manufacturer of sulphuric acid and SSP fertilisers
- Largely focused on the fertiliser business, which at that point, contributed to ~75% of the revenues
- From the year 2000 onwards, the fertiliser business began incurring losses

### 2007-2011

#### RESTRUCTURING AND TRANSITION



↑ *The Dharamsi Morarji Chemical Company Ltd in 2011*

- In 2009, exited the fertiliser business and underwent restructuring
- Shifted its focus to the sulphur chemicals business and its downstream products
- Reimagined its vision and strategy – focused on the speciality chemicals space that had less competition and became its globally relevant manufacturer
- Deployed incremental funds only towards expanding the speciality chemicals segment

### 2011 ONWARDS

#### FOCUS ON SPECIALITY CHEMICALS



↑ *The Dharamsi Morarji Chemical Company Ltd in 2020*

- With a strong focus on R&D, the Company is actively working to expand its product portfolio in the speciality chemicals segment
- Focusing only on chemicals, where the Company envisages an operating margin of more than 30% and a payback period of no more than three years
- Planned a capital expenditure at the available land parcel in Dahej to expand its capacity in the speciality chemicals segment

PRODUCTS AND CLIENTELE

# Value-added Offerings, enduring Relationships

We believe that our success is fuelled by our customers' success. We strive to understand our clients' needs and tailor products and solutions that meet their requirements.

We leverage our expertise of over 100 years, our knowledge of the various industries in which our clients operate and our R&D skills to optimise processes and develop cost-effective solutions to maximise our clients' success.

With our laser-sharp focus on expanding and strengthening our product portfolio, we remain confident to continue driving increased value for our clients and other stakeholders.



We are the world's largest manufacturers of benzene sulphonyl chloride and among the largest manufacturers of sodium vinyl sulphonate and diethyl sulphate.

## PRODUCTS WE OFFER

### BULK CHEMICALS

We are India's first manufacturers of sulphuric acid. The product is sold within a limited radius from the manufacturing site. Almost 50% of the bulk chemicals that we manufacture is sold in the market while the remainder is used for captive consumption.

**Products**

- Sulphuric acid
- Sulphuric anhydride
- Oleum
- Chloro sulphonic acid

**A few applications**



Detergents Dyes Fertilisers

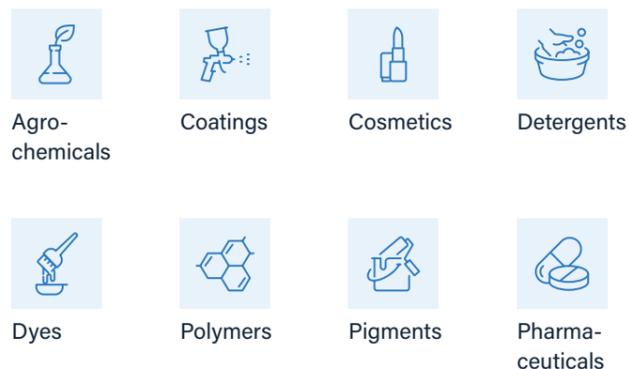
### SPECIALITY CHEMICALS

We manufacture sulphonating agents and plan their reaction with organic substrates such as phenol, benzene and methanol. This gives us our downstream products. We use backward integration in this manufacturing process. We export 65-70% of our speciality chemicals.

**Products**

- Benzene sulphonyl chloride
- Benzene sulphonic acid
- Phenol sulphonic acid
- Sodium benzene sulphonate
- Sodium phenol sulphonate
- Menthyl lactate
- Thiophenol
- Lasamide
- Diethyl sulphate
- Sodium vinyl sulphonate

**A few applications**



Agro-chemicals Coatings Cosmetics Detergents Dyes Polymers Pigments Pharmaceuticals

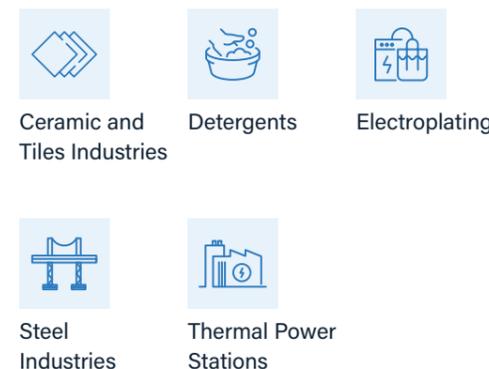
### BORON CHEMISTRY

Due to the unfavourable Government policy, we are unable to import the raw materials needed to develop solutions under our boron chemistry segment. However, we are optimistic that we will be able to expand this portfolio in future.

**Products**

- Boric acid
- Borax pentahydrate
- Borax decahydrate
- Trimethyl borate
- Zinc borate
- Disodium octaborate tetrahydrate
- Boric acid special quality (SQ grade)
- Boric acid analytical reagent (AR grade)

**A few applications**



Ceramic and Tiles Industries Detergents Electroplating Steel Industries Thermal Power Stations

## CLIENTS WE SERVE



CLIENT TESTIMONIALS

# Trusted and respected for our solutions

Our clients are more than just our customers. They are our inspiration and the reason behind what we do. We are privileged to work with several industry leaders who consider DMCC their trusted and essential partner.



## THEIR CONSTANT MOTIVATION ENCOURAGES US TO CONTINUE DOING OUR BEST AND EARNING THEIR TRUST.



We have been in an enduring relationship with DMCC for more than 30 years. Their industry expertise and operational excellence has served us well and we treat them as reliable partners in our success. We look forward to sharing many more years of our good and fruitful partnership.



We have a decade-long relationship with DMCC and it has been a great experience to be associated with them. Through their chemical manufacturing experience of over a century, with focus on sulphur chemistry, DMCC has customised and developed solutions for us to meet our specific needs.



We share a strong bond with DMCC. Nobody in the Indian industry knows sulphur chemistry more than DMCC. Through their strong R&D capabilities in sulphur-based chemistry, DMCC developed high-quality cost-effective solutions for us.



We believe in DMCC not only because of their products, but also because of their research, innovation and excellent service. They have always been available to answer all our queries and resolve our challenges with their in-depth knowledge and expert advice in the field of sulphur chemistry.



Over the years, our partnership with DMCC has grown strong on the basis of their knowledge, expertise and commitment to high-quality and safe products. Every member of the DMCC team ensures that all our queries are resolved and they work towards delivering superior experience to us.



During the challenging times of the pandemic, when businesses were severely impacted, DMCC marched on resiliently and continued to offer customised chemistry solutions to us. And what's more important is that they delivered their solutions within the expected timeline, ensuring high-quality products and no delays.



We have enjoyed a long and mutually beneficial relationship with DMCC and built strong relationships with its members. DMCC has strong research capabilities and a forward-thinking attitude, which makes them one of the key players in sulphur chemistry. We look forward to continuing this enduring relationship for many more years to come.



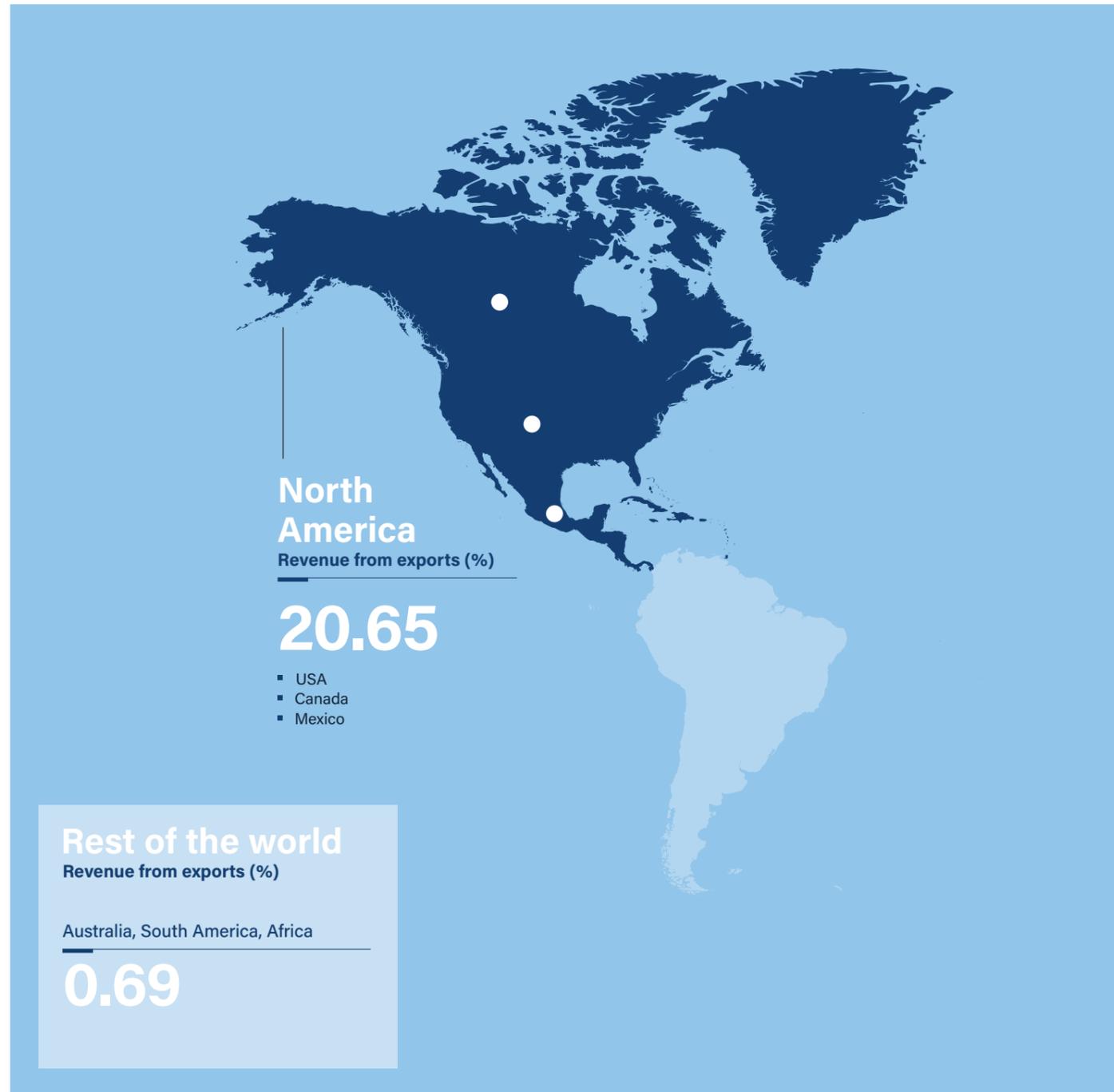
Excel Industries Limited, Roha is associated with DMCC from more than 10 years. We have known that for DMCC, client success is very important. They invest all that they have in understanding customers' needs and demands and deliver solutions that match our requirements precisely. This is what makes them the most trusted player in the industry.



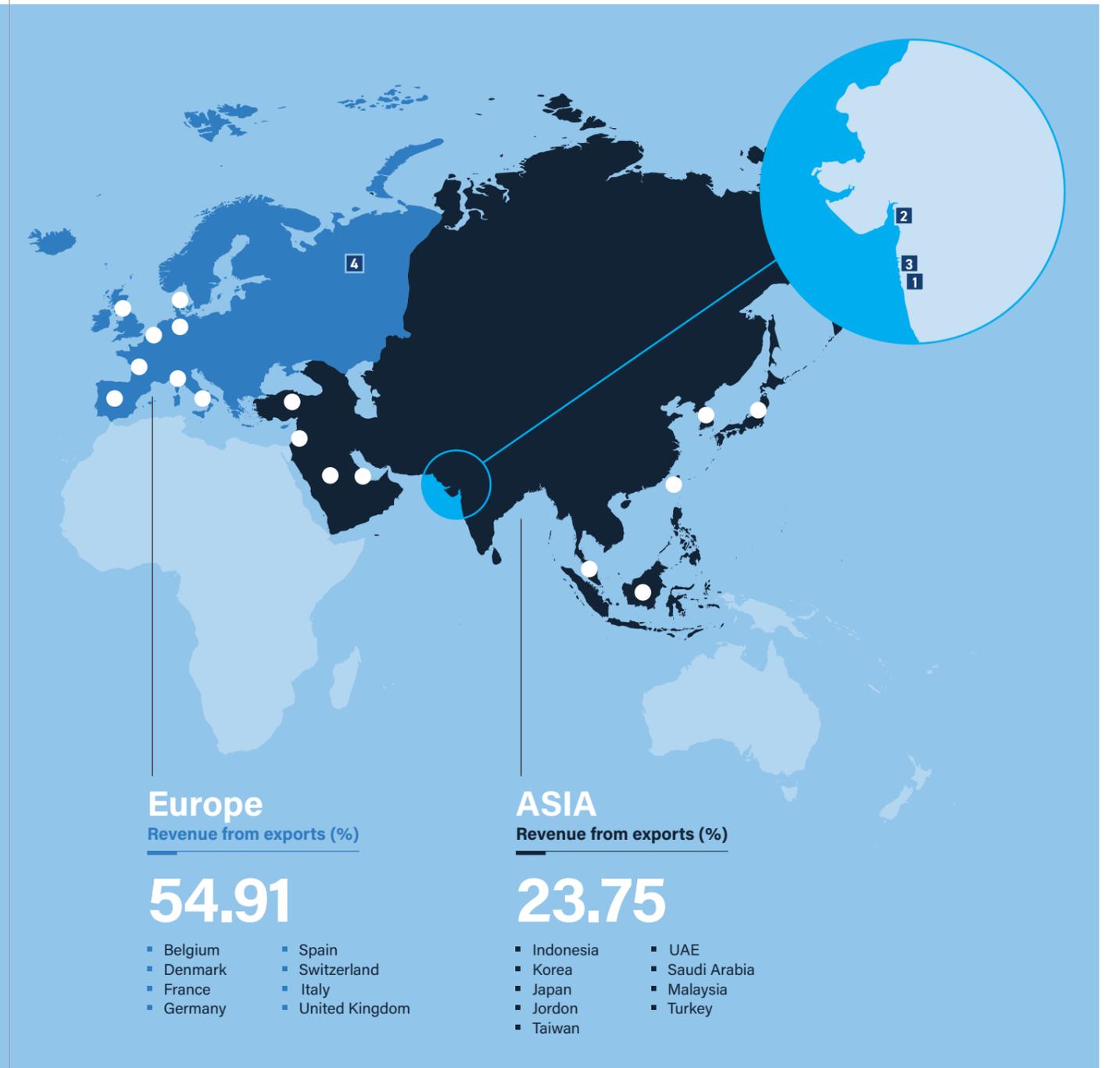
PRESENCE

# Delivering Chemistry to the World

We have our headquarters in Mumbai and export our products to over 25 countries in six continents. We aspire to continue growing our global presence by expanding our product portfolio to meet the dynamic demands of our clients.



- INFRASTRUCTURE**
- 1 Roha
  - 2 Dahej
  - 3 Mumbai
  - 4 Borax Morarji (Europe) GmbH



**BOARD OF DIRECTORS**

**Leveraging trusted insights**



1 3

**MR. LAXMIKUMAR N. GOCULDAS**  
CHAIRMAN

Mr. Laxmikumar N. Goculdas has in-depth knowledge and experience in finance, commerce, corporate affairs and domestic and international trade.



2 4 5

**MS. MITIKA L. GOCULDAS**  
VICE CHAIRPERSON

Ms. Mitika L. Goculdas is an MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 23 years, which includes her role as the Vice President with Merrill Lynch, both in the USA and Dubai. She is experienced in the areas of finance, industry and international trade.



6

**DR. MRS. JANAKI PATWARDHAN**  
NON-EXECUTIVE, INDEPENDENT DIRECTOR

Dr. Janaki Ashwin Patwardhan is a Doctorate Chemical Engineer from Mumbai University Institute of Chemical Technology. She holds an Advanced Diploma in Industrial Safety. Since 2009, she has served as an independent Consultant for various spans of time, to companies such as Lupin Ltd., Embio Ltd., India Glycols Ltd., Hindustan Polyamides & Fibres Limited (now Eternis Fine Chemicals Limited), Kevin Enterprises, Basell Polyolefins India Pvt. Ltd. amongst others.



2 4 5 6

**MR. MUKUL M. TALY**  
NON-EXECUTIVE, INDEPENDENT DIRECTOR

Mr. Mukul M. Taly holds a B.Sc. and L.L.M degree and has been practicing for over 34 years as Senior Advocate in S. Mahomedbhai & Co., Advocate & Solicitors, High Court, Mumbai. He was a Gold Medallist (1st in the University of Mumbai in LLB) in 1983. He has an L.L.M. degree from the University of Mumbai in Commercial Law and Constitutional Law.

1. Audit Committee
2. Nomination and Remuneration Committee
3. Shareholder/Investor Grievance Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Independent Directors Committee

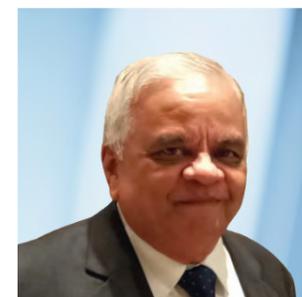
Chairman  
Member



5

**MR. BIMAL GOCULDAS**  
MD AND CEO

Mr. Bimal Goculdas heads the management team at DMCC and is responsible for the Company's overall performance. He is a Chemical Engineer with post-graduate qualifications from the USA and has two decades of work experience in India and the USA. He has been associated with the Company for over 20 years, holding various senior management positions, and has handled production, technology, supply chain management, marketing (both domestic and export) and finance.



5

**MR. DILIP T. GOKHALE**  
EXECUTIVE DIRECTOR

Mr. Dilip T. Gokhale is a B.Com., LLB, CAIIB, FCS and has work experience of more than 30 years. He is responsible for corporate affairs, legal, secretarial, human resources and internal audit.



1 2 3 4 5 6

**MR. MADHU T. ANKLESHWARIA**  
NON-EXECUTIVE, INDEPENDENT DIRECTOR

Mr. Madhu T. Ankleshwaria is a B.Com (Hons), F.C.A. and has been a practicing Chartered Accountant for over three decades and was Head of the Department of Accountancy at N. M. College of Commerce & Economics, Mumbai. He has in-depth knowledge in finance and accounting.



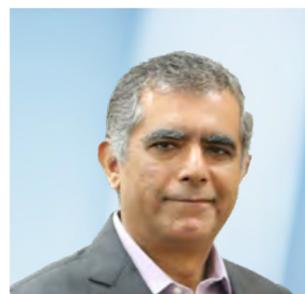
1 2 3 4 5 6

**MR. SANJEEV V. JOSHI**  
NON-EXECUTIVE, INDEPENDENT DIRECTOR

Mr. Sanjeev V. Joshi holds a B.Com degree and is a practising Chartered Accountant for over 34 years. He has in-depth knowledge in finance and accounting, and taxation.

## LEADERSHIP TEAM

## Leading with Experience and Foresight



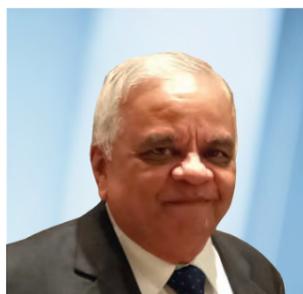
**MR. BIMAL GOCULDAS**  
MD AND CEO

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**MR. S. N. JADHAV**  
VICE PRESIDENT - OPERATIONS

Mr. S. N. Jadhav heads the Roha unit. He is a postgraduate in Inorganic Chemistry with nearly three decades of experience in chemical industries with main focus on sulphur-based chemicals.



**MR. DILIP T. GOKHALE**  
EXECUTIVE DIRECTOR

Mr. Dilip T. Gokhale is a B.Com., LLB, CAIIB, FCS and has work experience of more than 40 years. He is responsible for corporate affairs, legal, secretarial, human resources and internal audit.



**MR. CHIRAG JASWANT SHAH**  
CHIEF FINANCE OFFICER

Mr. Chirag Jaswant Shah holds a B.Com. and Chartered Accountant degree and has experience of more than two decades. He is responsible for the finance and accounting functions of DMCC. He has in-depth knowledge of Finance, Accounts, Strategic Planning, Merger & Acquisition, Treasury, Insurance and Risk, and ERP Implementations. He is ably supported by Mr. S.R. Mohite - General Manager Accounts and Taxation.



**MR. ASHOK R. NAGARCH**  
TECHNICAL ADVISOR TO MD & CEO

Mr. Ashok R. Nagarch, Technical Advisor to MD & CEO heads the R&D team. He has nearly four decades of experience in sulphur chemistry.



**MR. OMKAR MHAMUNKAR**  
COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Omkar Mhamunkar is a Commerce and Law graduate and Associate Member of the Institute of Company Secretaries of India, New Delhi. He has got over 10 years of experience in various listed companies and has handled Secretarial, Legal and Compliance functions. He is ably supported by Ms. Reshma Shetty - Executive Secretarial.



**MR. SHIRISH PANDIT**  
SENIOR VICE PRESIDENT - PROJECTS

Mr. Shirish Pandit heads the engineering services segment at DMCC. He has 41 years of experience in plant operation management, factory operation management and project management. He is also an Associate Member of Indian Institute of Chemical Engineers.

# Resolute

**Resolute** ( adjective )

: Marked by firm determination

: Bold, steady

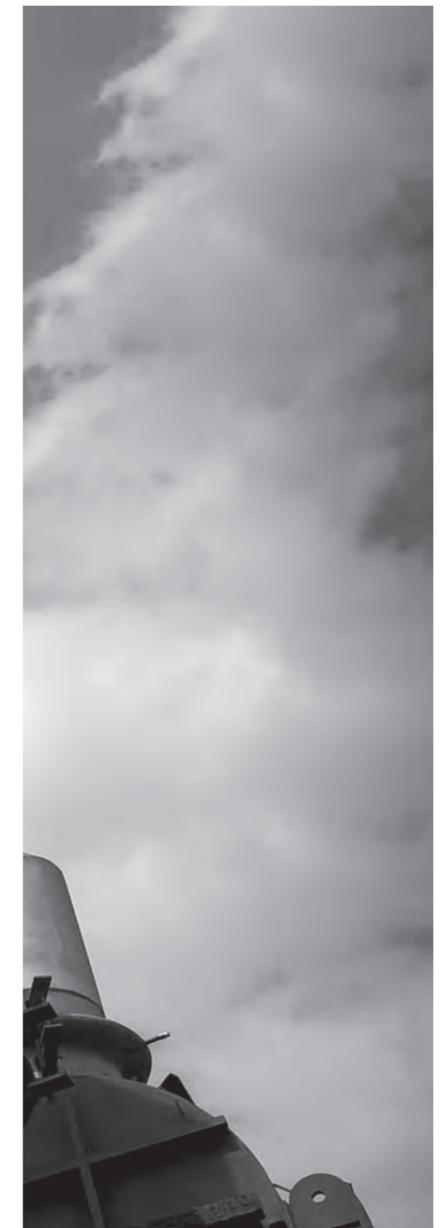
We are determined to continue doing what we are known for – offer customised chemistry solutions – and become better at it. And we have pledged to do this through all the challenges and hurdles that come our way.



We will continue focusing on growth.

We will unleash our full potential.

We will remain RESOLUTE.

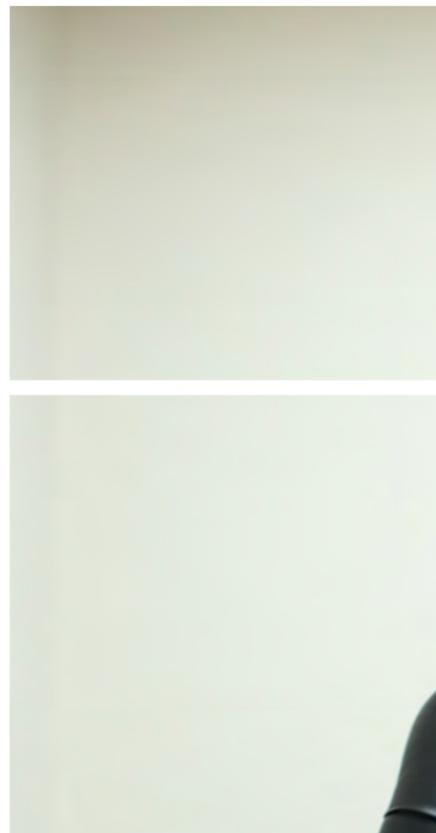


## RESOLUTE

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## MESSAGE FROM THE CHAIRMAN AND VICE CHAIRPERSON

## Demonstrating determination, progressing with optimism



We have embedded sustainability as a part of our strategy and are emphasising on sharpening our ESG focus.

*Dear Shareholders,*

As I write this letter, the impact of the COVID-19 pandemic is at different intensity in different regions across the globe. While the flattening curve seems to be a positive sign for some countries, some other regions are continuing to account for an increasing number of cases.

During this tough period, I offer my sincere condolences to those who have been affected by the pandemic. And I express my gratitude to all those who are fighting the pandemic.

Despite the challenging environment, DMCC demonstrated great resolve and weathered the business environment with prudent strategies and strong balance sheet. I attribute this performance to the hard work and determination demonstrated by our people, who – in spite of the adversity – remained exceptionally focused to delivering on our ambitions and ensuring seamless supply of our products to our clients.

We left no stone unturned in putting the health and safety of our employees first. Our employees undertook extensive workplace precautions and followed all the requisite measures. While taking care of our people, we did not lose sight of the larger purpose and continued to uplift lives by contributing funds to various social organisations. As a leading player in sulphur-based chemistry, we are aware of the impact of our operations on the environment and are undertaking all the necessary steps – such as zero liquid discharge and waste heat recovery – to minimise it.

Being a chemical manufacturer, we are responsible for managing and containing our environmental footprint in the most prudent way possible.

We have embedded sustainability as a part of our strategy and are emphasising on sharpening our ESG focus. Guided by our strong leadership team, we are working relentlessly towards attaining the highest standards of sustainability. At DMCC, we also believe in inclusive growth to create a self-sufficient ecosystem. Towards this end, we have made our due contributions for CSR initiatives by collaborating with various institutions to help those in need.

We have been in the business for over 100 years and have established a name that resonates with quality and trust. I am optimistic that we will continue to uphold our legacy for the years to come on the back of our expanding product portfolio and global footprint, extensive research and development and technological innovations.

As I conclude, I would like to thank all the stakeholders for trusting us to deliver and for their continued faith in us. Together, we will build a much stronger DMCC in the years to come.

Best wishes,

**MR. LAXMIKUMAR N. GOCULDAS**  
CHAIRMAN

**MS. MITIKA L. GOCULDAS**  
VICE CHAIRPERSON

FROM THE MD &amp; CEO'S DESK

## Emerging stronger through the crisis



**Our capacity expansion projects will ensure process and product development and further our vision of becoming global leaders with the lowest production costs on the back of integrated operations.**

*Dear Shareholders,*

The year 2020 has been the year of the pandemic, one that has had a lasting impact on our business and industry. The year has taught us a lot and these learnings will help us continue to change for the better.

As I reflect on the year gone by, the one word that comes to mind is resilience. DMCC and its people were resilient during these extraordinarily times. The strong foundation that we have built over 100+ years helped us stand up to the challenge and quickly adapt to the changing conditions to support the business. Through all this, I am proud of

REVENUE FROM OPERATIONS

₹ in Crores

**200.15**

PROFIT AFTER TAX

₹ in Crores

**32.58**

the way we showed resolve and never lost sight of our purpose – to continue being the leader in sulphur-based chemistry and offer high-quality, cost-effective products and services to our customers.

### STRONG PERFORMANCE DURING TOUGH TIMES

Financial stability is the foundation for all other types of sustainability. Over the years, we have been undertaking a variety of measures to enhance our financial performance and stability. Our revenue for FY 2020-21 grew by 6.65% to reach ₹ 200.15 crores compared to ₹ 187.66 crores in FY 2019-20. Strong demand for our bulk and speciality chemical products, as well as strong

performance driven by volume growth, better realisations and improved product mix contributed to our resilient numbers. Due to improvement in process efficiency, our EBITDA margin grew to reach 21.62% compared to 18.14% in FY 2019-20. In line with the robust performance, our PAT increased by 3.55% to ₹ 32.58 crores from ₹ 31.46 crores in FY 2019-20. We are optimistic of continuing this positive momentum in FY 2021-22 on the back of new incremental capacities.

### RESILIENT BUSINESS

Our speciality chemicals business witnessed a good year owing to strong volumes, contributing ~65% to the topline. Strong demand from export markets will augur well for our margins in the coming years. Our capacity expansion projects will ensure process and product development and further our vision of becoming global leaders with the lowest production costs on the back of integrated operations. We expect investments worth ₹ 50 crores made in this segment to yield asset turns of more than 2x and we hope to achieve optimum utilisations by end of FY 2022-23.

Our bulk chemicals business witnessed moderate volume growth despite majority of our customers shutting own operations in Q1 FY 2020-21. The upcoming 350 TPD capacity shall be the last capacity expansion in this segment for the foreseeable future. However, the bulk chemicals plant will be set up first, which will result in higher contribution from this segment in FY 2021-22.

Our boron business was worst hit due to unfavourable Government policy. Importing raw materials, especially technical-grade boric acid, is affected due to Government restrictions and global supply disruptions are resulting in severe

raw material shortage for the business. While we wait for the restrictions on raw material import to be lifted, we are focusing on downstream products in sulphur-based chemistry.

### READY FOR EXPANSION

We have planned to undertake capacity expansions worth ~₹ 100 crores at our Roha and Dahej sites. In Roha, we will undertake debottlenecking, whereas in Dahej, we will set up multi-purpose and dedicated plants for bulk chemicals, speciality chemicals, and intermediates. The second wave of the pandemic has resulted in a delay in our plans due to unavailability of labour and scarce availability of oxygen for industrial use. Further, the prices of commodities such as cement and steel are on a significant rise, which could result in a cost overrun of 10-15% on the total capex.

However, with the ramping up of vaccination and the gradual recovery of the economy, our expansion plans remain on track. These expansions will allow us to develop products using environment-friendly and cost-effective proprietary manufacturing processes and decrease the turnaround time of the products. We will be able to expand our capacity of sulphuric acid and its downstream products, and manufacture benzene sulfonyl chloride and a range of thio compounds.

### LEVERAGING OUR RESEARCH STRENGTH

Our short- and long-term growth is fuelled by innovation. We are keen on bringing new high-quality, low-cost, sustainable solutions to meet our customers' needs. Our in-house R&D team comprises highly skilled and experienced scientists and engineers. They focus on improving existing manufacturing processes, developing new products and

researching on new applications for existing products. From literature surveys, through laboratory and pilot trials and all the way to commercial production, our team does it all. Our R&D centre's efforts have been recognised by the Council of Scientific and Industrial Research, Government of India – an honour conferred only on those companies that have deep technical knowledge and process development ability, and well-developed infrastructure.

### TOWARDS A WELL-SHAPED FUTURE

We are confident that our Company will continue to offer the best quality products and solutions to meet the evolving demands of our customers. Our investment to expand our sulphuric acid capabilities will serve the captive needs of downstream products. Further, while selecting new products, we are focusing products that have margins of greater than 30% and a payback period of less than three years.

As I conclude, I would like to thank the Board and the management for their leadership and service. Their contributions have cemented DMCC's position as a leader in the industry. Our people remained determined to serve the customers and gave their best even during the most challenging times. I would like to extend my gratitude to them. Finally, I would like to thank all the stakeholders for their support – we will continue creating great products and sustainable value for you.

Best wishes,

**MR. BIMAL L. GOCULDAS**  
MD AND CEO

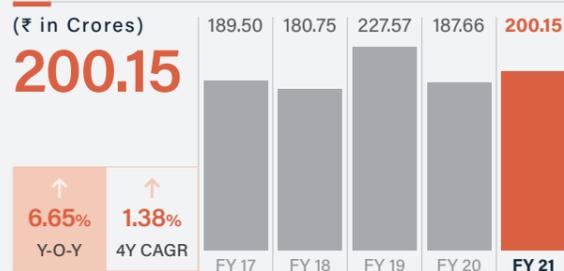
KEY PERFORMANCE INDICATORS

# Steady momentum amidst a global challenge

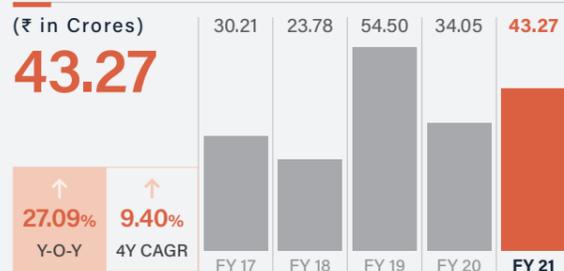
Despite the challenges posed by the COVID-19 pandemic, we delivered a strong performance owing to strong demand for bulk and speciality chemicals products, volume growth, better realisations, and an improved product mix. Our business model, operational efficiency, and effective customer engagement ensured that we served customer demand on time. We expect the momentum to continue the next year as well.



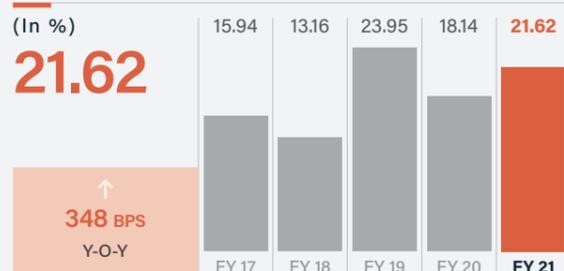
### REVENUE FROM OPERATIONS



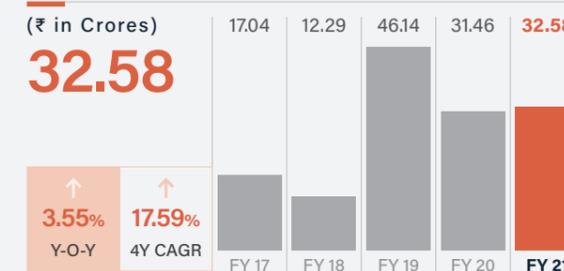
### EBITDA



### EBITDA MARGIN



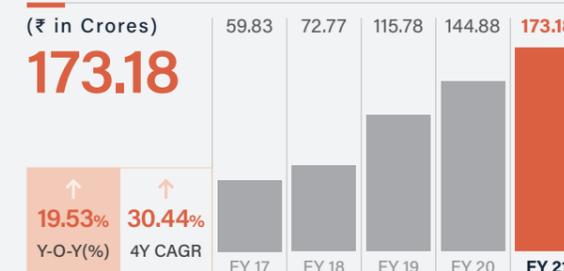
### PROFIT AFTER TAX (PAT)



### CASH FLOW FROM OPERATING ACTIVITIES



### SHAREHOLDERS' FUND



↑  
Upcoming manufacturing facility at Dahej

**BUSINESS MODEL**

# Our approach to long-term value creation

## WHAT WE USE TO CREATE VALUE

### OUR PRODUCTS ARE USED IN SEVERAL END-USER INDUSTRIES

- Net worth – ₹ 173.18 Crores
- Capital expenditure – ₹ 35.50 Crores
- Gross debt – ₹ 23.85 Crores

### FOCUS ON MANUFACTURING AND R&D

- Multipurpose manufacturing facilities – 2
- In-house R&D team - 25 members
- R&D expenditure – ₹ 2.10 Crores

### SKILLED WORKFORCE

- Employees – 320+
- Learning and development training for employees and contractors

### CONTRIBUTION TO THE SOCIETY

- CSR spend – ₹ 0.61 Crores
- Vaccination Drive within and outside factory
- Contribution for oxygen generation system for Covid-19
- Support for wildlife protection in Maharashtra and Gujarat

## ACTIVITIES AND GROWTH ENABLERS

### BUSINESSES

- 01** Speciality Chemicals
- 02** Bulk Chemicals

### GROWTH ENABLERS

- World-class manufacturing facilities
- R&D and technology
- Capacity expansion

→ Read more on [page 30](#)

### STRATEGIC PRIORITIES

- Cost leadership in bulk chemicals
- Increase the share of the Speciality Chemicals business
- Greater focus on R&D
- Better supply chain for downstream products
- Increased contribution to sustainability
- Diversify product and customer base
- Strategic locations of plants
- Become an approved vendor for leading multinational giants
- Focus on specific chemistry
- Manufacture niche products

→ Read more on [page 34](#)

## WHERE WE CREATE VALUE

### OUR PRODUCTS ARE USED IN SEVERAL END-USER INDUSTRIES

- |   |   |  |
|---|---|--|
| <br>Agro-chemicals                 | <br>Ceramic              | <br>Construction chemicals  |
| <br>Cosmetics                      | <br>Detergents           | <br>Dyes                    |
| <br>Electroplating               | <br>Emulsions          | <br>Fertilisers           |
| <br>Fire retardants              | <br>Ink                | <br>Paper                 |
| <br>Pharmaceutical intermediates | <br>Pigments           | <br>Polymers              |
| <br>Steel                        | <br>Textile processing | <br>Thermal paper coating |
| <br>Tiles                        | <br>Water treatment    |  |

## HOW DOES IT BENEFIT OUR STAKEHOLDERS

### STEADY FINANCES TO EXPAND OPERATIONS

- Revenue – ₹ 200.15 Crores
- PAT – ₹ 32.58 Crores
- EBITDA – ₹ 43.27 Crores

### A ROBUST PRODUCT PIPELINE

- Meeting changing customer demands
- Process optimisation
- New product development
- Low-volume, high-value products

### UPSILLED EMPLOYEES TO GROW THE BUSINESS

- Well-defined career progression path for employees

### SUSTAINABLE BUSINESS

- Empowerment of lives
- Social license to operate
- Reduced carbon footprint
- Waste treated before being discharged

GROWTH ENABLER 1

## World-class manufacturing facilities

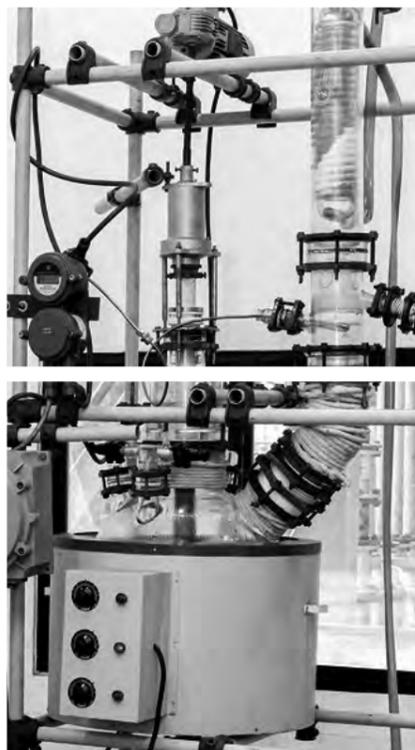
We believe that well-equipped infrastructure is key to the successful evolution of a business. Our manufacturing facilities at Roha and Dahej comprise an array of chemical processing equipment that, along with our process expertise, help reduce costs and shorten product development cycle.



We custom manufacture products according to the clients' requirements and also undertake toll manufacturing – where the customer supplies raw materials and process details.

We have dedicated manufacturing plants for regular products, which are based on continuous processes, while multipurpose plants are based on batch processes.

	ROHA (MAHARASHTRA)	DAHEJ (GUJARAT)
SETUP	1978	2013
AREA	88,355 sq. m	1,03,327 sq. m
SPECIALITY	In-house R&D centre	Acquired through amalgamation of Borax Morarji
PRODUCT CATEGORY	Sulphur chemistry	Boron and sulphur chemistry
NO. OF PLANTS	10 dedicated and three multipurpose plants	Two dedicated and two multipurpose plants
TEAM STRENGTH	254	66
AREA AVAILABLE FOR EXPANSION	25% of total area	50% of total area after ongoing expansion



### CHEMICAL REACTIONS UNDERTAKEN AT OUR FACILITIES

- Chlorosulphonation
- Sulphonation
- Ethylation
- Methylation
- Esterification

### ADVANTAGES OFFERED BY OUR FACILITIES

- Kilo-to-tonne lots are available at short notice for seed marketing and application development
- A wide temperature range, vacuum and different materials of construction are available
- Several different unit operations are possible

GROWTH ENABLER 2

## R&D and technology

We aspire to deliver differentiated and sustainable chemistry and cost-advantaged solutions and processes to meet the needs of our customers.

Supporting us in this aspiration is our in-house R&D centre at the manufacturing facility in Roha. It focuses on four key areas:

- Improvement of current manufacturing processes
- New product development
- New process development for product additions
- New applications for existing products

The centre is equipped with a pilot plant facility and all products are based on internally developed processes. It is recognised by the Council of Scientific and Industrial Research, Government of India. This recognition is granted to companies that have deep technical knowhow and process development ability, as well as adequate R&D infrastructure.

### R&D EXPENDITURE IN FY 2020-21

₹ in Crores

# 2.1



### R&D TEAM

Our R&D team comprises highly experienced scientists and engineers. They are based at the Roha facility and are skilled at using various important analytical and experimental tools. With their expertise, they ensure smooth management of the pilot plants and are responsible for initial commercial production and hand-over to the manufacturing team. On customer request, they also take up commercial process development and process troubleshooting.

Our R&D team is strongly supported by our in-house engineering services team to ensure timely implementation of new products on a commercial scale.



### SKILLED MEMBERS ON THE TEAM

# 25

### PRODUCTS IN PIPELINE

- Sulphones
- Amides
- Thiols

GROWTH ENABLER 3

# Capacity expansion

To be prepared to meet the rising demand and the dynamic needs of our existing and potential customers, we have decided to undertake strategic capacity expansions.

- We plan to deploy incremental capital only towards speciality and downstream products after completion of the ongoing capex.
- Expansion in sulphuric acid will be a one-time investment. It will cater to the captive needs for downstream products for the foreseeable future.
- For new products, we have set a filtering criteria where margins must be >30% and payback period less than three years.



↑ Upcoming manufacturing facility at Dahej

## HOW THIS CAPEX WILL BENEFIT US

### 01 ENHANCED FOCUS ON SPECIALITY CHEMICALS

Through our strong R&D division, we have been working on products that are individually small in market size but have little or no competition. We aim to become a globally relevant manufacturer of a variety of these speciality chemicals as the capex will allow us to increase the share of speciality chemicals, in turn improving the margins.

### 02 BACKWARD INTEGRATED MANUFACTURING OPERATIONS

We are backward integrated for our speciality chemicals, which makes us a low-cost manufacturer of these products. We can, thus, realise higher margins and become more competitive globally.

### 03 R&D-LED INNOVATION

Our continuous investment in process technology and development of new products will allow us innovate further and expand our product offerings, while also unearthing new applications for existing products.

## CAPEX TRACKER

### PLANTS

MULTIPURPOSE PLANTS AT DAHEJ	₹ 10 CRORES COMPLETED		
DEBOTTLENECKING AT ROHA	₹ 10 CRORES COMPLETED		
BULK CHEMICALS AT DAHEJ		₹ 50 CRORES SEPTEMBER 2021	
SPECIALITY CHEMICALS AT DAHEJ		₹ 20 CRORES DECEMBER 2021	
INTERMEDIATES PLANT AT DAHEJ			₹ 10 CRORES MARCH 2022

■ Investments    ■ Scheduled Completion

### 04 BECOME AN ESTABLISHED PLAYER IN A COMMODITISED MARKET

Sulphuric acid is a hazardous chemical and its manufacturing and handling requires high levels of technical knowhow and skillset. We have been in the business of sulphur chemistry for over 100 years and created a brand name for ourselves in a commoditised market. The capex will allow us to ramp up our operations and reach optimum capacity utilisation for our bulk chemicals plant in less than six months.

### 05 STRATEGIC LOCATIONS

We have manufacturing facilities in Gujarat and Maharashtra, which are the largest domestic markets for our products. The upcoming facility at Dahej will increase our proximity to our suppliers, leading to savings in logistical costs.

### 06 LONG-TERM SALES CONTRACTS

Majority of the speciality chemicals sales are under long-term sales contracts, with pass-through clauses (for raw material fluctuations) with a lag of one quarter. The increasing share of speciality chemicals in our overall revenue will reduce volatility and margin fluctuations. After the capex, both bulk and speciality chemicals will have an equal share in our revenue. However, a significant part of future investments will be made towards speciality chemicals.

STRATEGIC PRIORITIES

## Towards ambitious growth

Through our strategic priorities, we have set forth a roadmap to realise our vision of becoming the preferred partner of chemical solutions for pharmaceutical companies. We are focused on providing differentiated solutions to support our customers' growth and strive to improve productivity and improve efficiencies. We are optimistic that we will be able to deliver sustainable growth through our strategic priorities.

01



### COST LEADERSHIP IN BULK CHEMICALS

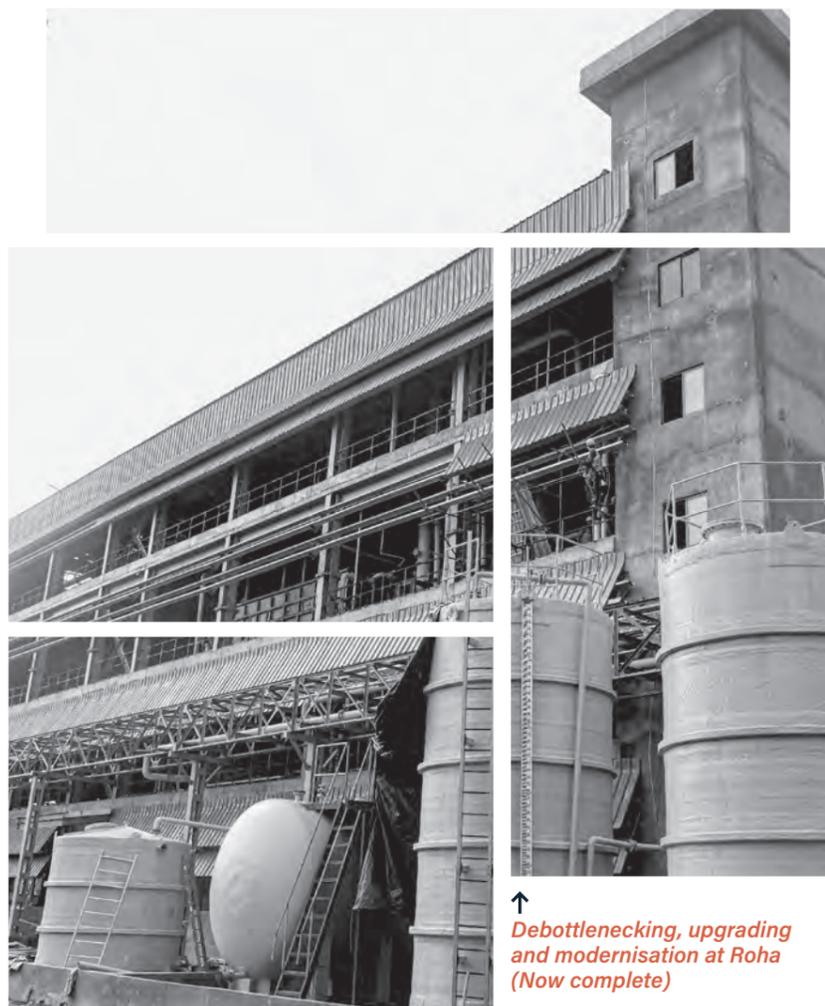
We are focused on improving our competencies and achieving cost leadership. To achieve this, we are constantly enhancing our operating efficiencies, optimising our production processes and re-evaluating our value chain.

02



### INCREASE THE SHARE OF THE SPECIALITY CHEMICALS BUSINESS

Through our strong R&D division, we have been working on products that are individually small in market size but have little or no competition. We aim to become a globally relevant manufacturer of a variety of these speciality chemicals. On the basis of our high-quality products, timely deliveries and compliance to regulations, we established ourselves as a preferred supplier of speciality chemicals. This, in turn, helps us enhance profitability and create long-term value for our stakeholders.



↑  
**Debottlenecking, upgrading and modernisation at Roha (Now complete)**

03



### GREATER FOCUS ON R&D

With unwavering focus on research and development, we convert generic materials into value-added niche speciality chemicals. We increase investments in R&D on a need basis to enhance our process chemistry skills, improve product quality and process yields of existing products.

04



### DIVERSIFY PRODUCT AND CUSTOMER BASE

Our diverse product suite allows us to meet the myriad demand of clients situated in various geographies. The chemicals we manufacture find applications in a wide range of industries across 25 countries. To de-risk the business, we have ensured that no single industry contributes more than 10% to our revenues.

05



### FOCUS ON SPECIFIC CHEMISTRY

Our expertise in sulphur chemistry has opened up a lucrative market of opportunities for us to leverage. This also allows us to reduce our dependency on limited products. We will continue honing our knowledge and skills in the area of sulphur chemistry, while also looking at avenues to expand into boron chemistry.

06



### BETTER SUPPLY CHAIN FOR DOWNSTREAM PRODUCTS

By creating a more robust supply chain, we hope to enhance our operational efficiencies, while maintaining high quality standards. Our upcoming sulphuric acid plant will help us create an uninterrupted supply chain of raw materials for our downstream products. Further, our backward integration for speciality chemicals makes us a low-cost manufacturer of these products, thus realising higher margins.

07



### STRATEGIC LOCATIONS OF PLANTS

Our manufacturing facilities in Gujarat and Maharashtra are the biggest markets for our products in India. The new facility at Dahej will bring us closer to our suppliers, creating logistical cost efficiencies.

08



### MANUFACTURE NICHE PRODUCTS

We manufacture niche chemicals, an area where most players do not easily venture. This, along with our backward integration, has made us the preferred partner for chemicals among global giants.

09



### INCREASED CONTRIBUTION TO SUSTAINABILITY

We recognise that to succeed in our industry, we must embed sustainability in everything we do. We thus strive to integrate environmental and social dimensions of sustainability into our core business strategy.

10



### BECOME AN APPROVED VENDOR FOR LEADING MULTINATIONAL GIANTS

Our product portfolio caters to the diverse needs of multinational companies in specific end-use applications. We have gained the trust of these multinationals with high-quality and cost-efficient products, best manufacturing practices and compliance, and time deliveries. We plan to continue on this path to add more esteemed clients to our list.

# Responsible

**Responsible** ( adjective )

- : liable to be called on to answer
- : able to choose for oneself between right and wrong

We strive to conduct ourselves and run our business operations in a manner that benefits the society as a whole. We conduct our business ethically and are fair to all our stakeholders, including the environment and communities.

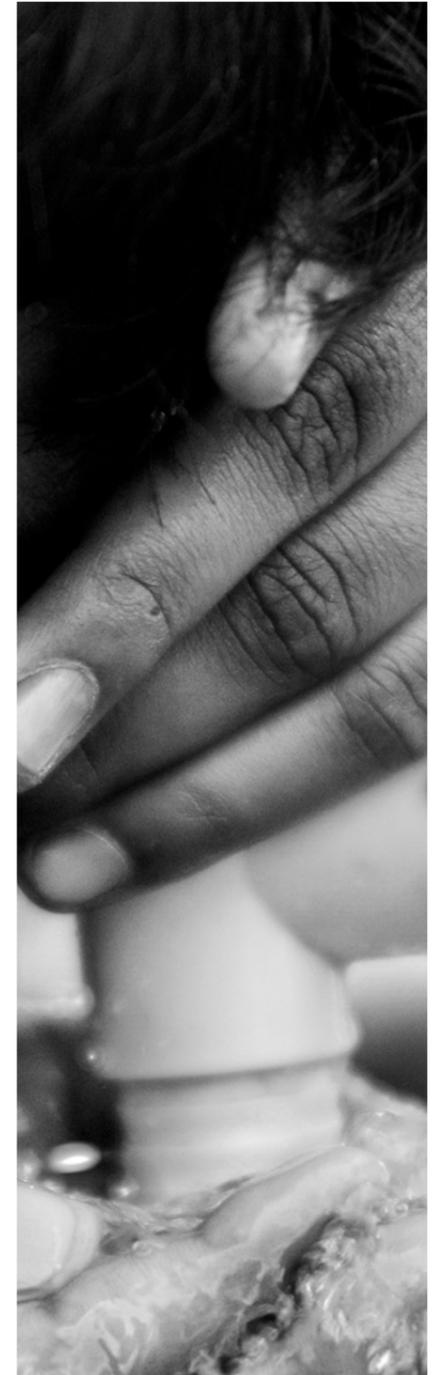
As we continue our journey, we will ensure the empowerment of the society and conservation of the environment.



We will continue being just to all our employees and will not create any ground for biases.

We will continue to find new ways to benefit the world with our solutions.

We will remain RESPONSIBLE.



## RESOLUTE

Communities

38

Environment and Sustainability

40

COMMUNITIES

# Acting today for a better tomorrow

Along with financial profits, success, for us, lies in the empowerment and growth of the communities in which we operate. We look to develop mutually beneficial partnerships with the communities and have collaborated with various institutions to meet their needs.



↑ Women Empowerment through Pawan Education and Charitable Trust



↑ Abhyuday Pratishthan



↑ Kamaldham Vrudhashram



CSR SPEND DURING THE YEAR

₹ in Crores

0.61

### HELPING THOSE AFFECTED BY COVID-19

The pandemic-ridden year has been merciless to those less fortunate. We funded some Government and semi-Government activities to provide groceries to COVID-infected people and their families. We contributed to the Chief Minister's Relief Fund and also funded the setting up of the Covid care centre by Roha Industrial Association.

### EDUCATING THE BRIGHT MINDS

Educating children is important to establish a bright future for India. Pavan Education and Charitable Trust is an NGO in Bharuch, Gujarat, that works towards promoting education among the underprivileged sections of society. They run Abhyashika, a programme to teach children in the slums and needed financial support to continue running the programme. We, at DMCC, offered to fund the activities of the organisation so that there is no break in the education of the future of India. Additionally, we contributed to some schools for supporting their e-learning initiatives.

### SUPPORTING THE ELDERLY

We provided resources to Kamaldham Vrudhashram, Ambarnath, a 20-year-old organisation that takes holistic care of the needs of senior citizens by providing residential services to those who are bedridden. The organisation also arranges medical check-up camps and health awareness sessions for the elderly.

### FOR 'ONE' INDIA

Abhyuday Pratishthan is a public charitable trust that operates a hostel in Dombivali, Mumbai for students from the North East. We partnered with the trust for mission 'National Integration' to reduce the discrimination faced by the people of the North East. They are educated on various sanskars and beliefs during their stay.

### EMPOWERING THE SPECIALLY ABLED

Asmita Vikas Kendra runs a free residential school for children with cognitive disabilities. At present, 92 children are receiving education at the school. We contributed an amount of ₹ 1,00,000 to ensure continued education for these children.



↑ Amey Palak Sanghatana

### HELPING DEVELOP DAHEJ AND ROHA

#### Dahej and surrounding areas

- Hostel facility for differently abled students
- Old-age homes
- Aashramshala

#### Roha and surrounding areas

- Preventive measures against COVID, and treatment and rehabilitation of those afflicted by COVID
- Bird sanctuary to improve the environment, ecology and ecosystem
- Hostel facility for girls and women from the North East
- Healthcare facility
- Social infrastructure and sanitation

SUSTAINABILITY AND ENVIRONMENT

# Making a lasting positive impact

As we develop a myriad of chemical solutions for our clients, we seek to not only create economic value but also contribute to the upliftment of the society. We strive to integrate sustainability in everything we do by reducing our impact on the planet and consistently innovating to deliver the most sustainable solutions for the world.

We create sustainable value for our stakeholder through three key areas:



**SITES**

- Green cover at all factory sites
- Zero liquid discharge at Roha. Also to be installed at Dahej Site post completion of expansion plans
- 25%+ of energy requirement met through renewable resources



**SUPPLIERS**

- Proud participant in Together for Sustainability (TFS)- a joint initiative of international chemical companies for sustainable supply chains
- Proud holder of the Responsible Care logo - a voluntary commitment by the global chemical industry to drive improvement in environment health and safety
- Part of the Nicer Globe initiative, which helps create risk-free and safe transportation, with swift addressal of any emergencies

→ *Click on logos to know more*



**PRODUCT PORTFOLIO**

- Systematic evaluation of the sustainability of the entire product portfolio by applying sustainability criteria in the development of products and processes



Green cover at our factory ↓



↑ Solar panel installation at Roha plant reduction of CO<sub>2</sub> footprint through solar power generation

Sewage treatment plant ↓



↑ A farm pond has been created serving as a reservoir for harvested rain water, this water is being used in cooling towers and gardening

- Our sites are equipped with waste heat recovery, which helps us save ~ 7200 units of power per day
- Solar panels of 335 KW capacity help us save ~ 1500 units of power per day
- The Company also operates windmills with a 0.95MW capacity which further increases the Company's dependency on renewable resources
- The Company has installed a reservoir pond with a capacity of 1000 m3. During rains, this helps the Company save ~ 60 m3 of water from MIDC
- We have set up effluent treatment plants at our Roha facility and are in the process of setting up a similar plant in Dahej. The plant at Roha helps us save about 100 m3 of water per day from MIDC
- Our Company supplies ~ 80MT of steam to neighbouring units, thereby helping them reduce their carbon emission

## CONTRIBUTING TO CONSERVATION

As a Company that operates in the chemicals business, we are cognisant of our responsibility towards protecting the environment. As a result, we are committed to green stewardship and integrate environmental sustainability across our operations.

MD & A

# Management Discussion and Analysis

## GLOBAL ECONOMIC SCENARIO

One year into the pandemic, the global sentiments remain highly uncertain. The new virus variants and mutations raise concerns even as the vaccine coverage lifts sentiment. The outlook depends not only on the outcome of the battle between the virus and the vaccine but also on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented crisis.

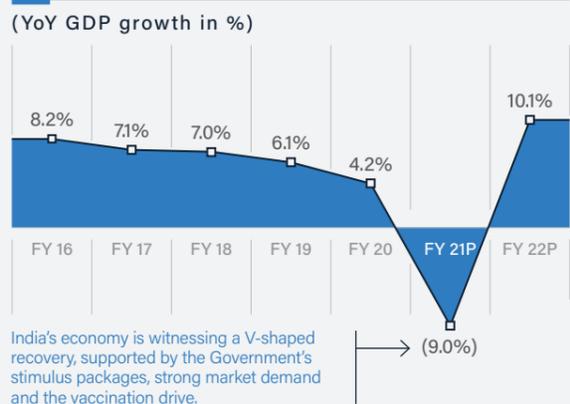
After an estimated contraction of -3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working.

Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage (scarring); the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. The ebb and flow of these drivers and their interaction with country-specific characteristics will determine the pace of the recovery and the extent of medium-term scarring across countries.

## INDIAN ECONOMIC SCENARIO

India is witnessing a lopsided economic recovery with some sectors performing better than the others. The economic activity seems to be gathering momentum at a sustainable pace with people demonstrating greater confidence in stepping out and spending. India has exhibited an average 7% gross domestic product (GDP) growth rate in the last 20 years despite major recessions and economic slowdowns. The GDP is expected to contract by 9% in FY 2020-21 owing to the COVID-19 pandemic, followed by a bounce back with over 10% in FY 2021-22, surpassing the major economies in the world.

### YOY GDP GROWTH RATE OF INDIA (FY 16-20)



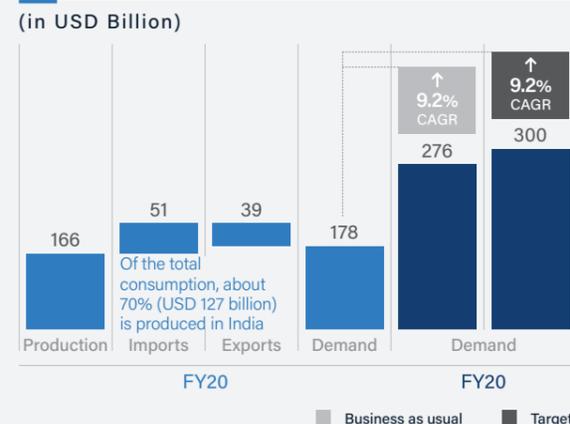
The Government spending is estimated to be higher than the previous financial year with fiscal deficit at 7.2% of GDP as against a budgeted 6.8%, mainly due to a higher food subsidy bill and lower asset sale revenue. Monetary conditions are expected to remain accommodative as inflation increases with an upside risk caused by rising global commodity prices.

## INDIAN CHEMICAL INDUSTRY

India has one of the largest global chemical markets, and is ranked sixth in the world and fourth in Asia in terms of global sale of chemicals. The Indian chemical industry is fragmented with large, medium and small companies manufacturing major petrochemicals, alkali chemicals, inorganic chemicals, organic chemicals, pesticides, dyes and pigments and other chemicals.

India's chemical industry was estimated to be worth USD 178 billion in FY 2019-20 and has a significant potential to reach USD 300 billion by FY 2024-25. In terms of demand, the industry has grown at approximately 1.3 times the country's average GDP growth in the last five years and shows a strong linkage with its GDP.

### THE INDIAN CHEMICAL INDUSTRY MARKET



Source: DCPC and PwC analysis

COVID-19 has severely affected the Indian chemical industry and disrupted supply chains and the demand for chemicals. Consequently, it is expected to show a downturn in FY 2020-21 while still adapting to the shock expected in India's GDP. With the IIP of chemical and chemical products manufacturing being on

## SNAPSHOT OF INDIAN CHEMICAL INDUSTRY

Covers **>80,000 products**, an inevitable part of daily life

Ranked **third-largest** consumer of polymers globally

Contributes **~2.5%** of global chemical sales

Employs **two million people**

Ranked **sixth** in the world and **fourth** in Asia for chemical sales

Ranked **fourth-largest** producer of agrochemicals globally

Ranked **second-largest** manufacturer and exporter of dyes

Contributes **~1.4%** of the **national GVA**

Contributes **8.8%** of India's **manufacturing GVA**

Contributes **2.1%** of total **FDI equity inflows**

Weightage of **7.87%** - IIP

Contributes **11.3%** of India's exports

the verge of attaining the pre-COVID index, the chemical industry is expected to witness a V-shaped recovery by FY 2021-22 by adapting to India's GDP growth trend. The industry is expected to grow at a CAGR of 9.2% by FY 2024-25, reaching up to USD 276 billion in the next five years.

In order to achieve its target of USD 300 billion by FY 2024-25, the chemical industry needs to grow at a CAGR of 11% in the next five years, which is possible considering Government initiatives and the growth in the consumer base, changes in lifestyle, increase in disposable incomes and focus on healthcare and hygiene.

STRATEGIC REVIEW

STATUTORY REPORT

FINANCIAL STATEMENTS

## KEY TRENDS IN INDIAN CHEMICAL INDUSTRY

### Shift in customers' preferences

Customers are increasingly getting interested in environmentally friendly and socially responsible products and services. Moreover, they are becoming conscious of health and hygiene and are demanding milder and safer products with pure ingredients.

### Increasing per capita consumption

The current per capita consumption of chemical products in India is about one-tenth of the global average and is expected to double by 2025.

### Increasing M&A and investment-related activity

Downstream value-added opportunities, the continued strength of speciality chemicals and realignment of portfolios are the key drivers of strong M&A and investment activities. Global oil and gas majors and leading chemical companies are looking for downstream opportunities in India and other high-growth economies.

### China shift

Consolidation in the industry, environmental reforms and tightened financing is changing the structure of China's chemical industry, resulting in uncertainty for companies dependent on the country for their supply of raw material. In addition, the COVID-19 outbreak has compelled companies to move their supplier base and look for alternative locations such as India that offer the advantage on low-cost labour and favourable investment policies.



↑  
Distributed Control System (DCS) at Roha

### Innovation and sustainability

Adding value by balancing the economic, social and environmental impact of the pandemic is becoming an overarching management principle in the chemical industry value chain. Chemical companies are incorporating sustainability and green-chemistry initiatives by constantly improving products, technology and processes, and working closely with customers and suppliers across their value chains. Expenditure on R&D in the chemical industry in India increased at a CAGR of 7.91% between 2009 and 2019.

## ADVANTAGE INDIA

01



### GROWING DEMAND

- Rise in demand from end-user industries such as food processing, personal care and home care is driving development of different segments in India's speciality chemicals market.
- The domestic chemicals sector's small and medium enterprises are expected to showcase 18-23% revenue growth in FY 2021-22, owing to an improvement in domestic demand and higher realisation due to high prices of chemicals.

02



### OPPORTUNITIES

- India's speciality chemicals companies are expanding their capacities to cater to rising demand from domestic and overseas.
- With global companies seeking to de-risk their supply chains, which are dependent on China, the chemical sector in India has the opportunity for a significant growth.

03



### POLICY SUPPORT

- The Governments plans to introduce production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemicals.
- Under the union Budget 2021-22, the Government allocated ₹ 233.14 crores (USD 32.2 Million) to the Department of Chemicals and Petrochemicals.

04



### INCREASING INVESTMENTS AND SPENDING

- PCPIRs are expected to attract investments worth ₹ 7.63 lakh crores (US\$ 104.36 Billion).
- Indian chemical companies spend ~1% of their revenue on R&D.
- An investment of ₹ 8 lakh crores (US\$ 107.38 Billion) is estimated in the Indian chemical and Petrochemicals sector by 2025.

## COMPANY OVERVIEW

The journey of The Dharamsi Morarji Chemical Company Limited to become a global leader began in 1919 with just one product and one manufacturing unit. The Company, at present, is a leading manufacturer of speciality and bulk chemicals with a global footprint. The product portfolio constitutes speciality and bulk chemicals across sulphur, boron and ethanol chemistry. Chemicals manufactured by us find application in a wide range of industries like pharmaceuticals, detergents, dyes, fertilizers, pigments, cosmetics, and other chemical applications. Today, the Company takes pride in its 100+ years of expertise in Sulphur chemistry and has also diversified its operations across other downstream products. It exports cost-effective and value-added products to more than 25 countries across 6 continents. Dharamsi continues to maintain the highest standards of safety in its functioning, adopt practices and processes for safer and responsible manufacturing operations to reduce the impact of its operations on the environment.

## BUSINESS REVIEW

### Bulk Chemicals

Various industries across the globe increasingly want to partner with trusted manufacturers for their essential input requirements. We are leveraging the strong foundation of our sulphuric acid business built over more than 100 years to cater to clients and grow.

Commodity in nature, this segment operates on low margins and high volumes coupled with high price sensitivity. Performance in this segment is dependent on uninterrupted material availability, high plant utilization levels, and strong logistics management. These products are sold domestically within a limited radius from the manufacturing site. Around 50% of the production is sold off in the markets, and the rest is consumed captively.

The upcoming 350 TPD capacity shall be the last capacity expansion in this segment for the foreseeable future. However, the bulk chemicals plant will be set up first, which will result in a higher contribution from this segment in FY 2021-22.

### Speciality Chemicals

Exit from the fertilizers business has simplified the product portfolio of the Company, and there are now strong synergies between all businesses underpinned by our expertise in sulphur chemistry. The focus now remains to scale our speciality chemicals business while we retain scale in our bulk chemicals business. The balance sheet strength of the Company now enables it to drive scale in speciality chemicals portfolio.

The chemicals in these segments are more knowledge-based that are created from strong process competencies and technical skills in handling hazardous reactions. The growth in this segment is tied to long-term strategic relationships with customers. The chemicals in this segment are less affected by raw material price volatility. 65-70% of the chemicals manufactured in this segment are exported.

Speciality chemicals contributed 65% to the top line as compared to 55% in the previous year. The planned capital expenditure in this segment will begin commercial production with a lag of one quarter from the commencement of the bulk chemicals plant. The



↑  
Boric Acid Plant

Company has further decided that a major part of all incremental capital expenditure will be done for expansion in speciality chemicals.

Strong demand from export markets will augur well for our margins in the coming years. In addition, our capacity expansion projects will ensure process and product development and further our vision of becoming global leaders with the lowest production costs on the back of integrated operations. We expect investments worth ₹ 50 crores made in this segment to yield asset turns of more than 2x, and we hope to achieve optimum utilisations by the end of FY 2022-23.

## FINANCIAL PERFORMANCE

The company continued with its investments in diversifying the product portfolio and strengthening its infrastructure and processes to drive greater efficiencies during the year. Preparing for the next leg of growth, the Company is strategically positioned with upcoming capacities in value-added segment. The strategy of de-risking the business model and making incremental capex in more value-added assets will help us deliver long-term value to all our stakeholders.

In FY 2020-21, revenue from operations increased to ₹ 200.15 crores, a growth of 6.65% from ₹ 187.66 crores in FY 2019-20. EBITDA came in at ₹ 43.27 crores; up by 27.09% from ₹ 34.05 crores the previous financial year and PAT was at ₹ 32.58 crores; up by 3.55% from ₹ 31.46 crores in the last financial year.

**Key Ratios**

FINANCIAL RATIOS	FY20	FY21	CHANGE
Operating Profit Margin	18.14%	<b>21.62%</b>	19.16%
Net Profit Margin	16.77%	<b>16.28%</b>	(2.91)%
Debtor Turnover	6.84	<b>7.02</b>	2.57%
Inventory Turnover	3.52	<b>2.88</b>	(18.20)%
Interest Coverage	13.73	<b>15.18</b>	10.62%
Debt Equity*	0.12	<b>0.16</b>	29.37%
Current Ratio	2.13	<b>1.68</b>	(21.10)%
Return on Net Worth	21.72%	<b>18.81%</b>	(13.38)%

\* The increase in long term borrowings of the Company on account of the ongoing capital expenditure has led to an increase in the debt equity ratio.

**RISKS AND CONCERNS**

The Company remains focused on building distributed leadership and succession planning processes and is coming up with ways to enhance organisational capabilities. Accordingly, risk management has always been an integral part of your Company. Backed by strong internal control systems, existing risk management framework and policies we have laid down the roles and responsibilities for various business segments. These responsibilities today offer a strong foundation for appropriate risk management procedures, their effective implementation as well as the independent monitoring and reporting handled by Internal Audit and the top management team.

**Raw Material Risk**

Unavailability of raw material and fluctuation in its prices is a major threat to our business.



↑  
DPS Purification,  
Milling and Packing  
Machine - Auto System

**Mitigation**

The long-standing relationships with our suppliers ensure steady availability of raw materials at competitive prices. Also we follow a raw material-plus pricing mechanism for speciality chemicals, which further reduces the risks of margin and top-line pressures in scenarios of rising input costs.

**Customer Retention Risk**

The inability of the Company to retain its customer may affect the financial performance of the Company.

**Mitigation**

Due to the quality of the products manufactured coupled with competitive prices offered, your Company is the preferred supplier to many of its customers. Also no industry contributes to more than 10% to the Company's revenues providing enough diversification benefits and reducing the client concentration risk.

**Risk of availability of skilled personnel**

The key enabler of success for any Company depends on its ability to retain and attract skilled personnel. Any failure in being able to do so could impact the operations and performance of the Company.

**Mitigation**

The Company always endeavours to keep its human capital at the centre and has initiated multiple steps for the overall development of its employees. We undertake various initiatives to ensure an all-round learning experience for our employees. The Company also encourages on-site and off-site team building activities to inculcate a sense to togetherness amongst all the employees of the Company.

**Risk of Foreign Exchange**

The Company generates a significant part of its revenues from exports and hence is exposed to risk of fluctuations in currency values.

**Mitigation**

The Company keeps a close watch on Rupee movement and enters hedging and swap contracts to mitigate the risks arising out of any unfavourable movement in currency leading to financial losses.

**Regulatory Risk**

If the Company is unable to obtain any regulatory approval required by the concerned authorities, it may adversely affect its business operations and resulting financial performance.

**Mitigation**

The Company is aware and compliant of all the regulatory requirements of the concerned authorities. The Company also makes conscious efforts to ensure that it is compliant with the regulatory requirements of global markets to ensure smooth functioning of operations.

**Economic Uncertainty**

A decline in economic activity could have an impact on our business operations.

**Mitigation**

The Company has been making conscious efforts to increase its global presence. It has substantially reduced its dependency on performance of any specific economy.

**ADEQUACY OF INTERNAL CONTROLS**

Your Company has well laid down policies, guidelines and procedures which form part of its internal control system. The Audit Committee of the Board periodically reviews reports of Internal Auditors, inter alia, on adherence by the operating Management of such policies and procedures and suggests changes/modifications and improvements on a continuous basis. The Company has an independent and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposal and the transactions are authorised, recorded and reported correctly. The internal control systems are supplemented by a programme of internal audit.

**HUMAN RESOURCE DEVELOPMENT**

The Company has continued with its drive to institutionalise and upgrade its HR processes. The diversified skill sets of our employees add significant worth to the Company. Every organisation which values and appreciates its Human Resource succeeds in its goals and receives positive results. At DMCC,

we always believe in the concept of human empowerment. We firmly believe that human resource is the most important assets of the organisation, as it influences growth, progress, profits and shareholders' values. During the year, we continued our efforts aimed at improving the HR policies and processes to enhance our performance. Special emphasis is being led continually on recruitment of multi-disciplinary and experienced staff to carry forward the growth objectives of the Company. Regular training programmes are being held for the benefit of the staff and the workmen. The Company believes in a collaborative approach and works closely with the unions, and Industrial relations have been cordial all along.

The number of permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021 are 323.

**CAUTIONARY STATEMENT**

Statements in this "Management Discussion and Analysis Report" describing the Company's objectives, projections, estimates, expectations or predictions may be considered as "forward looking statements" within the meaning of applicable security laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

02

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# Corporate Information

## BOARD OF DIRECTORS

**Shri Laxmikumar Narottam Goculdas**  
- Chairman

**Ms. Mitika Laxmikumar Goculdas**  
- Vice Chairperson

**Shri Haridas Tricumdas Kapadia**  
Non-Executive, Independent Director  
(Upto 16.09.2020)

**Shri Madhu Thakorlal Ankleshwaria**  
- Non Executive, Independent Director

**Shri Arvind Wasudeo Ketkar**  
Non-Executive, Independent Director  
(Upto 16.09.2020)

**Shri Mukul Manoharlal Taly**  
- Non-Executive, Independent Director

**Shri Sanjeev Vishwanath Joshi**  
- Non Executive, Independent Director

**Dr. (Mrs.) Janaki Ashwin Patwardhan**  
- Non-Executive, Independent Director  
(w.e.f. 21.05.2021)

**Shri Bimal Lalitsingh Goculdas**  
- Managing Director and Chief Executive Officer

**Shri Dilip Trimbak Gokhale**  
- Executive Director  
(w.e.f. 22.05.2021)

## KEY MANAGERIAL PERSONNEL

**Shri Bimal Lalitsingh Goculdas**  
- Managing Director and Chief Executive Officer

**Shri Dilip Trimbak Gokhale**  
- Executive Director\*  
(w.e.f. 22.05.2021)

**Shri Chirag Jaswant Shah**  
- Chief Finance Officer

**Shri Omkar Chandrakant Mhamunkar**  
- Company Secretary & Compliance Officer  
(w.e.f. 22.05.2021)

\*Elevated to Executive Director from Sr. Executive Vice President & Company Secretary

## STATUTORY AUDITORS

Messrs Rahul Gautam Divan & Associates  
Chartered Accountants, Mumbai.

## INTERNAL AUDITORS

Messrs Mahajan & Aibara  
Chartered Accountants, Mumbai

## SECRETARIAL AUDITORS

Messrs SKJ & Associates  
Company Secretaries, Mumbai

## COST AUDITOR

Shri S. S. Dongare  
Cost Accountants, Mumbai

## BANKERS

Janakalyan Sahakari Bank Ltd.  
RBL Bank Ltd.  
Saraswat Co-operative Bank Ltd.

## REGISTERED OFFICE

Prospect Chambers,  
317/321, Dr. Dadabhoy Naoroji Road,  
Fort, Mumbai – 400 001.

## FACTORIES

Roha (Maharashtra)  
Dahej (Gujarat)  
Jhar (Gujarat)

## REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Pvt. Ltd.  
C101, 247 Park, L B S Marg,  
Vikhroli (W) Mumbai-400 083.  
Tel. : 022-49186000/6270 Fax : 022- 49186060  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## Notice

**NOTICE** is hereby given that the Hundredth Annual General Meeting of the Members of **THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED** (CIN: L24110MH1919PLC000564) will be held on Wednesday, the 22<sup>nd</sup> day of September, 2021 at 11.30 a.m. **through Video Conferencing or Other Audio Visual Means** to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon and in this regard, pass the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Report of the Auditors thereon and in this regard, pass the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

3. To confirm/ratify interim dividends on equity shares for the financial year ended March 31, 2021 and, in this regard, pass the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** interim dividends at the rate of ₹ 0.50/- and ₹ 1.00/- per equity share of ₹ 10/- each fully paid-up of the Company declared for the financial year ended March 31, 2021 be and are hereby confirmed and ratified for financial year ended March 31, 2021.”

4. To declare a final dividend on equity shares for the financial year ended March 31, 2021 and, in this regard, pass the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** final dividend at the rate of ₹ 0.50/- per equity share of the face value of ₹ 10/- each fully paid-up of the Company be and is hereby declared for the financial year ended March 31, 2021 and the same be paid as recommended by the Board of Directors of the Company, out of the profits of the Company for the financial year ended March 31, 2021.”

5. To appoint a Director in place of Ms. Mitika Laxmikumar Goculdas (holding DIN: 02879174), who retires by rotation, and being eligible, offers herself for re-appointment and, in this regard, pass the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** Ms. Mitika Laxmikumar Goculdas (DIN: 02879174), Director of the Company who retires by rotation and being eligible has offered herself for re-appointment be and is hereby re-appointed a Director of the Company.”

### SPECIAL BUSINESS

#### 6. Ratification of Cost Auditor's Remuneration

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), as amended from time to time, the remuneration payable (as recommended by the Audit Committee and approved by the Board of Directors of the Company), to CMA Shri S. S. Dongare holding ICWA Registration Number 12521, appointed by the Board of Directors as Cost

Auditors to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022, amounting to ₹ 66,000/- (Rupees Sixty-Six Thousand Only) as also the payment of taxes as applicable and re-imburement of actual out-of-pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified;

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

#### 7. Appointment of Dr. (Mrs.) Janaki Ashwin Patwardhan as an Independent Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** Dr. (Mrs.) Janaki Ashwin Patwardhan (DIN: 09180182), who was appointed as an Additional Director of the company with effect from May 21, 2021 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the company under Section 161(1) of the Companies Act, 2013 (“the Act”) and Article 126 of the Articles of Association of the company, but who is eligible for appointment and in respect of whom the company has received a notice in writing under Section 160(1) of the Act, from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company;

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule IV to the Act (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, the appointment of Dr. (Mrs.) Janaki Ashwin Patwardhan (DIN: 09180182), A Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for appointment as an independent Director of the Company, not liable to retire by rotation, for a term of five years commencing from May 21, 2021 upto May 20, 2026.”

#### 8. Appointment of Shri Dilip Trimbak Gokhale as Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Shri Dilip Trimbak Gokhale (DIN: 06734397), who was appointed as an additional director and also as Whole Time Director designated as an “Executive Director” w.e.f. 22<sup>nd</sup> May, 2021 by the Board of Directors of the Company at their meeting held on 21<sup>st</sup> May, 2021, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of this Annual General Meeting of the company under Section 161(1) of the Companies Act, 2013 (“the Act”) and Article 126 of the Articles of Association of the company, but who is eligible for appointment and in respect of whom the company has received a notice in writing under Section 160(1) of the Act, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company not liable to retire by rotation.”

### 9. Appointment of Shri Dilip Trimbak Gokhale as Whole Time Director, designated as “Executive Director”

To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** in accordance with the recommendations of the Nomination and Remuneration Committee of the Board of Directors and pursuant to the provisions of Sections 196, 197, 198 and 203 of the Act, read with Schedule V to the Act, and other applicable provisions, if any, of the Act and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Articles of Association of the Company or such other sanctions as may be necessary, appointment of Shri Dilip Trimbak Gokhale (DIN: 06734397) who has attained the age of 70 years be and is hereby approved and ratified as a Whole-Time Director designated as “Executive Director” of the Company for a period effective from 22<sup>nd</sup> May, 2021 to 21<sup>st</sup> May, 2024 on the terms and conditions including remuneration as set out in the statement annexed to the Notice of this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the appointment and / or remuneration based on the recommendation of the Nomination & Remuneration Committee, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force);

**RESOLVED FURTHER THAT** Shri Dilip Trimbak Gokhale, Executive Director, shall not be liable to retire by rotation;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution.”

### 10. Approval for Enhancement of Borrowing Limits

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

“**RESOLVED THAT** in modification of the special resolution passed by members at the Ninety Third Annual General Meeting of the Company held on 18<sup>th</sup> September, 2014 and pursuant to the provisions of in terms of Section 180(1)(c) of the Companies Act, 2013, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to borrow money through loans, advances, credit etc. for both domestic and foreign currency (including Public Deposits, Bonds / Debentures but excluding temporary loans obtained from the Company’s bankers in the ordinary course of business) from banks, financial institutions and other sources from time to time for the purpose of financing the working capital requirements as also for acquisition of capital assets and/ or for the purpose of any other requirements of the Company, both for capital and revenue in nature, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate paid-up share capital of the Company and its free reserves, (that is to say reserve not set apart for any specific purpose) provided that the total amount so borrowed by the Board shall not at any time exceed the limit of ₹ 200 Crores (Rupees Two Hundred Crores) or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid.”

### 11. Approval for Creation of mortgage and/or charge on all or any of the movable and/or immovable properties of the Company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Special Resolution**:

“**RESOLVED THAT** in modification of the special resolution passed by members at the Ninety Third Annual General Meeting of the Company held on 18<sup>th</sup> September, 2014 and pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with the power to take over the management and concern of the Company in certain events, to or in favour of all or any of the financial institutions/ banks/ insurance companies/ other investing agencies/trustees for holders of debentures/ bonds/other instruments which may be issued to and subscribed by all or any of the financial institutions/banks/ insurance companies/other investing agencies or any other person(s)/bodies corporate by way of private placement or otherwise to secure Rupee/foreign currency loans, debentures, bonds or other instruments (hereinafter collectively referred to as “Loans”) provided that the total amount of the loans together with interest thereon at the respective agreed rates, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the aforesaid parties or any of them under the Agreements/Arrangements entered into/to be entered into by the Company in respect of the said Loans, shall not at any time exceed the limit of ₹ 200 crores (Rupees Two Hundred Crores) or limits so prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher;

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, the Board / Committee of the Board or officers authorized by them in this regard be and are hereby authorized to finalize, settle and execute such documents / deeds / writings / papers / agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise with regard to borrowings and creating mortgages / charges as aforesaid.”

### 12. Acceptance of Deposits from Public and/or Members of the Company

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 73 and 76 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 and such others rules and regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (the “Act”), the provisions of the Memorandum and Articles of Association of the Company, and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India, Ministry of Corporate Affairs (“MCA”), Reserve Bank of India or such other agencies / authorities read together with other applicable rules, regulations, guidelines, notifications and circulars issued by any other concerned statutory or regulatory authority(ies) from time to time, as amended, and rules and regulations framed thereunder, to the extent applicable and subject to necessary approvals, permissions, sanctions and consents (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents) as may be required from any government and/or regulatory authorities and subject to provisions of all other statutes, rules, regulations, guidelines, notifications, circulars and clarifications as may be applicable by any other regulatory authorities which may be agreed to and/or accepted by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution), the approval of the Members of the Company be and is hereby accorded to the Board to invite / accept / renew from time to time unsecured Deposits from Members of the Company and/or Public to such extent that the deposits outstanding and the deposits to be accepted shall be upto the permissible limits as prescribed under the Act read with relevant

provisions of the Companies (Acceptance of Deposits) Rules, 2014 and other regulations as applicable and amended from time to time;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to prepare a circular or a circular in form of advertisement in form as prescribed under the Act read with rules made thereunder and to file or submit the same with the office of the Registrar of Companies / MCA duly signed by the majority of the Directors of the Company or Authorised Signatories as permitted therein for inviting and accepting the deposits from Members of the Company and/or Public and further authorised to issue the circular or circular in form of an advertisement in English and in vernacular newspaper having wide circulation in the State of Maharashtra wherein the Registered Office of the Company is situated and a copy of the same be uploaded on the website of the Company;

**RESOLVED FURTHER THAT** in the event of any revision in the limits prescribed under the applicable provisions of the Act, and/or related rules thereto in connection with or for acceptance of deposits from Members of the Company and/or Public, this approval by Members shall be deemed to include any such revisions, as if it was originally approved by the Members;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all necessary actions and to do and perform all such acts, deeds, matters and thing as it may, in its absolute discretion, deem necessary,

desirable, incidental or expedient for such purpose, including without limitation to vary, modify or alter any of the relevant terms and conditions, including size of the deposits, time of issue, number and/or value of deposits to be offered, tenor, interest rate, etc. as may be required or deemed necessary and to settle all questions, difficulties or doubts that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto and further authorised to appoint / engage any intermediaries, advisors, bankers, consultants, advocates and other agencies and finalise their fees / charges and also to enter into and execute all such arrangements, agreements, memoranda, documents etc. with them and make requisite filing with concerned regulatory / government authorities / depository(ies), and/or any other regulatory authorities and to take all others steps which may be incidental, consequential, relevant or ancillary in this connection;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of its powers to any officer(s) or authorised signatory(ies) to give effect to this resolution including execution of any documents on behalf of the Company and to represent the Company before any governmental or regulatory authorities and further all actions taken by the Board or any other Director(s) or Officer(s) or any other authorised signatory of the Company with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.”

By Order of the Board of Directors,

**Omkar Mhamunkar**  
Company Secretary

**Registered Office:**

Prospect Chambers,  
317/321, Dr. Dadabhoy Naoroji Road, Fort, Mumbai 400 001.  
CIN: L24110MH1919PLC000564  
Website: [www.dmcc.com](http://www.dmcc.com)  
e-mail: [investor@dmcc.com](mailto:investor@dmcc.com)  
Date: 10<sup>th</sup> August, 2021

## Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19", circular no. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated January 13, 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular no. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID -19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC /OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.

2. In terms of the MCA Circulars, the physical attendance of Members has been dispensed with and there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The attendance of the Members at the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

4. Pursuant to the Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard – 2 on General Meetings, brief profile and other details about Directors seeking appointment/re-appointment are provided in the "Annexure I" to this Notice.

5. An Explanatory Statement pursuant to the provisions of Section 102 of the Act and Rules made thereunder, in respect of Special Business to be transacted at the AGM, Secretarial Standards on General Meetings (SS-2), wherever applicable and the Listing Regulations, wherever applicable, is annexed and forms part of this Notice. The Board of Directors have considered and decided to include Item Nos. 6 to 12 given above as Special Business at the forthcoming AGM, since they are critical and considered unavoidable.

6. As per Regulation 40 of the Listing Regulations and circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020

10. To Register e-mail address for all future correspondence and update the Bank Account details, members are requested to follow the below Process:

### Members Holding Shares in Physical

Members holding shares in physical mode, who have not registered/ updated their email addresses, PAN and Bank account details with the Company, are requested to register / update the same by clicking on [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) (Recommended)

OR

Send a request to M/s. Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in):

**i) To register e-mail address & PAN :** Please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN and AADHAR (self-attested scanned copy of both PAN card and Aadhar card)

and other applicable SEBI Circulars, the transfer of equity shares of listed Company can be done only in demat form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent i.e. Link Intime India Private Limited ("RTA") in this regard.

### 7. Dividend

If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made within statutory timeline of 30 days to those Members whose names appear: -

- as beneficial owners at the end of business hours on **Wednesday, 15<sup>th</sup> September, 2021**, as per lists furnished by Central Depository Services (I) Limited and National Securities Depository Limited in respect of shares held in electronic form; and
- on the Register of Members of the Company as on **Wednesday, 15<sup>th</sup> September, 2021**, after giving effect to valid transfers in respect of transfer requests lodged with Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent (RTA) of the Company, on or before the close of business hours on **Wednesday, 15<sup>th</sup> September, 2021**, in respect of shares held in physical form.

In case of remittance of dividend in electronic form, an intimation of the dividend payment would be sent to the members. In case of members who are not covered by NECS/electronic facility, the dividend amount will be remitted by means of dividend warrants/demand drafts which will be posted to their respective registered address. Members holding shares in dematerialised form are requested to intimate particulars of bank mandates, nominations, power of attorney, e-mail address, contact numbers, change of address, etc. to their Depository Participant (DP). Members holding shares in physical form are requested to intimate these details to the RTA.

### 8. TDS on Dividend

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 including amendments thereof and Annexure II of this Notice. In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential status, PAN, Category with their depository participants ("DPs") in case shares are held in Demat mode or in case shares are held in physical form, with the Company/ Registrars and Transfer Agents ("RTA") by sending documents/ following procedure given in **Annexure II** on or before **17<sup>th</sup> September, 2021**.

9. Members holding shares under different Folio Nos. in the same names are requested to apply for consolidation of folios and send relevant original share certificates to the Company's RTA for doing the needful.

**ii) To update bank account details :** Please send the following additional documents/information followed by the hard copies:

- a) Name of the bank and branch address,
- b) Type of bank account i.e., savings or current,
- c) Bank account no. allotted after implementation of core banking solutions,
- d) 9-digit MICR code no., and
- e) 11-digit IFSC code
- f) Original cancelled cheque bearing the name of the first shareholder, failing which a copy of the bank passbook / statement attested by bank.

**Members Holding Shares in Demat** Please contact your DP and follow the process advised by your DP

11. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are requested to submit their PAN to their DPs if not submitted earlier. Members holding shares in physical form are requested to submit their PAN to the RTA if not submitted earlier.

12. Members who have not encashed their dividend warrants are requested to lodge their claims with the RTA at the earliest.

13. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be made accessible for inspection through electronic mode.

14. All documents referred to in the Notice and the statement pursuant to Section 102 of the Act shall also be available electronically for inspection without any fee by members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investor@dmcc.com](mailto:investor@dmcc.com)

15. Company has provided Members, e-voting facility to exercise their right to vote at the AGM by electronic means. The process and manner for availing the said facility is explained in this Notice.

16. Members holding shares in physical form in single name are advised to avail of nomination facility. As per the provisions of Section 72 of the Act, the facility for making nomination is available for Members in respect of shares held by them. Members who have not yet registered their nomination, are requested to register the same by submitting Form No. SH-13. Nomination forms can be downloaded from the website of the RTA at <https://web.linkintime.co.in/client-downloads.html>. **On this page select the General tab.** The said forms are available under the head "Nomination". Members are requested to submit the said details to their DP in case shares are held in electronic form and to the RTA in case shares are held in physical form.

17. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

**18. Members are requested to: -**

- a) Quote DP ID and Client ID/Ledger Folio numbers in all their correspondence;
- b) Approach the RTA for consolidation of multiple ledger folios into one.

**19. NRI Members are requested to inform the RTA immediately of: -**

- a) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier; and
- b) Change in their residential status and address in India on their return to India for permanent settlement.

20. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their communications to [investor@dmcc.com](mailto:investor@dmcc.com) at least seven days before the date of the AGM. The same will be suitably replied to by the Company.

**21. Voting through electronic means:**

- I. The instructions for remote e-voting are as under:
  - i. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company provides to Members the facility of exercising their right to cast vote(s) before or at the AGM by electronic means and the business may be transacted, accordingly.
  - ii. The facility of casting votes by the Members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") and e-voting at the AGM is being provided by the Link Intime India Private Limited ("RTA") or ("LIPL")
  - iii. The voting rights of Members shall be in proportion to their shareholding in the paid-up equity share capital. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Company / RTA / depositories as on **Wednesday, 15<sup>th</sup> September, 2021**, ("Cut-off" Date) shall only be entitled to avail the facility of remote e-voting or e-voting at the AGM.
  - iv. In this regard, the Member's demat account/ folio number as on the Cut-off Date shall be considered by the Company for participation in voting on resolutions placed by the Company on the e-voting system.
  - v. Members can opt for only one mode of voting i.e. either by remote e-voting or e-voting at the AGM. Members attending the AGM, who have not cast their vote(s) earlier by remote e-voting shall be able to exercise their right at the Meeting through e-voting at the AGM. Member(s) who have cast their vote(s) by remote e-voting prior to the AGM, may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote(s) again.
  - vi. The e-voting period begins on **Sunday, 19<sup>th</sup> September, 2021 at 9.00 a.m.** and ends on **Tuesday, 21<sup>st</sup> September, 2021 at 5.00 p.m.** During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the Cut-off Date may cast their vote(s) electronically. The remote e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
  - vii. A person who is a Member as on the Cut-off Date shall only be entitled for availing the facility of remote e-voting or e-voting at the Meeting. A person who is not a Member as on the Cut-off Date should treat this Notice for information purpose only.
  - viii. The procedure for casting vote through remote e-voting module is as under:

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their respective demat account / website of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider.

Accordingly, Members are advised to update their mobile number and email ID in their demat accounts to access e-voting facility.

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

Type of Shareholders	Login Method	
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for NSDL IDeAS facility</b></p> <ul style="list-style-type: none"> <li>i. Please visit the e-Services website of NSDL at the URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>ii. Once the home page of e-Services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section.</li> <li>iii. On the new screen, please enter your User ID and Password.</li> <li>iv. After successful authentication, you will be able to see e-voting services. Click on 'Access to e-voting' under e-voting services.</li> <li>v. On the e-voting page, you will see Company's name or e-voting service provider's name. Click on Company name or that of the e-voting service provider.</li> <li>vi. You will be re-directed to e-voting service provider's website for casting your vote during the remote e-voting period or for joining virtual Meeting and voting during the Meeting.</li> </ul> <p><b>2. User not registered for NSDL IDeAS facility</b></p> <ul style="list-style-type: none"> <li>i. Option to register is available at the link <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>ii. Select 'Register Online for IDeAS' or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>iii. Visit the e-voting website of NSDL and follow the steps given in point 1 under this section.</li> </ul> <p><b>3. Alternatively by directly accessing the e-voting</b></p> <ul style="list-style-type: none"> <li>i. Open web browser by typing the URL viz. <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a>.</li> <li>ii. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.</li> <li>iii. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL starting with IN – DP ID and Client ID), password/OTP and a verification code as shown on the screen.</li> <li>iv. After successful authentication, you will be redirected to NSDL's website wherein you can see e-voting page. Click on the Company's name or e-voting service provider's name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or for joining virtual Meeting and voting during the Meeting.</li> </ul>	
	Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing users who have opted for Easi / Easiest</b></p> <ul style="list-style-type: none"> <li>i. Please visit the e-Services website of CDSL at the URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a>, thereafter, please click on New System 'Myeasi'.</li> <li>ii. On the new screen, please enter your User ID and Password for accessing Easi / Easiest.</li> <li>iii. After successful login of Easi / Easiest you will also be able to see the e-voting menu. The menu will have links of e-voting service provider's i.e. Link Intime, NSDL, CDSL and KFinTech. Click on e-voting service provider's name to cast your vote.</li> </ul> <p><b>2. If the user is not registered for Easi/Easiest</b></p> <ul style="list-style-type: none"> <li>i. An option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>ii. Then visit the e-voting website of CDSL and follow the steps given in point 1 under this section.</li> </ul> <p><b>3. Alternatively by directly accessing the e-voting page</b></p> <ul style="list-style-type: none"> <li>i. You can directly access e-voting page by providing demat Account Number and PAN from the link <a href="http://www.cdslindia.com">www.cdslindia.com</a>.</li> <li>ii. The system will authenticate your details by sending OTP on registered mobile and email ID as recorded in the demat Account.</li> </ul> <p>After successful authentication, you will enter the e-voting module of CDSL. Click on the e-voting link available against Company's name or e-voting service provider's name and you will be re-directed to the e-voting page of service provider to cast your vote.</p>

<b>Individual Shareholders (holding securities in demat mode) and login through their depository participants</b>	<ol style="list-style-type: none"> <li>1. Users can also login using the login credentials of their Demat Account through their Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>2. When you login, you will see e-Voting option. Once you click on the same, you will be redirected to NSDL/CDSL sites after successful authentication, wherein you can see e-Voting feature.</li> <li>3. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining the virtual meeting and voting during the meeting.</li> </ol>
<b>Individual Shareholders holding securities in Physical mode and e-Voting service Provider is LINKINTIME i.e. RTA.</b>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>2. Click on 'Sign Up' under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> <li>A. User ID: Shareholders/members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li>B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company) shall use the sequence number provided to you, if applicable.</li> <li>C. DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).</li> <li>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company. Shareholders holding shares in physical form but have not provided or updated the information at 'C' or 'D' with their RTA/ Company, should provide their Folio number in 'D' above.</li> </ol> </li> <li>3. Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>4. Click "confirm" (Your password is now generated).</li> <li>5. Click on 'Login' under 'SHARE HOLDER' tab.</li> <li>6. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</li> <li>7. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</li> <li>8. E-voting page will appear on the screen.</li> <li>9. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</li> <li>10. After selecting the desired option i.e. 'Favour/ Against' click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</li> <li>11. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, Members can login any number of times till you have voted on the resolution(s) for a particular "Event".</li> </ol>

ix. If Individual Shareholders, holding securities in "PHYSICAL MODE", whose evoting service provider is LINKINTIME and who have "FORGOTTEN" their password, the follow the below steps :

- a. Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- b. Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- c. Shareholders/Members having valid email address, the Password will be sent to his/her registered e-mail address. Else, Shareholders/ Members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. (The Password should contain minimum 8 characters, at least one special character (@!#\$%), at least one numeral, at least one alphabet and at least one capital letter. )

**Important Note :**

- » Shareholders/Members holding shares in physical form, the details can be used only for voting on the Resolutions contained in this Notice.
  - » It is strongly recommended not to share your Password with any other person and take utmost care to keep your password confidential.
- x. If Individual Shareholders holding securities in dematerialised mode are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password options available at the Depository's /DP's website.

**Important note:**

- » It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.
- » During the voting period, Members can login any number of times till they have voted on the resolution(s) for a particular "Event".

### Helpdesk of Depositories “for Individual Shareholders holding securities in DEMAT”

Shareholders/Members holding securities in demat mode may contact the respective helpdesk given below for any technical issues related to login through Depository i.e. NSDL/CDSL :

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free nos.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022 - 2305 8738 or 022 - 2305 8542/43.

#### General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of Link Intime India Private Limited (LIPL) at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian/ Mutual Fund/Corporate Body’.
- They are also required to upload a scanned certified true copy of the Board Resolution/Authority Letter/Power of Attorney, etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian/Mutual Fund/Corporate Body’ login for the Scrutinizer to verify the same.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of this AGM Notice and holds shares as on the Cut-off Date may obtain the login id and password by sending a request at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) / [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or call on 022 - 49186175 / 49186000/6270.

Helpdesk for Individual Shareholders holding securities in physical mode/Institutional shareholders and e-Voting service Provider is LINKINTIME.

In case Shareholders/Members holding securities in physical mode/ Institutional shareholders have any queries regarding e-Voting, they may refer the Frequently Asked Questions (FAQs) and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help Section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 - 4918 6000/6270.

#### II. Instructions for Members to Vote during the AGM through InstaMeet (VC/OAVM):

Once the electronic voting is activated by the Scrutiniser during the Meeting, the Members who have not exercised their vote(s) through the remote e-voting can cast their vote(s) as under:

- On the Member’s page/VC page, click on the link for e-voting “Cast your vote”.
- Enter demat account no. / folio no. and OTP (One Time Password), received on the registered mobile number/ registered e-mail ID, during registration for InstaMeet and click on ‘Submit’.
- After successful login, see “Resolution Description” and against the same the options “Favour/ Against” for voting.
- Cast vote by selecting appropriate option i.e. Favour/Against, as desired.
- Enter the number of shares (which represents no. of votes) as on the Cut-off Date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
- After selecting the appropriate option i.e. Favour/ Against as desired, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.

- Once the vote is confirmed on the resolution, any modification or change is not allowed subsequently.

#### Notes:

Members who will be present in the AGM through InstaMeet facility and have not cast their vote(s) on the resolutions through remote e-voting and/are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the Meeting.

Members who have voted through remote e-voting prior to the AGM will be eligible to attend/ participate in the Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.

In case the members have any queries or issues regarding e-voting, you may write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or call on: 022 - 49186000 / 49186175 InstaMeet support desk, of the RTA.

#### 22. Instructions for Members attending the AGM through InstaMeet:

Instructions for Members to attend the AGM through InstaMeet are as under:

- Members are entitled to attend the AGM through VC/OAVM provided by the RTA by following the below mentioned process. Facility for joining the AGM through VC/ OAVM shall be open 30 minutes before the time scheduled for the AGM and shall expire 15 minutes after the scheduled time of the Meeting, and will be available to the Members on first come first serve basis.
- Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 minutes from the scheduled time of the AGM. Members with >2% shareholding, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders’ Relationship Committee and Auditors, etc. may be allowed to attend the Meeting without restrictions of first come first serve basis. Members may log-in and join 30 minutes prior to the scheduled time of the Meeting and window for joining shall be kept open till the expiry of 15 minutes after the scheduled time.
- Members will be provided with InstaMeet facility wherein they shall register their details and attend the AGM as under:
  - Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with following details:
    - DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
      - Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Members holding shares in NSDL demat account shall provide sixteen digit demat number - 8 Character DP ID followed by 8 Digit Client ID
      - Members holding shares in physical form shall provide Folio Number registered with the Company

- b) PAN: Enter your 10 digit PAN. (Members who have not updated their PAN with the DP/Company shall use the sequence number provided to them, if applicable)
- c) Please enter your mobile number.
- d) Please enter your email ID as recorded with your DP/RTA/Company.
2. Click on "Go to Meeting". You are now registered for InstaMeet and your attendance is marked for the meeting.

### 23. Instructions for Members to register themselves as speakers during AGM:

- i. Members who would like to express their views/ ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, e-mail address, mobile number at [investor@dmcc.com](mailto:investor@dmcc.com) on or before **17<sup>th</sup> September, 2021**.
- ii. Members will receive "speaking serial number" once they mark attendance for the Meeting.
- iii. Other Members may ask questions to the panelist(s), via active chat-board during the Meeting.
- iv. Please quote your serial number and start your conversation with panelist(s) by switching on the video and audio of your device.
- v. Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- vi. Members are requested to speak only when the moderator of the Meeting will announce the name and serial number for speaking.
- vii. The caption/subject of the email may please be mentioned as "Speaker for AGM\_<DP ID>\_<Client ID>". Those Members who have registered themselves as speaker will only be allowed to express their views / ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- viii. Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email ID, mobile number at [investor@dmcc.com](mailto:investor@dmcc.com). The same will be replied by the Company, suitably.

- ix. Members should be allowed to use camera and required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance while speaking.

24. Shri Satish Kumar Jain, Practising Company Secretary (Membership No. FCS: 6398; CP No. 6632) has been appointed as the Scrutinizer to scrutinize the remote e-voting and ensure that the voting process at the AGM is conducted in a fair and transparent manner and issue a report on the votes through remote e-voting and those cast at the AGM.

### 25. Declaration of results on the resolutions:

- i. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company. The Scrutiniser shall make, not later than two working days from conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against each resolution, invalid votes, if any, and whether the resolution(s) has/ have been carried or not. This report shall be submitted to the Chairperson or a person authorised by him, in writing, who shall countersign the same.
- ii. The results shall be declared after the AGM of the Company and shall be deemed to be passed on the date of AGM. The results along with the Scrutiniser's Report shall be placed on the website of the Company [www.dmcc.com](http://www.dmcc.com) within two working days of passing of the resolutions at the AGM of the Company and shall be communicated to BSE Limited, where the Company's equity shares are listed. RTA, who has provided the platform for facilitating remote e-voting, will also display these results on its website <https://instavote.linkintime.co.in>. The said results shall also be displayed at the registered office of the Company.

26. Members may note that the Notice will also be available on the Company's website at [www.dmcc.com](http://www.dmcc.com), RTA's website at <https://instavote.linkintime.co.in>; websites of the stock exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)

27. Members are requested to kindly keep the Annual Report sent to their registered e-mail ID with them while attending the AGM through VC/ OAVM.

28. The recorded transcript of the AGM, shall also be made available on the website of the Company at [www.dmcc.com](http://www.dmcc.com) under the tab of 'Investor'.

29. Since the AGM will be held through VC/OAVM Facility, the route map is not annexed with this Notice.

### GUIDELINES TO ATTEND THE AGM PROCEEDINGS OF LINK INTIME INDIA PVT. LTD.: INSTAMEET

- i. Please refer the following instructions for the software requirements and kindly ensure to install the same on the device which would be used to attend the AGM. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you below / at InstaMeet website.
- ii. Guidelines for the registered speakers for speaking at the AGM through Link Intime India Private Limited's InstaMeet <<<https://instameet.linkintime.co.in>>>
- a) For a smooth experience of viewing the AGM proceedings through LIPL's InstaMEET, shareholders/ members who are registered as speakers for the event i.e. AGM are requested to download and install the Webex Meetings application in advance. Please download and install the Webex Meetings application by clicking on the link <https://www.webex.com/downloads.html/>

OR

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

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

- iii. The following URLs need to be white-listed in your own laptop, desktop, tablet, smartphone etc. on the AGM date:
  - A. <https://instameet.linkintime.co.in>
- iv. Members are encouraged to join the Meeting through tablets/ laptops connected through broadband for better experience.
- v. Members are required to use internet with a good speed preferably 2 MBPS download stream to avoid any disturbance during the Meeting.
- vi. Any internet outage or fluctuation in connectivity at your site may have an adverse impact on the audio/ video quality during the meeting. LIPL or the Company shall not be responsible for the same.
- vii. In case the members have both the computer and telephone audio active or the speakers on members' computers or telephones are too close to each other or there are multiple computers with active audio in the same room, there will be instances of audio echo in the meeting.
- viii. In case two or more Members are joining the meeting through a Board Room/Common Location, proper arrangements of audio & video should be in place and Webex will be run on only one system.
- ix. Please note that Members connecting from mobile devices or tablets or through laptops connecting via mobile hotspot may experience Audio/Visual loss due to fluctuation in their network. It is, therefore, recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- x. Members are encouraged to speak in the Meeting after un-muting themselves once their turn arrives as per the name announcement. Once the member has finished communicating, he/she should mute themselves immediately. (Mute your device if you're not speaking. Your microphone can pick up a lot of background noise, so muting allows others to easily hear others)
- xi. In case the Members have any queries or issues regarding login/ e-voting, they can write an e-mail to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or call on 022 - 49186175 / 49186000, the InstaMeet support desk.

## Annexure - I

Additional Information as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 & Secretarial Standard – 2 on General Meetings about Directors seeking appointment/re-appointment are as under:

<b>Name of the Director</b>	Ms. Mitika Laxmikumar Goculdas	Shri Dilip Trimbak Gokhale	Dr. (Mrs.) Janaki Ashwin Patwardhan
<b>Date of Birth</b>	11 <sup>th</sup> August, 1972	16 <sup>th</sup> October, 1949	3 <sup>rd</sup> October, 1971
<b>DIN</b>	02879174	06734397	09180182
<b>Category and Designation</b>	Non-Executive Non Independent Director	Additional Director (Whole Time Director) designated as Executive Director	Non-Executive Independent Director
<b>Date of first appointment on the Board</b>	04 <sup>th</sup> November, 2011	22 <sup>nd</sup> May, 2021	21 <sup>st</sup> May, 2021
<b>Brief Resume and nature of expertise in specific functional areas</b>	Ms. Mitika Laxmikumar Goculdas, is an MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 24 years including her stint as Vice President with Merrill Lynch, both in the USA and Dubai. She has experience in Finance, Industry, and International Trade.	Shri Dilip T. Gokhale is a B.Com., LLB, CAIIB, FCS and has a work experience of more than four decades. Shri Gokhale has been working with the Company for over 32 years and before his appointment of the Board as Director, he was designated as Sr. Executive Vice President & Company Secretary of the Company. Shri Gokhale has been handling various diversified activities and matters of the Company since long, like. Secretarial, Legal, Corporate Governance, HR & Administration, Insurance, Banking and Internal Audit etc.	Dr. (Mrs.) Janaki Ashwin Patwardhan is a Doctorate Chemical Engineer from Mumbai University Institute of Chemical Technology. She holds an Advanced Diploma in Industrial Safety. Since 2009, she has served as an independent Consultant for various reputed Companies. She has experience in the areas of Process Engineering, Process Scale-up, Process Modeling & Simulation, Reactor Modeling, Plant Troubleshooting, Benchmarking, Training, Plant design and Techno Commercial Feasibility studies, Remote Surveillance of Plants, Technical Support to Manufacturing, Safety, Guidance to R&D. She has worked for sectors such as Pharmaceutical, Petrochemical, Refinery, Oleochemical, Fragrances and Pigments.
<b>Terms &amp; conditions of Appointment/ re-appointment</b>	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.dmcc.com">www.dmcc.com</a>	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.dmcc.com">www.dmcc.com</a> and As per resolution mentioned in Item no. 9 of the Notice of AGM	As per resolution mentioned in Item no. 7 of the Notice and as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.dmcc.com">www.dmcc.com</a>
<b>Details of remuneration sought to be paid</b>	As per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.dmcc.com">www.dmcc.com</a>	The details of remuneration sought to be paid is given in resolution proposed at Item No. 9 of the Notice of AGM read together with the explanatory statement and As per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.dmcc.com">www.dmcc.com</a>	As per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. <a href="http://www.dmcc.com">www.dmcc.com</a>
<b>Remuneration last drawn for FY 2020-21</b>	Sitting fees: ₹ 1.50 Lakhs Commission: ₹ 3.12 Lakhs	Shri Gokhale has drawn ₹ 36.35 Lakhs towards remuneration as Sr. Executive Vice President & Company Secretary.	Not Applicable (Since appointed w.e.f. 21 <sup>st</sup> May, 2021.
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	Yes. Daughter of Chairman and cousin sister of Managing Director and CEO	None	None
<b>Number of Board Meetings attended during the year FY 2020-21</b>	Five (5)	Not Applicable	Not Applicable

<b>Directorships held in other Companies, excluding foreign Companies as on March 31, 2021</b>	1. L P Gas Equipment Pvt. Ltd.	Nil	Nil
	2. Kosan Industries Pvt. Ltd.		
	3. Bombay Foods Pvt. Ltd.		
	4. Gocul Gas Pvt. Ltd.		
	5. Phoenix Distributors Pvt. Ltd.		
	6. Natural Gas Co. Pvt. Ltd.		
	7. Autogas Conversion (India) Pvt. Ltd.		
	8. B. S. and Services Pvt. Ltd.		
	9. Jasraj Trading Company Pvt. Ltd.		
	10. L.P. Gas Transport & Bottling Co. Pvt. Ltd.		
	11. Phoenix Distributors Gas Agencies Bhopal Pvt. Ltd.		
	12. B. S. and Services Gas Agencies Bhopal Pvt. Ltd.		
<b>Memberships / Chairmanships of Audit and Stakeholders Relationship Committees of other Public Companies as on March 31, 2021</b>	Nil	Nil	Nil
<b>Number of shares held as on March 31, 2021</b>	Nil	900	Nil

## Annexure II

### INTIMATION ON DEDUCTION OF TAX ON FINAL DIVIDEND 2020-21

In accordance with the provisions of the Income Tax Act, 1961 read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of shareholders. The Company shall therefore be required to comply with the provisions of deduction of tax at source (TDS) at the applicable rates at the time of payment of final dividend for the financial year ended on 31<sup>st</sup> March, 2021 to the shareholders in accordance with the provisions of the Income Tax Act ("IT" Act). The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act.

**Please note that all the details and declarations furnished should pertain to FY 2021-22.**

The TDS for various categories of shareholders along with required documents are provided below:

#### I. For Resident Shareholders -

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN).

However, in case of Individuals, TDS would not apply if the aggregate of total dividend paid to them by the Company during the financial year does not exceed ₹ 5,000/-.

No TDS will be deducted in cases where a shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions as prescribed under the Act are met. Please note that all fields mentioned in the forms are mandatory and the Company will not be able to accept the forms submitted, if not filled correctly.

#### Note:

1. Availability of valid Permanent Account Number (PAN) for the registered Folio/DP ID/Client ID is mandatory. In the absence of valid PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the Act.
2. Shareholders are requested to ensure Aadhar number is linked with his/her PAN as provided under Section 139(AA)(2) of the Act, as per the timelines prescribed. In case of failure of linking Aadhar with PAN within the prescribed timelines, PAN shall be considered inoperative and, in such scenario, tax shall be deducted at higher rate of 20% as provided under Section 206AA of the Act.

NIL/lower tax will be deducted on dividend payable to the following categories of resident shareholders, if they provide details and documents as given below :

- Insurance Companies:** Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.
- Mutual Funds:** Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act along with self-attested copy of PAN card and certificate of registration with SEBI.
- Alternative Investment Fund (AIF):** Self declaration that its income is exempt under Section 10 (23FBA) of the Act and they are registered with SEBI as Category I or Category II AIF along with self-attested copy of the PAN card and certificate of AIF registration with SEBI.
- Recognized Provident Fund:** No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions Self-attested copy of a valid order from Commissioner under Rule 3 of Part A

of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted.

- Approved Superannuation Fund:** No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted.
- Approved Gratuity Fund:** No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted
- Corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income- tax on its income:** Documentary evidence that the person is covered under section 196 of the Act.
- National Pension System (NPS) Trust:** Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
- Any other entity entitled to exemption from TDS:** Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted

*In case, shareholders (both individuals or non-individuals) provide certificate under Section 197 of Act, for lower / NIL withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.*

*Benefit under Rule 37BA - In case where shares are held by Clearing Member/ intermediaries/ stock brokers and TDS is to be applied by the Company in the PAN of the beneficial shareholders, then intermediaries/ stock brokers and beneficial shareholders will have to provide a declaration.*

#### II. For Non - Resident Shareholders:

Taxes are required to be withheld in accordance with the provisions of Section 195 and 196D of the Act, as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

Further, as per Section 90 of the Act, the non-resident shareholder has an option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the DTAA benefits, the non-resident shareholders are required to provide the following:

- Self-attested copy of the PAN card allotted by the Indian Income Tax authorities. In case, PAN is not available, the non-resident shareholder shall furnish (a) name, (b) email id, (c) contact number, (d) address in residency country, (e) Tax Identification Number of the residency country.
- Self-attested copy of Tax Residency Certificate (TRC) (for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022) obtained from the tax authorities of the country of which the shareholder is a resident.

- iii. Self-declaration in Form 10F.
- iv. Self-declaration by shareholder certifying the following:
  - meeting the eligibility requirements under DTAA.
  - entitlement to receive the Dividend being a beneficial owner of the Shares for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.
  - Is and will continue to remain the tax resident of the country of its residence during the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022.
  - Does not have Permanent Establishment (PE) / Place of Effective Management in India.
- v. In case of Foreign Institutional Investors (FIIs) and Foreign Portfolio Investors (FPIs), copy of SEBI registration certificate.
- vi. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).

It is recommended that shareholders should independently satisfy its eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts.

Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non resident shareholder.

### III. TDS to be deducted at higher rate in case of non-filers of Return of Income

The Finance Act, 2021, has inter alia inserted the provisions of section 206AB of the Act effect from July 1, 2021. The provisions of section 206AB of the Act require the deduct or to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%.

The 'specified person' is defined under section 206AB (3) of the Act as person who has:

- i. not filed return of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and
- ii. subjected to tax deduction (TDS) and tax collection (TCS) at source in aggregate amounting to ₹ 50,000 or more in each of such two immediate previous years.

The non-resident shareholders who do not have the permanent establishment (PE) in India are excluded from the scope of a specified person.

In case of a shareholder Section 206AA and Section 206AB both are applicable, then tax will be deducted at higher of the rates provided in these sections.

The Central Board of Direct Taxes (CBDT) has vide Circular No. 11 dated June 21, 2021, has clarified that new functionality will be activated for compliance check under section 206AB of the Act. Accordingly, for determination of rate of TDS on Dividend payment, the Company will be using the said Functionality for the purpose of determination of rate of TDS under section 194.

While your Company is awaiting the guidelines from the Government prescribing the mechanism to determine who fulfils the conditions

of being a 'specified person'. Therefore, in order to comply with the provisions of the Act, and unless any mechanism is prescribed by the authorities in this regard, Company will proceed on the assumption that all shareholders are in compliance with the provisions of section 206AB of the Act. However, we request you to inform us well in advance and before cut-off date if you are covered under the definition of 'specified person' as provided in section 206AB of the Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing the Company or providing wrong information about applicability of Section 206AB in your case.

To summarise, dividend will be paid after deducting tax at source as under:

- i. NIL for resident individual shareholders receiving dividend upto ₹ 5,000/-
- ii. Nil for resident individual shareholders in cases where duly filled up and signed Form 15G / Form 15H (as applicable) along with self-attested copy of the PAN card is submitted.
- iii. 10% for other resident shareholders in case copy of valid PAN is provided/available.
- iv. 20% for resident shareholders if copy of PAN is not provided / not available.
- v. TDS rate will be determined on the basis of documents submitted by the non-resident shareholders.
- vi. 20% (plus applicable surcharge and cess) for non-resident shareholders in case the relevant documents are not submitted.
- vii. Lower/ NIL TDS on submission of self-attested copy of the valid certificate issued under Section 197 of the Act.

The above mentioned rates will be subject to applicability of Section 206AB of the Act.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.

### OTHER INFORMATION:

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.
- For deduction of tax at source, the Company would be relying on the above data shared by RTA as updated up to the record date.

### TO ALL SHAREHOLDERS FOR SUBMISSION OF TAX RELATED DOCUMENTS:

Forms 15G/15H/10F and Self Declaration form for tax exemption can be downloaded from the LIPL's website. The URL for the same is <https://web.linkintime.co.in/client-downloads.html>. On this page select the **General tab**. All the forms are available in under the head "**Form 15G/15H/10F**".

The aforementioned documents (duly completed and signed) are required to be uploaded on the URL <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> On this page the user shall be prompted to select / share the following information to register their request:

1. Select the company (Dropdown)
2. Folio / DP-Client ID
3. PAN
4. Select Financial year (Dropdown)
5. Select Exemption Form – Any one as applicable (Form 15G/15H/10F)

6. Attach Document - 1 (PAN) (Only PDF/JPG/JPEG/PNG/GIF. Max file size 1 MB)

7. Attach Document - 2 (Forms as applicable) (Only PDF/JPG/JPEG/PNG/GIF. Max file size 1 MB)

8. Attach Document - 3 (Any supporting document). (Only PDF/JPG/JPEG/PNG/GIF. Max file size MB)

Kindly note that the documents as mentioned above are required to be updated by visiting the link <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> OR emailed to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) with copy to [investor@dmcc.com](mailto:investor@dmcc.com) OR before **17<sup>th</sup> September, 2021** in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. Incomplete and/or unsigned forms and declarations will not be considered by the Company.

Blank forms for tax exemptions are also made available on the website of the company at [www.dmcc.com](http://www.dmcc.com)

[Click Here](#) to download - Form 15G

[Click Here](#) to download - Form 15H

[Click Here](#) to download - Self Declaration (Resident shareholder)

[Click Here](#) to download - Self Declaration for non-availability of PAN (Non-resident shareholder)

[Click Here](#) to download - Form 10F

[Click Here](#) to download - Self declaration (Non-resident shareholder)

In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>

Further, shareholders who have not registered their email address are requested to register the same with our RTA at weblink: [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html). Shareholders are further requested to complete necessary formalities with regard to their Bank accounts updation for enabling the Company to make timely credit of dividend in respective bank accounts. For any queries related to the payment of dividend, shareholders can write on email Id's i.e. [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or [investor@dmcc.com](mailto:investor@dmcc.com)

# Explanatory Statement Pursuant to the Provisions of Section 102 of the Companies Act, 2013.

## ITEM NO. 6

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee of Directors, the Board of Directors has approved the re-appointment of CMA Shri S. S. Dongare holding ICWA Registration No. 12521, as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2021-22, at a remuneration of ₹ 66,000/- (Rupees Sixty Six thousands only) plus taxes and actual out-of-pocket expenses.

CMA Shri S. S. Dongare has furnished a certificate regarding his eligibility for appointment as Cost Auditors of the Company. He has vast experience in the field of cost audit and has conducted the audit of the cost records of the Company for the previous year under the provisions of the Act.

The Board recommends the Resolutions at Item No. 6 for your approval as Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in this resolution.

## ITEM NO. 7

Dr. (Mrs.) Janaki Ashwin Patwardhan is a Doctorate Chemical Engineer from Mumbai University Institute of Chemical Technology. She holds an Advanced Diploma in Industrial Safety. Since 2009, she has served as an independent Consultant for various reputed Companies. She has experience in the areas of Process Engineering, Process Scale-up, Process Modeling & Simulation, Reactor Modeling, Plant Troubleshooting, Benchmarking, Training, Plant design and Techno Commercial Feasibility studies, Remote Surveillance of Plants, Technical Support to Manufacturing, Safety, Guidance to R&D. She has worked for sectors such as Pharmaceutical, Petrochemical, Refinery, Oleochemical, Fragrances and Pigments.

The Brief Profile and other details of Dr. (Mrs.) Janaki Ashwin Patwardhan required as per Listing Regulations and Secretarial Standard - 2 are provided in **Annexure I** to this Notice.

Considering the rich knowledge, expertise and vast experience of Dr. (Mrs.) Janaki Ashwin Patwardhan, the Board is of the opinion that her appointment on the Board would immensely benefit the Company.

Pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 21<sup>st</sup> May, 2021 appointed Dr. (Mrs.) Janaki Ashwin Patwardhan (DIN: 09180182) as an Additional (Independent) Director of the Company for a period of five consecutive years with effect from 21<sup>st</sup> May, 2021 on the terms specified in the letter of appointment.

Dr. (Mrs.) Janaki Ashwin Patwardhan fulfils the criteria of independence specified in the Companies Act 2013 read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and have furnished declaration to that effect. Accordingly, the Board is of the opinion that Dr. (Mrs.) Janaki Ashwin Patwardhan is independent of the management and fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder with regard to appointment of Director. Further, Dr. (Mrs.) Janaki Ashwin Patwardhan is not disqualified to act as Director of the Company.

A copy of the draft Letter of Appointment of Independent Director, setting out the terms and conditions of appointment, will be made accessible for inspection through electronic mode.

Approval of members is sought for appointment of Dr. (Mrs.) Janaki Ashwin Patwardhan as the Independent Director of the Company as made by the Board.

Pursuant to Section 149 of the Companies Act, 2013 read with Schedule IV of the Act, the Board recommends the Ordinary Resolution with respect to the appointment of Dr. (Mrs.) Janaki Ashwin Patwardhan as an Independent Director of the Company, set out in Item No. 7 of the Notice, for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives, except Dr. (Mrs.) Janaki Ashwin Patwardhan are concerned or interested (financially or otherwise) in this Resolution.

## ITEM NO. 8 & 9

The Board in its meeting held on 21<sup>st</sup> May, 2021, on the recommendation of the Nomination and Remuneration Committee had appointed Shri Dilip Trimbak Gokhale as an Additional Director and also as Whole – Time Director, designated as "Executive Director" of the Company effective from 22<sup>nd</sup> May, 2021.

Pursuant to the provisions of Section 161 of the Act, Shri Dilip Trimbak Gokhale shall hold office up to the date of the ensuing Annual General Meeting ("AGM") and is eligible to be appointed as a Director of the Company.

Shri Gokhale has been working with the Company for over 32 years and before his appointment to the Board as Director, he was designated as Sr. Executive Vice President & Company Secretary of the Company. Shri Gokhale has been handling various diversified activities and matters of the Company since long, like. Secretarial, Legal, Corporate Governance, HR & Administration, Insurance, Banking and Internal Audit etc.

Shri Gokhale is a Commence and Law graduate and Fellow member of the Institute of Company Secretaries of India. He is also member of All India Management Association holding Post Graduation Diploma in Management from the said institute. He is also a certified associate of Indian Institute of Bankers, Mumbai and is an Ex-Banker.

Keeping in view the above and Industrial standards and with a recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company has, in its meeting held on 21<sup>st</sup> May, 2021, subject to the approval of members, unanimously appointed Shri Dilip Trimbak Gokhale as an Additional Director and also as Whole Time Director, designated as "Executive Director" of the Company effective from 22<sup>nd</sup> May, 2021 for a period of 3 years upto 21<sup>st</sup> May, 2024 on the remuneration terms and other conditions as under :

### A. Consolidated Salary :

- ₹ 3,50,000/- per month (Rupees Three Lakhs Fifty Thousand Only), (from 22<sup>nd</sup> May 2021 to 21<sup>st</sup> May, 2022;
- ₹ 3,75,000/- per month (Rupees Three Lakhs Seventy Five Thousand Only) (from 22<sup>nd</sup> May, 2022 to 21<sup>st</sup> May, 2023) and;
- ₹ 4,00,000/- per month, (Rupees Four Lakhs Only) (from 22<sup>nd</sup> May, 2023 to 21<sup>st</sup> May, 2024).

**B. Annual Performance Linked Incentive:** At the discretion of the Board of Directors.

**C. Perquisites:** In-addition to the above, he will be entitled to the following perquisites:

### Category A

- i) Medical benefit for self and family: Reimbursement of medical expenses actually incurred and reimbursement of premium paid on Medical Claim Policy, the total value of which to the Company shall not exceed one-month salary in a year or three months' salary in a block of three years.
- ii) Personal Accident Insurance Policy for self, the cost of the premium of which shall not exceed ₹ 4,000/-.

- iii) Leave Travel Concession: Actual fare, rail or air for self and family once a year to and from any place in India.
- iv) Fees of Clubs, subject to maximum of two clubs, provided that no life membership fee or admission fee is paid.

**Category B**

- i) Provident Fund : Nil
- ii) Benefit of Superannuation Scheme : Nil
- iii) Gratuity as per the rules of the Company.

**Category C**

- i) A car with driver for the use of the business of the Company and for personal use.
- ii) Telephone at residence: Reimbursement of Telephone and cell phone charges.
- iii) Leave with salary and the Leave accumulated but not availed will be encashed as per the leave rules of the Company.

**Note:** Car with driver for the use of the Company's business and the telephone expenses at the residence and the Cell phone expenses shall not be considered as perquisite.

In his long association with the Company, Shri Gokahle has played pivotal role and made significant contribution in the success of the Company over the years. Approval of members is sought for appointment of Shri Dilip Trimbak Gokhale as Whole Time Director, designated as Executive Director as made by the Board. Shri Gokhale being aged more than 70 years, pursuant to Section 196(3) read with Part I of Schedule V of the Companies Act, 2013, his appointment is to be approved by the members by passing a special resolution.

The Board recommends the Resolutions at Item No. 8 for your approval as Ordinary Resolution and Resolution at Item No. 9 as Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives, except Shri Dilip T. Gokhale are concerned or interested (financially or otherwise) in these Resolutions.

**ITEM NO. 10**

The Members of the Company at the Ninety Third Annual General Meeting of the Company held on 18<sup>th</sup> September, 2014 had accorded their consent vide Special Resolution authorizing the Board of Directors of the Company to borrow monies, from time to time, exceeding the aggregate of the paid-up share capital and free reserve upto ₹ 100 crores (Rupees Hundred Crores). The Company is in the process of expansion and growth, and with a view to augment financial resources the Company may, from time to time, raise finances from various Banks and/or Financial Institutions and/ or any other lending institutions and/ or Bodies Corporate and/ or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid ₹ up capital and free reserves and securities premium of the Company. It is therefore proposed to increase the maximum borrowing limits from existing limit of ₹ 100 crores to ₹ 200 Crores or limits prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher.

Pursuant to Section 180 of the Companies Act, 2013 consent of the members is required by way of a special resolution to borrow funds, apart from temporary loans obtained from the company's bankers in

the ordinary course of business, exceeding aggregate of the paid up share capital and free reserves including Securities Premium Account of the Company and therefore it is proposed to obtain consent of the members by way of a Special Resolution under Section 180 and other applicable provisions of the Companies Act, 2013, to increase the borrowing powers of the Board of Directors as set out in the resolution proposed at Item No. 10 of the accompanying Notice upto ₹ 200 Crores (Rupees Two Hundred Crores only) or limits prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher.

The Board recommends the Resolutions at Item No. 10 for your approval as Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in this Resolution.

**ITEM NO. 11**

The Members of the Company at the Ninety Third Annual General Meeting of the Company held on 18<sup>th</sup> September, 2014 had accorded their consent vide Special Resolution authorizing the Board of Directors of the Company to create mortgage and/or charge on all or any of the movable and/or immovable properties of the Company, from time to time, exceeding the aggregate of the paid-up share capital and free reserve upto ₹ 100 crores (Rupees Hundred Crores).

Pursuant to Section 180 (1)(a) of the Companies Act, 2013 consent of the members is required by way of a special resolution for creating security by way of mortgage and / or charge on the immovable and movable assets of the Company for the reasons already mentioned in detail in the Explanatory Statement for Item No. 10 above, and therefore it is proposed to obtain consent of the members by way of a Special Resolution under Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out in the resolution proposed at Item No. 11 of the accompanying Notice upto ₹ 200 Crores (Rupees Two Hundred Crores only) or limits prescribed under Section 180(1)(c) (as may be amended from time to time), whichever is higher.

The Board recommends the Resolutions at Item No. 11 for your approval as Special Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in this Resolution.

**ITEM NO. 12**

In order to augment working capital in a cost effective manner, the Company may accept deposits from public including its members as per the provisions of Section 73 and Section 76 read with the Companies (Acceptance of Deposits) Rules, 2014, as amended.

Therefore, it is proposed to seek approval of the Shareholders, authorizing the Board of Directors to accept the deposits from public including shareholders up to 35% of the paid-up share capital and free reserves (maximum 10% from shareholders and 25% from public) as per the latest audited balance sheet. Consequent upon obtaining the approval of the Shareholders, the requirements stipulated under Sections 73 and 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 will be complied with before inviting/ accepting/ renewing deposits.

The Board recommends the Resolutions at Item No. 12 for your approval as Ordinary Resolution.

None of the Directors, Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested (financially or otherwise) in this Resolution.

# Directors' Report

Dear Members,

The Board of Directors are pleased to present the Company's Hundredth Annual Report together with the audited financial statements for the financial year ended 31<sup>st</sup> March, 2021

## FINANCIAL PERFORMANCE

₹ in Lakhs (Except EPS)

	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Sales Turnover	19,634.33	18,554.96	19,639.15	18,556.66
<b>EBITDA</b>	<b>4,323.80</b>	<b>3,407.71</b>	<b>4,327.14</b>	<b>3,404.75</b>
Less : Depreciation & Amortization	681.78	615.62	682.94	616.41
Less : Finance Cost	240.00	203.12	240.00	203.12
<b>Profit Before Tax (PBT)</b>	<b>3,402.02</b>	<b>2,588.97</b>	<b>3,404.21</b>	<b>2,585.21</b>
Less : Provision for Taxation (MAT)	600.00	452.50	600.40	451.74
Add: MAT Credit Entitlement	(462.00)	(1,011.14)	(462.00)	(1,011.14)
Add/(Less): OCI Tax Impact	7.95	(1.69)	7.95	(1.69)
<b>Profit After Tax</b>	<b>3,256.08</b>	<b>3,149.30</b>	<b>3,257.86</b>	<b>3,146.30</b>
<b>Add : Other Comprehensive Income (net of tax)</b>	<b>(49.18)</b>	<b>54.98</b>	<b>(49.18)</b>	<b>54.98</b>
<b>Total Comprehensive Income</b>	<b>3,206.90</b>	<b>3,204.29</b>	<b>3,208.68</b>	<b>3,201.29</b>
Balance brought forward from last year	10,074.64	7,219.52	10,095.96	7,243.84
Other items of Other Comprehensive Income	49.18	(54.98)	49.18	(54.98)
Dividend Paid	(380.58)	(242.92)	(380.58)	(242.92)
Dividend Distribution Tax	-	(51.26)	-	(51.26)
Balance Carried to Balance Sheet	12,950.14	10,074.64	12,973.24	10,095.96
<b>Basic &amp; Diluted EPS (In ₹)</b>	<b>13.06</b>	<b>12.63</b>	<b>13.06</b>	<b>12.63</b>

The company witnessed strong demand across products in bulk and specialty chemicals. The strong performance was driven by volume growth, better realisations and improved product mix. On a consolidated basis, the revenue from sales increased to ₹ 19,639.15 Lakhs for FY 20-21 as against ₹ 18,556.66 Lakhs in the previous year, an increase of 5.83%. EBITDA was ₹ 4,327.14 Lakhs in FY 20-21 as against ₹ 3,404.75 Lakhs in the previous year, an increase of 27.09% and the Profit before tax stood at ₹ 3,404.21 Lakhs in FY 20-21 as compared to the profit of ₹ 2,585.21 Lakhs in the previous year, an increase of 31.68%. On a standalone basis, revenue from sales increased to ₹ 19,634.33 Lakhs in FY 20-21 as against ₹ 18,554.96 Lakhs in the previous year, an increase of 5.82%. EBITDA was ₹ 4,323.80 Lakhs in FY 20-21 as against ₹ 3,407.71 Lakhs in the previous year, an increase of 26.88% and the Profit before tax stood at ₹ 3,402.02 Lakhs in FY 20-21 as compared to the profit of ₹ 2,588.97 Lakhs in the previous year, an increase of 31.40%. For FY 20-21, EBITDA includes profit of ₹ 494.10 Lakhs on account of the completion of assignment/ transfer of the Company's closed Khemli Unit.

The financial and operational performance overview and outlook is provided in detail in the Management Discussion and Analysis forming part of this Annual Report.

### IMPACT OF THE CONTINUING COVID-19 PANDEMIC ON THE OPERATIONS AND BUSINESS:

The current "Second Wave" of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of cases. Your company continues to ensure compliance with the directives issued by the Central Government, State Governments and local government from time to time. All the manufacturing facilities are working and kept sanitized so that our employees are safe and secure. All safety protocols are being adhered and the employees are encouraged to take vaccines and provided flexible work options and adhering to COVID-19 guidelines. Despite the challenging environment, your company delivered strong performance and remained exceptionally focused to delivering on our ambitions and ensuring seamless supply of our products to our clients.

### DIVIDEND

During the year under review, your Company has paid two interim dividends of ₹ 0.50/- per equity share of face value of ₹ 10/- each fully paid up (being 5%) and ₹ 1/- per equity share of face value of ₹ 10/- each fully paid up (being 10%). Your Directors are pleased to recommend a final Dividend of ₹ 0.50/- per equity share of face value of ₹ 10/- each for the year ended 31<sup>st</sup> March, 2021. The Dividend, subject to the approval of Members at the ensuing Annual General Meeting, will be paid within the time period stipulated under the Companies Act, 2013 (subject to deduction of Tax at source). If approved by the members, the total dividend pay-out for FY 2020-21 will be 20% i.e. ₹ 2/- per equity share of face value of ₹ 10/- each.

During the year, the Company has also paid ₹ 7.00 Lakhs being dividend @ 2.5% on 2,80,000 cumulative, non-convertible redeemable preference shares of ₹ 100/- each.

### DIVIDEND DISTRIBUTION POLICY

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), as amended by SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 made effective from 5<sup>th</sup> May, 2021, the Board of Directors of your Company at its meeting held on 10<sup>th</sup> August, 2021 adopted Dividend Distribution Policy. The Dividend Distribution Policy is uploaded on the website of the Company and web-link for the same is [https://www.dmcc.com/Media/pdf/DMCC\\_Dividend-Distribution-Policy.pdf](https://www.dmcc.com/Media/pdf/DMCC_Dividend-Distribution-Policy.pdf)

### TRANSFER TO RESERVES

The Board of Directors has decided to retain the entire amount of profits for FY 2020-21 in the profit and loss account.

### EQUITY SHARE CAPITAL

As on 31<sup>st</sup> March, 2021, the issued, subscribed and paid up share capital of your Company stood at ₹ 24,93,99,330/- (Rupees Twenty-Four Crores Ninety-Three Lakhs Ninety-Nine Thousand Three Hundred Thirty Only), comprising of 24939933 Equity shares of ₹10/- each.

The Company has neither issued shares with differential voting rights nor granted any stock options or issued any sweat equity or issued any bonus shares. Further, the Company has not bought back any of its securities during the year under review and hence no details / information invited in this respect.

#### BOARD MEETINGS

The Board met five times during the year namely, 11<sup>th</sup> May, 2020, 6<sup>th</sup> August, 2020, 14<sup>th</sup> September 2020, 10<sup>th</sup> November, 2020 and 8<sup>th</sup> February, 2021. The maximum time gap between any two Board Meetings was not more than 120 days as required under Regulation 17 of the Listing Regulations, Section 173 of the Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors.

#### AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

#### SUBSIDIARY COMPANY

Borax Morarji (Europe) GmbH is a 100% wholly owned subsidiary Company in Germany. Primarily it owns registrations for your company's products as per REACH regulations. This is a requirement for sales into the European Union.

A statement containing the salient features of the financial statement of the Company's wholly-owned subsidiary under the provisions of section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 has been furnished in the prescribed form AOC-1 and are provided in "Annexure V" to this Report.

Further, pursuant to the provisions of Section 136 of the Act, the standalone and consolidated financial statements of the Company and financial statement of the subsidiaries, are available on the website of the company at [www.dmcc.com](http://www.dmcc.com)

The Company does not have any Associate or Joint Venture Companies. Further, the Company's policy on determining the material subsidiaries, as approved by the Board is uploaded on the company's website at [https://www.dmcc.com/Media/pdf/DMCC\\_Policy\\_Determining-Material-Subsidiaries.pdf](https://www.dmcc.com/Media/pdf/DMCC_Policy_Determining-Material-Subsidiaries.pdf)

#### CONSOLIDATION OF ACCOUNTS

In pursuance of the mandatory compliance of the with the Indian Accounting Standards (Ind AS), as issued by the Ministry of Corporate Affairs, the Company has presented Consolidated Financial Statements for the year under report, consolidating its accounts with the accounts of its Wholly Owned Subsidiary Company, viz. Borax Morarji (Europe) GmbH, Germany. A separate report of the Statutory Auditor on the consolidated Financial Statements also forms part of the same.

#### INDIAN ACCOUNTING STANDARDS

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act. There has been no material change which have occurred between end of the financial year 2020-21 and the date of this report.

#### AUDITORS REPORT

The Auditors' Report on standalone and consolidated financial statements for the year ended 31<sup>st</sup> March, 2021 forms integral part of this Annual Report. The Auditors' Report does not contain any qualifications, reservations, adverse remarks and disclaimer. Notes to the Financial Statements are self-explanatory and do not call for any further comments. The Statutory Auditors of the Company have not reported any fraud under Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force).

#### POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION AND OTHER DETAILS

##### a) Procedure for Nomination and Appointment of Directors

The Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees have evolved and have been formulated in terms of the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations,

2015, as amended with a view to pay equitable and commensurate remuneration to the Directors, Key Managerial Personnel and other Employees of the Company, based on the qualification, experience and industry standard.

On the recommendation of the Nomination and Remuneration Committee (NRC), the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the applicable provisions of the Act and the Listing Regulations. The remuneration determined for Executive / Independent Directors is subject to the recommendation of the NRC and approval of the Board of Directors. The Non-Executive Directors are compensated by way of profit-sharing commission and the criteria being their attendance and contribution at the Board / Committee Meetings. The Executive Directors are not paid sitting fees; however, the Non-Executive Directors are entitled to sitting fees for attending the Board / Committee Meetings.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees are in accordance with the Remuneration Policy of the Company. The policy of the Company on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided under Section 178(3) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations is available on the Company's website at [www.dmcc.com](http://www.dmcc.com)

##### b) Familiarization / Orientation program for Independent Directors

The Independent Directors attend a Familiarization / Orientation Program on being inducted into the Board. Further, various other programmes are conducted for the benefit of Independent Directors to provide periodical updates on regulatory front, industry developments and any other significant matters of importance. The details of Familiarization Program are provided in the Corporate Governance Report and is also available on the Company's website. The Company issues a formal letter of appointment to the Independent Directors, outlining their role, function, duties and responsibilities, the format of which is available on the Company's website at [www.dmcc.com](http://www.dmcc.com)

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there were following changes at the Board level as under:

Shri Haridas Tricumdas Kapadia, Independent Director (DIN: 00125090), upon completion of his second term on 16<sup>th</sup> September, 2020 as an Independent Director, ceased to be the Director of the Company w.e.f. 17<sup>th</sup> September, 2020.

Shri Kapadia joined the company in the year 1964 as a Research & Development Chemist, later became Executive Director in the year 1978 and thereafter became Joint Managing Director of the company. In the year 1999-2000, he became Managing Director of Borax Morarji Ltd, an associate company. Shri Kapadia thus has a very long and illustrious career with the Company, spread over a period of over 55 years. During his successful tenure with the company, he was actively involved in Planning & Execution of the growth, expansion & diversification of business of the company and wish him a healthy, long & active life and all the best in his future endeavours.

The Management & the members of the Board expressed their sentiments for the wise counsel, guidance & advice of Shri H.T. Kapadia, received from time to time and put on record their recognition & appreciation for a very long & successful innning of Shri H.T. Kapadia as a part of Executive Management & as well as an Independent Director including as the Chairman of the Audit Committee.

Shri Arvind Wasudeo Ketkar, Independent Director (DIN: 02863429) upon completion of his second term on 16<sup>th</sup> September, 2020 as an Independent Director, ceased to be the Director of the Company w.e.f. 17<sup>th</sup> September, 2020.

Shri Ketkar has been associated with the company for over a decade & Management of the company has always received his wise counsel & advice from time to time. The Management & members of the Board place on record their appreciation for his services during his tenure as an Independent Director of the Company and wish him a healthy, long & active life and all the best in his future endeavours.

In accordance with the provisions of Section 152 of the Act and the Articles of Association, Ms. Mitika L. Goculdas (DIN: 02879174) Vice Chairperson of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for the re-appointment. The Board recommends her re-appointment. As per the Secretarial Standard – 2 and the Listing Regulations, brief profile and other related information of Ms. Mitika L. Goculdas, Vice Chairperson retiring by rotation is provided in the Notice of ensuing Annual General Meeting (AGM).

Pursuant to the recommendation of Nomination and Remuneration Committee and subject to the approval of the members of the Company in the ensuing AGM, the Board of Directors of the Company at its meeting held on 21<sup>st</sup> May, 2021:

- Appointed Dr. (Mrs) Janaki Ashwin Patwardhan (DIN: 09180182) as an Additional (Independent) Director of the Company for a period of five consecutive years with effect from 21<sup>st</sup> May, 2021 on the terms specified in the letter of appointment.
- Elevated Shri Dilip Trimbak Gokhale (DIN: 06734397) to the position of “Whole Time Director” designated as an “Executive Director” of the Company w.e.f. 22<sup>nd</sup> May, 2021, from his current position as “Sr. Executive Vice President & Company Secretary”. Accordingly, he was appointed as an Additional Director (Whole Time Director, designated as Executive Director). Shri Dilip Trimbak Gokhale, will be Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013.

Consequent upon the change of designation of Shri Dilip Trimbak Gokhale, as aforesaid, he ceased to be the Company Secretary & Compliance Officer of the Company w.e.f. 22<sup>nd</sup> May, 2021.

The resolutions for their appointment are included in the Notice of ensuing Annual General Meeting and members are requested to refer Notice and Explanatory Statement for further details.

As per Secretarial Standard - 2 and Listing Regulations, brief profile and other related information of Dr. (Mrs) Janaki Ashwin Patwardhan and Shri Dilip T. Gokhale is provided in the Notice of ensuing AGM.

As on 31<sup>st</sup> March, 2021, Shri Bimal Lalitsingh Goculdas, Managing Director and Chief Executive Officer, Shri Dilip T. Gokhale, Sr. Executive Vice President & Company Secretary and Shri Chirag J. Shah, Chief Finance Officer are the Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013.

Further, pursuant to the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 21<sup>st</sup> May, 2021 appointed Shri Omkar Chandrakant Mhamunkar (ACS 26645) as the Company Secretary & Compliance Officer of the Company and Key Managerial Personnel of the Company in terms of Section 203 of the Companies Act, 2013, w.e.f. 22<sup>nd</sup> May, 2021.

#### INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given declarations that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of Listing Regulations and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment and without any external influence. During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company. In the opinion of the Board, all Independent Directors are independent of the management.

Pursuant to Rule 6 of Companies (Appointment and qualification of Directors) Rules, 2014 as amended w.e.f. December 1, 2019, all Independent Directors of the Company viz. Shri Sanjeev V. Joshi, Shri Madhu T. Ankleshwaria, Shri Mukul Taly and Dr. (Mrs.) Janaki Ashwin Patwardhan have registered themselves in the Independent Directors databank maintained with the Indian Institute of Corporate Affairs (IICA). Further, in the opinion of the Board of Directors of the Company, all Independent Directors possess high integrity, expertise and experience including the proficiency required to discharge the duties and responsibilities as Directors of the Company.

#### BOARD EVALUATION

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees, based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors. The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of criteria such as the composition of committees, effectiveness of Committee meetings, etc.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were evaluated at separate meetings of Independent Directors. The same was also discussed in the meetings of NRC and the Board. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

#### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year under review were at arm's length basis and were in the ordinary course of business.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The Audit Committee and the Board of Directors at their meetings have reviewed and approved all the related party transactions undertaken by the Company during the Financial Year. All Related Party Transactions are placed/routed through the Audit Committee and the Board of Directors. None of the Directors has any pecuniary relationships or transactions with the Company. The related party transactions entered into by the Company are disclosed in Note no. 42 of the Notes to Accounts. No transactions were entered into by the Company that required disclosure in Form AOC-2. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.dmc.com](http://www.dmc.com)

#### RISK MANAGEMENT

The identification and analysis of risks and putting in place the process for mitigation of these risks is an ongoing process. The Company has also laid down procedure to inform the Audit Committee and the Board about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks by means of a properly defined framework. The monthly review meetings of all the functional/ departmental heads inter alia discuss the relative risk management issues.

The Company has a Risk Management Policy which reflects the overall risk management philosophy, the Company's overall approach to risk management, risk assessment, risk mitigation mechanism and the role and responsibilities for risk management.

Pursuant to Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), as amended by SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 made effective from 5<sup>th</sup> May, 2021 the Board of Directors of your Company at its meeting held on 21<sup>st</sup> May, 2021 constituted Risk Management Committee. The details pertaining to composition of Risk Management Committee are included in the Corporate Governance Report, which forms part of this report.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Pursuant to Section 134 of the Companies Act, 2013 your Company has in place an adequate system of internal controls to ensure compliance with various policies, practices and statutes. It has procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regards to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations and compliances.

The Audit Committee meets the Internal Auditors and Statutory Auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the Board of Directors informed of their major observations periodically. The Audit Committee is of the opinion that as on March 31, 2021, the internal financial controls were adequate and operating effectively.

#### PROHIBITION OF INSIDER TRADING

In compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a code of conduct to Regulate, Monitor and Report Trading by Insiders ('Insider Trading Code') and code of Practices and Procedures for Fair Disclosure of unpublished Price Sensitive Information ('Code of Fair Disclosure').

The Insider Trading Code is intended to prevent misuse of unpublished price sensitive information by insiders and connected persons and ensure that the Directors and specified persons of the Company and their dependents shall not derive any benefit or assist others to derive any benefit from access to and possession of price sensitive information about the Company which is not in the public domain, that is to say, insider information.

The code of Fair Disclosure ensures that the affairs of the Company are managed in a fair, transparent and ethical manner keeping in view the need and interest of all the Stakeholders.

#### ENVIRONMENT HEALTH AND SAFETY (EHS)

The prime endeavour of our Management is to achieve Environment Health and Safety (EHS). The Company has its Environment Health and Safety (EHS) policy. Your Company has various EHS management processes and methodologies being deployed and implemented under the EHS to ensure that our employees become more safety conscious. The Company has a system of in-house EHS training for employees and workmen at the factory as also the practice of sending the employees/workmen to various external EHS programmes. The EHS management process at both the locations viz. Roha and Dahej are administered by qualified professionals.

#### CERTIFICATION

**a. Responsible Care® :** Responsible care® is a global voluntary initiative of the Chemical Industry, the objective of which is continuous improvement in the areas of environmental protection, health, safety and security.

The Company has a Responsible Care Policy. It is the endeavour of your Company that our products - both raw material and finished goods pose no risk to employees, society and environment as well. This is sought to be achieved by minimizing the negative influence of our products along the entire supply chain, right from procurement, storage and manufacturing right up to sale.

Your Company is one of the few in India authorized to use the Responsible care® logo. This has been achieved after extensive site and systems component, third party mentoring, and a series of audits. Logo usage validity for the Company from March, 2019 to February, 2023, renewable thereafter.

**b. In-house R & D Unit Registration :** Your Company has its own, modern and well-equipped Research and Development Laboratory located at its factory at Roha. This in-house R & D Laboratory is a recognised Research Institution by the Department of Science and Technology, Department of Scientific and Industrial Research, Government of India, New Delhi.

**c. Together For Sustainability® :** The TFS Audit was carried out under the stipulations made by a Group of EU based major Pharmaceutical companies. This will enable and has enabled the Company for obtaining expeditious approval for the products sold/to be sold in Europe market.

**d. ISO Certification :** The Company enjoys ISO 9000:2015 Certification for manufacture of various Chemicals at Roha, Dist. Raigad in the State of Maharashtra. The Company is in the process of obtaining similar ISO Certification for the operations at Dahej in course of time.

**e. REACH :** REACH regulation is adopted by the European Union to improve protection of human health and environment from the risks of that can be posed by the Chemicals. REACH stand for Registration, Evaluation, and Authorisation of all Chemical Substances. Borax Morarji (Europe) GmbH has registered several products under the REACH Regulations and your company continues to take advantage of this registration.

#### AUDITORS

##### a) Statutory Auditors:

In the 96<sup>th</sup> Annual General Meeting (AGM) held on 26<sup>th</sup> day of December, 2017 Messrs. Rahul Gautam Divan & Associates (RGD & Associates), Chartered Accountants (ICAI Firm Registration No. 120294W), were appointed as Statutory Auditors of the Company for a tenure of five years subject to ratification of their appointment at every subsequent AGM. The Ministry of Corporate Affairs has vide notification dated May 7, 2018 obliterated the requirement of seeking Member's ratification at every AGM on appointment of Statutory Auditor during their tenure of five years. Accordingly, the resolution for ratification of their appointment as Statutory Auditors of the Company is not proposed at the ensuing 100<sup>th</sup> Annual General Meeting.

Messrs Rahul Gautam Divan & Associates is a member of Intercontinental Grouping of Accountants and Lawyers, a worldwide association of professional services firms, offering high quality accounting, auditing, legal and consultancy services. The combined experience of the partners in the chartered accountancy profession within the firm is over 51 years. RGD & Associates have associated offices in Ahmedabad, with residential partners at the associated office. RGD & Associates have been involved in the Statutory Audits and also Internal Audits of various companies, and have the necessary experience to conduct the statutory audit of the Company.

##### b) Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, the Board of Directors based on the recommendation of the Audit Committee has appointed Messrs Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants as Internal Auditors of the Company for a period of three years commencing from 1<sup>st</sup> April, 2019 upto 31<sup>st</sup> March, 2022. The Internal Auditors, Mahajan & Aibara, Chartered Accountants, Mumbai have conducted internal audits periodically and submitted their reports to the Audit Committee. Their Reports have been reviewed by the Audit Committee from time to time.

##### c) Cost Auditors:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors, based on the recommendation of the Audit Committee has appointed Shri S.S. Dongare, Cost Accountant, as Cost Auditor of your Company to audit the cost accounts of the Company for Financial Year 2021-22 at remuneration of ₹ 66,000/- (Rupees Sixty-Six Thousand Only) as also the payment of taxes as applicable and reimbursement of actual out-of pocket expenses incurred in connection with the aforesaid audit.

The Cost Audit Report and the Compliance Report of your Company for the Financial Year ended 31<sup>st</sup> March, 2020, by Shri S.S. Dongare, Cost Accountant, has been duly filed with the Ministry of Corporate Affairs. The Company has maintained cost records as required under the section 148 of Act.

A resolution seeking Member's ratification for the remuneration payable to the Cost Auditor forms part of the Notice of 100<sup>th</sup> Annual General Meeting and the same is recommended for your consideration and ratification.

##### d) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed Shri Satish Kumar Jain, Proprietor of SKJ & Associates, Practising Company Secretaries (FCS 6398/ PCS 6632), to undertake the Secretarial Audit of the Company. The Secretarial Audit Report in the prescribed form No. MR-3 is included as "Annexure III" and forms integral part of this Report.

The Secretarial Audit Report does not contain any qualification, observation or other adverse remarks, except the observation that the 99.84% of the shareholding of promoter is in dematerialised form and remaining 0.16% is in process of dematerialization as on 31<sup>st</sup> March, 2021. The members are hereby informed that dematerialization of the said shares has already been initiated and as on date, only 0.03% of promoters holdings are in process of dematerialisation and the same are expected to be done soon.

#### PARTICULARS OF EMPLOYEES

The particulars of employees as required under section 197 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended 31<sup>st</sup> March 2021 have been furnished and are provided in "Annexure IV" to this Report.

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company on any working day of the Company up to the date of the 100<sup>th</sup> Annual General Meeting.

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in **Annexure - IV** and forms part of this Report.

#### INSURANCE

The Company has taken adequate Insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties.

#### PUBLIC DEPOSITS

During FY 2020-21, your Company has not accepted/ renewed any fixed deposit. Post-Merger of Borax Morarji Limited (BML) with Your Company, the balance amount of unclaimed matured deposit of erstwhile BML, as on 31<sup>st</sup> March, 2020 was ₹ 0.80 Lakhs. During the year 2020-21, the Company has duly transferred ₹ 0.30 Lakhs to the Investor Education and Protection Fund. Thus, as on 31<sup>st</sup> March, 2021, the unclaimed matured deposits are ₹ 0.50 Lakhs.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the year under review, your Company has neither given loan to any body corporates or any other persons, nor provided any corporate guarantee or security under Section 186 of the Companies Act, 2013. The Company has given advance against salary to some employees in terms of the applicable policies of the Company. The said investment was within the limits specified under Section 186 of the Companies Act, 2013. Particulars of investments and disclosure required under Section 186(4) of the Companies Act, 2013 are provided in the notes to the standalone financial statements.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, external Auditor and Secretarial Auditor, including audit of internal financial controls, over the financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year ended 31<sup>st</sup> March, 2021.

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

a) that in the preparation of the Annual Accounts for the year ended March 31, 2021, the applicable Accounting Standards have been followed and that there are no 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 as at March 31, 2021 and of the profit of the Company for the year ended on that date;

c) that the Directors have taken proper and sufficient care 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) that the annual accounts have been prepared on a going concern basis;

e) that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

Your Company is in compliance with all the applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report. A Certificate from a Statutory Auditor regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Corporate Governance Report.

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report is presented in a separate section forming part of this Annual Report.

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

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules 2014 is annexed as **Annexure I** and forms part of this Report.

#### WHISTLE BLOWER POLICY / VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors' and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Policy provides for adequate safeguards against victimization of employees, who avail of the mechanism and provides to employees' direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy has been posted on the Website of the Company at [www.dmcc.com](http://www.dmcc.com)

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company at [www.dmcc.com](http://www.dmcc.com). The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure -II** which forms part of this Report.

#### POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

Your company always endeavours and provide conducive work environment that is free from discrimination and harassment including sexual harassment. Your Company has zero tolerance towards sexual harassment at workplace and has adopted a policy for prevention of Sexual Harassment of Women at workplace. The Company has set up an Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to look into complaints relating to sexual harassment at workplace of any woman employee. During the year under review, no complaints pertaining to sexual harassment were received and no complaint was pending as on March 31, 2021.

**ANNUAL RETURN**

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, the copy of the Annual Return for FY 2020-21 is uploaded on the website of the Company at [www.dmcc.com](http://www.dmcc.com)

**Annual Return for 2019-20:**

[https://www.dmcc.com/Media/pdf/Annual-Return-MGT-7\\_FY-2019-20\\_DMCC.pdf](https://www.dmcc.com/Media/pdf/Annual-Return-MGT-7_FY-2019-20_DMCC.pdf) (after clicking on the link, kindly download the attachment to open the form)

**Annual Return for 2020-21:**

[https://www.dmcc.com/Media/pdf/Annual-Return-MGT-7\\_FY-2020-21-Draft\\_DMCC.pdf](https://www.dmcc.com/Media/pdf/Annual-Return-MGT-7_FY-2020-21-Draft_DMCC.pdf)

**COMPLIANCE WITH THE SECRETARIAL STANDARD:**

The relevant Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) related to the Board Meetings and General Meeting have been complied with by the Company.

**GENERAL DISCLOSURE**

During the year under review:

- a) the Company has not made any provisions of money or has not provided any loan to the employees of the Company for purchase of shares of the Company, pursuant to the provisions of Section 67 of Companies Act, 2013 and Rules made thereunder.
- b) there are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.
- c) there are no applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 and there are no instances of one time settlement.
- d) there are no significant material changes and commitments affecting the financial position of the Company, which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

**GREEN INITIATIVES**

In commitment to keep in line with the Green Initiatives and going beyond it, electronic copy of the Notice of 100<sup>th</sup> Annual General Meeting of the Company including the Annual Report for FY 2020-21 are being sent to all Members whose e-mail addresses are registered with the Company / Depository Participant(s).

**ACKNOWLEDGEMENTS**

The Directors are thankful to your Company's shareholders, customers, suppliers, and contractors, various departments of Central and State Governments and Banks for their continued valuable support. The relations between the employees and the management continue to be cordial. Your Directors place on record their appreciation of the sincere and devoted efforts of the employees at all levels and their continued co-operation and commitment.

For and on behalf of the Board  
**Laxmikumar Narottam Goculdas**  
Chairman  
DIN : 00459347

**Registered Office**

Prospect Chambers,  
317/321, Dr. Dadabhoy Naoroji Road, Fort,  
Mumbai 400001.

Date : 10<sup>th</sup> August, 2021

## Annexure I to The Directors' Report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Particulars required under Section 134 of the Companies Act, 2013 including rules framed there under:

### (A) CONSERVATION OF ENERGY

- i. **The steps taken or impact on conservation of energy:** The Company continues measures to reduce energy consumption at its plants and offices by improving energy intensive manufacturing process.
- ii. **The steps taken by the Company for utilizing alternate sources of energy:**
  - a) **Waste Heat Recovery System:** The Company saves approx. 7200 Units per day with its Waste Heat Recovery System
  - b) **Solar Panel:** The Company has installed Solar Panel (Capacity 335 KW) which saves approx. 700 Units per day during rainy season and about 1400 to 1500 Units per day during summer season.
  - c) **Rainwater Harvesting:** The Company has built Reservoir Pond with a Capacity of approx. 1000 m<sup>3</sup> which reduces requirement of municipal water about 50 m<sup>3</sup> to 60 m<sup>3</sup> per day from MIDC during rainy season.
  - d) **Effluent Water Recycling:** With effluent water recycling, the Company saves about 100 m<sup>3</sup> water per day
  - e) **R.O. Unit:** The Company has installed RO plant with a capacity of 65 m<sup>3</sup> water per day. The effluent generated in our process is treated in ETP followed by RO plant. The permeate of RO plant is used in our cooling tower and hence saving of fresh MIDC water approx. 50 m<sup>3</sup> per day.
  - f) **Supply of Steam to neighbouring units:** The Company also supplies about 80 MT steam per day to the neighbouring Units, thereby helping them to reduce carbon emission
- iii. **The capital investment on energy conservation equipment:** Nil
- iv. **Conservation of Energy Power and Fuel Consumption:**

Particulars	April, 2020 to March, 2021	April, 2019 to March, 2020
Electricity Purchased		
- Units (Lakhs in KWH)	103.62	95.65
- Total Amount (₹ In Lakhs)	908.19	914.31
- Rate/Unit (₹/KWH)	8.76	9.56
Furnace Oil		
- Quantity (K. Litre)	195.03	20.840
- Total Amount (₹ Lakhs)	60.87	7.03
- Average Rate (₹/KL)	31,211	33,721
Consumption per Tonne of Major Products Electricity (Unit – KWH)		
- Sulphuric Acid 100%	38	46

### (B) TECHNOLOGY ABSORPTION

#### i. The efforts made towards technology absorption

The Company has an R & D Centre which is approved by the Department of Scientific and Industrial Research, Govt. of India, New Delhi.

Areas in which R & D activity was carried out includes:

- Process and cost optimization of existing Specialty Chemicals so as to be competitive in the domestic and international market.
- Development of the processes for making value added products to cater to the need of local and export market.
- Technical support to Marketing efforts for launching new products and for trouble shooting of existing products.

The Company has an on- going process of Research & Development and the Company continues its efforts to assimilate group technology for introducing new products and improving product quality. The management is focused on introduction of high-end technology within the country and abroad.

#### ii. The benefits derived like product improvement, cost reduction, product development or import substitution:

Increased capacity, cost reduction, improvement in quantity and flexibility to meet market demands.

#### iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- (a) the details of technology imported - Not Applicable
- (b) the year of import - Not Applicable
- (c) whether the technology been fully absorbed - Not Applicable
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable

## iv. The expenditure incurred on Research and Development:

(₹ in Lakhs)

Particulars	April, 2020 to March, 2021	April, 2019 to March, 2020
(i) Capital	-	-
(ii) Recurring	209.68	225.03
(iii) Total	209.68	225.03
(iv) Total R and D expenditure as a percentage of sales turnover	1.05%	1.21%

**Benefits derived as a result of the above R & D:**

- Quality and yield improvement of the existing products
- Manufacture and supply of some of the products as per the customer's specifications.

**Future plan of action:**

- Studies on the preparation of new Specialty Chemicals and formulations with special emphasis on value addition.
- Focus on sulphonation and allied Chemistry to develop new processes.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars of foreign exchange earned/ utilized are as under.

(₹ in Lakhs)

Particulars	April, 2020 to March, 2021	April, 2019 to March, 2020
<b>Earnings In Foreign Exchange:</b>		
Export of goods calculated on FOB basis	6,103.54	4,471.80
Total Foreign Exchange earned	6,103.54	4,471.80
<b>Outgo In Foreign Exchange:</b>		
(1) Value of imports calculated on CIF basis		
Raw Materials and bought outs	1,567.82	1,481.35
(2) Expenditure in foreign currency		
On Account Of Foreign Tours, Subscription, Etc.	306.13	245.13
<b>Total Foreign Exchange outgo</b>	<b>1,873.95</b>	<b>1,726.48</b>

For and on behalf of the Board  
**Laxmikumar Narottam Goculdas**  
Chairman  
DIN : 00459347

**Registered Office**

Prospect Chambers,  
317/321, Dr. Dadabhoy Naoroji Road, Fort,  
Mumbai 400001.  
Date : 10<sup>th</sup> August, 2021

# Annexure II to The Directors' Report

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief outline on CSR Policy of the Company

While for any corporate, profit making is an ultimate goal, we also firmly believe in giving back the wealth that we have acquired over the years to those sections of the society which need to be uplifted and empowered. Even when the company was not legally required to contribute towards CSR, it still reached out to the underprivileged and attempted to make a small difference in their lives. The Dharamsi Morarji Chemical Company Limited (DMCC) has the tradition of supporting social & educational causes ever since beginning, well before the concept of CSR came in the Companies Act 2013. DMCC has been giving financial support/ donations to various Educational, Environmental, social & socio-economic projects / organisations around the company's factories.

### 2. Composition of the CSR committee:

The composition and the functions of the Company's Corporate Social Responsibility (CSR) Committee as contemplated as per Section 135 of the Companies Act, 2013 is as under:

The Company has formed CSR Committee comprising of the following Directors:

Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Ms. Mitika Laxmikumar Goculdas (Chairperson)	Non-Executive, Non-Independent, Promoter Director	1	1
Shri Madhu T. Ankleshwaria	Non-Executive, Independent	1	1
Shri Mukul Manoharlal Taly*	Non-Executive, Independent	1	1
Shri Sanjeev Vishwanath Joshi*	Non-Executive, Independent	1	1
Shri H. T. Kapadia**	Non-Executive, Independent	No meeting was held during their tenure	
Shri Arvind Wasudeo Ketkar**	Non-Executive, Independent		

\*Appointed as member of the CSR Committee w.e.f. 17<sup>th</sup> September, 2020.

\*\*Consequent upon completion of their term as an Independent Director on 16<sup>th</sup> September, 2020, ceased to be member of the Committee w.e.f. 17<sup>th</sup> September, 2020.

### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

Composition of the CSR committee is available on the Company's website at <https://www.dmcc.com>

CSR policy - [https://dmcc.com/Media/pdf/DMCC\\_Policy\\_CSR.pdf](https://dmcc.com/Media/pdf/DMCC_Policy_CSR.pdf)

Project approved by the Board for FY 2020-21 is available on the website of the Company at [https://www.dmcc.com/media/pdf/CSR-Activities\\_FY-2020-21\\_DMCC.pdf](https://www.dmcc.com/media/pdf/CSR-Activities_FY-2020-21_DMCC.pdf)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

The Company at present is not required to carry out impact assessment in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be setoff for the financial year, if any (₹ in Lakhs)
1	Prior to 2020-21	NIL	NIL

### 6. Average net profit of the company as per section 135(5): ₹ 2,967.13 Lakhs

### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 59.34 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 59.34 Lakhs

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

Total Amount Spent for the Financial Year (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	Nil	N.A.	N.A.	Nil	N.A.

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in Lakhs)	Amount spent in the current financial Year (₹ in Lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in Lakhs)	Mode of implementation on Direct (Yes/No).	Mode of implementation Through implementing agency.	
				State	District			Name	CSR Registration number
1	Environment Protection	Protection of Flora and Fauna	No	Uttarakhand/ Madhya Pradesh		25.75	No	Corbett Foundation	CSR00000183
2	Social	Social Welfare for differently abled	Yes	Gujarat	Porbandar & Surendranagar	10.00	No	Sense International India	CSR0000557
3	Expenditure on prevention/ mitigation/ medication and sanitation	Health	Yes	Maharashtra	Raigad	5.77	No	Through Government/ Semi Government and other agencies	-
4	Hostel for Girls from North East States at Chiplun, Roha	Women Empowerment	Yes	Maharashtra	Raigad	1.00	No	RSS Janakalyan Samiti	-
5	Social facilities	Social infrastructure and sanitation	Yes	Maharashtra	Raigad	2.00	No	Roha Roth and Budrukh (Group Gram Panchayats)	-
6	Protection and conservation of Indian Pangolin	Protection of Flora and Fauna	Yes	Maharashtra	Chiplun	1.00	No	Sahyadri Nisarga Mitra	-
7	Protection and conservation of Turtles	Protection of Flora and Fauna	Yes	Maharashtra	Chiplun	1.00	No	Sahyadri Nisarga Mitra	-
8	Medical Care Facility at Roha	Health	Yes	Maharashtra	Raigad	1.00	No	Gulab Joshi Charitable Trust	-
9	Donation to Eye Hospital	Health	Yes	Maharashtra	Raigad	0.07	No	Navdrushti Seva Sanstha	-
10	E-Learning and Education	Education	Yes	Maharashtra	Raigad	2.00	No	Mehendale High School	-
11	Educational Assistance	Education	Yes	Maharashtra	Raigad	0.05	No	Shiv Shambho Yuva Sangh	-
12	Hostel for Poor Children	Social Empowerment	Yes	Gujarat	Bharuch	1.00	No	Kalrav Charitable Trust	-
13	Social Empowerment	Lodging and Boarding for Differently abled children	Yes	Gujarat	Bharuch	1.00	No	Asmita Vikas Kendra, Nabipur, Bharuch	-
14	Social Empowerment	Old Age Home	Yes	Gujarat	Bharuch	1.00	No	Jayshree Jalaram Sewa Mandal, Bharuch	-
15	Social Empowerment	Welfare of Poor Children	Yes	Gujarat	Bharuch	1.00	No	Pawan Education Trust, Bharuch	-

16	Social Empowerment	Old age home	Yes	Maharashtra	Thane	5.00	No	Kamaldham Vriddhashram, Ambernath	CSR00008298
17	Social	Lodging and Boarding for Differently abled children	Yes	Maharashtra	Thane	1.00	No	Ameya Palak Sanghatana,	-
18	Medical related services including free / concessional rate accommodation to poor patients undergoing treatment for cancer & other diseases.	Health	Yes	Maharashtra	Mumbai	1.00	No	Nana Palkar Smruti Samiti, Mumbai	-
19	Hostel for Nagaland Students	Hostel	Yes	Maharashtra	Thane	0.75	No	Abhyudaya Prathisthan	-
<b>Total</b>						<b>61.39</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 61.39 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ In Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	59.34
(ii)	Total amount spent for the Financial Year	61.39
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.05
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.05

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

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ In Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ In Lakhs)
				Name of the Fund	Amount (₹ In Lakhs)	Date of transfer	
1	2017-18	Nil	N.A.*	N.A.	Nil	N.A.	Nil
2	2018-19	Nil	N.A.*	N.A.	Nil	N.A.	Nil
3	2019-20	Nil	56.24	N.A.	Nil	N.A.	Nil
<b>Total</b>			<b>56.24</b>		<b>Nil</b>		<b>Nil</b>

\* Due to the average Net Profit of the Company is being negative, Company is not required to spend any amounts towards Corporate Social Responsibility (CSR) activities for the FY 2017-18 and FY 2018-19.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ In Lakhs)	Amount spent on the project in the reporting Financial Year (₹ In Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ In Lakhs)	Status of the project - Completed / Ongoing
NOT APPLICABLE								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:** Not Applicable

(a) Date of creation or acquisition of the capital asset(s): N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset: N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** Not Applicable. The Company has completed spending its CSR obligation in full for the Financial Year 2020-21.

**Date :** 10<sup>th</sup> August, 2021

**Place :** Mumbai

**Mitika L. Goculdas**

Chairperson, CSR Committee

DIN: 02879174

**Bimal Lalitsingh Goculdas**

Managing Director & CEO

DIN: 00422783

# Annexure III to The Directors' Report

Form No. MR-3

## SECRETARIAL AUDIT REPORT

(For the Financial Year ended 31<sup>st</sup> March, 2021)

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

To  
The Members,  
**The Dharamsi Morarji Chemical Company Limited**  
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Dharamsi Morarji Chemical Company Limited** (CIN: L24110MH1919PLC000564) having its registered office at Prospect Chambers 317/21D N Road Fort, Mumbai – 400 001 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and the information, also electronic data provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, 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, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended from time to time:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not Applicable as the Company has not issued any further capital under the regulations during the period under review);
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable as the Company does not have ESOP Scheme/shares);

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable as the Company has not issued & listed Debt Securities);
  - 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 as the Company has not delisted /proposed to delist its equity shares from stock exchange during the financial year under review); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable as the Company has not bought back / proposed to buyback any of its securities during the financial year under review);
6. Based on the representation made by the management of the Company, the following laws are specifically applicable to the Company:
1. The Petroleum Act, 1934;
  2. The Fertilizer (Control) order 1985;
  3. The Arms Act, 1959;
  4. The Chemical weapon convention Act 2000;
  5. The Environment Protection Act, 1986;
  6. The Indian Boilers Act, 1923 & The Indian Boilers Regulations 1950;
  7. The Public Liability Insurance Act 1991;
  8. The Air (Prevention and Control of Pollution) Act 1981;
  9. The Water (Prevention and Control of Pollution) Act 1974;

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- ii. The Listing Agreements entered into by the Company with BSE Limited read with 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, Standards, etc. as mentioned above subject to the following observation:

As per Regulation 31 (2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 99.84% of the shareholding of promoter(s) and promoter group is in dematerialized form and remaining 0.16% is in process of dematerialization.

### 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.

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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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.

There are no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's Affairs.

For **SKJ & Associates**  
Company Secretaries

**Place :** Mumbai  
**Date :** 10<sup>th</sup> August, 2021

**Satish Kumar Jain**  
Proprietor  
(FCS :6398/PCS:6632)  
UDIN: F006398C000763440

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

## Annexure to the Secretarial Audit Report

To,  
The Members,  
**The Dharamsi Morarji Chemical Company Limited**  
Prospect Chambers 317/21D N Road,  
Fort, Mumbai – 400 001

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

1. Maintenance of Secretarial Records 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, 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. We relied on the statutory report provided by the Statutory Auditor of the Company for the financial year ending 31<sup>st</sup> March, 2021.
4. Wherever 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 provision 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 reports neither an assurance as to the future liability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **SKJ & Associates**  
Company Secretaries

**Place :** Mumbai  
**Date :** 10<sup>th</sup> August, 2021

**Satish Kumar Jain**  
Proprietor  
(FCS :6398/PCS:6632)  
UDIN: F006398C000763440

## Annexure IV to The Directors' Report

### A. Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 and Rule 5 (1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.

Sl. No.	Name of the Directors/KMP	Designation	Remuneration of Directors/ KMP for the year 2020-2021 (Amount in ₹)*	% Increase in Remuneration in the year 2020-2021	Ratio of Remuneration of each Director to median remuneration of employee
1	Shri Laxmikumar Narottam Goculdas	Chairman, Promoter, Non- Executive	9,35,000#	(73.05)	2.89
2	Ms Mitika L. Goculdas	Vice-Chairperson, Promoter, Non- Executive	3,12,000#	(72.76)	0.96
3	Shri Haridas T. Kapadia@	Non-Executive, Independent	3,12,000#	(72.76)	0.96
4	Shri Madhu T. Ankleshwaria	Non-Executive, Independent	3,12,000#	(72.76)	0.96
5	Shri Arvind W. Ketkar@	Non-Executive, Independent	3,12,000#	(72.76)	0.96
6	Shri Mukul Manoharlal Taly	Non-Executive, Independent	3,12,000#	(72.76)	0.96
7	Shri Sanjeev V. Joshi	Non-Executive, Independent	3,12,000#	(72.76)	0.96
8	Shri Bimal Lalitsingh Goculdas	Executive Director, Promoter, Managing Director and CEO	1,44,79,591**	(17.32)	44.74
9	Shri Dilip Trimbak Gokhale	Sr. Executive Vice President & Company Secretary	36,35,223	(2.49)	11.23
10	Shri Chirag J. Shah	Chief Finance Officer	34,76,400	0.68	10.74

\* Sitting fees paid to Non-Executive Directors during the year is not considered as remuneration for ratio calculation purpose. There was no change in the amount of sitting fees for every Board or Committee meeting attended by each Director. Sitting fee payment is not applicable for attending Shareholder/Investor Grievance Committee Meeting as per terms of reference.

# Refers to the commission paid to the Non-Executive Directors for the FY 2019-20.

@ Ceased to be Director w.e.f. 17<sup>th</sup> September, 2020 on completion of their 2<sup>nd</sup> term of appointment on 16<sup>th</sup> September, 2020.

\*\* Includes Performance Linked Incentive for the financial year 2019-20 ₹ 28,04,000/-, paid during the year 2020-21.

2. The median remuneration of employees of the Company during the year was ₹ 3,23,639/-

3. The increase in the median remuneration of employees in the financial year – Nil

4. There were 323 permanent employees on the rolls of the Company as at March 31, 2021.

5. Average percentage increase of the employee of the Company other than managerial personnel is 8.12%. During the year under review no increase in remuneration of Managerial Personnel. The increase in remuneration of employees other than the managerial personnel is in line with the increase in remuneration of managerial personnel.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

### B. Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

In terms of proviso to Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the aforesaid particulars shall be made available to any shareholder on a specific request made by him in writing before the date of such Annual General Meeting wherein financial statements for the financial year 2020- 21 are proposed to be adopted by shareholders and such particulars shall be made available by the company within three days from the date of receipt of such request from shareholders.

C. Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: None

## Annexure V to The Directors' Report

### Form AOC-1

(Pursuant to First Proviso to Sub-Section (3) of Section 129 Read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing Salient Features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures

### PART A SUBSIDIARIES

(Information in respect of each Subsidiary to be presented with Amounts ₹ In Lakhs)

Sr. No.	Particulars	Name of Subsidiary
		Borax Morarji (Europe) GmbH
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> January, 2020 to 31 <sup>st</sup> December, 2020
2	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	EURO 1 EURO = 89.00 INR
3	Share capital	16.77
4	Reserves & surplus	25.00
5	Total assets	55.69
6	Total Liabilities	13.92
7	Investments	-
8	Turnover	132.10
9	Profit before taxation	-0.44
10	Provision for taxation	-
11	Profit after taxation	-0.44
12	Proposed Dividend	-
13	% of shareholding	100%

# Report on Corporate Governance 2020-21

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company strongly believes that its system of Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management. The Core Values Viz. Customer Focus, Team Work, Leadership, Innovation, Respect for People, Integrity and Performance, guide the Company towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations. Accordingly, your Company has been practicing the broad principles of Corporate Governance over the years by placing strong emphasis on transparency, empowerment, accountability and integrity so as to continuously enhance values for stake holders - the shareholders, the customers, the employees and the creditors.

## 2. GOVERNANCE STRUCTURE

The Corporate Governance structure of the Company is as follows:

- i. **Board of Directors:** The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
- ii. **Committees of the Boards (hereinafter called "Committees").** The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee, Independent Directors' Committee, Stakeholder/Investor and Grievance Committee. Each of the said Committee has been mandated to operate within a given framework.

## 3. BOARD OF DIRECTORS

### a) Composition & Size of the Board

Your Board comprises of an optimal complement of independent professionals having in-depth knowledge of the business and the industry. The size and composition of the Board conforms with the requirements of the Corporate Governance code under SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, ('SEBI Listing Regulations') as amended from time to time. The Board is headed by the Non-Executive Chairman, Shri Laxmikumar Narottam Goculdas. During the year under review, consequent upon the completion of term of Independent Directors, Shri Haridas Tricumdas Kapadia (DIN 00125090) and Shri Arvind Wasudeo Ketkar (DIN : 02863429) ceased to be directors of the Company. The Board place on record their thanks and appreciation for the contributions for the services, counsel and advices made by them during their respective tenure of association with the Company and wish them all the best in their future endeavours.

As on 31<sup>st</sup> March, 2021 the Board comprised of 6 Directors (including 1 Women Director). Out of the 6 Directors 5 Directors are Non-Executive Directors. The Non-Executive Directors are eminent industrialists and professionals with vast experience in over-all management and finance, who bring a wide range of skills and experience to the Board. Out of these 6 Directors, 3 are Independent Directors, 2 Promoter Non-Executive Directors and 1 Executive Director (Managing Director, and Chief Executive Officer), thereby complying with the requirements of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations.

Your Board is pleased to inform that as on 31<sup>st</sup> March, 2021, your company is in the Top 1000 Listed Companies at BSE. Accordingly, the necessary compliance, as applicable, if any, will be ensured in the due course.

### b) Board Meetings

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board meeting.

In accordance with the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 dated 19<sup>th</sup> March, 2020; the Companies (Meetings of Board and its Powers) Second Amendment Rules, 2020 dated 23<sup>rd</sup> June, 2020; the Companies (Meetings of Board and its Powers) Third Amendment Rules, 2020 dated 28<sup>th</sup> September, 2020 and the Companies (Meetings of Board and its Powers) Fourth Amendment Rules, 2020 dated 30<sup>th</sup> December, 2020, all the meetings of the Board of Directors and Committees of the Board were held through Audio Visual Means pursuant to rule 3 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

The notice, agenda along with the relevant notes, documents and other material information are sent in advance separately to each Director by physical/electronic mode and in exceptional cases tabled at the meeting. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company.

### c) Intimation given to the Board

The Company provides the information as set out in Regulation 17 (7) read with Part A of Schedule II of SEBI Listing Regulations to the Board and the Board committees to the extent it is applicable and relevant. Such information is submitted either as part of the respective meetings or by way of presentations and discussions during the meeting.

### d) Post Meeting Mechanism

The important decisions taken at the Board/Committee meetings are communicated to the concerned departments/divisions.

### e) Board Support

The Company Secretary attends the Board/Committee meetings and advises on Compliances with applicable laws and governance.

### f) Number of Board meetings held during the year along with the dates of the Meetings:

Five Board meetings were held during the financial year ended 31<sup>st</sup> March, 2021. The interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and SEBI Listing Regulations. The dates on which the said meetings were held are as follows:

11<sup>th</sup> May, 2020, 6<sup>th</sup> August, 2020, 14<sup>th</sup> September, 2020, 10<sup>th</sup> November, 2020 and 8<sup>th</sup> February, 2021.

Attendance of each Director at the Board Meetings held during the financial year ended 31<sup>st</sup> March, 2021 and last Annual General Meeting held on 14<sup>th</sup> September, 2020 and No. of other Directorships / Memberships of the Committee:

Sr. No.	Name of Directors	Category of Directorship (designation as on 31.03.2021)	Board Meetings attended (out of 5 Meetings held)	Attendance at last AGM held on 14.09.2020	No. of other Directorships as on 31.03.2021 #	No. of Board Committees of other companies in which Chairman, as on 31.03.2021	No. of Board Committees of other companies in which Member, as on 31.03.2021 \$
1	Shri Laxmikumar Narottam Goculdas DIN 00459347	Chairman, Promoter, Non-Executive	5	Yes	Nil	Nil	Nil
2	Ms Mitika L. Goculdas DIN 02879174	Vice-Chairperson, Promoter, Non-Executive	5	Yes	Nil	Nil	Nil
3	Shri Haridas T. Kapadia DIN 00125090	Non-Executive, Independent	3*	Yes	Nil	Nil	Nil
4	Shri Madhu T. Ankleshwaria DIN 02753794	Non-Executive, Independent	5	Yes	1@	1	Nil
5	Shri Arvind W. Ketkar DIN 02863429	Non-Executive, Independent	3*	Yes	Nil	Nil	Nil
6	Shri Mukul Manoharlal Taly DIN 01334360	Non-Executive, Independent	5	Yes	Nil	Nil	Nil
7	Shri Sanjeev V. Joshi DIN 00392020	Non-Executive, Independent	5	Yes	Nil	Nil	Nil
8	Shri Bimal Lalitsingh Goculdas DIN 00422783	Executive Director, Promoter, Managing Director, and CEO	5	Yes	Nil	Nil	Nil

\* Ceased to be Directors w.e.f. 17<sup>th</sup> September, 2020, on completion of their 2<sup>nd</sup> term of appointment on 16<sup>th</sup> September, 2020.

# Number of Directorships held in other public companies excludes Directorship of The Dharamsi Morarji Chemical Company Limited, Directorships in private companies, foreign companies, companies under Section 8 of the Companies Act, 2013 and alternate Directorships.

@ Non-Executive Independent Director in Avik Pharmaceuticals Limited.

\$ Only Membership / Chairmanship of Audit Committee and Stakeholders' Relationship Committee of listed and unlisted public limited companies excluding The Dharamsi Morarji Chemical Company Limited are considered.

Memberships or Chairmanships of the stipulated Board Committees held by all Directors are within the limit specified under Regulation 26 (1) of the Listing Regulations. Further, None of the Directors hold Directorships in more than 20 Companies including 10 Public Companies pursuant to the provisions of Section 165 of the Companies Act, 2013. Further, the other directorships held by all Directors including Independent Directors are within the limit prescribed under Listing Regulations.

During the year under review, All Independent Directors of the Company fulfil the criteria of Independence as given under Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations and have furnished declaration of independence pursuant to Section 149 (7) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations. The said declaration of independence was reviewed and taken on record by the Board and in the opinion of the Board, all Independent Directors of the Company fulfil the criteria of independence and all conditions specified in under the Listing Regulations and are independent of the management.

None of the Independent Directors have resigned before the expiry of their respective tenures during the financial year 2020-21.

#### g) Relation between the Directors

None of the Directors of the Company except Shri Laxmikumar Narottam Goculdas (father of Ms. Mitika Laxmikumar Goculdas), Ms. Mitika Laxmikumar Goculdas (Daughter of Shri Laxmikumar Narottam Goculdas) and Shri Bimal Lalitsingh Goculdas the Nephew of

Shri Laxmikumar Narottam Goculdas and cousin brother of Ms. Mitika Laxmikumar Goculdas are related to each other.

#### h) Familiarisation Programme for Independent Directors

At the time of appointing a Director, a formal letter or appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the company. The Director is also explained in detail the compliance required from him under the Companies Act, 2013, SEBI Listing Regulations and other relevant regulations and affirmation taken with respect to the same. The Chairman and MD & CEO also has one to one discussion with the newly appointed Directors to familiarise him with the Company's operations. Further the Company has put in place a system to familiarise the Independent Directors about the Company, its products, business and the on-going events relating to the Company. The details of the familiarization programme of the Independent Directors are available on the website of the Company viz. [www.dmcc.com](http://www.dmcc.com)

#### i) Matrix of skills/competence/expertise of Directors

Pursuant to the Listing Regulations, the list of core skills / expertise / competencies identified by the Board in the context of the Company's business and sector in which it operates and those available with the Board are given as under:

- Knowledge of business of chemicals
- Understanding of the financials

- Familiarity with the laws applicable to the business
- Governance

All the Directors of the Company possess the above skills / expertise / competencies.

#### j) Details of Directors being appointed and re-appointed at the ensuing Annual General Meeting

As per the Companies Act, 2013, not less than two-third of the Directors should be retiring Directors. One-third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment. The Independent Directors are not liable to retire by rotation.

Accordingly, Ms. Mitika Laxmikumar Goculdas retires by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment. A brief resume of the Director being appointed/eligible for re-appointment are as follows:

- » Ms. Mitika Laxmikumar Goculdas, is MBA (Finance) from Pennsylvania State University, USA. She has total work experience of 25 years including her stint as Vice President with Merrill Lynch both at USA and Dubai. She has experience in Finance, Industry and International Trade.
- » Ms. Mitika Laxmikumar Goculdas is the Vice Chairperson of the Company and Chairperson of the Corporate Social Responsibility Committee and she also serves as member of Nomination and Remuneration Committee.

#### k) Independent Directors

The Non-Executive Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Rules made there under and meet with requirement of Regulation 16 of the SEBI Listing Regulations and are independent of Management. A Formal letter of appointment to Independent Director as provided in Companies Act, 2013 and SEBI Listing Regulations has been issued and disclosed on the website of the Company at [www.dmcc.com](http://www.dmcc.com)

#### l) Separate Meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8<sup>th</sup> February, 2021, all the three Independent Directors of the Company existing as on the date and time of meeting attended the meeting, inter alia to discuss the following:

- Evaluation of the performance on Non-Independent Directors and the Board as a whole;
- Evaluation of the performance of Chairperson of the Company, taking into account the views of Non- Executive Directors; and
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

### 4. AUDIT COMMITTEE

#### a) Terms of Reference, Composition and Meetings

The role, terms of reference, authority and power of Audit Committee are in conformity with the requirements of Section 177 of the Companies Act, 2013 and Rules 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations.

As on 31<sup>st</sup> March, 2021, the Audit Committee comprises of 3 Directors / Members out of which 2 are Independent Directors and 1 is Non-Executive Non Independent (Promoter) Director. Shri Sanjeev V. Joshi, Chairman of the Audit Committee is a Chartered Accountant and all Members of the Audit Committee are professionals, experienced and possess sound knowledge of finance, accounting practices and internal controls. Shri D. T. Gokhale, Company Secretary, acts as the Secretary to the Committee. w.e.f. 22<sup>nd</sup> May, 2021, the Board of Directors of the Company have appointed Shri Omkar Chandrakant Mhamunkar as the Company Secretary & Compliance officer of the Company.

During the year under review, four (4) Audit Committee Meetings were held on 11<sup>th</sup> May, 2020, 6<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020

and 8<sup>th</sup> February, 2021. The interval between two meetings was well within the maximum period mentioned under SEBI Listing Regulations. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company

Composition of the Audit Committee as on 31<sup>st</sup> March, 2021 and changes in composition along with attendance of members at the Audit Committee Meetings held during the year under review is as under:

Name of Director	Category	Attendance
Shri Sanjeev V. Joshi (Chairman)*	Non-Executive Independent	4/4
Shri H. T. Kapadia **	Non-Executive Independent	2/2
Shri M. T. Ankleshwaria	Non-Executive Independent	4/4
Shri Laxmikumar Narottam Goculdas	Non-Executive, Non-Independent Promoter Director	4/4

\*Appointed as Chairman of the Audit Committee w.e.f. 17<sup>th</sup> September, 2020. Earlier, Shri Sanjeev Joshi was member of Audit Committee.

\*\* Consequent upon completion of his term as an Independent Director on 16<sup>th</sup> September, 2020, ceased to be the Chairman and member of the Committee w.e.f. 17<sup>th</sup> September, 2020.

The meetings were attended by the Managing Director and Chief Executive Officer, Company Secretary, Chief Finance Officer, Internal Auditor and Statutory Auditors.

### 5. NOMINATION AND REMUNERATION COMMITTEE

#### a) Terms of Reference, Composition and Meetings

The terms of reference of the Nomination and Remuneration Committee ("NRC") includes the matters stipulated in Point A of Part D of Schedule II of the Listing Regulations and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee members held their meeting on 8<sup>th</sup> February, 2021 and all the members attended the meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company

Composition of the committee as on 31<sup>st</sup> March, 2021 and changes in composition along with attendance of members at the Committee Meetings held during the year under review is as under:

Name of Director	Category	Attendance
Shri Mukul Manoharlal Taly (Chairman)*	Non-Executive Independent	1/1
Shri H. T. Kapadia**	Non-Executive Independent	Not Applicable
Shri Arvind Wasudeo Ketkar***	Non-Executive Independent	Not Applicable
Shri Madhu T. Ankleshwaria	Non-Executive Independent	1/1
Shri Sanjeev V. Joshi****	Non-Executive Independent	1/1
Ms. Mitika Laxmikumar Goculdas****	Non-Executive Non-Independent Promoter Director	1/1

\*Appointed as Chairman of the NRC w.e.f. September 17, 2020.

\*\*Consequent upon completion of his term as an Independent Director on 16<sup>th</sup> September, 2020, ceased to be the Chairman and member of the Committee w.e.f. 17<sup>th</sup> September, 2020.

\*\*\*Consequent upon completion of his term as an Independent Director on 16<sup>th</sup> September, 2020, ceased to be member of the Committee w.e.f. 17<sup>th</sup> September, 2020.

\*\*\*\* Appointed as member of the NRC w.e.f. September 17, 2020.

#### b) Performance Evaluation Criteria for Independent Director

The Nomination and Remuneration Committee (NRC) has formulated following criteria for Performance evaluation of Independent Directors:

- Participation at Board /Committee Meetings

- Contributions at Meetings
- Knowledge and skills
- Discharging Role, Functions and Duties
- Personal Attributes

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Board Committees.

The performance evaluation of the Chairman, Managing Director and the Non-Independent Director were carried out by the independent Directors. The Directors express their satisfaction with the evaluation process.

## 6. REMUNERATION TO DIRECTORS

### a) Remuneration to Non-Executive Directors

At present, all Non-Executive Directors of the Company are entitled for sitting fees of ₹ 25,000/- each for attending Board as well as committee Meetings and Independent Directors Meeting except for Shareholder / Investor Grievance Committee meeting.

They are also entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the Nomination and Remuneration Committee within the limit of 1% of net profits u/s 198 of the Companies Act, 2013 as approved by the shareholders of the Company. Details of remuneration paid to non-executive directors during the financial year ended 31<sup>st</sup> March, 2021 are as under:

Sr. No.	Name of Directors	Sitting fees paid for attending meeting of (in ₹)					Commission* (in ₹)	Total (in ₹)	No. of Equity Shares held
		Board	Audit Committee	Nomination and Remuneration Committee	CSR Committee	Independent Directors Committee			
1	Shri Laxmikumar Narottam Goculdas	1,25,000	1,00,000	-	-	-	9,35,000	11,60,000	88,61,044
2	Ms Mitika L. Goculdas	1,25,000	-	25,000	25,000	-	3,12,000	4,87,000	NIL
3	Shri Haridas T. Kapadia	75,000	50,000	-	-	-	3,12,000	4,37,000	11,107#
4	Shri Madhu T. Ankleshwaria	1,25,000	1,00,000	25,000	25,000	25,000	3,12,000	6,12,000	225
5	Shri Arvind W. Ketkar	75,000	-	-	-	-	3,12,000	3,87,000	324#
6	Shri Mukul Manoharlal Taly	1,25,000	-	25,000	25,000	25,000	3,12,000	5,12,000	NIL
7	Shri Sanjeev V. Joshi	1,25,000	1,00,000	25,000	25,000	25,000	3,12,000	6,12,000	4,435
	<b>Total</b>	<b>7,75,000</b>	<b>3,50,000</b>	<b>1,00,000</b>	<b>1,00,000</b>	<b>75,000</b>	<b>28,07,000</b>	<b>42,07,000</b>	<b>88,77,135</b>

\* Commission relates to the financial year ended 31<sup>st</sup> March 2020, which was approved by the Board on 11<sup>th</sup> May, 2020 and to be paid during the financial year 2020-21.

#Consequent upon completion of their term of Independent Directors on 16<sup>th</sup> September, 2020, ceased to be the Directors w.e.f. 17<sup>th</sup> September, 2020 and accordingly No. of shares held as on 17<sup>th</sup> September, 2020.

Apart from commission, there are no variable components and performance linked incentives to the Non-Executive Directors.

There were no convertible instruments held by any Directors of the Company and no stock options are issued to the Directors.

None of the Non-Executive Directors had any pecuniary relationship or transactions with the Company other than the Directors' sitting fees and commission, as applicable, received by them except Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas who are Promoters of the Company. The Company reimburses the out-of-pocket expenses, if any, incurred by the Directors for attending meetings.

### b) Details of remuneration and perquisites paid to the Managing Director and Chief Executive Officer:

Details of remuneration paid/payable to Managing Director and Chief Executive Officer during the financial year 31<sup>st</sup> March, 2021 are as below: (excludes contribution to Gratuity Fund & Leave Encashment on retirement, since same is provided on actuarial basis for the Company as a whole).

Name and Designation	in ₹			
	Salary **	Contribution to PF and Superannuation Fund	Perquisites	Total
Shri Bimal Lalitsingh Goculdas, Managing Director and Chief Executive Officer	**1,15,04,000.00	23,49,000.00	6,26,591.00	**1,44,79,591.00

\*\* Includes Performance Linked Incentive for the financial year 2019-20 ₹ 28,04,000/-, paid during the year 2020-21.

The term of contract of Shri Bimal Lalitsingh Goculdas, Managing Director and Chief Executive Officer of the Company, is from 01-04-2018 to 31-03-2023. No severance fees or stock option are available to him.

### c) Relation of the Managing Director, and Chief Executive Officer with Directors

Shri Bimal Lalitsingh Goculdas, Managing Director and Chief Executive Officer of the Company is related to Shri Laxmikumar Narottam Goculdas and Ms. Mitika Laxmikumar Goculdas.

### d) Remuneration Policy

Subject to the approval of the Board and of the Company in General Meeting and such other approvals as may be necessary, the Chief Executive Officer is paid remuneration as per the Agreements entered into between him and the Company. The remuneration structure of the Chief Executive Officer comprises of Salary, H.R.A., Commission/Performance Linked Incentive, Perquisites, Contribution to Provident Fund & Superannuation and Gratuity.

## 7. SHAREHOLDER /INVESTOR GRIEVANCE COMMITTEE

### a) Composition

The Shareholder/Investor Grievance Committee comprises of Shri Laxmikumar Narottam Goculdas, (Non-Executive Chairman) as Chairman of the Committee and two other Independent Directors as members of the Committee. The Committee is vested with the requisite powers and authorities. In addition to the Share Transfer related matters, the committee specifically looks into the redressing of shareholders' and investors' complaints, if any, like delayed transfer of shares, non-receipt of annual reports, non-receipt of declared dividends etc. Shri D. T. Gokhale, Company Secretary acts as the Compliance Officer. W.e.f 22<sup>nd</sup> May, 2021, the Board of Directors of the Company have appointed Shri Omkar Chandrakant Mhamunkar as the Company Secretary & Compliance officer of the Company.

During the year under review five (5) Committee Meetings were held on 24<sup>th</sup> July, 2020, 31<sup>st</sup> July, 2020, 18<sup>th</sup> September, 2020, 15<sup>th</sup> December, 2020 and 1<sup>st</sup> March, 2021.

Composition of the committee as on 31<sup>st</sup> March, 2021 and changes in composition along with attendance of members at the Committee Meetings held during the year under review is as under:

Name of Director	Category	Attendance
Shri Laxmikumar Narottam Goculdas (Chairman)	Non-Executive Non-Independent Promoter Director	5/5
Shri Madhu T. Ankleshwaria*	Non-Executive Independent	3/3
Shri Sanjeev Vishwanath Joshi*	Non-Executive Independent	3/3
Shri H. T. Kapadia**	Non-Executive Independent	2/2

\*Appointed as member w.e.f. September 17, 2020.

\*\*Consequent upon completion of his term as an Independent Director on 16<sup>th</sup> September, 2020, ceased to be member of the Committee w.e.f. 17<sup>th</sup> September, 2020.

### b) Details of Shareholders' Complaints Received, solved and pending Share Transfer

During the year under review, there were no complain received from the shareholders and as on 31<sup>st</sup> March, 2021 no complaint was pending. Shareholders/Investors requests and other correspondence are generally attended to within seven working days except where constrained by disputes or legal impediments. No investor grievances remained unattended/pending for more than thirty days as on 31<sup>st</sup> March, 2021.

## 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

### a) Terms of Reference:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has constituted Corporate Social Responsibility ("CSR") Committee. The terms of reference of CSR Committee, inter-alia, includes:

i) To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

ii) To provide guidance on various CSR initiatives to be undertaken by the Company and to monitor progress.

### b) Meeting and Attendance:

The CSR Committee members held their meeting on 8<sup>th</sup> February, 2021 and all the members attended the meeting.

Composition of the committee as on 31<sup>st</sup> March, 2021 and changes in composition along with attendance of members at the Committee Meetings held during the year under review is as under:

Name of Director	Category	Attendance
Ms. Mitika Laxmikumar Goculdas (Chairperson)	Non-Executive Non-Independent Promoter Director	1/1
Shri Madhu T. Ankleshwaria	Non-Executive Independent	1/1
Shri Mukul Manoharlal Taly*	Non-Executive Independent	1/1
Shri Sanjeev Vishwanath Joshi*	Non-Executive Independent	1/1
Shri H. T. Kapadia**	Non-Executive Independent	Not Applicable
Shri Arvind Wasudeo Ketkar**	Non-Executive Independent	Not Applicable

\*Appointed as member of the CSR Committee w.e.f. 17<sup>th</sup> September, 2020

\*\*Consequent upon completion of the term as an Independent Director on 16<sup>th</sup> September, 2020, ceased to be member of the Committee w.e.f. 17<sup>th</sup> September, 2020

## 9. RISK MANAGEMENT COMMITTEE

Pursuant to Regulation 21 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), as amended by SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 made effective from 5<sup>th</sup> May, 2021, the Company is required to constitute Risk Management Committee. Accordingly, the Board at its meeting held on 21<sup>st</sup> May, 2021 constituted Risk Management Committee comprised as under:

Name of Director	Category
Ms. Mitika Laxmikumar Goculdas (Chairperson)	Non-Executive Non-Independent Promoter Director
Shri Bimal Lalitsingh Goculdas	Managing Director & CEO
Shri Dilip Trimbak Gokhale	Executive Director*
Shri Sanjeev Vishwanath Joshi	Non-Executive Independent
Shri Madhu T. Ankleshwaria	Non-Executive Independent
Shri Mukul Manoharlal Taly	Non-Executive Independent
Shri Chirag Jaswant Shah	Chief Finance Officer

\* Shri Dilip Trimbak Gokhale is appointed as "Whole Time Director" designated as an "Executive Director" of the Company w.e.f. 22<sup>nd</sup> May, 2021, from his current position as "Sr. Executive Vice President & Company Secretary."

## 10. GENERAL BODY MEETINGS

### a) Annual General Meetings

The details of last three Annual General Meetings (AGM) of the Company are given below:

No. of AGM	Date and Time	Venue
99 <sup>th</sup> AGM for the FY 2019-20	14 <sup>th</sup> September, 2020	Held through Other Audio Visual Means (OAVM) in accordance with the General Circular issued by the MCA on 5 <sup>th</sup> May, 2020
98 <sup>th</sup> AGM for the FY 2018-19	20 <sup>th</sup> September, 2019	Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020.
97 <sup>th</sup> AGM for the FY 2017-18	26 <sup>th</sup> September, 2018	Indian Merchants' Chambers, Walchand Hirachand Conference Hall, Churchgate, Mumbai 400 020.

### b) Special resolutions passed at the last three Annual General Meetings (AGM) of the Company:

- 1) At the 99<sup>th</sup> AGM for FY 2019-20 held on 14<sup>th</sup> September, 2020: NIL
- 2) At the 98<sup>th</sup> AGM for FY 2018-19 held on 20<sup>th</sup> September, 2019:
  - i. Special Resolution for (Item 6) the continuation of directorship of Shri Haridas Tricumdas Kapadia (DIN: 00125090) as an Independent Director of the Company to hold office for another term of 1 (One) year with effect from 17<sup>th</sup> September, 2019 up to 16<sup>th</sup> September, 2020.
  - ii. Special Resolution for (Item 7) the continuation of directorship of Shri Madhu Thakorlal Ankleshwaria (DIN:02753794) as an Independent Director of the Company to hold office for another term of 5 (five) consecutive years with effect from 17<sup>th</sup> September, 2019 up to 16<sup>th</sup> September, 2024.
  - iii. Special Resolution for (Item 8) the continuation of directorship of Shri Arvind Wasudeo Ketkar (DIN: 02863429) as an Independent Director of the Company to hold office for another term of 1 (One) year with effect from 17<sup>th</sup> September, 2019 up to 16<sup>th</sup> September, 2020.
- 3) At the 97<sup>th</sup> AGM for FY 2017-18 held on 26<sup>th</sup> September, 2018:
  - i. Special Resolution for (Item 12) the continuation of directorship of Shri Laxmikumar Narottam Goculdas (DIN: 00459347) after his attaining the age of seventy-five years on 16<sup>th</sup> September, 2018.
  - ii. Special Resolution for (Item 13) the continuation of directorship of Shri Haridas Tricumdas Kapadia (DIN: 00125090) after his attaining the age of seventy-five years.
  - iii. Special Resolution for (Item 14) the continuation of directorship of Shri Arvind Wasudeo Ketkar (DIN: 02863429) after his attaining the age of seventy-five years.

### c) Postal Ballot:

- i. **Details of special resolutions passed by postal ballot:** During the year under review, no special resolution was passed by means of Postal Ballot.
- ii. **Details of Voting Pattern:** Not Applicable
- iii. **Person who conducted the aforesaid postal ballot exercise:** Not Applicable
- iv. **Whether any special resolution is proposed to be conducted through postal ballot:** Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.
- v. **Procedure for Postal Ballot:** NA

### d) Means of Communication

- **Quarterly, Half yearly and Annual Results:** Quarterly, half yearly and Annual Financial Results of the Company are forwarded to the Stock Exchange, viz. BSE Limited, Mumbai and published in "Free Press Journal" (English Language) and "Navshakti" (Marathi Language) newspapers.

- **Website:** Company has its own web site and all the vital information relating to the Company, its products its business and operations, Press Releases and investor information can be viewed at the Company's website at [www.dmcc.com](http://www.dmcc.com). The 'Investor' section serves to inform the investors by providing key and timely information like financial results, annual reports, shareholding pattern, presentations made to analysts, etc.
- **Annual Report:** The Annual Report containing, inter alia, Audited Financial Statement, Audited Consolidated Financial Statement, Board's Report, Auditors' Report and other important information is circulated to the members and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. The Annual Report is also available in downloadable form on the website of the Company at [www.dmcc.com](http://www.dmcc.com)
- **Investor Presentations:** The Investor Presentations are uploaded on the website of the stock exchange and the Company.
- **BSE Listing Centre (Listing Centre):** BSE's Listing Centre is a web-based application designed for corporates. All periodical and other compliance filings are filed electronically on the Listing Centre.
- **Designated Exclusive Email ID:** The Company has designated Email Id [investor@dmcc.com](mailto:investor@dmcc.com)/ [corporate@dmcc.com](mailto:corporate@dmcc.com) exclusively for shareholder / investor grievances redressal.

## 10. DISCLOSURES

### a) Code of Conduct

The Board of Directors has adopted the Code of Business Conduct and Ethics for the Directors and the members of the Senior Management. The said Code has been communicated to the Directors and the Members of the Senior Management. The Code has also been posted on the Company's website at [www.dmcc.com](http://www.dmcc.com)

**b)** There was no non-compliance during the last three years by the Company on any matter related to Capital Market. Consequently, no penalties were imposed nor any strictures were passed on the Company by the BSE Limited, Mumbai (on which the Company's equity shares are listed), SEBI or any other statutory authority.

**c)** The Company has complied with all the mandatory requirements of SEBI Listing Regulations.

**d) Material Subsidiary:** During the year under review, the Company does not have material subsidiary as per the criteria specified in the Listing Regulations. However, the Company has adopted a policy on material subsidiaries and the same is uploaded on the website of the Company which can be accessed through the web-link [https://dmcc.com/Media/pdf/DMCC\\_Policy\\_Determining-Material-Subsidiaries.pdf](https://dmcc.com/Media/pdf/DMCC_Policy_Determining-Material-Subsidiaries.pdf)

**e) Related Party Transactions -** There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Register of Contracts for the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in note number 42 of the notes forming part of Accounts, as per Ind AS 24. None of the related party's transactions are in conflict with the interests of the Company at large. RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website at [https://dmcc.com/Media/pdf/DMCC\\_Policy\\_Related-Party-Transactions.pdf](https://dmcc.com/Media/pdf/DMCC_Policy_Related-Party-Transactions.pdf)

At every Board Meeting and Audit Committee Meeting, the Register of Contracts maintained under section 189 of the Companies Act, 2013 is tabled and signed by the Directors.

**f) Vigil Mechanism/ Whistle Blower Mechanism:** Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, your Company has formulated Vigil Mechanism / Whistle Blower Policy to enable Directors and employees of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The said policy provides adequate safeguards against victimisation of Directors/employees and direct access to Chairman of Audit Committee, in exceptional cases. The Vigil Mechanism / Whistle Blower Policy is available on the website of the Company under the web-link [https://dmcc.com/Media/pdf/DMCC\\_Whistle-Blower-Policy.pdf](https://dmcc.com/Media/pdf/DMCC_Whistle-Blower-Policy.pdf)

Your Company affirms that no Director/Employee of the Company has been denied access to the Chairman of the Audit Committee and no complaint has been received during the year under review.

#### 11. CEO/CFO CERTIFICATION

The Chief Executive Officer and the Chief Finance Officer of the Company have furnished a certificate to the Board of Directors of the Company with respect to accuracy of financial statements for the financial year ended 31<sup>st</sup> March, 2021 and adequacy of internal controls as required in terms of Regulation 17(8) of the Listing Regulations, for the financial year 2020-21 was placed before the Board at its meeting held on 21<sup>st</sup> May, 2021.

#### 12. RECONCILIATION OF SHARE CAPITAL AUDIT:

A qualified Practicing Company Secretary carries out Secretarial Audit to reconcile the total admitted Capital with NSDL and CDSL and total issued and listed capital of the Company as per books. The Secretarial Audit report confirms that the total issued / paid-up capital is in accordance with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

#### 13. RECOMMENDATION OF THE COMMITTEE:

During FY 2020-21 the Board has accepted all recommendations made by the Audit Committee and Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

#### 14. DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF REGULATION 27(1) OF THE LISTING REGULATIONS.

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirement of the Listing Regulations read with other applicable provisions, if any.

The status of compliance with non-mandatory requirements of Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- (a) Non-Executive Chairman's office - The Company is having Non-Executive Chairman. The Company does not incur any expenses for maintaining Chairman's office.
- (b) Shareholders' Rights: As the half-yearly/yearly (including quarterly) financial performance are published in the newspapers and are also posted on the Company's website. The Company also used to report significant events to the stock exchange viz. BSE Limited from time to time. Hence, the same are not being sent to the shareholders.
- (c) Audit Qualifications: During the period under review, there is no audit qualifications in the Company's financial statements. DMCC continues to adopt best practices to ensure a regime of unqualified financial statements.
- (d) Separate posts of Chairman and CEO: The Chairman of the Board is a Non-Executive Promoter Director and his position is separate from that of the Managing Director, and CEO of the Company. The Company is in compliance of the requirement. Shri Laxmikumar Narottam Goculdas is Non-Executive Promoter Chairman and Shri Bimal Lalitsingh Goculdas is Managing Director, and CEO of the Company as per the SEBI (LODR) (Amendment) Regulations, 2018.

- (e) Reporting of Internal Auditor: The Company is having independent Internal Auditor (separate from the employees) viz. M/s Mahajan & Aibara, Chartered Accountants, Mumbai. The Internal Auditors used to send their reports to the Managing Director, and CEO of the Company/ Board, person authorised for this purpose and in turn the reports were circulated to the members of the Audit Committee for their perusal.

#### 14 (i) Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under regulation 32(7A).

This clause is not applicable to the Company as the Company has not raised any funds through preferential allotment and / or QIP.

#### 14(ii) Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from Shri Satish Kumar Jain, Practicing Company Secretary of M/s SKJ & Associates, being Fellow Member No. FCS- 6398/ CP- 6632 of the Institute of Company Secretaries of India, regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. The requisite certificate from Shri Satish Kumar Jain, the secretarial auditor of the Company confirming compliance of the condition is attached to the Report on Corporate Governance.

#### 14 (iii) Total fees for all services paid by The Dharamsi Morarji Chemical Company Limited and its subsidiary, on a consolidated basis, to Rahul Gautam Divan & Associates, Chartered Accountants and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2021, is as follows:

Particulars	Amount (in ₹)
Audit Fees paid for the year 2020-21 - Rahul Gautam Divan & Associates, Chartered Accountants	9,00,000
Fees for Corporate Governance Certification	90,000
Fees for Limited Reviews	3,00,000
Fees for Certification of Consolidation	10,000
Other Services	20,000
Out of Pocket expenses for the year	36,500
<b>Total payment made during the year 2020-2021</b>	<b>13,56,500</b>

#### 14(iv) The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

The Company is in compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

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

Number of complaints filed during the financial year -	NIL
Number of complaints disposed of during the financial year -	NIL
Number of complaints pending as on end of the financial year-	NIL

#### 15. GENERAL SHAREHOLDER INFORMATION

##### a) Details of Annual General Meeting:

Wednesday, 22<sup>nd</sup> September, 2021 at 11.30 a.m. (IST)

Venue : In accordance with the Circulars issued by MCA and SEBI, the AGM will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) only. For details, please refer to the Notice of the AGM.

##### b) Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

**c) Dividend Payment Date :** Dividend of ₹ 0.50/- per Equity share of ₹ 10/- each fully paid up (5%) for the financial year 2020-21 has been recommended by the Board of Directors to Members for their approval. If approved by the Members, payment will be made within prescribed time of 30 days. For the Members who are unable to receive the dividend directly in their bank accounts, the Company shall dispatch the dividend warrant to them, on resumption of normal activities.

**d) Book Closure / Record Date :** From Thursday, 16<sup>th</sup> September, 2021 to Wednesday, 22<sup>nd</sup> September, 2021 (both days inclusive)

**e) E-Voting Dates:** The cut-off date for the purpose of determining the shareholders eligible for e-Voting is 15<sup>th</sup> September, 2021. The e-Voting commences on Sunday, 19<sup>th</sup> September, 2021 at 9.00 a.m. (IST) and ends on Tuesday, 21<sup>st</sup> September, 2021 at 5.00 p.m. (IST).

**f) Stock Code :** 506405

**g) Listing on Stock Exchange :** BSE Limited - 25<sup>th</sup> Floor, P J Towers, Dalal Street, Mumbai 400 001.

**h) Demat ISIN:** INE505A01010

**i) Corporate Identity Number:** L24110MH1919PLC000564

**j) Listing Fees:** The Company has paid the requisite Annual Listing fees to BSE Limited for the financial years 2020-21.

**k) Stock Price Data & Performance in comparison to BSE Indices:**

The monthly high and low of market prices of the Company's Equity Shares traded during the financial year on the BSE Limited, Mumbai and the BSE monthly high low Indices were as follows:

Month	Share Price (in ₹)		BSE Indices (In ₹)	
	High	Low	High	Low
April, 2020	88.65	62.00	33,887.25	27,500.79
May, 2020	80.35	65.50	32,845.48	29,968.45
June, 2020	90.00	71.50	35,706.55	32,348.10
July, 2020	131.55	77.55	38,617.03	34,927.20
August, 2020	178.00	117.00	40,010.17	36,911.23
September, 2020	168.75	144.50	39,359.51	36,495.98
October, 2020	158.00	129.30	41,048.05	38,410.20
November, 2020	159.80	129.10	44,825.37	39,334.92
December, 2020	224.70	147.70	47,896.97	44,118.10
January, 2021	225.00	176.40	50,184.01	46,160.46
February, 2021	322.95	176.00	52,516.76	46,433.65
March, 2021	434.35	284.00	51,821.84	48,236.35

Nominal Value of each Equity Share is ₹ 10/-.

**l) Registrar & Share Transfer Agents**

Link Intime India Pvt. Ltd.  
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.  
Tel No : +91 22 49186000 Fax: +91 22 49186060  
E-mail id : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**m) Share Transfer System**

All the transfers are processed by the RTA and are approved by the Shareholders/Investor Grievance Committee. All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to the RTA. w.e.f. April 1, 2019, as per SEBI press release dated March 27, 2019 the transfer of shares is done only in dematerialised mode except for transmission or transposition of securities. Transfer of equity shares in dematerialised form is done through the depositories without any involvement of the Company. Share transfers received in physical form if any and complying with the requirements specified in said press release are processed by Link Intime India Private Limited, Registrar & Transfer Agents and the share certificates are generally returned to the transferee(s) within prescribed time provided that the transfer documents are complete in all respects. The Board has constituted Shareholder/ Investor Grievance Committee which approves share transfers, transmission, issue of duplicate share certificates, etc. as and when physical cases of transfers/transmissions/name deletion/issue of duplicate share certificates are sent for approval by RTA.

Pursuant to Regulation 40(9) of the Listing Regulations, every six months, a Company Secretary in practice undertakes audit of the share transfer related activities and the compliance certificate issued upon audit is submitted to BSE.

In terms of the Notification No. SMDRP/POLICY/CIR/23/2000 dated 29<sup>th</sup> May, 2000, issued by Securities and Exchange Board of India, the Equity System of your Company are under compulsory demat trading by all investors, with effect from 28<sup>th</sup> August, 2000.

## n) Shareholding Pattern and Distribution of Shares:

Category of Shareholder	As on 31 <sup>st</sup> March, 2021	
	No. of Shares held	% of Shareholding
<b>A. Promoter &amp; Promoter Group</b>	<b>13288650</b>	<b>53.28</b>
<b>B. Public Shareholding</b>		
<b>Institution</b>		
Mutual Funds	2204	0.01
Foreign Portfolio Investor	626	0.00
Financial Institutions / Banks	304981	1.22
Insurance Companies	200	0.00
UTI	2705	0.01
<b>Non Institutions</b>		
Individuals	9275485	37.19
NBFCs registered with RBI	2200	0.01
Employees Trust	301	0.00
Trust	122563	0.49
Foreign Nationals	83	0.00
HUF	1098173	4.40
NRI	323706	1.30
Clearing Members (in the depository)	91457	0.37
Bodies Corporate	426599	1.71
<b>Total</b>	<b>24939933</b>	<b>100.00</b>

Note: The total Foreign Shareholding as on 31<sup>st</sup> March, 2021 was 9639604 shares, which in percentage terms were 38.65% of the issued and subscribed capital, out of which 9315189 shares aggregating 37.35% of the capital represent Promoters' Holding and hence are included in Promoters' category.

o) Distribution of Shareholding as on 31<sup>st</sup> March, 2021.

No. of Shares held	No. of Folios	Percentage	Total Shares	Percentage
Up to 500	17891	89.8052	1659327	6.6533
501 to 1000	908	4.5578	704114	2.8232
1001 to 2000	493	2.4747	733433	2.9408
2001 to 3000	205	1.0290	522213	2.0939
3001 to 4000	94	0.4718	335749	1.3462
4001 to 5000	72	0.3614	334092	1.3396
5001 to 10000	121	0.6074	879818	3.5277
10001 and above	138	0.6927	19771187	79.2752
<b>TOTAL</b>	<b>19922</b>	<b>100.0000</b>	<b>24939933</b>	<b>100.0000</b>

## p) Dematerialisation of Shares and liquidity

As on 31<sup>st</sup> March, 2021, out of 2,49,39,933 Equity Shares of the Company, 2,36,98,250 Equity Shares representing 95.02% Equity Shares are held in dematerialized form and 4.98 % is held in Physical form. The Company's shares are actively traded on the Stock Exchange i.e. BSE Limited.

## q) Outstanding GDR/ADR/warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs, Warrant or any convertible instruments, the conversion of which will have an impact on equity shares of the Company.

**r) Commodity price risk or foreign exchange risk and hedging activities:** The details are provided in notes to the standalone financial statements in the Annual Report.

## s) The address of the correspondence:

The Company Secretary  
The Dharamsi Morarji Chemical Co. Ltd.  
Prospect Chambers, 317/321, Dr. D. N. Road,  
Fort, Mumbai - 400 001.  
Tel: 022 2204 8881/2/3; Fax: 022 2285 2232  
E-mail: [investor@dmcc.com](mailto:investor@dmcc.com)  
Website : [www.dmcc.com](http://www.dmcc.com)

## t) Factories:

- (1) Roha: 105, MIDC Industrial Area, Audyogik Vasahat Post Office, DhataV, Roha 402116, Dist. Raigad, Maharashtra.
- (2) Dahej : Plot No. CH-5/1 G.I.D.C, Dahej Industrial Estate, Taluka: Vagra, Dist. Bharuch, Gujarat.
- (3) Jhar: Jhar Village, Taluka – Dhari, Dist. Amreli 365630, Gujarat.

# Annexure I

## Declaration on compliance with Code of Conduct

Pursuant to the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that all the Board Members and Senior Management Personnel of The Dharamsi Morarji Chemical Company Limited have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2021.

For The **Dharamsi Morarji Chemical Company Limited**

**Place :** Mumbai  
**Date :** 21<sup>st</sup> May, 2021

**Bimal Lalitsingh Goculdas**  
Managing Director & CEO  
DIN: 00422783

# Auditor's Report on Corporate Governance

## TO THE MEMBERS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

1. The Corporate Governance Report prepared by The Dharamsi Morarji Chemical Company Limited (herein after the "Company"), contains details as stipulated at Para C of Schedule V in terms of regulations 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") with respect to Corporate Governance for the year ended 31 March 2021.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 1 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

- Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
- Obtained and verified that the composition of the Board of Directors with regards to executive and non-executive directors has been met throughout the reporting period;

- Obtained and read the Directors Register as on 31 March 2021 and verified that at least one women director was on the Board during the year;
- Obtained and read the minutes of the following meetings held from 1 April 2020 to 31 March 2021:
  - Board of Directors meeting;
  - Audit committee;
  - Annual General meeting;
  - Nomination and Remuneration committee;
  - Independent Directors Committee;
  - Stakeholder/ Investor and Grievance committee
  - Corporate social responsibility committee
- Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended 31 March 2021, referred to in paragraph 1 above.

### Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

Place: Mumbai  
Date: 21<sup>st</sup> May 2021

**Rahul Divan**  
Partner  
Membership No.: 100733  
UDIN : 21100733AAAABA2858

03

# Financial Statements



## STANDALONE FINANCIAL STATEMENTS

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# Independent Auditor's Report

To the Members of **THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED**

Report on the Audit of the Standalone Ind AS Financial

## OPINION

We have audited the accompanying standalone Ind AS financial statements of The Dharamsi Morarji Chemical Company Limited ("the Company"), which comprise the Balance sheet as at 31 March 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 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 audit opinion on the Standalone Ind AS financial statements.

## EMPHASIS OF MATTER

We draw your attention to Note 2.2 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to obtain comfort over the existence and condition of inventory at year end.

Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the Standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS financial statements.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p><b>Litigations and claims</b></p> <p>(Refer to note 32 to the standalone Ind AS financial statements)</p> <p>These cases are pending with multiple tax authorities like Income Tax, Excise, Service tax etc. and labour law cases which have not been acknowledge as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the standalone Ind AS financial statements is depended on a number of significant assumptions and judgements. The amount involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the standalone Ind AS financial statements, is inherently subjective.</p> <p>We have Considered Litigation and claims as Key Audit Matter as it requires significant management judgement, including accounting estimation uncertainty.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>• Evaluation of management's judgement of tax risks, estimates of tax exposures, each claims and contingencies. Third party opinions, past and current experience with the tax authority and management's response including on the labour law cases were used to assess the appropriateness of management's best estimate of most likely outcome of each uncertain contingent liability.</li> <li>• Discussing selected matters with the entity's management.</li> <li>• Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the standalone Ind AS financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation.</li> </ul> <p><b>Conclusion:</b></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation &amp; disclosure on the subject matter in the standalone Ind AS financial statements.</p>

**2. Revenue Recognition**

(as described in note 2.11 of the standalone Ind AS financial statements)

For the year ended March 31, 2021 the Company has recognized revenue from contracts with customers amounting to ₹ 19,634.33 Lakhs. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that as principal, it typically controls the goods before transferring them to the customer.

The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.

Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.

**Principal Audit Procedures:**

Our audit procedures included the following:

- Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
- Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms.
- To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
- Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.
- Performed monthly analytical procedures of revenue by streams to identify any unusual trends.
- Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

We have determined that there are no other key audit matters to communicate in our report.

**IMPACT OF COVID19 LOCKDOWN ON THE OPERATIONS OF THE COMPANY AND RESUMPTION OF OPERATIONS POST COVID19 LOCKDOWN**

The Operations of the Company during the year ended 31<sup>st</sup> March 2021 were marginally affected due to Lockdown announced by the Central / State Governments in the month of March 2020 due to the outbreak of Novel Coronavirus COVID19.

**COMMENT ON THE PHYSICAL VISIT TO THE OFFICE**

The nationwide Lockdown process started from 22<sup>nd</sup> March 2020 in form of a 14 Hr. 'Janata Curfew'. A formal National Lockdown was announced by the Central Government from 24<sup>th</sup> March 2020 in successive phases. Subsequent notifications issued by the Government have restricted the opening of private offices. This has resulted into serious restrictions on travel. Hence there have been limitations on physical visits to the offices of the Company. In light of the said travel restrictions, we have not visited the Company.

The Companies (Auditor's Report) Order, 2016 ("the Order") requires Statutory Auditor to comment on the adequacy of the data received for the purpose of Statutory Audit, from the offices not visited by us. We would like to mention that due to the Lockdown situation as mentioned above, we were not able to visit any offices of the Company. But we have received the relevant data from the offices not visited by us.

**AUDIT USING ONLINE AUDITING METHOD / TECHNIQUES**

In light of the restrictions in physical movement and visits to the company offices, the Company has given us access to their ERP System, to the extent possible. We were able to access the relevant data & records for our Audit purpose. Further the company has provided all other data / information / records as required by us using e-data sharing modes. We also had continuous communication with the Audit Team & Management of the Company using various modes such as Audio / Video Conferencing, etc.

**ONLINE VERIFICATION OF THE DOCUMENT / RECORDS / STATEMENTS & ASSURANCE ABOUT THE ACCURACY AND AUTHENTICITY OF THE SAME**

Due to the phase wise Lockdown imposed by State Governments and the resulting travel restrictions, it was not possible to physically visit the

Company and carry out the audit function. We have carried out the Audit Process using various techniques of Online Auditing. We have verified the records received by us through electronic media. We have also received Management Representation Letters where ever necessary. Using such techniques we have ensured reasonable assurance that the records provided to us are free from material misstatement and adhere to the relevant standards.

In this respect, we have also followed the 'Advisory on Auditing and Assurance assignments during the Period of Lockdown and Restrictions on Travelling' issued by The Institute of Chartered Accountants of India to the extent relevant and applicable.

**EXPRESSION OF OPINION**

We have carried out the Audit Process using Online Mode. We have carried out the Audit Process subject to our disclosures as mentioned above. The audit evidence obtained by us is adequate to express our audit opinion. While expressing our audit opinion, we have also relied upon certifications by the management or certifications by other independent auditors, wherever required.

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2020-21, but does not include the Standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the Standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone Ind AS 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.

## RESPONSIBILITIES OF MANAGEMENT FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 system 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS 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 Ind AS financial statements for the financial year ended 31 March 2021 and are therefore the key audit matters. We describe these matters in our auditor's 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 (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of written representations received from the directors as on 31 March 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32 to the standalone Ind AS 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;

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

**Rahul Divan**  
Partner  
Membership No.: 100733  
UDIN: 21100733AAAABC6621  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May 2021

## Annexure - 1 To the Independent Auditor's Report

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

**Re: THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED ("the Company")**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets been physically verified by the management during the year but through a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March 2021 and no material discrepancies were noticed in respect of such confirmations.
- (iii) The Company has not granted any secured or unsecured loans to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the requirements of sub-clause (a), (b) and (c) of clause (iii) are not applicable to the Company.
- (iv) There are no loans given, no investments made, no guarantees given, and no security given by the Company in terms of provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax, duty of excise, duty of custom, sales tax, ESI and employees' state insurance on account of any dispute, is as follows:

Name of the Statute	Nature of Dues	Amount (₹) in Lakhs	Period to which	Forum where dispute is pending
Customs Act, 1962	Differential Duty	1,433.00	2004-05 to 2008-09	CESTAT Mumbai
Customs Act, 1962	Duty	121.60	2005-06 to 2007-08	CESTAT Mumbai
	<b>TOTAL</b>	<b>1,554.6</b>		

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by term loans for the purpose for which they were obtained. The Company has not raised any money way of initial public offer / further public offer / debt instruments during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

**Rahul Divan**  
Partner  
Membership No.: 100733  
UDIN: 21100733AAAABC6621  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May 2021

## Annexure - 2 To the Independent Auditor's Report

(Annexure referred to under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

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

We have audited the internal financial controls over financial reporting of The Dharamsi Morarji Chemical Company Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

#### AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 OVER FINANCIAL REPORTING

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

#### OPINION

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

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

#### Rahul Divan

Partner

Membership No.: 100733

UDIN: 21100733AAAABC6621

Place: Mumbai

Date: 21<sup>st</sup> May 2021

# Independent Auditor's Report

## On the Audit of the Standalone Financial Results

### TO THE BOARD OF DIRECTORS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

#### OPINION

We have audited the accompanying standalone quarterly financial results of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (the company) for the year ended 31 March 2021, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 financial results under the provisions of the Companies Act, 2013 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.

#### EMPHASIS OF MATTER

We draw your attention to Note 3 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to obtain comfort over the existence and condition of inventory at year end.

Our opinion is not modified in respect of this matter.

#### MANAGEMENT'S RESPONSIBILITIES FOR THE STANDALONE FINANCIAL RESULTS

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring

the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the 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 are also responsible for overseeing the Company's financial reporting process.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL RESULTS

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results 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 results, including the disclosures, and whether the financial results 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.

#### OTHER MATTER

The statement includes the results for the quarter ended 31 March 2021 being the balancing figure between audited figures in respect of the full financial year ended 31 March 2021 and unaudited published year to date figures up to the third quarter of the current financial year which were subjected to limited review by us, as required under the Listing Regulations.

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

#### Rahul Divan

Partner

Membership No.: 100733

UDIN: 21100733AAAABC6621

**Place:** Mumbai

**Date:** 21<sup>st</sup> May 2021

# Standalone Balance Sheet

As at 31<sup>st</sup> March, 2021

₹ in Lakhs

Particulars	Notes	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	9,285.07	8,663.16
Capital work-in-progress	3	3,804.66	876.86
Goodwill	3	1,465.10	1,465.10
Other Intangible Assets	3	14.32	19.01
Right of Use Assets	35	47.72	-
Other non-current assets	4	184.99	179.09
Other non Current Financial Assets			
- Non Current Investments	5	55.85	55.85
<b>Total Non Current Assets</b>		<b>14,857.71</b>	<b>11,259.07</b>
<b>Current Assets</b>			
Inventories	6	3,732.26	2,768.20
Financial Assets			
- Current Investments	7	4.14	240.98
- Trade receivables	8	3,185.01	2,473.77
- Cash and cash equivalents	9	356.09	788.42
- Bank balances other than cash and cash equivalents	10	104.60	100.45
- Others financial assets	11	122.22	71.97
- Current Tax Assets (Net)	12	2,267.83	2,070.18
Other current assets	13	1,658.78	1,381.23
<b>Total Current Assets</b>		<b>11,430.93</b>	<b>9,895.19</b>
<b>Total Assets</b>		<b>26,288.64</b>	<b>21,154.27</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share capital	14	2,493.99	2,493.99
Other Equity	15	14,794.28	11,967.96
<b>Total Equity</b>		<b>17,288.27</b>	<b>14,461.94</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Long Term Borrowings	16	1,914.95	1,733.76
- Long Term Lease Liabilities	35	43.90	-
- Long Term Provisions	17	187.51	250.48
Other non-current liabilities	18	38.51	37.83
<b>Total Non Current Liabilities</b>		<b>2,184.87</b>	<b>2,022.07</b>
<b>Current liabilities</b>			
Financial Liabilities			
- Short Term Borrowings	19	790.25	46.57
- Short Term Lease Liabilities	35	3.93	-
- Trade payables	20		
- Due to Micro & Small Enterprises		19.33	77.00
- Due to Other than Micro & Small Enterprises		2,837.42	1,591.87
- Other financial liabilities	21	2,834.12	2,533.31
Other current liabilities	22	291.65	374.58
Provisions	23	38.80	46.90
<b>Total Current Liabilities</b>		<b>6,815.50</b>	<b>4,670.23</b>
<b>Total Liabilities</b>		<b>9,000.37</b>	<b>6,692.30</b>
<b>Total Equity and liabilities</b>		<b>26,288.64</b>	<b>21,154.27</b>

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date  
For **Rahul Gautam Divan & Associates**  
Chartered Accountants  
Firm Registration No.: 120294W

For and on behalf of the Board of Directors

Partner  
Membership No. 100733  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May, 2021

**L. N. Goculdas**  
Chairman  
DIN : 00459347

**S. V. Joshi**  
Director  
DIN : 00392020

**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783

**D. T. Gokhale**  
Company Secretary

**C. J. Shah**  
Chief Finance Officer

# Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2021

₹ in Lakhs

Particulars	Notes	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Income</b>			
Revenue from Operations	24	20,009.99	18,764.70
Other Income	25	774.41	623.19
<b>Total Income</b>		<b>20,784.40</b>	<b>19,387.89</b>
<b>Expenses</b>			
Cost of Raw Materials Consumed	26	9,548.59	9,430.15
Purchase of Stock-in-Trade	27	-	-
Changes in Inventories of Finished Goods and Work in Progress	28	(201.31)	(178.40)
Employee Benefits Expenses	29	1,651.26	1,666.89
Finance costs	30	239.99	203.12
Depreciation and amortization expense	3	681.78	615.62
Other Expenses	31	5,462.07	5,061.55
<b>Total Expense</b>		<b>17,382.37</b>	<b>16,798.93</b>
<b>Profit before tax</b>		<b>3,402.02</b>	<b>2,588.96</b>
<b>Tax Expense</b>			
Current Tax under MAT		600.00	452.50
MAT Credit Entitlement		(462.00)	(1,011.14)
Tax impact due to OCI		7.95	(1.69)
		145.95	(560.33)
<b>Profit for the year</b>		<b>3,256.08</b>	<b>3,149.29</b>
<b>Other Comprehensive Income</b>			
(a) (i) Items that will not be reclassified to profit or loss		(20.16)	46.81
(ii) Income tax relating to items that will not be reclassified to Profit & Loss		-	0.11
b) i) Items that will be reclassified to Profit and Loss		(36.96)	9.86
ii) income Tax relating to Items that will be reclassified to Profit and Loss		7.95	(1.80)
<b>Total Other Comprehensive Income</b>		<b>(49.18)</b>	<b>54.98</b>
<b>Total Comprehensive Income for year</b>		<b>3,206.90</b>	<b>3,204.28</b>
Earnings per equity share (FV ₹ 10/- per share) :			
<b>Basic &amp; Diluted (in ₹)- Refer Note No.31</b>		<b>13.06</b>	<b>12.63</b>

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date  
For **Rahul Gautam Divan & Associates**  
Chartered Accountants  
Firm Registration No.: 120294W

For and on behalf of the Board of Directors

Partner  
Membership No. 100733  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May, 2021

**L. N. Goculdas**  
Chairman  
DIN : 00459347

**S. V. Joshi**  
Director  
DIN : 00392020

**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783

**D. T. Gokhale**  
Company Secretary

**C. J. Shah**  
Chief Finance Officer

# Standalone Cash Flow Statement

For the year ended 31<sup>st</sup> March, 2021

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	3,402.02	2,588.97
<b>Add:</b>		
1 Depreciation and amortisation	681.78	615.62
2 Interest charged	239.99	203.13
3 Unrealised Foreign Exchange Loss / (Gain)	50.38	44.48
4 (Gain)/Loss on sale of PPE / Investments	0.00	0.40
5 Other OCI impact (Net)	(49.18)	54.98
	922.97	918.61
<b>Less:</b>		
1 Interest Income	30.90	10.10
2 Dividend Income	3.53	2.00
3 Increase in Value of Current Investment	0.00	10.04
	34.43	22.14
<b>Operating Profit before change in working capital</b>	<b>4,290.56</b>	<b>3,485.44</b>
Working capital changes:		
<b>Add / (Less):</b>		
1 (Increase) / Decrease in inventories	(964.06)	(278.08)
2 (Increase) / Decrease in trade receivables	(761.63)	492.60
3 (Increase) / Decrease in Other Financial Assets	(50.25)	(34.40)
4 (Increase) / Decrease in Other non current Assets	(5.90)	(5.33)
5 (Increase) / Decrease in Other Current Assets	(277.55)	71.57
6 Increase / (Decrease) in trade payables	1187.88	(787.02)
7 Increase / (Decrease) in other long term liabilities	0.68	(17.97)
8 Increase / (Decrease) in other financial liabilities	300.81	209.88
9 Increase / (Decrease) in other current liabilities	(82.93)	152.82
10 Increase / (Decrease) in Current Provisions	(8.10)	(16.53)
11 Increase / (Decrease) in Non-Current Provisions	(62.97)	(5.58)
	(724.02)	(218.04)
<b>Cash generated from operations</b>	<b>3,566.54</b>	<b>3,267.40</b>
<b>Add / (Less):</b>		
Direct taxes paid (Net of refunds)	(343.60)	(563.60)
<b>Net Cash inflow from Operating Activities (A)</b>	<b>3,222.94</b>	<b>2,703.80</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Add:</b>		
1 Proceeds from sale of Property, Plant & Equipment	494.09	0.00
2 Interest received	30.90	10.10
3 Dividend received	3.53	2.00
	528.52	12.10
<b>Less:</b>		
1 Purchase of Property, Plant & Equipment / increase in Capital WIP	(4,720.79)	(1,695.78)
2 (Purchase) / Sale of Current Investment	236.84	0.00
	(4,483.95)	(1,695.78)
<b>Net Cash inflow from Investing Activities (B)</b>	<b>(3,955.43)</b>	<b>(1,683.68)</b>
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
<b>Add:</b>		
1 Receipt from issue of Equity Shares inclusive of share premium	0.00	0.00
2 Proceeds from borrowings (Non Current)	743.68	(170.87)
3 Proceeds from borrowings Net of repayment (Current)	0.00	0.00
4 Increase in Restricted Bank Balances other than cash & cash equivalents	(4.15)	7.58
	739.53	(163.29)
<b>Less:</b>		
1 Repayment of borrowings (Non-current)	181.19	92.22
2 Repayment of borrowings net of proceeds (Current)	0.00	0.00
3 Interest and other finance costs	(239.99)	(203.13)
4 Payment of Equity Dividend	(380.58)	(294.18)
	(439.38)	(405.09)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>300.15</b>	<b>(568.38)</b>
I. Net (decrease)/increase in cash and cash equivalents	(432.34)	451.74
II. Add: Cash and cash equivalents at the beginning of the period	788.41	336.67
III. Cash and cash equivalents at the end of the period	356.09	788.41

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date  
For **Rahul Gautam Divan & Associates**

Chartered Accountants  
Firm Registration No.: 120294W

Partner  
Membership No. 100733  
Place: Mumbai  
Date: 21<sup>st</sup> May, 2021

For and on behalf of the Board of Directors

**L. N. Goculdas**  
Chairman  
DIN : 00459347  
**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783

**S. V. Joshi**  
Director  
DIN : 00392020  
**D. T. Gokhale**  
Company Secretary

**C. J. Shah**  
Chief Finance Officer

# Standalone Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2021

## A. Equity Share Capital

Particulars	No. of Shares	₹ in Lakhs
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>2,49,39,933</b>	<b>2,493.99</b>
Changes in equity share capital during FY 2020-21	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>2,49,39,933</b>	<b>2,493.99</b>

## B. Other Equity

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Other Reserves	Retained Earnings	Other Comprehensive Income	
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>1,714.81</b>	<b>66.59</b>	<b>10,074.64</b>	<b>111.92</b>	<b>11,967.96</b>
Profit for the year	-	-	3,256.08	-	3,256.08
Other Comprehensive Income	-	-	-	(49.18)	(49.18)
Total Comprehensive Income (Net of Tax)	1,714.81	66.59	13,330.71	62.75	15,174.86
Equity Dividend Paid (Including Dividend Distribution Tax)	-	-	(380.58)	-	(380.58)
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>1,714.81</b>	<b>66.59</b>	<b>12,950.13</b>	<b>62.75</b>	<b>14,794.28</b>

Significant accounting policies and notes to Financial Statements (Note 2)

As per our report of even date  
For **Rahul Gautam Divan & Associates**  
Chartered Accountants  
Firm Registration No.: 120294W

For and on behalf of the Board of Directors

Partner  
Membership No. 100733  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May, 2021

**L. N. Goculdas**  
Chairman  
DIN : 00459347

**S. V. Joshi**  
Director  
DIN : 00392020

**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783

**D. T. Gokhale**  
Company Secretary

**C. J. Shah**  
Chief Finance Officer

# Notes

## To the Standalone Financial Statements for the Year Ended 31<sup>st</sup> March, 2021

### 1. CORPORATE INFORMATION

The Dharamsi Morarji Chemical Company Limited is a Public Limited Company domiciled in India. Its equity shares are listed on the Bombay Stock Exchange Limited (BSE). The registered office of the Company is located at 317/21, Prospect Chambers, Dr. D.N. Road, Fort, Mumbai-400001. The Company is engaged in the business of manufacturing and selling of Commodity Chemicals and Speciality Chemicals.

Information on related party relationships of the Company is provided in Note - 42

The financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 21<sup>st</sup> May, 2021.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendments) Rules, 2016.

The financial statements have been prepared on a historical cost basis using the accrual method of accounting basis, except for the following assets and liabilities which have been carried at fair value:

Land classified as property, plant and equipment.

Derivative financial instruments i.e. Forward Contracts.

Certain financial assets and financial liabilities measured at fair value.

The Financial Statements are presented in Indian Rupees (INR) and all values are recorded to the nearest Lakhs. (INR '00,000) except otherwise indicated.

#### 2.2 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The current "second wave" of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of COVID-19 cases. Safety of our employees continues to be our key priority. We are encouraging the vaccination for our employees, providing flexible work option and adhering to COVID-19 guidelines. We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees.

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial results including the recoverability of carrying amounts of financial and non-financial assets. Based on the current quarter performance and estimates arrived at using external and internal sources of information, the company does not expect any material impact on such carrying values. The impact of COVID-19 on the company's financial statement may differ from that estimated as at the date of approval of standalone financial statements and it will continue to monitor any material changes to future economic conditions.

#### 2.3 PROPERTY, PLANT AND EQUIPMENT

##### a) Tangible assets:

Property, Plant and equipment were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of their

historical cost less accumulated depreciation and impairment as on the date of transition i.e. 01.04.2016. The Company has elected to regard those written down values as deemed cost as at the date of the transition as per the option available to the Company, as fair value, while adopting Ind AS for the first time except for certain Land acquired by the Company upon merger of erstwhile Borax Morarji Limited has been stated at fair value as per the valuation report obtained by the Company.

Property, Plant and Equipment are stated at cost of acquisition or construction, including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective items of Property, Plant and Equipment. Interest on specific borrowings relating to acquisition of fixed assets is capitalised up to the date of commissioning.

##### Derecognition:

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

##### b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

##### Derecognition:

An item of intangible initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

## 2.4 DEPRECIATION/AMORTIZATION:

Depreciation on all items of Property, Plant and Equipment is provided for on Straight Line basis over the estimated useful life specified in schedule II to the Companies Act, 2013.

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## 2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## 2.6 NONCURRENT ASSETS HELD FOR SALE

Non current assets are classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in the Statement of Profit and Loss. Once classified as held for sale, Property, plant and Equipment and Intangible Assets are no longer depreciated or amortized.

## 2.7 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended period when active development activities on the qualifying assets is interrupted. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.8 LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the

asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable

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

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

## 2.9 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: purchase cost on a weighted average basis

Cost of Finished goods and work in progress include materials cost, cost of conversion, depreciation, other overheads to the extent applicable but excluding borrowing costs

## 2.10 TRADE RECEIVABLES

Trade receivables are carried at original invoice amount less any provisions for doubtful debts. For the Expected Credit Loss (ECL) simplified approach is adopted by the Company as permissible. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the income statement.

## 2.11 REVENUE RECOGNITION

Revenue from sale of goods is recognized at the fair value of the consideration received or receivable, net of returns and trade discounts, rebates, GST.

Revenue from the sale of goods is recognised when (a) It is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably. (b) The significant risks and rewards of ownership of the goods have been passed to the buyer; and (c) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and returns.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Export sales are recognised based on the shipped on board date as per bill of lading when significant risk and rewards of ownership are transferred to the customer.

Export benefits available under prevalent schemes are accounted to the extent considered receivable. These are presented as other operating income in the Statement of Profit & Loss.

Earning from sale of power generated from Wind Mills is accounted for on tariff rate agreed and as per Power Purchase agreement with respective Electricity Board.

Royalty and service income are recognized on an accrual basis in accordance with the terms of the relevant contractual agreement.

Interest income is recognised on accrual basis.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Dividend income on investment is recognized in the Statement of Profit and Loss Account on the date on which the Company's right to receive is established.

The Company earns revenue primarily from sale of products.

The Company has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to contracts that were remaining in force as at 1<sup>st</sup> April, 2018. The application of the standard does not have any significant impact on the retained earnings as at 1<sup>st</sup> April, 2018 or on these financial statements. The details of accounting policies under erstwhile Ind AS 18 and Ind AS 11 are disclosed separately if they are different from those under Ind AS 115.

The Company has applied Ind AS 116 - Leases using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 17. The application of the standard does not have any significant impact on the retained earnings as at 1<sup>st</sup> April, 2020 or on these financial statements. The details of accounting policies under erstwhile Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

## 2.12 FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are initially recorded by the Company at the rate prevalent on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at the reporting date.

Differences arising on settlement or year end conversion of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are converted using the exchange rates at the dates of the initial transactions.

## 2.13 EMPLOYEE BENEFITS

### Contribution Plans:

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund are being charged to the Statement of Profit and Loss.

### Benefits Plans:

The Company has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The Company's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to the Statement of Profit & Loss and is unfunded. Gratuity Benefits (based on actuarial valuation) is charged to Statement of Profit & Loss and is unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the actuarial assumptions used for valuation. The Company recognizes these re-measurements in the Other Comprehensive Income (OCI).

## 2.14 TAXES

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## Deferred tax

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax could change if estimates of projected future taxable income or if tax regulations undergo a change.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is reviewed at each reporting date.

The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the section 115JAA of Income Tax Act, 1961 over the period of subsequent 15 assessment year. The Company recognises MAT Credit Available as an Asset 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 "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.

## 2.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

### Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

### Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

### Contingent Assets

Contingent Assets are only disclosed when it is probable that the economic benefits will flow to the Company.

## 2.16 EARNINGS PER SHARE

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## 2.17 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date at fair value) and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the

fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Company recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

## 2.18 CURRENT AND NON CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period .

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

## 2.19 FINANCIAL INSTRUMENTS

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

### a) Financial Assets

#### **Financial Instruments**

Financial assets and financial 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 and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

### (i) Financial assets

#### **Cash and bank balances consist of :**

- Cash and Cash equivalents - which includes Cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of Cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- Other bank balances - which includes balances and deposits with banks that are restricted 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 model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **Investment in Subsidiaries**

Investment in Subsidiaries is carried at cost in the financial statements

#### **Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

#### **De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

### b) Financial Liabilities and Equity Instruments

#### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs, if any.

#### **Financial liabilities**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, during the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the

effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### **Initial recognition and measurement**

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credit accounts and derivative financial instruments like Forward Cover Contracts.

Financial liabilities are classified, at initial recognition, as at fair value through profit and loss or as those measured at amortised cost.

#### **Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification as follows:

#### **Financial liabilities at fair value through profit and loss**

Financial liabilities at fair value through profit and loss include financial liabilities held for trading.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

#### **De-recognition of Financial Liabilities**

The Company de-recognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expired.

### **2.20 DERIVATIVE FINANCIAL INSTRUMENTS**

The company holds derivative financial instruments such as foreign exchange forward contracts generally to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank and these are generally designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date. The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

### **2.21 FAIR VALUE MEASUREMENT**

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: • In the principal market for the asset or liability, or • In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: • Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities • Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable • Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable For assets and liabilities

that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company's management determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### **2.22 INVESTMENT PROPERTIES**

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on evaluation every three years performed by an accredited external independent valuer, at every 3 years rest, by applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### **2.23 CASH & CASH EQUIVALENTS AND SHORT TERM DEPOSITS**

Cash and Cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

### **2.24 RESEARCH AND DEVELOPMENT COSTS**

Research costs are expensed as incurred. Development expenditure on an individual project are recognized as an Intangible asset when the Company can demonstrate; (i) Technical feasibility of completing the intangible asset so that the asset will be available for use or sale (ii) It's intention to complete and its ability and intentions to use or sell the asset (iii) How the asset will generate future economic benefits (iv) the availability of resources to complete the asset (v) the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefits. Amortization expenses is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

### **2.25 CASH DIVIDEND TO EQUITY SHAREHOLDERS:**

The Company recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### **2.26 DIVIDEND ON PREFERENCE SHARES**

Dividend paid ₹ 7.00 Lakhs for the year ended 31<sup>st</sup> March 2021 (Previous year ₹ 8.44 Lakhs including Dividend Tax thereon) are accounted for under finance charges.

**NOTE 3. PROPERTY, PLANT AND EQUIPMENT :****i) Tangible Assets**

Particulars	₹ in Lakhs									
	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computer	Total	Capital work in progress
<b>Gross carrying amount</b>										
Deemed cost as at 1 <sup>st</sup> April, 2020	286.28	1,855.97	2,054.28	6,629.41	79.50	139.08	95.26	75.80	11,215.58	
Additions	-	-	78.78	1,293.67	3.19	-	3.77	17.21	1,396.62	
Disposals/ Reclassification	-	(3.85)	(235.96)	(970.42)	(15.74)	(15.96)	(6.31)	-	(1,248.24)	
Exchange differences	-	-	-	-	-	-	-	-	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>286.28</b>	<b>1,852.12</b>	<b>1,897.10</b>	<b>6,952.66</b>	<b>66.95</b>	<b>123.12</b>	<b>92.72</b>	<b>93.01</b>	<b>11,363.96</b>	<b>-</b>
<b>Accumulated Depreciation</b>										
As at 1 <sup>st</sup> April, 2020	-	126.28	324.25	1,940.07	28.37	50.71	34.47	48.27	2,552.42	
Depreciation charge for the year	-	20.41	62.52	538.00	7.67	19.91	9.24	12.24	669.99	
Impairment	-	-	-	-	-	-	-	-	-	
Disposals	-	(1.13)	(185.61)	(929.73)	(15.38)	(8.91)	(6.07)	-	(1,146.83)	
Exchange differences	-	-	-	-	-	-	-	-	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>145.56</b>	<b>201.16</b>	<b>1,548.34</b>	<b>20.66</b>	<b>61.71</b>	<b>37.64</b>	<b>60.51</b>	<b>2,075.58</b>	<b>-</b>
<b>Net book value</b>										
As at 1 <sup>st</sup> April, 2020	286.28	1,729.69	1,730.03	4,689.34	51.13	88.37	60.79	27.53	8,663.16	873.26
<b>As at 31<sup>st</sup> March, 2021</b>	<b>286.28</b>	<b>1,706.56</b>	<b>1,695.94</b>	<b>5,404.32</b>	<b>46.29</b>	<b>61.41</b>	<b>55.08</b>	<b>32.50</b>	<b>9,288.38</b>	<b>3,801.06</b>

**ii) Intangible Assets**

Particulars	₹ in Lakhs			
	Software	Goodwill	Total	Intangible Assets under Development
<b>Gross carrying amount</b>				
Deemed cost as at 1 <sup>st</sup> April, 2020	67.74	1,465.10	1,532.84	
Additions	6.15	-	6.15	
Disposals	-	-	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>73.89</b>	<b>1,465.10</b>	<b>1,538.99</b>	<b>-</b>
<b>Accumulated Depreciation</b>				
As at 1 <sup>st</sup> April, 2020	48.73	-	48.73	
Depreciation charge for the year	10.84	-	10.84	
Impairment	-	-	-	
Disposals	-	-	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>59.57</b>	<b>-</b>	<b>59.57</b>	<b>-</b>
<b>Net book value</b>				
As at 1 <sup>st</sup> April, 2020	19.01	1,465.10	1,484.11	3.59
<b>As at 31<sup>st</sup> March, 2021</b>	<b>14.32</b>	<b>1,465.10</b>	<b>1,479.42</b>	<b>3.59</b>

**NOTE 4. OTHER NON CURRENT ASSETS**

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Unsecured, Considered Good</b>		
Security deposits		212.99
Less: Provision for doubtful security deposit		(28.00)
	<b>184.99</b>	<b>179.09</b>

**NOTE 5. NON CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
<b>Investments in Equity Instruments</b>				
<b>Unquoted equity instruments</b>				
<b>Investment in Wholly Owned Subsidiaries fully paid up (at Cost)</b>				
Fully Paid Equity shares of ₹ 50 each of Borax Morarji (Europe) GmbH, Germany, #	500	16.77	500	16.77
<b>Others</b>				
Fully Paid Equity Shares of ₹ 10/- each in Janakalyan Sahakari Bank Ltd.	3,69,250	36.92	3,69,250	36.92
Fully Paid Equity Shares of ₹ 10/- each in Saraswat Co-operative Bank Ltd.	1,000	0.10	1,000	0.10
Fully Paid Equity Shares of ₹ 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	25	0.01	25	0.01
Fully Paid Equity Shares of ₹ 50/- each in Dombivali Nagari Sahakari Bank Ltd	3,000	1.50	3,000	1.50
Fully Paid Equity Shares of ₹ 10/- each in Indian Potash Ltd.	33,000	0.55	33,000	0.55
<b>Aggregate amount of unquoted Investments</b>		<b>55.85</b>		<b>55.85</b>

**NOTE 6. INVENTORIES (BASIS OF VALUATION - REFER NOTE 2.8 ) (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Raw Materials	1,575.03	992.32
Raw Material in Transit	-	-
Packing Materials	106.50	80.20
Work-in-Process	438.24	142.96
Finished Goods	801.06	894.95
Traded Goods	-	-
Stores and Spares	811.43	657.76
	<b>3,732.26</b>	<b>2,768.20</b>

**Note**

Inventories of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat amounting to ₹ 3732.26 Lakhs (Previous Year - ₹ 2768.19 Lakhs) are offered as security by way of hypothecation of Raw Materials, Finished Goods, Working in process, Packing Materials, Stores, Book Debts and Receivable for working capital facility provided by Bank.

**NOTE 7. CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Units	₹ In Lakhs	No. of Units	₹ In Lakhs
<b>Investment in Mutual Funds **</b>				
BSL Growth Medium Term Regular	-	-	1,25,812	29.38
BSL Growth Short term Term Regular	-	-	40,589	31.76
ICICI Prudential Flexible Income Growth	-	-	8,074	31.28
ICICI Prudential Equity Arbitrage Fund -Dividend	-	-	1,81,875	24.87
IDFC Arbitrage Fund Growth	-	-	1,20,279	29.68
IDFC Corporate Advantage Bond Fund Regulars Plan Growth	-	-	4,63,158	63.83
UTI - Treasury Advantage Institutional Plan Growth	-	-	1,122	27.58
Unit Trust of India	14,080	4.14	13,657	2.60
		<b>4.14</b>		<b>240.98</b>

\*\* Investments in all mutual funds are stated at NAV at the year end and as workout at FVTOCI.

**NOTE 8. TRADE RECEIVABLES (CURRENT / UNSECURED)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Considered Good	3,185.01	2,473.77
Considered Doubtful	-	-
	3,185.01	2,473.77
Less:		
Provision for doubtful debts	-	-
	<b>3,185.01</b>	<b>2,473.77</b>

Receivables of ₹ 3185.01 Lakhs (Previous Year ₹ 2473.77 Lakhs) pertaining to Roha Unit in the State of Maharashtra and Dahej Unit in the State of Gujarat are hypothecated as security for working capital facility provided by the Bank.

Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality.

Generally, the Company supplies as per the order received from its customers. The average Credit period on sale is 30-90 days

**NOTE 9. CASH AND CASH EQUIVALENTS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Bank Balances in Current Accounts	353.98	785.59
Cash on hand	2.11	2.82
	<b>356.09</b>	<b>788.41</b>

**NOTE 10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Unpaid Dividend Account	57.04	18.61
Margin Money Deposit Account	47.57	81.84
	<b>104.61</b>	<b>100.45</b>

Margin money deposit has been given to various Banks for issuance of Bank Guarantee's.

**NOTE 11. OTHER CURRENT FINANCIAL ASSETS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Fixed Deposit with bank more than 12 months		122.22		71.97
		<b>122.22</b>		<b>71.97</b>

**NOTE 12. CURRENT TAX ASSETS (NET)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Income tax (Net of Provision for Taxation)		(114.09)		150.25
MAT Credit Entitlement		2,381.92		1,919.93
		<b>2,267.83</b>		<b>2,070.18</b>

MAT Credit Entitlement of ₹ 462.00 Lakhs recognized in the Current Year as the Management is confident of payment of Normal Tax in the foreseeable future.

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March, 2021**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Accounting Profit before Income tax		3,402.02		2,588.97
At India's statutory income tax rate of 29.12% for FY 2020-21 & 29.12% for FY 2019-20		990.67		753.91
Adjustments in respect of current income tax w.r.t. MAT tax rate and Normal tax rate		(844.72)		(1,314.24)
Current tax- MAT		145.95		(560.33)
At the effective income tax rate		4.29%		(21.64%)

The Company fall under the provisions of MAT u/s 115 JB and the applicable Indian Statutory Tax Rate for the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

**NOTE 13. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Balances with Excise, Sales Tax, Customs & other Government bodies		787.08		485.25
Pre-paid Expense		146.03		120.82
Others advances		13.02		15.48
Others*		712.65		759.68
		<b>1,658.78</b>		<b>1,381.23</b>

\*Others include ₹ 500.00 lakhs receivable in respect of sale of Land at Ambarnath in earlier years by erstwhile Borax Morarji Ltd. The Company is pursuing the matter for obtaining the necessary approval from the Government of Maharashtra, on receipt of which the Conveyance deed will be executed and registered in due course.

\*Others include ₹ 156.48 lakhs paid as Pre-deposit Demand of Differential Duty by CESTAT for the Appeal against the Order of Commissioner (Appeals), Mumbai of Customs. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. (Refer Note. 32)

**NOTE 14. EQUITY SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
<b>Authorized Share Capital</b>				
Equity Shares of ₹ 10/- each	4,00,00,000	4,000.00	4,00,00,000	4,000.00
	<b>4,00,00,000</b>	<b>4,000.00</b>	<b>4,00,00,000</b>	<b>4,000.00</b>
<b>Shares issued, subscribed and fully Paid up</b>				
Equity Shares of ₹ 10 each	2,49,39,933	2,493.99	2,49,39,933	2,493.99
	<b>2,49,39,933</b>	<b>2,493.99</b>	<b>2,49,39,933</b>	<b>2,493.99</b>

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
<b>Equity Shares :</b>				
Equity Shares at the beginning of the year	2,49,39,933	2,493.99	2,49,39,933	2,493.99
Add: Shares Issued during the year	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>2,49,39,933</b>	<b>2,493.99</b>	<b>2,49,39,933</b>	<b>2,493.99</b>

**Terms and Rights attached to Equity Shares**

The Company is having only one class of Equity shares having a nominal value of ₹ 10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held

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

**Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Numbers	% held	Numbers	% held
Shri Laxmikumar Narottam Goculdas	88,61,044	35.53%	88,61,044	35.53%

**NOTE 15. OTHER EQUITY**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i. Security Premium Reserves	1,714.81	1,714.81
ii. Other Reserves	66.59	66.59
iii. Retained Earnings	12,950.13	10,074.64
iv. Other Comprehensive Income	62.74	111.92
	<b>14,794.17</b>	<b>11,967.86</b>

**i. Security Premium Reserves**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	1,714.81	1,714.81
Add: Premium on shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>1,714.81</b>	<b>1,714.81</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provision of the Companies Act 2013.

**ii. Other Reserve**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	66.59	66.59
Add: Transfer during the year	-	-
<b>Balance at the end of the year</b>	<b>66.59</b>	<b>66.59</b>

Other reserve represents Capital subsidy received from various state Government

**iii. Retained Earnings**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	10,074.63	7,219.52
Add: Profit for the year	3,256.08	3,149.30
Less: Equity Dividend Paid (Including DDT of previous year)	(380.58)	(294.18)
<b>Balance at the end of the year</b>	<b>12,950.13</b>	<b>10,074.64</b>

Retained earnings are used from time to time to transfer profits from retained earnings for appropriation purposes. The amount that can be distributed by the Company as dividend to its equity shareholders is determined as per the provision of the Companies Act and the dividend distribution policy of the Company.

**iv. Other Comprehensive Income**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	111.92	56.94
OCI for the year	(49.18)	54.98
<b>Balance at the end of the year</b>	<b>62.74</b>	<b>111.92</b>

OCI represents the cumulative gains and losses arising on the revaluation of financial assets and liabilities measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

## NOTE 16. LONG TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Term Loan</b>		
<b>From Bank</b>		
<b>(a) Secured</b>		
(i) Car Loan from Financial Institutions	5.72	16.14
(ii) Project Loan from Bank	1,401.70	985.25
(iii) Mortgage Loan from Bank	222.48	438.48
	<b>1,629.90</b>	<b>1,439.87</b>
<b>From Other Parties (Unsecured)</b>		
<b>(b) Unsecured</b>		
Deferred Liabilities-Interest Free Sales Tax Loan from MEDA **	5.05	13.90
Fixed Deposits	-	-
	<b>5.05</b>	<b>13.90</b>
<b>2,80,000 Redeemable Preference Shares of ₹ 100/-each ***</b>	<b>280.00</b>	<b>280.00</b>
<b>Total Long Term Borrowings</b>	<b>1,914.95</b>	<b>1,733.77</b>
<b>Long Term Lease Liabilities</b>	<b>43.90</b>	<b>-</b>

**(a) (i) Car Loan from a bank / Financial Institutions**

Loans against vehicles are for a period of three to five years and repayable by way of equated monthly installment, Interest rate ranges from 9.50% to 0%. Secured against hypothecation of Vehicles.

Out of total outstanding Car loan as on 31<sup>st</sup> March, 2021 of ₹ 16.77 Lakhs (Previous Year: ₹ 27.19 lakhs), amount due in next twelve months is ₹ 11.05 Lakhs (Previous Year: ₹ 11.05 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. 21 (1) (ii) ). The balance Term Loan of ₹ 5.72 Lakhs (Previous Year: ₹ 16.14 Lakhs) is shown above as Car loan from Bank / Non-Banking Financial Institution.

**(a) (ii) Project Loan from bank**

Sanctioned Term Loan - ₹ 580.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 267.71 Lakhs. Repayable in 57 EMI's commencing from 27.07.2018. Rate of interest is 10.25%. 21 EMIs have been paid in time, up to 31<sup>st</sup> March, 2021 and 24 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Sanctioned Term Loan - ₹ 1500.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 1275.00 Lakhs. Repayable in 60 EMI's commencing from 15.07.2020. Rate of interest is 10.25%. 51 EMI's are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Dahej.

Sanctioned Term Loan - ₹ 420.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 36.04 Lakhs. Repayable in 60 EMI's commencing from 31.01.2021. Rate of interest is 9.85%. 60 EMI's are remaining to be paid as on that date.

Secured against mortgage of land and building of the Company, both present and future, situated at Dahej.

Sanctioned Term Loan - ₹ 1175.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 273.57 Lakhs. Repayable in 60 EMI's commencing from 31.01.2021. Rate of interest is 9.85%. 60 EMI's are remaining to be paid as on that date.

Secured against mortgage of land and building of the Company, both present and future, situated at Dahej.

Out of total outstanding term loan as on 31<sup>st</sup> March, 2021 of ₹ 1,852.32 Lakhs (PY: ₹ 1,383.24 Lakhs), amount due in next twelve months is ₹ 450.62 Lakhs (PY: ₹ 397.99 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. 21 (1)(iii)).The balance Term Loan of ₹ 1,401.70 Lakhs (PY: ₹ 985.25 Lakhs) is shown as Project Loan.

**(a) (iii) Mortgage Term Loan from Bank:**

Sanctioned Term Loan - ₹ 1100.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 504.57 Lakhs. Repayable in 57 EMI's commencing from 27.07.2018. Rate of interest is 10.25%. 33 EMIs have been paid in time, up to 31<sup>st</sup> March, 2021 and 24 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Out of total outstanding mortgage loan as on 31<sup>st</sup> March 2021 of ₹ 504.57 Lakhs (PY: ₹ 720.56 Lakhs), amount due in next twelve months is ₹ 282.09 Lakhs (PY: ₹ 282.08 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No.21 (1)(v) ) The balance Term Loan of ₹ 222.48 Lakhs (PY: ₹ 438.48 Lakhs) is shown as Mortgage Term Loan from Bank as above.

**\*\*Interest free Sales Tax Loan from MEDA**

Interest free Sales Tax Loan from MEDA is repayable in 30 equal installment starting from May 2010 and ending May 2023

Out of total outstanding Interest free Sales Tax Loan as on 31<sup>st</sup> March 2021 of ₹ 16.30 Lakhs (PY: ₹ 34.32 Lakhs), amount due in next twelve months is ₹ 11.25 Lakhs (PY: ₹ 20.42 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. 21 (1) (vi) ) The balance Term Loan of ₹ 5.05 Lakhs (PY: ₹ 13.90 Lakhs) is shown as Interest free Sales Tax Loan as above.

**\*\*\*Non- Convertible Preference Shares**

Long Term Borrowing includes 280000, 2.5% Cumulative redeemable non-convertible Preference Shares of ₹ 100/- each aggregating to ₹ 280 Lakhs which has been classified as Financial Liabilities as per requirements of Ind As 32 "Financial instrument presentation". These Preference Shares were repayable in 16 equal yearly installment of ₹ 17.50 lakhs each commencing from 1<sup>st</sup> April 2012. However, Company had approached and

requested the Preference share holder for further extension of time for the redemption of the said Preference Shares. Preference share holder has agreed for further extension of time for the redemption of the said Preference shares any time upto 31<sup>st</sup> March 2022.

The Company has Authorised to issue 20,00,000 Cumulative redeemable Preference shares of ₹ 100/- each (payable at par) out of which the Company has issued 2,80,000, 2.5% Cumulative redeemable non-convertible Preference Shares of ₹ 100/- each fully paid up.

The Dividend as when declared by the Company shall be paid to the shareholder on the record date, which Board may fix from time to time. If in any year, the company has not declared any dividend on the said Preference shares, the right to the dividend shall be accumulated and the accumulated dividend will be paid out of the profits, if any, of the subsequent financial years.

#### NOTE 17. LONG TERM PROVISIONS

₹ in Lakhs		
Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	113.45	170.14
Provision for Leave benefit	74.08	80.34
	<b>187.53</b>	<b>250.48</b>

#### NOTE 18. OTHER NON-CURRENT LIABILITIES

₹ in Lakhs		
Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Security Deposits from distributors and others	26.51	26.51
(ii) Security Deposits received against Royalty	12.00	11.32
	<b>38.51</b>	<b>37.83</b>

#### NOTE 19. SHORT TERM BORROWINGS

₹ in Lakhs		
Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>From Banks</b>		
Secured		
Cash Credit from Bank	790.25	46.57
	<b>790.25</b>	<b>46.57</b>
Short Term Lease Liabilities	<b>3.93</b>	-

Bank has sanctioned Working Capital facility against hypothecation of all Current Assets, present and future. Inventories and Receivables of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat are offered as security and Mortgage of Office Premises of the Company situated at Mumbai.

#### NOTE 20. TRADE PAYABLES

₹ in Lakhs		
Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Outstanding due to Micro and Small Enterprise (Refer Note 20.2)	19.33	77.00
(i) Trade Payable other than Micro and Small Enterprise	2,217.52	1,082.02
(ii) Bills Payable	619.89	509.86
	<b>2,856.74</b>	<b>1,668.87</b>

20.1 Payment towards trade is made as per the terms and condition of the contract/purchase order. Average Credit period is 30-90 days

20.2 Information as required to be furnished under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31<sup>st</sup>, 2021 is given below. The information has been determined to the extent such parties have been identified by the Company on the basis of the information available with the Company and the Auditors have relied on the same.

The disclosure pursuant to MSMED Act is as under: -

₹ in Lakhs		
Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Principal amount due and remaining unpaid	19.33	77.00
(ii) Interest due on above and the unpaid interest	1.45	0.20
(iii) Interest paid in terms of Section 16 of the MSMED Act		
(iv) Amount of payments made to supplier beyond the appointed day		
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act		
(vi) Amount of Interest accrued and remaining unpaid	1.45	0.20
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under Section 23 of the MSMED Act		

## NOTE 21. OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1 Current maturities of long-term debt		
(i)Current maturities of Long Term Debts (Car Loan)	11.05	11.05
(ii)Current maturities of Long Term Debts (Project Loan)	450.62	397.99
(iii)Current maturities of Mortgage Loan	282.09	282.09
(iv)Current maturities of Interest free Sales Tax Loan from MEDA	11.25	20.42
	755.01	711.55
2 Unpaid Dividend (Amount Transferable to Investor Education & Protection Fund when due)	56.86	11.95
3 Unpaid Matured Fixed Deposits (Unclaimed)	0.51	0.81
	812.38	724.32
4 Dividend payable on preference shares	-	4.94
5 Others Payable		
Trade Deposit	92.51	93.49
Advance received from customers	98.25	82.82
Advance received agains sale of Asset	-	668.00
Others	1,830.97	959.74
	2,021.73	1,804.05
	<b>2,834.11</b>	<b>2,533.31</b>

\* During the year Company has repaid the Current maturities of Working Capital Term Loan and Property Loan.

## NOTE 22. OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Statutory dues payable	48.04	114.04
Due to Employee	243.61	260.54
	<b>291.65</b>	<b>374.58</b>

## NOTE 23. PROVISIONS (CURRENT)

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	31.85	40.32
Provision for Leave benefits	6.94	6.57
	<b>38.79</b>	<b>46.89</b>

## NOTE 24. REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Revenue from Contracts with Customers</b>		
Sale of Chemical Products	19,634.33	18,554.96
<b>Other Operating Revenues</b>		
- Royalty	93.08	63.25
- Export Incentives	256.53	108.20
- Wind Mills	26.05	38.29
	<b>375.66</b>	<b>209.74</b>
	<b>20,009.99</b>	<b>18,764.70</b>
<b>Revenue from Contracts with Customers</b>		
<b>1. Disaggregated revenue information</b>		
Set out below is the disaggregation of the Company's revenue from contract with Customers:		
<b>Segment</b>		
Commodity Chemicals	19,634.33	18,484.25
Traded sales	-	70.71
	<b>19,634.33</b>	<b>18,554.96</b>
<b>Geographical</b>		
India	13,333.98	14,062.76
Outside India	6,300.35	4,492.20
	<b>19,634.33</b>	<b>18,554.96</b>
<b>Timing of Revenue Recognition</b>		
Goods transferred at a point in time	19,634.33	18,554.96

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>2. Contract Balances</b>		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers		
Trade Receivables	3,185.01	2,473.77
<b>Contract Liabilities</b>		
Advances from Customers	98.25	82.82
<b>3. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	20,198.73	19,309.06
Adjustments		
Significant financing component		
Sales return	154.50	205.63
Rebate	-	-
Discount	409.90	548.47
<b>Revenue from contract with customers</b>	<b>19,634.33</b>	<b>18,554.96</b>
<b>4. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31<sup>st</sup> March, 2021:</b>		
Advances from customers	98.25	82.82

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

**NOTE 25. OTHER INCOME**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Interest Income	30.90	10.10
Dividend Income	3.53	2.00
Other non-operating income	635.89	105.17
Sundry Balances Written Back	104.09	505.92
	<b>774.41</b>	<b>623.19</b>

**NOTE 26. COST OF MATERIAL CONSUMED**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Consumption of Raw Materials	9,203.09	9,124.25
Consumption of packing materials	345.50	305.90
	<b>9,548.59</b>	<b>9,430.15</b>

**NOTE 27. PURCHASE OF STOCK IN TRADE**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Purchased of Goods Traded	-	-
	-	-

**NOTE 28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND TRADE GOODS (AS CERTIFIED BY THE MANAGEMENT)**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Inventory at the beginning of the year</b>		
Work in Process	143.03	96.60
Finished Goods	894.95	762.97
Traded Goods	-	-
	<b>1,037.98</b>	<b>859.57</b>
<b>Inventory at the end of the year</b>		
Work in Process	438.24	143.03
Finished Goods	801.06	894.95
Traded Goods	-	-
	<b>1,239.30</b>	<b>1,037.98</b>
	<b>(201.31)</b>	<b>(178.41)</b>

**NOTE 29. EMPLOYEE BENEFITS EXPENSE**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Salaries and Wages (Net after Repairs)(*)	1,383.67	1,341.64
Contribution to Provident Fund	86.37	81.60
Contribution to Other Funds (Gratuity, Superannuation, etc)	45.37	112.74
Staff Welfare Expenses	135.84	130.91
	<b>1,651.26</b>	<b>1,666.89</b>
(*) Salaries & Wages allocated to Repairs etc.	61.40	56.12

**NOTE 30. FINANCE COST**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Finance Cost</b>		
Interest Paid to Banks	213.35	126.40
Interest paid to Others	19.64	68.29
Dividend on Preference Shares (Including Dividend Distribution Tax)	7.00	8.44
<b>Total</b>	<b>239.99</b>	<b>203.12</b>

**NOTE 31. OTHER EXPENSES**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Power, Fuel and Water	1,398.80	1,364.86
Repairs to buildings	17.62	17.63
Repairs to machinery	1,325.92	1,065.09
Insurance	102.11	95.10
Rates and taxes	66.39	128.64
Commission to Non Whole Time Directors	28.07	48.52
Internal handling, Freight and carriage outward	930.90	655.66
Net loss/(gain) on foreign currency transactions	50.38	44.47
<b>Auditors' Remuneration</b>		
Audit fees	9.00	8.00
For other services	4.00	4.30
Reimbursement of out of pocket expenses	0.37	0.37
	13.37	12.67
Sundry Balances Written Back	(2.68)	-
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets/ Investments	-	0.40
Expenditure on Corporate Social Responsibility initiatives	61.39	56.25
Miscellaneous expenses *	1,469.81	1,572.27
	<b>5,462.07</b>	<b>5,061.55</b>

\*None of the item individually accounts for more than ₹ 10,00,000/- or 1% of revenue whichever is higher.

**NOTE 32. CONTINGENT LIABILITIES**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A Contingent Liabilities</b>		
(i) Outstanding claims in respect of Excise Duty, etc.	1554.60	1571.20
(ii) Guarantees issued by banks	17.19	34.19
(iii) Claims against Group not acknowledged as debts	34.77	34.77

The Company has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Company does not expect the outcome of these proceedings to have materially adverse effect.

The Company has received Differential Duty demand of ₹ 14.33 Crores (on Import of crude/un-refined Sulphur during the period 2004-2005 to 2008-2009, provisionally assessed then), at concessional rate of Basic Customs Duty in term of Entry at Sr. No. 60 of Notification No. 21/2002- Cus dated 01.03.2002 which granted concessional rate of basic customs duty on the import of "Crude or unrefined Sulphur" falling under Chapter Sub-heading No. 2503 00 of Customs Tariff). The Company has now filed Appeal before CESTAT being Appeal No. C/89904/2018 – DB dated 2<sup>nd</sup> January 2019 (against the Order dated 07.02.2018 of the Commissioner (Appeals), Mumbai) and deposited an amount of ₹ 1.43 Crores (being the

10% of the alleged demand of differential duty of ₹ 14.33 Crores), as a condition precedent for the Appeal before the CESTAT. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. Based on the legal advice the Company is confident to successfully succeed in the appeal.

The company had imported Rock Phosphate (for the manufacture of Fertilizer viz. Single Superphosphate) and the Bill of Entry for the consignments of Rock Phosphate imported during the period 2005-2006 to 2007-2008, were provisionally assessed and goods were allowed to be cleared with "Nil" Special additional Duty (SAD for short) falling under Chapter heading, Sub-heading or tariff item "31 or any other chapter" of the first Schedule of Customs Tariff. Subsequently, the Department raised an alleged demand of ₹ 1.21 crores on account of the enhancement of declared value (Invoice value on which duty was assessed provisionally) and denial of 'Nil' (SAD) under Notification- 20/2006-Cus dated 1.3.2006 on the alleged ground that the Company had allegedly failed to submit the relevant documents which could prove that the imported Rock Phosphate was used for the manufacturing of "fertilizer". The Company has now filed Appeal before CESTAT being Appeal No. C/89910/2018 – DB dated 2<sup>nd</sup> January 2019 (against the Order dated 07.02.2018 of the Commissioner (Appeals), Mumbai.) and deposited an amount of ₹ 12.16 Lakhs being the 10% of the alleged demand of ₹ 1.21 Crores. The Appeal is pending at CESTAT, Mumbai and will come up for hearing in course of time. Based on the legal advice the Company is confident to successfully succeed in the appeal.

### NOTE 33. COMMITMENTS

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)	4233.99	854.27

**NOTE 34.** In view of the "Unabsorbed Depreciation" & "Unabsorbed Business Losses" accruing from the past years, there is no normal tax payable in the year ended 31<sup>st</sup> March, 2021 and for the year ended 31<sup>st</sup> March, 2020. In view of book profit in the current year in terms of Section 115JB of the Income Tax Act, 1961, provision has been made for ₹ 600 Lakhs towards Minimum Alternate Tax (MAT) during the year ended 31<sup>st</sup> March, 2021. (Previous year ₹ 452.5 Lakhs)

### NOTE 35. LEASES

The Company as lessee, has long term lease contract for one of its Office premises. Lease of Office generally has lease terms of 4 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are no major lease contracts that include extension and termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	₹ in Lakhs	
	Leasehold Office	
As at 01-4-2020	-	
Additions	48.72	
Depreciation Expenses	0.99	
Termination	-	
As at 31-3-2021	47.72	

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	₹ in Lakhs	
	Leasehold Office	
As at 01-4-2020	-	
Additions	48.72	
Accretion of Interest	-	
Payments	0.89	
Termination	-	
As at 31-3-2021	47.83	

The following are the amounts recognised in profit or loss

Particulars	₹ in Lakhs	
	As at 31-03-2021	
Depreciation expense of right-of-use assets	0.99	
Interest expense on lease liabilities	-	
Expense relating to short-term leases and low value leases (included in other expenses)	30.98	
Total amount recognised in profit or loss	31.97	

The Company had total cash outflows for leases of ₹ 31.87 Lakhs in March 31, 2021 (₹ 25.14 Lakhs in March 31, 2020). There are no non cash additions to right-of-use assets and lease liabilities.

**NOTE 36.** There is only one reportable segment i.e chemicals business of the Group.

#### **NOTE 37. CORPORATE SOCIAL RESPONSIBILITY**

As per section 135 of the Companies Act, 2013, a Group meeting the applicability threshold needs to spend at least 2% of its average net profits for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Group has constituted a Corporate Social Responsibility (CSR) Committee. The Group has specified the projects in education field, promoting preventive healthcare and sanitation. Modalities of utilisation of funds on the specified project and monitoring and reporting mechanism has been defined.

The Group have spent an amount of ₹ 61.39 Lakhs (Previous year ₹ 56,25 Lakhs) towards several CSR activities.

#### **NOTE 38. EARNING PER SHARE:**

EPS amount are calculated by dividing the profit for the year attributed to Equity holders of the parents by weighted average number of Equity shares outstanding during the year.

Particulars	₹ in Lakhs	
	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Profit attributable to Equity share holder of the Group	3,256.08	3,149.30
Weighted Average Number of Equity Shares	2,49,39,933	2,49,39,933
Earning per Equity Shares (Basic & Diluted)	<b>13.06</b>	<b>12.63</b>

#### **NOTE 39. 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, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

##### **A Financial risk management**

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

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (iii)).

##### **i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, loans and investments. The carrying amount of financial assets represents the maximum credit risk exposure.

##### **Trade receivables**

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

##### **Expected credit loss for trade receivables:**

The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss and accordingly provision is made for the doubtful debts.

##### **Expected credit loss on financial assets other than trade receivables:**

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on these financial assets.

##### **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 Company's finance and accounts department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

##### **iii. Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

### Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Company. The currencies in which the Company is exposed to risk are generally USD and EUR. The Company follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract.

#### Exposure to currency risk - Unhedged

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020		
	Currency		₹ in Lakhs	Currency		₹ in Lakhs
Trade Receivables	USD	12,07,417	887.45	USD	7,54,732	568.99
	EURO	4,06,459	349.96	EURO	1,73,212	143.85
			1237.41			712.84
Hedged Position	USD	-	0.00	(50,000)		(37.70)
			1237.41			675.15
Trade Payable	USD	5,86,992	(436.73)	USD	(28,720)	(21.65)
Net Exposure to Currency Risk			800.68			653.50

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and EUR against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency and affected equity and profit or loss by the amounts shown below.

Movement of USD and EUR and its effect on financial exposure on P & L . (1% variation +/-). The assumed movement in exchange rate sensitivity analysis is based on the currently observable market environment.

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Profit or Loss		Profit or Loss	
	Strengthening	Weakening	Strengthening	Weakening
USD 1% Movement	4.51	(4.51)	5.47	(5.47)
EURO 1% Movement	3.50	(3.50)	1.44	(1.44)

₹ in Lakhs

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees of fixed rates of interest. The Company has exposure to interest rate risk, arising principally on changes in base lending rate.

In order to optimize the company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

#### (i) The exposure of borrowings to interest rate changes at the end of reporting period are as follows:

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Fixed rate borrowings	3,443.90	2,457.57
Interest Swap	772.27	1,103.80
<b>Net Exposure after Swap</b>	<b>2,671.63</b>	<b>1,353.77</b>

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Term Loans	10.25%	2,356.88	68.44%	10.25%	2,103.80	85.60%
Loans repayable on demand *	4.13%	1,087.02	31.56%	7.50%	353.76	14.39%
<b>Net exposure to cash flow interest rate risk</b>		<b>3,443.90</b>			<b>2,457.56</b>	

\*Loans repayable on demand include Car Loan and PCFC loan

#### (iii) Sensitivity

Profit/loss is not sensitive to higher/lower interest expense from borrowings as the interest rates are fixed.

### B Capital management

For the purpose of Company's Capital Management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's Capital Management is to maximise the share holder value.

The Company manages its capital structure and make adjustment in light of changes in economic conditions and requirements co venants.

**NOTE 40. OTHER ADDITIONAL INFORMATION :****(i) VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED**

Particulars	Year Ended			
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	₹ in Lakhs	%	₹ in Lakhs	%
<b>Raw Materials and Boughtouts:</b>				
Imported	1988.17	19.66	1957.60	20.76
Indigenous	8127.10	80.34	7472.27	79.24
	<b>10115.27</b>	<b>100.00</b>	<b>9429.87</b>	<b>100.00</b>

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Stores, Spares and Components:</b>		
Indigenous	990.52	1321.53
<b>(ii) VALUE OF IMPORTS CALCULATED ON CIF BASIS :</b>		
Raw Materials & Boughtouts	1567.82	1481.35
<b>(iii) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :</b>		
Foreign tours, Subscription, depot & exhibition expenses etc.	306.13	245.13
<b>(iv) EARNINGS IN FOREIGN CURRENCY IN RESPECT OF :</b>		
Export of goods calculated on FOB basis	6103.54	4471.80

**NOTE 41. SEGMENT REPORTING :-****a) Primary Business Segment :**

The Group is engaged in manufacture of Chemicals. As the Group is engaged only in one business segment.

**b) Secondary Geographical Segment**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Sales Turnover :-</b>		
i) In India	13,340.12	14,062.76
ii) Outside India	6,294.21	4,492.20
<b>Total</b>	<b>19,634.33</b>	<b>18,554.95</b>

**NOTE 42. RELATED PARTIES DISCLOSURES :**

Names of related parties	Nature of Relationship
(i) Shri L.N.Goculdas	Promoter and Chairman (holding more than 20% of the voting power of the Company)
(ii) Borax Morarji (Europe) GmbH	Wholly Owned Subsidiary
(iii) The Natural Gas Co.Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(iv) L.P.Gas Equipment Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(v) L.P.Gas Transport & Bottling Co. Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(vi) Phoenix Distributors Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(vii) Jasraj Trading Co.	Enterprises under the Control of Promoter and Key Managerial persons
(viii) Kosan Industries Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(ix) Bombay Foods Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(x) Falcon Chemicals LLC, Dubai	Enterprises under the Control of Promoter and Key Managerial persons
(xi) Mitika L. Goculdas	Daughter of Promoter and Chairman
(xii) Shri B.L.Goculdas	Key Management Person - Managing Director and Chief Executive Officer
(xiii) Shri D.T.Gokhale	Key Management Person - Sr. Executive Vice President & Company Secretary
(xiv) Shri Chirag Shah	Key Management Person - Chief Finance Officer

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>A Transaction with Promoters holding more than 20% of the voting power</b>		
Sitting Fees for attending Board and Committee meetings -Shri L. N. Goculdas	2.25	2.25
Interest paid to Promoter- Shri. L.N.Goculdas	-	15.55
Commission paid to Promoter- Shri. L.N.Goculdas	9.35	16.18
Repayment of Loan to Promoter - Shri L.N.Goculdas	-	345.47

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>B Sitting Fees for attending Borad Meeting to Mitika L. Goculdas</b>	<b>1.75</b>	<b>1.50</b>
Commission paid to Promoter- Mitika L. Goculdas	3.12	5.39
<b>C Transactions with Related Parties</b>		
<b>(i) Sale of Goods/Services Rendered by the Company</b>		
Falcon Chemicals LLC, Dubai	1.61	82.36
Borax Morarji (Europe) GMBH	160.47	53.23
<b>(ii) Closing balance of Falcon Chemical LLC, Dubai included in Current Assets of the Company</b>	<b>-</b>	<b>30.10</b>
Closing balance of Borax Morarji (Europe) GMBH included in Current Assets of the Company	41.86	-
<b>D Transactions relating to Key Management Personnel</b>		
<b>(i) Remuneration</b>		
Shri B.L.Goculdas	118.88	141.41
Shri D.T.Gokhale	35.44	36.54
Shri Chirag Shah	34.44	34.45
	<b>188.76</b>	<b>212.40</b>
<b>(ii) Perquisites and Other Benefits</b>		
Shri B.L.Goculdas	25.95	28.47
Shri D.T.Gokhale	0.91	0.72
Shri Chirag Shah	0.32	0.09
	27.18	29.28
	<b>215.94</b>	<b>241.68</b>

Related party relationships are as identified by the Company and relied upon by the Auditors.

#### NOTE 43. EMPLOYEE BENEFITS :

The Company has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) "Employee Benefits". Defined Benefit Plans / Long Term Compensated Absences: As per Actuarial Valuation as on 31.03.2021, the required data is as follows:

#### I Continuing Employees :

₹ in Lakhs

Particulars	Apr 20 / Mar 21		Apr 19 / Mar 20	
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
<b>A Expense recognised in the statement of Profit &amp; Loss Account for period ended 31<sup>st</sup> March 2021</b>				
1. Current Service Cost	16.94	6.45	13.59	3.60
2. Interest Cost	13.63	2.04	13.29	1.75
3. Past Service Cost (vested benefits)	0.00	0.00	0.00	0.00
3. Expected Return on plan assets	0.00	0.00	0.00	0.00
4. Actuarial (Gain) / Losses	(21.85)	15.01	30.87	15.01
5. Total Expenses	8.72	23.50	57.75	20.36
<b>B Net Assets/(Liability) recognised in the Balance Sheet as at 31/03/2021</b>				
1. Present value of Defined Benefit Obligation as at 31 <sup>st</sup> March 2021	220.36	34.86	236.43	32.48
2. Fair Value of plan assets as at 31 <sup>st</sup> March 2021	14.61	-	12.83	-
3. Funded Status [(Surplus)/(Defecit)]	(205.75)	(34.86)	(223.60)	(32.48)
4. Net asset / (Liability) as at 31 <sup>st</sup> March 2021	(205.75)	(34.86)	(223.60)	(32.48)
<b>C Change in Obligation during the period ended 31<sup>st</sup> March 2021</b>				
1. Present value of Defined Benefit Obligation at the beginning of the year	236.43	32.48	196.58	27.00
2. Current Service Cost	16.94	6.45	13.59	3.60
3. Interest Cost	13.63	2.04	13.29	1.75
4. Settlement Cost	0.00	0.00	0.00	0.00
5. Past Service Cost - (Vested Benefits)	0.00	0.00	0.00	0.00
6. Employee Contribution /transfer	0.00	0.00	0.00	0.00
5. Actuarial (Gain) / Losses	(21.85)	0.82	30.87	15.01
6. Benefits Payments	(24.79)	(6.93)	(17.90)	(14.88)
7. Present value of Defined Benefit Obligation at the end of the year	220.36	34.86	236.43	32.48

₹ in Lakhs

Particulars	Apr 20 / Mar 21	Apr 20 / Mar 21	Apr 19 / Mar 20	Apr 19 / Mar 20
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
<b>D Change in Assets During the period ended 31<sup>st</sup> March 2021</b>				
1. Plan assets at the beginning of the year	12.83	-	12.83	-
2. Settlements	-	-	-	-
3. Expected return on plan assets	0.45	-	-	-
4. Contributions by employers	14.63	-	-	-
5. Actual benefits paid	(12.85)	-	-	-
6. Actuarial (Gain / (Losses))	(0.45)	-	-	-
7. Plan assets at the end of the year	14.61	-	12.83	-
<b>E Actuarial Assumptions :</b>				
1. Discount Rate	0.08	0.08	0.08	0.08
2. Mortality Rate	IALM2008	IALM2008	IALM2008	IALM2008
<b>II For Ex-employees</b>	<b>0</b>	<b>0</b>	<b>36.44</b>	<b>0.00</b>

**NOTE 44.** Figures in respect of the previous year have been regrouped / rearranged wherever necessary.

03

# Financial Statements



## CONSOLIDATED FINANCIAL STATEMENTS

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# Independent Auditor's Report

To the Members of **THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED**

Report on the Consolidated Ind AS Financial Statements

## OPINION

We have audited the accompanying consolidated Ind AS financial statements of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at 31 March 2021, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2021, their consolidated profit including other comprehensive income, and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## BASIS FOR OPINION

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the consolidated Ind AS financial statements.

## EMPHASIS OF MATTER

We draw your attention to Note 2.2 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to obtain comfort over the existence and condition of inventory at year end.

Our opinion is not modified in respect of this matter.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	<p><b>Litigations and claims</b></p> <p>(Refer to note 32 to the consolidated Ind AS financial statements)</p> <p>These cases are pending with multiple tax authorities like Income Tax, Excise, Service tax etc. and labour law cases which have not been acknowledge as debt by the company.</p> <p>In normal course of business, financial exposures may arise from pending proceedings not acknowledged as debt by the company. Whether a claim needs to be recognized as liability or disclosed as contingent liability in the consolidated Ind AS financial statements is depended on a number of significant assumptions and judgements. The amount involved are potentially significant and determining the amount, if any, to be recognized or disclosed in the consolidated Ind AS financial statements, is inherently subjective.</p> <p>We have Considered Litigation and claims as Key Audit Matter as it requires significant management judgement, including accounting estimation uncertainty.</p>	<p><b>Principal Audit Procedures:</b></p> <ul style="list-style-type: none"> <li>Evaluation of management's judgement of tax risks, estimates of tax exposures, each claims and contingencies. Third party opinions, past and current experience with the tax authority and management's response including on the labour law cases were used to assess the appropriateness of management's best estimate of most likely outcome of each uncertain contingent liability.</li> <li>Discussing selected matters with the entity's management.</li> <li>Critically assessing the entity's assumptions and estimates in respect of claims, included in the contingent liabilities disclosed in the consolidated Ind AS financial statements. Assessment of the probability of negative result of litigation and the reliability of estimates of related obligation.</li> </ul> <p><b>Conclusion:</b></p> <p>Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation &amp; disclosure on the subject matter in the consolidated Ind AS financial statements.</p>

**2. Revenue Recognition**

(as described in note 2.12 of the consolidated Ind AS financial statements)

For the year ended March 31, 2021 the Company has recognized revenue from contracts with customers amounting to ₹ 19,639.15 Lakhs. Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that as principal, it typically controls the goods before transferring them to the customer.

The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.

Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively 'discount and rebates'). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Company measures its performance. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 'Revenue from contracts with customers', it was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.

**Principal Audit Procedures:**

Our audit procedures included the following:

- Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.
- Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
- Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms.
- To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
- Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.
- Performed monthly analytical procedures of revenue by streams to identify any unusual trends.
- Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.

We have determined that there are no other key audit matters to communicate in our report.

**IMPACT OF COVID19 LOCKDOWN ON THE OPERATIONS OF THE COMPANY AND RESUMPTION OF OPERATIONS POST COVID19 LOCKDOWN**

The Operations of the Company during the year ended 31<sup>st</sup> March 2021 were marginally affected due to Lockdown announced by the Central / State Governments in the month of March 2020 due to the outbreak of Novel Coronavirus COVID19.

**COMMENT ON THE PHYSICAL VISIT TO THE OFFICE**

The nationwide Lockdown process started from 22<sup>nd</sup> March 2020 in form of a 14 Hr. 'Janata Curfew'. A formal National Lockdown was announced by the Central Government from 24<sup>th</sup> March 2020 in successive phases. Subsequent notifications issued by the Government have restricted the opening of private offices. This has resulted into serious restrictions on travel. Hence there have been limitations on physical visits to the offices of the Company. In light of the said travel restrictions, we have not visited the Company.

The Companies (Auditor's Report) Order, 2016 ("the Order") requires Statutory Auditor to comment on the adequacy of the data received for the purpose of Statutory Audit, from the offices not visited by us. We would like to mention that due to the Lockdown situation as mentioned above, we were not able to visit any offices of the Company. But we have received the relevant data from the offices not visited by us.

**AUDIT USING ONLINE AUDITING METHOD / TECHNIQUES**

In light of the restrictions in physical movement and visits to the company offices, the Company has given us access to their ERP System, to the extent possible. We were able to access the relevant data & records for our Audit purpose. Further the company has provided all other data / information / records as required by us using e-data sharing modes. We also had continuous communication with the Audit Team & Management of the Company using various modes such as Audio / Video Conferencing, etc.

**ONLINE VERIFICATION OF THE DOCUMENT / RECORDS / STATEMENTS & ASSURANCE ABOUT THE ACCURACY AND AUTHENTICITY OF THE SAME**

Due to the phase wise Lockdown imposed by State Governments and the resulting travel restrictions, it was not possible to physically visit the

Company and carry out the audit function. We have carried out the Audit Process using various techniques of Online Auditing. We have verified the records received by us through electronic media. We have also received Management Representation Letters where ever necessary. Using such techniques we have ensured reasonable assurance that the records provided to us are free from material misstatement and adhere to the relevant standards.

In this respect, we have also followed the 'Advisory on Auditing and Assurance assignments during the Period of Lockdown and Restrictions on Travelling' issued by The Institute of Chartered Accountants of India to the extent relevant and applicable.

**EXPRESSION OF OPINION**

We have carried out the Audit Process using Online Mode. We have carried out the Audit Process subject to our disclosures as mentioned above. The audit evidence obtained by us is adequate to express our audit opinion. While expressing our audit opinion, we have also relied upon certifications by the management or certifications by other independent auditors, wherever required.

**INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2020-21, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the Consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Ind AS 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 RESPONSIBILITY FOR THE CONSOLIDATED IND FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group including in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

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

Those respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENT

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 Holding Company has adequate internal financial controls system 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 Consolidated Ind AS 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 Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements for the financial year ended 31 March 2021 and are therefore the key audit matters. We describe these matters in our auditor's 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

We did not audit the financial statements and other financial information, in respect of a subsidiary whose Ind AS financial statements include total assets of INR 81.86 Lakh as at March 31, 2021, and total revenues of INR 8.24 Lakh for the year ended on that date. These Ind AS financial statement and other financial information have not been audited by other auditors and the unaudited financial statements and other financial information have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report as furnished to us by the Management.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary

- for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group's companies, is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, – Refer Note 32 to the consolidated Ind AS financial statements.
  - ii. The Holding 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 Holding Company during the year ended March 31, 2021.

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

**Rahul Divan**  
Partner  
Membership No.: 100733  
UDIN: 21100733AAAABB6827  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May 2021

# Annexure - 1 To the Independent Auditor's Report

of even date on the consolidated financial statements of the dharamsi morarji chemical company limited

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

In conjunction with our audit of the consolidated financial statements of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (hereinafter referred to as the "Holding Company" or "the Company") which is incorporated in India as of that date. The subsidiary company which is part of the Group is incorporated outside India and Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable to the subsidiary company.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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.

### AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 OVER FINANCIAL REPORTING

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

### OPINION

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

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

**Rahul Divan**  
Partner  
Membership No.: 100733  
UDIN: 21100733AAAABB6827  
Place: Mumbai  
Date: 21<sup>st</sup> May 2021

# Independent Auditor's Report

## on the Audit of Consolidated Financial Results

### TO THE BOARD OF DIRECTORS OF THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED

#### OPINION

We have audited the accompanying consolidated annual financial results of THE DHARAMSI MORARJI CHEMICAL COMPANY LIMITED (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial results:

- (i) include the annual financial results of the following entity
  - a. Borax Morarji (Europe) GMBH (Subsidiary)
- (ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (iii) gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### EMPHASIS OF MATTER PARAGRAPH

We draw your attention to Note 3 to the financial results which explain the uncertainties and the management's assessment of the financial impact due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, our attendance at the physical inventory verification done by the management was impracticable under the current lock-down restrictions imposed by the government and we have therefore, relied on the related alternative audit procedures to obtain comfort over the existence and condition of inventory at year end.

Our opinion is not modified in respect of this matter.

#### BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL RESULTS

These Consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 results 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 results by the Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL RESULTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.

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 results, 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 financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results 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 to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

For **Rahul Gautam Divan & Associates**  
ICAI Firm registration number: 120294W  
Chartered Accountants

**Rahul Divan**  
Partner  
Membership No.: 100733  
UDIN: 21100733AAAABB6827  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May 2021

#### OTHER MATTERS

The consolidated Financial Results include the unaudited Financial Results of one subsidiary, whose Financial Results reflect Group's share of total assets of ₹ 81.86 Lakh as at 31 March 2021, Group's share of total revenue of ₹ 3.07 lakh and ₹ 8.24 lakh and Group's share of total net profit after tax of ₹ 0.90 lakh and ₹ 1.78 lakhs for the quarter ended 31 March 2021 and for the period from 01 April 2020 to 31 March 2021 respectively, as considered in the consolidated Financial Results. These unaudited interim Financial Results have been furnished to us by the Management and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited Financial Results. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Results are not material to the Group.

Our opinion on the consolidated Financial Results 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 and the Financial Results certified by the Board of Directors.

The Financial Results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year ended 31 March 2021 and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us, as required under the Listing Regulations.

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2021

₹ in Lakhs

Particulars	Notes	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, Plant and Equipment	3	9,285.07	8,663.16
Capital work-in-progress	3	3,804.66	876.86
Goodwill	3	1,465.10	1,465.10
Other Intangible Assets	3	29.37	24.52
Right of Use Assets	35	47.72	-
Other non-current assets	4	184.99	179.09
Other non Current Financial Assets			
- Non Current Investments	5	39.08	39.08
<b>Total Non Current Assets</b>		<b>14,855.99</b>	<b>11,247.81</b>
<b>Current Assets</b>			
Inventories	6	3,732.26	2,768.20
Financial Assets			
- Current Investments	7	4.14	240.98
- Trade receivables	8	3,229.15	2,473.95
- Cash and cash equivalents	9	392.06	831.50
- Bank balances other than cash and cash equivalents	10	104.60	100.45
- Other current financial assets	11	122.22	71.97
- Current Tax Assets (Net)	12	2,267.83	2,070.18
Other current assets	13	1,662.26	1,382.98
<b>Total Current Assets</b>		<b>11,514.51</b>	<b>9,940.20</b>
<b>Total Assets</b>		<b>26,370.50</b>	<b>21,188.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	14	2,493.99	2,493.99
Other Equity	15	14,824.50	11,994.34
<b>Total Equity</b>		<b>17,318.49</b>	<b>14,488.34</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
- Long Term Borrowings	16	1,914.95	1,733.76
- Long Term Lease Liabilities	35	43.90	-
- Long Term Provisions	17	187.51	250.48
Other non-current liabilities	18	38.51	37.83
<b>Total Non Current Liabilities</b>		<b>2,184.87</b>	<b>2,022.08</b>
<b>Current liabilities</b>			
Financial Liabilities			
- Short Term Borrowings	19	790.25	46.57
- Short Term Lease Liabilities	35	3.93	-
- Trade Payables	20		
- Due to Micro & Small Enterprises		19.33	77.00
- Due to Other than Micro & Small Enterprises		2,888.30	1,597.82
- Other financial liabilities	21	2,834.87	2,534.74
Other current liabilities	22	291.65	374.58
Provisions	23	38.80	46.89
<b>Total Current Liabilities</b>		<b>6,867.14</b>	<b>4,677.60</b>
<b>Total Liabilities</b>		<b>9,052.02</b>	<b>6,699.68</b>
<b>Total Equity and liabilities</b>		<b>26,370.50</b>	<b>21,188.02</b>

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date  
For **Rahul Gautam Divan & Associates**Chartered Accountants  
Firm Registration No.: 120294WPartner  
Membership No. 100733  
Place: Mumbai  
Date: 21<sup>st</sup> May, 2021

For and on behalf of the Board of Directors

**L. N. Goculdas**  
Chairman  
DIN : 00459347**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783**S. V. Joshi**  
Director  
DIN : 00392020**D. T. Gokhale**  
Company Secretary**C. J. Shah**  
Chief Finance Officer

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2021

₹ in Lakhs

Particulars	Notes	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Income</b>			
Revenue from Operations	24	20,014.81	18,766.40
Other Income	25	777.82	623.19
<b>Total Income</b>		<b>20,792.63</b>	<b>19,389.59</b>
<b>Expenses</b>			
Cost of Raw Materials Consumed	26	9,548.59	9,430.15
Purchase of Stock-in-Trade	27	-	-
Changes in Inventories of Finished Goods and Work in Progress	28	(201.31)	(178.40)
Employee Benefits Expenses	29	1,651.26	1,666.89
Finance Costs	30	239.99	203.12
Depreciation and amortization expense	3	682.94	616.41
Other Expenses	31	5,466.96	5,066.21
<b>Total Expenses</b>		<b>17,388.42</b>	<b>16,804.38</b>
<b>Profit Before Tax</b>		<b>3,404.21</b>	<b>2,585.21</b>
<b>Tax Expense</b>			
Current Tax under MAT		600.40	451.74
MAT Credit Entitlement		(462.00)	(1,011.14)
Tax impact due to OCI		7.95	(1.69)
		<b>146.35</b>	<b>(561.09)</b>
<b>Profit for the year</b>		<b>3,257.86</b>	<b>3,146.30</b>
<b>Other Comprehensive Income</b>			
(a) (i) Items that will not be reclassified to Profit or Loss		(20.16)	46.81
(ii) Income tax relating to items that will not be reclassified to Profit & Loss		-	0.11
b) i) Items that will be reclassified to Profit and Loss		(36.96)	9.86
ii) income Tax relating to Items that will be reclassified to Profit and Loss		7.95	(1.80)
<b>Total Other Comprehensive Income</b>		<b>(49.18)</b>	<b>54.98</b>
<b>Total Comprehensive Income for the year</b>		<b>3,208.68</b>	<b>3,201.29</b>
Earnings per equity share (FV ₹ 10/- per share) :			
<b>Basic &amp; Diluted (in ₹)- Refer Note No.31</b>		<b>13.06</b>	<b>12.63</b>

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date  
For **Rahul Gautam Divan & Associates**  
Chartered Accountants  
Firm Registration No.: 120294W

For and on behalf of the Board of Directors

Partner  
Membership No. 100733  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May, 2021

**L. N. Goculdas**  
Chairman  
DIN : 00459347

**S. V. Joshi**  
Director  
DIN : 00392020

**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783

**D. T. Gokhale**  
Company Secretary

**C. J. Shah**  
Chief Finance Officer

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2021

₹ in Lakhs

Particulars	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax	3,404.21	2,585.21
<b>Add:</b>		
1 Depreciation and amortisation	682.94	616.41
2 Interest charged	240.00	203.13
3 Unrealised Foreign Exchange Loss / (Gain)	50.39	44.48
4 (Gain)/Loss on sale of PPE / Investments	0.00	0.40
5 Other OCI impact (Net)	(49.18)	54.98
	924.15	919.40
<b>Less:</b>		
1 Interest Income	30.90	10.10
2 Dividend Income	3.53	2.00
3 Increase in Value of Current Investment	0.00	10.04
	34.43	22.14
<b>Operating Profit before change in working capital</b>	<b>4,293.93</b>	<b>3,482.47</b>
Working capital changes:		
<b>Add / (Less):</b>		
1 (Increase) / Decrease in inventories	(964.06)	(273.08)
2 (Increase) / Decrease in trade receivables	(805.57)	492.41
3 (Increase) / Decrease in Other Financial Assets	(50.25)	(34.40)
4 (Increase) / Decrease in Other non current Assets	(5.90)	(5.33)
5 (Increase) / Decrease in Other Current Assets	(279.28)	71.51
6 Increase / (Decrease) in trade payables	1232.80	(791.65)
7 Increase / (Decrease) in other long term liabilities	0.68	(17.97)
8 Increase / (Decrease) in other financial liabilities	300.14	207.76
9 Increase / (Decrease) in other current liabilities	(82.93)	152.82
10 Increase / (Decrease) in Current Provisions	(8.09)	(16.53)
11 Increase / (Decrease) in Non-Current Provisions	(62.97)	(5.58)
	(725.44)	(220.04)
<b>Cash generated from operations</b>	<b>3,568.49</b>	<b>3,262.43</b>
<b>Add / (Less):</b>		
Direct taxes paid (Net of refunds)	(344.00)	(562.84)
<b>Net Cash inflow from Operating Activities (A)</b>	<b>3,224.49</b>	<b>2,699.59</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
<b>Add:</b>		
1 Proceeds from sale of Property, Plant & Equipment	494.09	0.00
2 Interest received	30.90	10.10
3 Dividend received	3.53	2.00
	528.52	12.10
<b>Less:</b>		
1 Purchase of Property, Plant & Equipment / increase in Capital WIP	(4,731.49)	(1,696.14)
2 (Purchase) / Sale of Current Investment	236.84	0.00
	(4494.65)	(1,696.14)
<b>Net Cash inflow from Investing Activities (B)</b>	<b>(3,966.13)</b>	<b>(1,684.04)</b>
<b>C CASH FLOW FROM FINANCIAL ACTIVITIES:</b>		
<b>Add:</b>		
1 Receipt from issue of Equity Shares inclusive of share premium	0.00	0.00
2 Proceeds from borrowings (Non Current)	743.68	(170.87)
3 Proceeds from borrowings Net of repayment (Current)	0.00	0.00
4 Increase in Restricted Bank Balances other than cash & cash equivalents	(4.15)	7.58
5 Increase/(Decrease) in foreign Currency Translation Reserves	2.06	2.82
	741.59	(160.47)
<b>Less:</b>		
1 Repayment of borrowings (Non-current)	181.19	92.22
2 Repayment of borrowings net of proceeds (Current)	0.00	0.00
3 Interest and other finance costs	(240.00)	(203.13)
4 Payment of Equity Dividend	(380.58)	(294.18)
	(439.39)	(405.09)
<b>Net Cash inflow from Financing Activities (C)</b>	<b>302.20</b>	<b>(565.56)</b>
I. Net (decrease)/increase in cash and cash equivalents	(439.43)	449.99
II. Add: Cash and cash equivalents at the beginning of the period	831.49	381.50
III. Cash and cash equivalents at the end of the period	392.06	831.50

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date  
For **Rahul Gautam Divan & Associates**Chartered Accountants  
Firm Registration No.: 120294WPartner  
Membership No. 100733  
Place: Mumbai  
Date: 21<sup>st</sup> May, 2021

For and on behalf of the Board of Directors

**L. N. Goculdas**  
Chairman  
DIN : 00459347

**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783

**S. V. Joshi**  
Director  
DIN : 00392020

**D. T. Gokhale**  
Company Secretary

**C. J. Shah**  
Chief Finance Officer

# Consolidated Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2021

## A. Equity Share Capital

Particulars	No. of Shares	₹ in Lakhs
<b>Balance as at 31<sup>st</sup> March, 2020</b>	<b>2,49,39,933</b>	<b>2,493.99</b>
Changes in equity share capital during FY 2020-21	-	-
<b>Balance as at 31<sup>st</sup> March, 2021</b>	<b>2,49,39,933</b>	<b>2,493.99</b>

## B. Other Equity

₹ in Lakhs

Particulars	Reserve and Surplus					Total
	Securities Premium Reserve	Other Reserves	Retained Earnings	Foreign Currency Translation Reserves	Other items of Other Comprehensive Income	
<b>Balance at 31<sup>st</sup> March, 2020</b>	<b>1,714.81</b>	<b>66.59</b>	<b>10,095.94</b>	<b>5.07</b>	<b>111.92</b>	<b>11,994.33</b>
Profit for the year	-	-	3,257.86	-	-	3,257.86
Translation Reserve of Subsidiary	-	-	-	2.06	-	2.06
Other Comprehensive Income	-	-	-	-	(49.18)	(49.18)
Total Comprehensive Income (Net of Tax)	1,714.81	66.59	13,353.80	7.13	62.75	15,205.08
Equity Dividend Paid (Including Dividend Distribution Tax)	-	-	(380.58)	-	-	(380.58)
<b>Balance at 31<sup>st</sup> March, 2021</b>	<b>1,714.81</b>	<b>66.59</b>	<b>12,973.22</b>	<b>7.13</b>	<b>62.75</b>	<b>14,824.50</b>

Significant accounting policies and notes to Financial Statements (Note 2)

The accompanying notes referred to above which form an integral part of the Financial Statements

As per our report of even date  
For **Rahul Gautam Divan & Associates**  
Chartered Accountants  
Firm Registration No.: 120294W

For and on behalf of the Board of Directors

Partner  
Membership No. 100733  
**Place:** Mumbai  
**Date:** 21<sup>st</sup> May, 2021

**L. N. Goculdas**  
Chairman  
DIN : 00459347

**S. V. Joshi**  
Director  
DIN : 00392020

**B. L. Goculdas**  
Managing Director & CEO  
DIN : 00422783

**D. T. Gokhale**  
Company Secretary

**C. J. Shah**  
Chief Finance Officer

# Notes

## To the Consolidated Financial Statements for the Year Ended 31<sup>st</sup> March, 2021

### 1. CORPORATE INFORMATION

The Consolidated financial statement comprises of financial statement of The Dharamsi Morarji Chemical Company Ltd and its subsidiary (collectively, the Group) for the year ended 31<sup>st</sup> March, 2021. The Dharamsi Morarji Chemical Company Limited (the Company) is a Public Limited Company domiciled in India. Its shares are listed on the Bombay Stock Exchange Limited (BSE). The Group is engaged in the business of manufacturing and selling of Commodity Chemicals and Speciality Chemicals.

Borax Morarji Europe GmbH, Germany is engaged in the business of selling Commodity Chemicals and Speciality Chemicals.

Information on related party relationships of the Company is provided in Note - 42

The financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 21<sup>st</sup> May, 2021.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION:

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. The consolidated financial statements have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments.
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instrument).

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs (INR'00,000), except otherwise indicated.

#### 2.2 BASIS OF CONSOLIDATION:

The consolidated financial statements comprises the financial statement of THE DHARAMSI MORARJI CHEMICAL CO.LTD Limited and its subsidiary as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ii) Exposure, or rights, to variable returns from its involvement with the investee, and
- iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i) The contractual arrangement with the other vote holders of the investee
- ii) Rights arising from other contractual arrangements
- iii) The Group's voting rights and potential voting rights
- iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances if material, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of Borax Morarji GmbH, Germany used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2021. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The unaudited financial statements as on 31<sup>st</sup> March 2021 of the Wholly Owned Subsidiary Company have been compiled by Chartered Accountancy firm based in Germany. The subsidiary Company being Joint Stock Company under German Law, there is no obligation for audit based on the size criteria.

The current "second wave" of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of COVID-19 cases. Safety of our employees continues to be our key priority. We are encouraging the vaccination for our employees, providing flexible work option and adhering to COVID-19 guidelines. We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees.

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Consolidated financial results including the recoverability of carrying amounts of financial and non-financial assets. Based on the current quarter performance and estimates arrived at using external and internal sources of information, the company does not expect any material impact on such carrying values. The impact of COVID-19 on the company's financial statement may differ from that estimated as at the date of approval of consolidated financial statements and it will continue to monitor any material changes to future economic conditions.

### 2.3 CONSOLIDATION PROCEDURE

#### Subsidiaries:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intraGroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment

that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

- (i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
- (ii) Derecognises the carrying amount of any non-controlling interests
- (iii) Derecognises the cumulative translation differences recorded in equity
- (iv) Recognises the fair value of the consideration received
- (v) Recognises the fair value of any investment retained (vi) Recognises any surplus or deficit in profit or loss
- (vi) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

d) Change in ownership interest:

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

## 2.4 PROPERTY, PLANT AND EQUIPMENT

### a) Tangible assets:

Property, Plant and equipment were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of their historical cost less accumulated depreciation and impairment as on the date of transition i.e. 01.04.2016. The Group has elected to regard those written down values as deemed cost as at the date of the transition as per the option available to the Group, as fair value, while adopting Ind AS for the first time except for certain Land acquired by the Group upon merger of erstwhile Borax Morarji Limited has been stated at fair value as per the valuation report obtained by the Group.

Property, Plant and Equipment are stated at cost of acquisition or construction, including attributable interest and financial costs till such assets are ready for its intended use, less accumulated depreciation, impairment losses and specific grants received, if any.

The expenditure incurred during the period of construction (including cost of trial runs, stores issued, expenses on labour allocated for such purpose) is debited to capital work-in-progress and on completion, the costs are allocated to the respective items of Property, Plant and Equipment. Interest on specific borrowings relating to acquisition of fixed assets is capitalised up to the date of commissioning.

### Derecognition:

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

### b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured at their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

### Derecognition:

An item of intangible initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### 2.5 DEPRECIATION/AMORTIZATION:

Depreciation on all items of Property, Plant and Equipment is provided for on Straight Line basis over the estimated useful life specified in schedule II to the Companies Act, 2013.

Depreciation on additions and deletions during the year is provided on pro-rata basis.

Cost of leasehold land is amortised over the period of lease.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 2.6 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### 2.7 NONCURRENT ASSETS HELD FOR SALE

Non current assets are classified as held for sale, if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less cost to sale. Losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognized in the Statement of Profit and Loss. Once classified as held for sale, Property, plant and Equipment and Intangible Assets are no longer depreciated or amortized.

## 2.8 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended period when active development activities on the qualifying assets is interrupted. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.9 LEASES

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### GROUP AS A LESSEE

The Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the useful life of the asset or the balance lease term of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable

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

Lease liability and ROU asset shall be separately presented in the Balance Sheet and lease payments shall be classified as financing cash flows.

## 2.10 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials: purchase cost on a weighted average basis

Cost of Finished goods and work in progress include materials cost, cost of conversion, depreciation, other overheads to the extent applicable but excluding borrowing costs

## 2.11 TRADE RECEIVABLES

Trade receivables are carried at original invoice amount less any provisions for doubtful debts. For the Expected Credit Loss (ECL) simplified approach is adopted by the Group as permissible. Provisions

are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectable it is written off, firstly against any provision available and then to the income statement.

## 2.12 REVENUE RECOGNITION

Revenue from sale of goods is recognized at the fair value of the consideration received or receivable, net of returns and trade discounts, rebates, GST.

Revenue from the sale of goods is recognised when (a) It is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be measured reliably, (b) The significant risks and rewards of ownership of the goods have been passed to the buyer; and (c) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and returns.

Goods sold on consignment are recorded as inventory until goods are sold by the consignee to the end customer.

Export sales are recognised based on the shipped on board date as per bill of lading when significant risk and rewards of ownership are transferred to the customer.

Export benefits available under prevalent schemes are accounted to the extent considered receivable. These are presented as other operating income in the Statement of Profit & Loss.

Earning from sale of power generated from Wind Mills is accounted for on tariff rate agreed and as per Power Purchase agreement with respective Electricity Board.

Royalty and service income are recognized on an accrual basis in accordance with the terms of the relevant contractual agreement.

Interest income is recognised on accrual basis.

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

Dividend income on investment is recognized in the Statement of Profit and Loss Account on the date on which the Group's right to receive is established.

The Group earns revenue primarily from sale of products.

The Group has applied Ind AS 115 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 18 and Ind AS 11. The new Standard is applied to contracts that were remaining in force as at 1<sup>st</sup> April, 2018. The application of the standard does not have any significant impact on the retained earnings as at 1<sup>st</sup> April, 2018 or on these financial statements. The details of accounting policies under erstwhile Ind AS 18 and Ind AS 11 are disclosed separately if they are different from those under Ind AS 115.

The Group has applied Ind AS 116 - Leases using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under erstwhile Ind AS 17. The application of the standard does not have any significant impact on the retained earnings as at 1<sup>st</sup> April, 2020 or on these financial statements. The details of accounting policies under erstwhile Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

## 2.13 FOREIGN EXCHANGE TRANSACTIONS

Transactions in foreign currencies are initially recorded by the Group at the rate prevalent on the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange at the reporting date.

Differences arising on settlement or year end conversion of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are converted using the exchange rates at the dates of the initial transactions.

## 2.14 EMPLOYEE BENEFITS

### Contribution Plans:

Contributions to the Company's Provident Fund, Family Pension Fund, Superannuation Fund are being charged to the Statement of Profit and Loss.

### Benefits Plans:

The Group has the scheme which enables employees to encash the accumulated privilege leave (upto stipulated limits) on retirement. The Group's liability in respect of this leave encashment scheme is determined on the basis of actuarial valuation and the same is charged to the Statement of Profit & Loss and is unfunded. Gratuity Benefits (based on actuarial valuation) is charged to Statement of Profit & Loss and is unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The service cost and the net interest cost are charged to the Statement of Profit and Loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the actuarial assumptions used for valuation. The Group recognizes these re-measurements in the Other Comprehensive Income (OCI).

## 2.15 TAXES

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Significant management judgment is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. The amount of total deferred tax could change if estimates of projected future taxable income or if tax regulations undergo a change.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is reviewed at each reporting date.

The benefit of credit against the payment made towards Minimum Alternate Tax for the earlier years is available in accordance with the provisions of the section 115JAA of Income Tax Act, 1961 over the period of subsequent 15 assessment year. The Group recognises MAT Credit Available as an Asset 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 "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.

## 2.16 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

### Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss.

### Contingent Liabilities

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

### Contingent Assets

Contingent Assets are only disclosed when it is probable that the economic benefits will flow to the Group.

## 2.17 EARNINGS PER SHARE

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

## 2.18 BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred (measured at acquisition date at fair value) and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

## 2.19 CURRENT AND NON CURRENT CLASSIFICATION

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

## 2.20 FINANCIAL INSTRUMENTS

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

### a) Financial Assets

#### *Financial Instruments*

Financial assets and financial 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 and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### (i) Financial assets

##### *Cash and bank balances consist of :*

- Cash and Cash equivalents - which includes Cash in hand, deposits held at call with banks and other short term deposits which are readily convertible into known amounts of Cash, are subject to an insignificant risk of change in value and have maturities of less than one year from the date of such deposits. These balances with banks are unrestricted for withdrawal and usage.
- Other bank balances - which includes balances and deposits with banks that are restricted 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 model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Financial assets measured at fair value*

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### *Investment in Subsidiaries*

Investment in Subsidiaries is carried at cost in the financial statements

#### *Impairment of financial assets*

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Group recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve

months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition.

#### *De-recognition of financial assets*

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

### b) Financial Liabilities and Equity Instruments

#### *Classification as debt or equity*

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### *Equity Instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs, if any.

#### *Financial liabilities*

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, during the effective interest rate method where the time value of money is significant. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### *Initial recognition and measurement*

The Group's financial liabilities include trade and other payables, loans and borrowings including cash credit accounts and derivative financial instruments like Forward Cover Contracts.

Financial liabilities are classified, at initial recognition, as at fair value through profit and loss or as those measured at amortised cost.

#### *Subsequent measurement*

The subsequent measurement of financial liabilities depends on their classification as follows:

#### *Financial liabilities at fair value through profit and loss*

Financial liabilities at fair value through profit and loss include financial liabilities held for trading.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

#### *De-recognition of Financial Liabilities*

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired.

## 2.21 DERIVATIVE FINANCIAL INSTRUMENTS

The Group holds derivative financial instruments such as foreign exchange forward contracts generally to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank and these are generally designated as hedges. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss. Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial

recognition, these derivatives are measured at fair value through profit or loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date. The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

## 2.22 FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group's management determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the management verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## 2.23 INVESTMENT PROPERTIES

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on evaluation every three years performed by an accredited external independent valuer, at every 3 years rest, by applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

## 2.24 CASH & CASH EQUIVALENTS AND SHORT TERM DEPOSITS

Cash and Cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

## 2.25 RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed as incurred. Development expenditure on an individual project are recognized as an Intangible asset when the Group can demonstrate; (i) Technical feasibility of completing the intangible asset so that the asset will be available for use or sale (ii) Its intention to complete and its ability and intentions to use or sell the asset (iii) How the asset will generate future economic benefits (iv) the availability of resources to complete the asset (v) the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefits. Amortization expenses is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

## 2.26 CASH DIVIDEND TO EQUITY SHAREHOLDERS:

The Group recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 2.27 DIVIDEND ON PREFERENCE SHARES

Dividend paid ₹ 7.00 Lakhs for the year ended 31<sup>st</sup> March 2021 (Previous year ₹ 8.44 Lakhs including Dividend Tax thereon) are accounted for under finance charges.

**NOTE 3. PROPERTY, PLANT AND EQUIPMENT :****i) Tangible Assets**

₹ in Lakhs

Particulars	Free Hold Land	Lease Hold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computer	Total	Capital work in progress
<b>Gross carrying amount</b>										
Deemed cost as at 1 <sup>st</sup> April, 2020	286.28	1,855.97	2,054.28	6,629.41	79.50	139.08	95.26	75.80	11,215.58	
Additions	-	-	78.78	1,293.67	3.19	-	3.77	17.21	1,396.62	
Disposals/ Reclassification	-	(3.85)	(235.96)	(970.42)	(15.74)	(15.96)	(6.31)	-	(1,248.24)	
Exchange differences	-	-	-	-	-	-	-	-	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>286.28</b>	<b>1,852.12</b>	<b>1,897.10</b>	<b>6,952.66</b>	<b>66.95</b>	<b>123.12</b>	<b>92.72</b>	<b>93.01</b>	<b>11,363.96</b>	-
<b>Accumulated Depreciation</b>										
As at 1 <sup>st</sup> April, 2020	-	126.28	324.25	1,940.07	28.37	50.71	34.47	48.27	2,552.42	
Depreciation charge for the year	-	20.41	62.52	538.00	7.67	19.91	9.24	12.24	669.99	
Impairment	-	-	-	-	-	-	-	-	-	
Disposals	-	(1.13)	(185.61)	(929.73)	(15.38)	(8.91)	(6.07)	-	(1,146.83)	
Exchange differences	-	-	-	-	-	-	-	-	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>-</b>	<b>145.56</b>	<b>201.16</b>	<b>1,548.34</b>	<b>20.66</b>	<b>61.71</b>	<b>37.64</b>	<b>60.51</b>	<b>2,075.58</b>	-
<b>Net book value</b>										
As at 1 <sup>st</sup> April, 2020	286.28	1,729.69	1,730.03	4,689.34	51.13	88.37	60.79	27.53	8,663.15	-
<b>As at 31<sup>st</sup> March, 2021</b>	<b>286.28</b>	<b>1,706.56</b>	<b>1,695.94</b>	<b>5,404.32</b>	<b>46.29</b>	<b>61.41</b>	<b>55.08</b>	<b>32.50</b>	<b>9,288.38</b>	-

**ii) Intangible Assets**

₹ in Lakhs

Particulars	Software	Goodwill	Total	Intangible Assets under Development
<b>Gross carrying amount</b>				
Deemed cost as at 1 <sup>st</sup> April, 2020	78.35	1,465.10	1,543.45	
Additions	16.54	-	16.54	
Disposals	-	-	-	
Exchange differences	(0.85)	-	(0.85)	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>94.04</b>	<b>1,465.10</b>	<b>1,559.14</b>	-
<b>Accumulated Depreciation</b>				
As at 1 <sup>st</sup> April, 2020	53.83	-	53.83	
Depreciation charge for the year	10.84	-	10.84	
Impairment	-	-	-	
Disposals	-	-	-	
<b>As at 31<sup>st</sup> March, 2021</b>	<b>64.67</b>	<b>-</b>	<b>64.67</b>	-
<b>Net book value</b>				
As at 1 <sup>st</sup> April, 2020	24.52	1,465.10	1,489.62	3.59
<b>As at 31<sup>st</sup> March, 2021</b>	<b>29.37</b>	<b>1,465.10</b>	<b>1,494.47</b>	<b>3.59</b>

**NOTE 4. OTHER NON CURRENT ASSETS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Unsecured, Considered Good</b>		
Security deposits		207.09
Less: Provision for doubtful security deposit		(28.00)
	<b>184.99</b>	<b>179.09</b>

**NOTE 5. NON CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
<b>Investments in Equity Instruments</b>				
<b>Unquoted equity instruments</b>				
Fully Paid Equity Shares of ₹ 10/- each in Janakalyan Sahakari Bank Ltd.	3,69,250	36.92	3,69,250	36.92
Fully Paid Equity Shares of ₹ 10/- each in Saraswat Co-operative Bank Ltd.	1,000	0.10	1,000	0.10
Fully Paid Equity Shares of ₹ 25/- each in Shamrao Vitthal Co-operative Bank Ltd.	25	0.01	25	0.01
Fully Paid Equity Shares of ₹ 50/- each in Dombivali Nagari Sahakari Bank Ltd	3,000	1.50	3,000	1.50
Fully Paid Equity Shares of ₹ 10/- each in Indian Potash Ltd.	33,000	0.55	33,000	0.55
<b>Aggregate amount of unquoted Investments</b>		<b>39.08</b>		<b>39.08</b>

**NOTE 6. INVENTORIES (BASIS OF VALUATION - REFER NOTE 2.8) (AS TAKEN, VALUED AND CERTIFIED BY THE MANAGEMENT)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Raw Materials	1,575.03	992.32
Packing Materials	106.50	80.20
Work-in-Process	438.24	142.96
Finished Goods	801.06	894.95
Stores and Spares	811.43	657.76
	<b>3,732.26</b>	<b>2,768.20</b>

**Note**

Inventories of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat amounting to ₹ 3732.26 Lakhs (Previous Year - ₹ 2768.19 Lakhs) are offered as security by way of hypothecation of Raw Materials, Finished Goods, Working in process, Packing Materials, Stores, Book Debts and Receivable for working capital facility provided by Bank.

**NOTE 7. CURRENT INVESTMENTS**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of Units	₹ In Lakhs	No. of Units	₹ In Lakhs
<b>Investment in Mutual Funds **</b>				
BSL Growth Medium Term Regular	-	-	1,25,812	29.38
BSL Growth Short term Term Regular	-	-	40,589	31.76
ICICI Prudential Flexible Income Growth	-	-	8,074	31.28
ICICI Prudential Equity Arbitrage Fund -Dividend	-	-	1,81,875	24.87
IDFC ArbitrageFund Growth	-	-	1,20,279	29.68
IDFC Corpoarte Advantage Bond Fund Regulars Plan Growth	-	-	4,63,158	63.83
UTI - Treasury Advantage Institutional Plan Growth	-	-	1,122	27.58
Units Trust of India	14,080	4.14	13,657	2.60
		<b>4.14</b>		<b>240.98</b>

\*\* Investments in all mutual funds are stated at NAV at the year end and as workout at FVTOCI.

**NOTE 8. TRADE RECEIVABLES (CURRENT / UNSECURED)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Trade receivables outstanding for a period less than six Months		
Considered Good	3,229.15	2,473.96
Considered Doubtful	-	-
	3,229.15	2,473.96
Less:		
Provision for doubtful debts	-	-
	<b>3,229.15</b>	<b>2,473.96</b>

Receivables of ₹ 3185.01 Lakhs (Previous Year ₹ 2473.77 Lakhs) pertaining to Roha Unit in the State of Maharashtra and Dahej Unit in the State of Gujarat are hypothecated as security for working capital facility provided by the Bank.

Before accepting any new customer, the Company has appropriate levels of control procedures which ensure the potential customer's credit quality.

Generally, the Company supplies as per the order received from its customers. The average Credit period on sale is 30-90 days.

**NOTE 9. CASH AND CASH EQUIVALENTS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Bank Balances in Current Accounts	389.95	828.67
Cash on hand	2.11	2.82
	<b>392.06</b>	<b>831.50</b>

**NOTE 10. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Unpaid Dividend Account	57.04	18.61
Margin Money Deposit Account	47.57	81.84
	<b>104.61</b>	<b>100.45</b>

Margin money deposit has been given to various Banks for issuance of Bank Guarantee's.

**NOTE 11. OTHER CURRENT FINANCIAL ASSETS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Fixed Deposit with bank more than 12 months		122.22		71.97
		<b>122.22</b>		<b>71.97</b>

**NOTE 12. CURRENT TAX ASSETS (NET)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Income tax (Net of Provision for Taxation)		(114.09)		150.25
MAT Credit Entitlement		2,381.92		1,919.93
		<b>2,267.83</b>		<b>2,070.18</b>

MAT Credit Entitlement of ₹ 462.00 Lakhs recognized in the Current Year as the Management is confident of payment of Normal Tax in the foreseeable future.

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March, 2021**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Accounting Profit before Income tax		3,404.21		2,585.21
At India's statutory income tax rate of 29.12% for FY 2020-21 & 29.12% for FY 2019-20		991.31		752.81
Adjustments in respect of current income tax w.r.t. MAT tax rate and Normal tax rate		(844.96)		(1,313.90)
Current tax- MAT		146.35		(561.09)
At the effective income tax rate		4.30		(21.70%)

The Company fall under the provisions of MAT u/s 115 JB and the applicable Indian Statutory Tax Rate for the year ended 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

**NOTE 13. OTHER CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
Balances with Excise, Sales Tax, Customs & other Government bodies		787.08		485.25
Pre-paid Expense		146.03		120.82
Others advances		13.02		15.48
Others*		716.13		761.43
		<b>1,662.26</b>		<b>1,382.98</b>

\*Others include ₹ 500.00 lakhs receivable in respect of sale of Land at Ambarnath in earlier years by erstwhile Borax Morarji Ltd. The Company is pursuing the matter for obtaining the necessary approval from the Government of Maharashtra, on receipt of which the Conveyance deed will be executed and registered in due course.

\*Others include ₹ 156.48 lakhs paid as Pre-deposit Demand of Differential Duty by CESTAT for the Appeal against the Order of Commissioner (Appeals), Mumbai of Customs. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. (Refer Note. 32)

**NOTE 14. EQUITY SHARE CAPITAL**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
<b>Authorized Share Capital</b>				
Equity Shares of ₹ 10/- each	4,00,00,000	4,000.00	4,00,00,000	4,000.00
	<b>4,00,00,000</b>	<b>4,000.00</b>	<b>4,00,00,000</b>	<b>4,000.00</b>
<b>Shares issued, subscribed and fully Paid up</b>				
Equity Shares of ₹ 10/- each	2,49,39,933	2,493.99	2,49,39,933	2,493.99
	<b>2,49,39,933</b>	<b>2,493.99</b>	<b>2,49,39,933</b>	<b>2,493.99</b>

**Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	No. of shares	₹ In Lakhs	No. of shares	₹ In Lakhs
<b>Equity Shares :</b>				
Equity Shares at the beginning of the year	2,49,39,933	2,493.99	2,49,39,933	2,493.99
Add: Shares Issued during the year	-	-	-	-
Add: Shares Issued during the year pursuant to the scheme of Armalgamation	-	-	-	-
<b>Equity Shares at the end of the year</b>	<b>2,49,39,933</b>	<b>2,493.99</b>	<b>2,49,39,933</b>	<b>2,493.99</b>

**Terms and Rights attached to Equity Shares**

The Company is having only one class of Equity shares having a nominal value of ₹ 10/- per share.

Every holder of the equity share of the Company is entitled to one vote per share held

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

**Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Numbers	% held	Numbers	% held
Shri Laxmikumar Narottam Goculdas	88,61,044	35.53%	88,61,044	35.53%

**NOTE 15. OTHER EQUITY**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
i. Security Premium Reserves	1,714.81	1,714.81
ii. Other Reserves	66.59	66.59
iii. Foreign Currency Translation Reserves	6.35	5.07
iv. Retained Earnings	12,973.22	10,095.94
v. Other Comprehensive Income	62.75	111.92
	<b>14,823.62</b>	<b>11,994.33</b>

**i. Security Premium Reserves**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	1,714.81	1,714.81
Add: Premium on shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>1,714.81</b>	<b>1,714.81</b>

Securities premium reserve is used to record the premium on issue of shares. The reserve is eligible for utilisation in accordance with the provision of the Company Act 2013.

**ii. Other Reserve**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	66.59	66.59
Add: Premium on shares issued during the year	-	-
<b>Balance at the end of the year</b>	<b>66.59</b>	<b>66.59</b>

Other reserve represents Capital subsidy received from various state Government

**iii. Foreign Currency Translation Reserve**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	5.07	2.25
Add: Addition during the year	1.28	2.82
<b>Balance at the end of the year</b>	<b>6.35</b>	<b>5.07</b>

**iv. Retained Earnings**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	10,095.94	7,243.83
Add: Profit for the year	3,257.86	3,146.29
Less: Equity Dividend Paid (Including DDT of previous year)	(380.58)	(294.18)
<b>Balance at the end of the year</b>	<b>12,973.22</b>	<b>10,095.94</b>

Retained earnings are used from time to time to transfer profits from retained earnings for appropriation purposes. The amount that can be distributed by the Company as dividend to its equity shareholders is determined as per the provision of the Companies Act, 2013 and the dividend distribution policy of the Company.

## v. Other Comprehensive Income

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Balance at the beginning of the year	111.92	56.94
OCI for the year	(49.18)	54.98
<b>Balance at the end of the year</b>	<b>62.75</b>	<b>111.92</b>

OCI represents the cumulative gains and losses arising on the revaluation of financial assets and liabilities measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

## NOTE 16. LONG TERM BORROWINGS

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Term Loan</b>		
<b>From Bank</b>		
<b>(a) Secured</b>		
(i) Car Loan from Financial Institutions	5.72	16.14
(ii) Project Loan from Bank	1,401.70	985.25
(iii) Mortgage Loan from Bank	222.48	438.48
	<b>1,629.90</b>	<b>1,439.86</b>
<b>From Other Parties (Unsecured)</b>		
<b>(b) Unsecured</b>		
Deferred Liabilities-Interest Free Sales Tax Loan from MEDA **	5.05	13.90
Fixed Deposits	-	-
	<b>5.05</b>	<b>13.90</b>
<b>2,80,000 Redeemable Preference Shares of ₹ 100/-each ***</b>	<b>280.00</b>	<b>280.00</b>
<b>Total Long Term Borrowings</b>	<b>1,914.95</b>	<b>1,733.76</b>
<b>Long Term Lease Liabilities</b>	<b>43.90</b>	<b>-</b>

## (a) (i) Car Loan from a bank / Financial Institutions

Loans against vehicles are for a period of three to five years and repayable by way of equated monthly installment, Interest rate ranges from 9.50% to 0%. Secured against hypothecation of Vehicles.

Out of total outstanding Car loan as on 31<sup>st</sup> March, 2021 of ₹ 16.77 Lakhs (Previous Year: ₹ 27.19 lakhs), amount due in next twelve months is ₹ 11.05 Lakhs (Previous Year: ₹ 11.05 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. 21 (1) (ii) ). The balance Term Loan of ₹ 5.72 Lakhs (Previous Year: ₹ 16.14 Lakhs) is shown above as Car loan from Bank / Non-Banking Financial Institution.

## (a) (ii) Project Loan from bank

Sanctioned Term Loan - ₹ 580.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 267.71 Lakhs. Repayable in 57 EMI's commencing from 27.07.2018. Rate of interest is 10.25%. 21 EMIs have been paid in time, up to 31<sup>st</sup> March, 2021 and 24 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Sanctioned Term Loan - ₹ 1500.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 1275.00 Lakhs. Repayable in 60 EMI's commencing from 15.07.2020. Rate of interest is 10.25%. 51 EMIs are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Dahej.

Sanctioned Term Loan - ₹ 420.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 36.04 Lakhs. Repayable in 60 EMI's commencing from 31.01.2021. Rate of interest is 9.85%. 60 EMI's are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Dahej.

Sanctioned Term Loan - ₹ 1175.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 273.57 Lakhs. Repayable in 60 EMI's commencing from 31.01.2021. Rate of interest is 9.85%. 60 EMI's are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Dahej.

Out of total outstanding term loan as on 31<sup>st</sup> March, 2021 of ₹ 1,852.32 Lakhs (PY: ₹ 1,383.24 Lakhs), amount due in next twelve months is ₹ 450.62 Lakhs (PY: ₹ 397.99 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. 21 (1)(iii)).The balance Term Loan of ₹ 1,401.70 Lakhs (PY: ₹ 985.25 Lakhs) is shown as Project Loan.

## (a) (iii) Mortgage Term Loan from Bank:

Sanctioned Term Loan - ₹ 1100.00 Lakhs. Current Outstanding as on 31<sup>st</sup> March, 2021 is ₹ 504.57 Lakhs. Repayable in 57 EMI's commencing from 27.07.2018. Rate of interest is 10.25%. 33 EMIs have been paid in time, up to 31<sup>st</sup> March, 2021 and 24 are remaining to be paid as on that date.

Secured against mortgage of all the fixed assets of the Company, both present and future, situated at Roha.

Out of total outstanding mortgage loan as on 31<sup>st</sup> March 2021 of ₹ 504.57 Lakhs (PY: ₹ 720.56 Lakhs), amount due in next twelve months is ₹ 282.09 Lakhs (PY: ₹ 282.08 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No.21 (1)(v) ) The balance Term Loan of ₹ 222.48 Lakhs (PY: ₹ 438.48 Lakhs) is shown as Mortgage Term Loan from Bank as above.

**\*\*Interest free Sales Tax Loan from MEDA**

Interest free Sales Tax Loan from MEDA is repayable in 30 equal installment starting from May 2010 and ending May 2023

Out of total outstanding Interest free Sales Tax Loan as on 31<sup>st</sup> March 2021 of ₹ 16.30 Lakhs (PY: ₹ 34.32 Lakhs), amount due in next twelve months is ₹ 11.25 Lakhs (PY: ₹ 20.42 Lakhs), which is shown as 'Current maturities of Long Term Debts' under 'Other Current Liabilities'(See Note No. 21 (I) (vi) ) The balance Term Loan of ₹ 5.05 Lakhs (PY: ₹ 13.90 Lakhs) is shown as Interest free Sales Tax Loan as above.

**\*\*\*Non- Convertible Preference Shares**

Long Term Borrowing includes 280000, 2.5% Cumulative redeemable non-convertible Preference Shares of ₹ 100/- each aggregating to ₹ 280 Lakhs which has been classified as Financial Liabilities as per requirements of Ind As 32 "Financial instrument presentation". These Preference Shares were repayable in 16 equal yearly installment of ₹ 17.50 lakhs each commencing from 1<sup>st</sup> April 2012. However, Company had approached and requested the Preference share holder for further extension of time for the redemption of the said Preference Shares. Preference share holder has agreed for further extension of time for the redemption of the said Preference shares any time upto 31<sup>st</sup> March 2022.

The Company has Authorised to issue 20,00,000 Cumulative redeemable Preference shares of ₹ 100/- each (payable at par) out of which the Company has issued 2,80,000, 2.5% Cumulative redeemable non-convertible Preference Shares of ₹ 100/- each fully paid up.

The Dividend as when declared by the Company shall be paid to the shareholder on the record date, which Board may fix from time to time. If in any year, the company has not declared any dividend on the said Preference shares, the right to the dividend shall be accumulated and the accumulated dividend will be paid out of the profits, if any, of the subsequent financial years.

**NOTE 17. LONG TERM PROVISIONS**

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	113.45	170.13
Provision for Leave benefit	74.08	80.34
	<b>187.53</b>	<b>250.48</b>

**NOTE 18. OTHER NON-CURRENT LIABILITIES**

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Security Deposits from distributors and others	26.51	26.51
(ii) Security Deposits received against Royalty	12.00	11.32
	<b>38.51</b>	<b>37.83</b>

**NOTE 19. SHORT TERM BORROWINGS**

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>From Banks</b>		
Secured		
Cash Credit from Bank	790.25	46.57
	790.25	46.57
	<b>790.25</b>	<b>46.57</b>
Short Term Lease Liabilities	3.93	-

Bank has sanctioned Working Capital facility against hypothecation of all Current Assets, present and future. Inventories and Receivables of Roha Unit in the state of Maharashtra and Dahej Unit in the state of Gujarat are offered as security and Mortgage of Office Premises of the Company situated at Mumbai.

**NOTE 20. TRADE PAYABLES**

Particulars	₹ in Lakhs	
	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Outstanding due to Micro and Small Enterprise (Refer Note 20.2)	19.33	77.00
(ii) Trade Payable other than Micro and Small Enterprise	2,268.40	1,087.96
(iii) Bills Payable	619.89	509.86
	<b>2,907.62</b>	<b>1,674.81</b>

20.1 Payment towards trade is made as per the terms and condition of the contract/purchase order. Average Credit period is 30-90 days

20.2 Information as required to be furnished under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2021 is given below. The information has been determined to the extent such parties have been identified by the Company on the basis of the information available with the Company and the Auditors have relied on the same.

The disclosure pursuant to MSMED Act is as under: -

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Principal amount due and remaining unpaid	19.33	77.00
(ii) Interest due on above and the unpaid interest	1.45	0.20
(iii) Interest paid in terms of Section 16 of the MSMED Act	-	-
(iv) Amount of payments made to supplier beyond the appointed day	-	-
(v) Amount of interest due and payable for the period of delay on payment made beyond the appointed day during the year without adding interest specified under MSMED Act	-	-
(vi) Amount of Interest accrued and remaining unpaid	1.45	0.20
(vii) Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under Section 23 of the MSMED Act	-	-

#### NOTE 21. OTHER FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
1 Current maturities of long-term debt		
(i) Current maturities of Long Term Debts (Car Loan)	11.05	11.05
(ii) Current maturities of Long Term Debts (Project Loan)	450.62	397.99
(iii) Current maturities of Mortgage Loan	282.09	282.09
(iv) Current maturities of Interest free Sales Tax Loan from MEDA	11.25	20.42
	<b>755.01</b>	<b>711.55</b>
2 Unpaid Dividend (Amount Transferable to Investor Education & Protection Fund when due)	56.86	11.95
3 Unpaid Matured Fixed Deposits (Unclaimed)	0.51	0.81
	<b>812.38</b>	<b>724.32</b>
4 Dividend payable on preference shares	-	4.94
5 Others Payable		
Trade Deposit	92.51	93.49
Advance received from customers	98.25	82.82
Advance received against sale of Asset	-	668.00
Others	1,831.73	961.18
	2,022.49	1,805.49
	<b>2,834.87</b>	<b>2,534.75</b>

\* During the year Company has repaid the Current maturities of Working Capital Term Loan and Property Loan.

#### NOTE 22. OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Statutory dues payable	48.04	114.04
Due to Employee	243.61	260.54
	<b>291.65</b>	<b>374.58</b>

#### NOTE 23. PROVISIONS (CURRENT)

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	31.85	40.32
Provision for Leave benefits	6.94	6.57
	<b>38.79</b>	<b>46.90</b>

#### NOTE 24. REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Revenue from Contracts with Customers</b>		
<b>Sale of Chemical Products</b>	<b>19,639.15</b>	<b>18,556.66</b>
<b>Other Operating Revenues</b>		
- Royalty	93.08	63.25
- Export Incentives	256.53	108.20
- Wind Mills	26.05	38.29
	<b>375.66</b>	<b>209.74</b>
	<b>20,014.81</b>	<b>18,766.40</b>

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Revenue from Contracts with Customers</b>		
<b>1. Disaggregated revenue information</b>		
Set out below is the disaggregation of the Company's revenue from contract with Customers:		
<b>Segment</b>		
Chemicals	19,639.15	18,485.95
Traded sales	-	70.71
	<b>19,639.15</b>	<b>18,556.66</b>
<b>Geographical</b>		
India	13,333.98	14,062.76
Outside India	6,305.17	4,493.90
	<b>19,639.15</b>	<b>18,556.66</b>
<b>Timing of Revenue Recognition</b>		
Goods transferred at a point in time	19,639.15	18,556.66
<b>2. Contract Balances</b>		
The following table provides information about receivables, contract assets and contract liabilities from contracts with customers		
Trade Receivables	3,185.01	2,473.77
<b>Contract Liabilities</b>		
Advances from Customers	98.25	82.82
<b>3. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	20,203.55	19,310.76
Adjustments	-	-
Significant financing component	-	-
Sales return	154.50	205.63
Rebate	-	-
Discount	409.90	548.47
<b>Revenue from contract with customers</b>	<b>19,639.15</b>	<b>18,556.66</b>
<b>4. The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at 31<sup>st</sup> March, 2021:</b>		
Advances from customers	98.25	82.82

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

**NOTE 25. OTHER INCOME**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Interest Income	30.90	10.10
Dividend Income	3.53	2.00
Other non-operating income	639.30	105.17
Sundry Balances Written Back	104.09	505.92
	<b>777.82</b>	<b>623.19</b>

**NOTE 26. COST OF MATERIAL CONSUMED**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Consumption of Raw Materials	9,203.09	9,124.25
Consumption of packing materials	345.50	305.90
	<b>9,548.59</b>	<b>9,430.15</b>

**NOTE 27. PURCHASE OF STOCK IN TRADE**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Purchased of Goods Traded	-	-
	-	-

**NOTE 28. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND TRADE GOODS (AS CERTIFIED BY THE MANAGEMENT)**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Inventory at the beginning of the year</b>		
Work in Process	143.03	96.60
Finished Goods	894.95	762.97
Traded Goods	-	-
	<b>1,037.98</b>	<b>859.57</b>
<b>Inventory at the end of the year</b>		
Work in Process	438.24	143.03
Finished Goods	801.06	894.95
Traded Goods	-	-
	<b>1,239.30</b>	<b>1,037.98</b>
	<b>(201.31)</b>	<b>(178.41)</b>

**NOTE 29. EMPLOYEE BENEFITS EXPENSE**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Salaries and Wages (Net after Repairs)(*)	1,383.67	1,341.64
Contribution to Provident Fund	86.37	81.60
Contribution to Other Funds (Gratuity, Superannuation, etc)	45.37	112.74
Staff Welfare Expenses	135.84	130.91
	<b>1,651.26</b>	<b>1,666.89</b>
(*) Salaries & Wages allocated to Repairs etc.	61.40	56.12

**NOTE 30. FINANCE COST**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Finance Cost</b>		
Interest Paid to Banks	213.35	126.40
Interest paid to Others	19.64	68.29
Dividend on Preference Shares (Including Dividend Distribution Tax)	7.00	8.44
<b>Total</b>	<b>239.99</b>	<b>203.12</b>

**NOTE 31. OTHER EXPENSES**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Power, Fuel and Water	1,398.80	1,364.86
Repairs to buildings	17.62	17.63
Repairs to machinery	1,325.92	1,065.09
Insurance	102.11	95.10
Rates and taxes	66.39	128.64
Commission to Non Whole Time Directors	28.07	48.52
Internal handling, Freight and carriage outward	930.90	655.66
Net loss/(gain) on foreign currency transactions	50.38	44.47
<b>Auditors' Remuneration</b>		
Audit fees	9.00	8.00
For other services	4.00	4.30
Reimbursement of out of pocket expenses	0.37	0.37
	<b>13.37</b>	<b>12.67</b>
Sundry Balances Written Back	(2.68)	-
Written Down Value Assets Scrapped/Loss on Sale of Fixed Assets/ Investments	-	0.40
Expenditure on Corporate Social Responsibility initiatives	61.39	56.25
Miscellaneous expenses *	1,474.69	1,576.93
	<b>5,466.96</b>	<b>5,066.21</b>

\*None of the item individually accounts for more than ₹ 10,00,000/- or 1% of revenue whichever is higher.

**NOTE 32. CONTINGENT LIABILITIES**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>A Contingent Liabilities</b>		
(i) Outstanding claims in respect of Excise Duty, etc.	1554.60	1571.20
(ii) Guarantees issued by banks	17.19	34.19
(iii) Claims against Group not acknowledged as debts	34.77	34.77

The Group has reviewed all its pending litigations & proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable. The Group does not expect the outcome of these proceedings to materially adverse effect.

The Group has received Differential Duty demand of ₹ 14.33 Crores (on Import of crude/un-refined Sulphur during the period 2004-2005 to 2008-2009, provisionally assessed then), at concessional rate of Basic Customs Duty in term of Entry at Sr. No. 60 of Notification No. 21/2002- Cus dated 01.03.2002 which granted concessional rate of basic customs duty on the import of "Crude or unrefined Sulphur" falling under Chapter Sub-heading No. 2503 00 of Customs Tariff). The Group has now filed Appeal before CESTAT being Appeal No. C/89904/2018 – DB dated 2<sup>nd</sup> January 2019 (against the Order dated 07.02.2018 of the Commissioner (Appeals), Mumbai) and deposited an amount of ₹ 1.43 Crores (being the 10% of the alleged demand of differential duty of ₹ 14.33 Crores), as a condition precedent for the Appeal before the CESTAT. The Appeal is pending at CESTAT, Mumbai, and will come up for hearing in course of time. Based on the legal advice the Group is confident to successfully succeed in the appeal.

The Group had imported Rock Phosphate (for the manufacture of Fertilizer viz. Single Superphosphate) and the Bill of Entry for the consignments of Rock Phosphate imported during the period 2005-2006 to 2007-2008, were provisionally assessed and goods were allowed to be cleared with "Nil" Special additional Duty (SAD for short) falling under Chapter heading, Sub-heading or tariff item "31 or any other chapter" of the first Schedule of Customs Tariff. Subsequently, the Department raised an alleged demand of ₹ 1.21 crores on account of the enhancement of declared value (Invoice value on which duty was assessed provisionally) and denial of 'Nil' (SAD) under Notification- 20/2006-Cus dated 1.3.2006 on the alleged ground that the Group had allegedly failed to submit the relevant documents which could prove that the imported Rock Phosphate was used for the manufacturing of "fertilizer". The Group has now filed Appeal before CESTAT being Appeal No. C/89910/2018 – DB dated 2<sup>nd</sup> January 2019 ( against the Order dated 07.02.2018 of the Commissioner (Appeals),Mumbai.)and deposited an amount of ₹ 12.16 Lakhs being the 10% of the alleged demand of ₹ 1.21 Crores. The Appeal is pending at CESTAT, Mumbai and will come up for hearing in course of time. Based on the legal advice the Group is confident to successfully succeed in the appeal.

**NOTE 33. COMMITMENTS**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
(i) Estimated Amount of Contracts remaining to be executed on Capital Account & not provided for (Net of Advances)	4233.99	854.27

**NOTE 34.** In view of the "Unabsorbed Depreciation" & "Unabsorbed Business Losses" accruing from the past years, there is no normal tax payable in the year ended 31<sup>st</sup> March, 2021 and for the year ended 31<sup>st</sup> March, 2020. In view of book profit in the current year in terms of Section 115JB of the Income Tax Act, 1961, provision has been made for ₹ 600.40 Lakhs towards Minimum Alternate Tax(MAT) during the year ended 31<sup>st</sup> March, 2021. (Previous year ₹ 452.50 Lakhs)

**NOTE 35. LEASES**

The Company as lessee, has long term lease contract for one of its Office premises . Lease of Office generally has lease terms of 4 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are no major lease contracts that include extension and termination options and variable lease payments.

**Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:**

₹ in Lakhs

Particulars	Leasehold Office
As at 01-4-2020	-
Additions	48.72
Depreciation Expenses	0.99
Termination	-
As at 31-3-2021	47.72

**Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:**

₹ in Lakhs

Particulars	Leasehold Office
As at 01-4-2020	-
Additions	48.72
Accretion of Interest	-
Payments	0.89
Termination	-
As at 31-3-2021	47.83

**The following are the amounts recognised in profit or loss**

₹ in Lakhs

Particulars	As at 31-03-2021
Depreciation expense of right-of-use assets	0.99
Interest expense on lease liabilities	-
Expense relating to short-term leases and low value leases (included in other expenses)	-
Total amount recognised in profit or loss	0.99

The Group had total cash outflows for leases of ₹ 31.87 Lakhs in March 31, 2021 (₹ 25.14 Lakhs in March 31, 2020). There are no noncash additions to right-of-use assets and lease liabilities.

**NOTE 36.** There is only one reportable segment i.e chemicals business of the Group.

**NOTE 37. CORPORATE SOCIAL RESPONSIBILITY**

As per section 135 of the Companies Act, 2013, a Group meeting the applicability threshold needs to spend at least 2% of its average net profits for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The Group has constituted a Corporate Social Responsibility (CSR) Committee. The Group has specified the projects in education field, promoting preventive healthcare and sanitation. Modalities of utilisation of funds on the specified project and monitoring and reporting mechanism has been defined.

The Group have spent an amount of ₹ 61.39 Lakhs (Previous year ₹ 56,25 Lakhs) towards several CSR activities.

**NOTE 38. EARNING PER SHARE:**

EPS amount are calculated by dividing the profit for the year attributed to Equity holders of the parents by weighted average number of Equity shares outstanding during the year.

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
Profit attributable to Equity share holder of the Group		
Weighted Average Number of Equity Shares	3,257.86	3,146.30
Earning per Equity Shares (Basic & Diluted)	2,49,39,933	2,49,39,933
	<b>13.06</b>	<b>12.63</b>

**NOTE 39. 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, through three layers of defense namely policies and procedures, review mechanism and assurance aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Audit committee of the Board with top management oversee the formulation and implementation of the Risk management policies. The risks are identified at business unit level and mitigation plan are identified, deliberated and reviewed at appropriate forums.

**A Financial risk management**

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

- credit risk (see (i));
- liquidity risk (see (ii)); and
- market risk (see (iii)).

**i. Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, loans and investments. The carrying amount of financial assets represents the maximum credit risk exposure.

**Trade receivables**

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

**Expected credit loss for trade receivables:**

The Group based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss and accordingly provision is made for the doubtful debts.

**Expected credit loss on financial assets other than trade receivables:**

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets.

**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 Group's finance and accounts department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

**iii. Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency of the Group. The currencies in which the Group is exposed to risk are generally USD and EUR. The Group follows a natural hedge driven currency risk mitigation policy to the extent possible. Any residual risk is evaluated and appropriate risk mitigating steps are taken, including but not limited to, entering into forward contract.

**Exposure to currency risk - Unhedged**

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020		
	Currency		₹ in Lakhs	Currency		₹ in Lakhs
Trade Receivables	USD	12,07,417	887.45	USD	7,54,732	568.99
	EURO	4,06,459	349.96	EURO	1,73,212	143.85
			1237.41			712.84
Hedged Position	USD	-	0.00		(50,000)	(37.70)
			1237.41			675.15
Trade Payable	USD	5,86,992	(436.73)	USD	(28,720)	(21.65)
<b>Net Exposure to Currency Risk</b>			<b>800.68</b>			<b>653.50</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the USD and EUR against all other currencies at 31 March would have affected the measurement of financial exposure denominated in a foreign currency 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 on forecast sales and purchases.

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021		As at 31 <sup>st</sup> March, 2020	
	Profit or Loss		Profit or Loss	
	Stengthing	Weakening	Stengthing	Weakening
USD 1% Movement	4.51	(4.51)	5.47	(5.47)
EURO 1% Movement	3.50	(3.50)	1.44	(1.44)

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Group are principally denominated in rupees of fixed rates of interest. The Group has exposure to interest rate risk, arising principally on changes in base lending rate.

In order to optimize the Group's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

**(i) The exposure of borrowings to interest rate changes at the end of reporting period are as follows:**

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
Fixed rate borrowings	3,443.90	2,457.57
Interest Swap	772.27	1,103.80
<b>Net Exposure after Swap</b>	<b>2,671.63</b>	<b>1,353.77</b>

₹ in Lakhs

Particulars	As at 31 <sup>st</sup> March, 2021			As at 31 <sup>st</sup> March, 2020		
	Weighted average interest rate (%)	Balance	% of total loans	Weighted average interest rate (%)	Balance	% of total loans
Term Loans	10.25%	2,356.88	68.44%	10.25%	2,103.80	85.60%
Loans repayable on demand *	4.13%	1,087.02	31.56%	7.50%	353.76	14.39%
<b>Net exposure to cash flow interest rate risk</b>		<b>3,443.90</b>			<b>2,457.56</b>	

\*Loans repayable on demand include Car Loan and PCFC loan

(iii) Sensitivity

Profit/loss is not sensitive to higher/lower interest expense from borrowings as the interest rates are fixed.

**B Capital management**

For the purpose of Group's Capital Management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's Capital Management is to maximise the share holder value.

The Group manages its capital structure and make adjustment in light of changes in economic conditions and requirements covenants.

**NOTE 40. OTHER ADDITIONAL INFORMATION :****(i) VALUE OF RAW MATERIALS AND BOUGHTOUTS, STORES, SPARES AND COMPONENTS CONSUMED**

Particulars	Year Ended			
	31 <sup>st</sup> March, 2021		31 <sup>st</sup> March, 2020	
	₹ in Lakhs	%	₹ in Lakhs	%
<b>Raw Materials and Boughtouts:</b>				
Imported	1988.17	19.66	1957.60	20.76
Indigenous	8127.10	80.34	7472.27	79.24
	<b>10115.27</b>	<b>100.00</b>	<b>9429.87</b>	<b>100.00</b>

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Stores, Spares and Components:</b>		
Indigenous	990.52	1321.53
<b>(ii) VALUE OF IMPORTS CALCULATED ON CIF BASIS :</b>		
Raw Materials & Boughtouts	1567.82	1481.35
<b>(iii) EXPENDITURE IN FOREIGN CURRENCY ON ACCOUNT OF :</b>		
Foreign tours, Subscription, depot & exhibition expenses etc.	306.13	245.13
<b>(iv) EARNINGS IN FOREIGN CURRENCY IN RESPECT OF :</b>		
Export of goods calculated on FOB basis	6103.54	4471.80

**NOTE 41. SEGMENT REPORTING :-****a) Primary Business Segment :**

The Group is engaged in manufacture of Chemicals. As the Group is engaged only in one business segment.

**b) Secondary Geographical Segment**

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>Sales Turnover :-</b>		
i) In India	13,340.12	14,062.76
ii) Outside India	6,299.03	4,493.90
<b>Total</b>	<b>19,639.15</b>	<b>18,556.65</b>

**NOTE 42. RELATED PARTIES DISCLOSURES :**

Names of related parties	Nature of Relationship
(i) Shri L.N.Goculdas	Promoter and Chairman (holding more than 20% of the voting power of the Group)
(ii) The Natural Gas Co.Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(iii) L.P.Gas Equipment Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(iv) L.P.Gas Transport & Bottling Co. Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(v) Phoenix Distributors Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(vi) Jasraj Trading Co.	Enterprises under the Control of Promoter and Key Managerial persons
(vii) Kosan Industries Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(viii) Bombay Foods Pvt.Ltd.	Enterprises under the Control of Promoter and Key Managerial persons
(ix) Falcon Chemicals LLC, Dubai	Enterprises under the Control of Promoter and Key Managerial persons
(x) Mitika L. Goculdas	Daughter of Promoter and Chairman
(xi) Shri B.L.Goculdas	Key Management Person - Managing Director and Chief Executive Officer
(xii) Shri D.T.Gokhale	Key Management Person - Executive Vice President & Company Secretary
(xiii) Shri Chirag Shah	Key Management Person - Chief Finance Officer

₹ in Lakhs

Particulars	For the Year ended 31 <sup>st</sup> March, 2021	For the Year ended 31 <sup>st</sup> March, 2020
<b>A Transaction with Promoters holding more than 20% of the voting power</b>		
Sitting Fees for attending Board and Committee meetings -Shri L. N. Goculdas	2.25	2.25
Commission paid to Shri L.N. Goculdas	9.35	16.68
Interest paid to Promoter- Shri. L.N.Goculdas	-	15.55
Repayment of Loan to Promoter - Shri L.N.Goculdas	-	345.47
<b>B Sitting Fees for attending Borad Meeting to Mitika L. Goculdas</b>	<b>1.75</b>	<b>1.50</b>
Commission paid to Mitika L Goculadas	3.12	5.39
<b>(ii) Sale of Goods/Services Rendered by the Group</b>		
Falcon Chemicals LLC, Dubai	1.61	82.36
Borax Morarji (Europe) GMBH	160.47	53.23
<b>(III) Closing balance of Falcon Chemical LLC, Dubai included in Current Assets of the Group</b>	<b>-</b>	<b>30.10</b>
<b>Closing balance of Borax Morarji (Europe) GMBH included in Current Assets of the Group</b>	<b>41.86</b>	<b>-</b>
<b>D Transactions relating to Key Management Personnel</b>		
<b>(i) Remuneration</b>		
B. L. Goculdas	118.88	141.41
D. T. Gokhale	35.44	36.54
Chirag . J. Shah	34.44	34.45
	<b>188.76</b>	<b>212.40</b>
<b>(ii) Perquisites and Other Benefits</b>		
B. L. Goculdas	25.95	28.47
D. T. Gokhale	0.91	0.72
Chirag . J. Shah	0.32	0.09
	<b>27.18</b>	<b>29.28</b>
	<b>215.94</b>	<b>241.68</b>

Related party relationships are as identified by the Group and relied upon by the Auditors.

#### NOTE 43. EMPLOYEE BENEFITS :

The Group has made provision for following benefit plans as per Accounting Standard 15 (Revised 2005) " Employee Benefits". Defined Benefit Plans / Long Term Compensated Absences: As per Actuarial Valuation as on 31.03.2021, the required data is as follows:

#### I Continuing Employees :

₹ in Lakhs

Particulars	Apr 20 / Mar 21		Apr 19 / Mar 20	
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
<b>A Expense recognised in the statement of Profit &amp; Loss Account for period ended 31<sup>st</sup> March 2021</b>				
1. Current Service Cost	16.94	6.45	13.59	3.60
2. Interest Cost	13.63	2.04	13.29	1.75
3. Past Service Cost (vested benefits)	0.00	0.00	-	-
3. Expected Return on plan assets	0.00	0.00	-	-
4. Actuarial (Gain) / Losses	(21.85)	15.01	30.87	15.01
5. Total Expenses	8.72	23.50	57.75	20.36
<b>B Net Assets/(Liability) recognised in the Balance Sheet as at 31/03/2021</b>				
1. Present value of Defined Benefit Obligation as at 31 <sup>st</sup> March 2021	220.36	34.86	236.43	32.48
2. Fair Value of plan assets as at 31 <sup>st</sup> March 2021	14.61	0.00	12.83	0
3. Funded Status [(Surplus)/(Defecit)]	(205.75)	(34.86)	(223.60)	(32.48)
4. Net asset / (Liability) as at 31 <sup>st</sup> March 2021	(205.75)	(34.86)	(223.60)	(32.48)
<b>C Change in Obligation during the period ended 31<sup>st</sup> March 2021</b>				
1. Present value of Defined Benefit Obligation at the beginning of the year	236.43	32.48	196.58	27.00
2. Current Service Cost	16.94	6.45	13.59	3.60
3. Interest Cost	13.63	2.04	13.29	1.57
4. Settlement Cost	0.00	0.00	0.00	0.00
5. Past Service Cost - (Vested Benefits)	0.00	0.00	0.00	0.00
6. Employee Contribution /transfer	0.00	0.00	0.00	0.00
5. Actuarial (Gain) / Losses	(21.85)	0.82	30.87	15.01
6. Benefits Payments	(24.79)	(6.93)	(17.90)	(14.68)
7. Present value of Defined Benefit Obligation at the end of the year	220.36	34.86	236.43	32.48

₹ in Lakhs

Particulars	Apr 20 / Mar 21		Apr 19 / Mar 20	
	GRATUITY	LEAVE ENCASHMENT	GRATUITY	LEAVE ENCASHMENT
<b>D Change in Assets During the period ended 31<sup>st</sup> March 2021</b>				
1. Plan assets at the beginning of the year	12.83	0.00	12.83	0.00
2. Settlements	0.00	0.00	0.00	0.00
3. Expected return on plan assets	0.45	0.00	0.00	0.00
4. Contributions by employers	14.63	0.00	0.00	0.00
5. Actual benefits paid	(12.85)	0.00	0.00	0.00
6. Actuarial (Gain / (Losses))	(0.45)	0.00	0.00	0.00
7. Plan assets at the end of the year	14.61	0.00	12.83	0.00
<b>E Actuarial Assumptions :</b>				
1. Discount Rate	0.08	0.08	0.08	0.08
2. Mortality Rate	IALM2008	IALM2008	IALM2008	IALM2008
<b>II For Ex-employees</b>	<b>0</b>	<b>0</b>	<b>36.44</b>	<b>0.00</b>

**NOTE 44.** Figures in respect of the previous year have been regrouped / rearranged wherever necessary.

**NOTE 45. GROUP INFORMATION**

The Consolidated financial statement of the group includes subsidiary is mentioned below:

Sr. No.	Name of the Entity	Country of incorporation	Nature	Ownership interest held by the group	Year Ended	Net Assets, i.e. Total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive Income	
						As % of Consolidated Net Assets	Amount (₹ in Lakhs)	As % of Consolidated Profit or Loss	Amount (₹ in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakhs)	As % of Consolidated total Comprehensive Income	Amount (₹ in Lakhs)
i)	The Dharamsi Morarji Chemical Company Ltd	India	Parent Company		31 <sup>st</sup> March 2021	99.83%	17,288.27	100.00%	3,256.08	100.00%	(49.18)	99.94%	3,206.90
					31 <sup>st</sup> March 2020	99.82%	14,461.95	100.00%	3,149.30	100.00%	54.98	100.09%	3,204.29
ii)	Foreign Subsidiaries having No minority interest												
	Borax Morarji Europe GmbH	Germany	Wholly Owned Subsidiary	100%	31 <sup>st</sup> March 2021	0.17%	30.22	0.05%	1.78	-	-	0.06%	1.78
					31 <sup>st</sup> March 2020	0.18%	26.39	(0.10%)	(3.00)	-	-	(0.09%)	(3.00)
	<b>Total</b>												
					31 <sup>st</sup> March 2021	100%	17,318.49	100%	3,257.86	100%	(49.18)	100%	3,208.68
	<b>Total</b>												
					31 <sup>st</sup> March 2020	100%	14,488.34	100%	3,146.30	100%	54.98	100%	3,201.29



## THE DHARAMSI MORARJI CHEMICAL CO. LTD.

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