ORIENTAL CARBON & CHEMICALS LIMITED

14th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16. Noida - 201301, UP
Phone : 91-120-2446850 Website : www.occlindia.com

July 09, 2021

The Manager	**The Manager**
BSE Limited	National Stock Exchange of India Limited
Department of Corporate Services	Exchange Plaza, Bandra Kurla Complex
Floor 25, P. J. Towers, Dalal Street	Bandra (E)
Mumbai - 400 001	Mumbai - 400 051
Scrip Code: 506579	**Scrip Symbol: OCCL**

Dear Sirs,

Sub: Annual Report of the Company for the year ended March 31, 2021

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our earlier letter regarding, inter alia, convening of the 41st Annual General Meeting ("AGM") of the Company on **Tuesday, the August 03, 2021** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility, please find enclosed the Annual Report of the Company for the financial year ended March 31, 2021, being sent by email to those Members whose email addresses are registered with the Company / Company's Registrar and Share Transfer Agent ("RTA") / Depository Participant(s) ("Depository"). The requirements of sending physical copy of the Notice of the 41st AGM and the Annual Report to the Members of the Company have been dispensed with vide MCA Circulars and SEBI Circulars.

Members of the Company holding shares in physical form who have not registered their email addresses with the Company can obtain the Notice of the 41st AGM, Annual Report and/or login details for joining the 41st AGM through VC/OAVM facility including e-voting, by sending scanned copy of the signed request letter mentioning Name, Folio Number and Complete Address, self attested scanned copy of the PAN Card and self attested scanned copy of any document (such as Aadhar Card, Driving License, Voter Identity Card, Passport) in support of the address of the Members registered with Company by email to the Company's RTA's email id, viz. **kolkata@linkintime.co.in** or Company's email id, viz. **investorfeedback@occlindia.com**. Members holding shares in demat form can update their email address with their Depository Participant.

In terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), the Company has fixed **July 27, 2021** as the cut-off date to determine the eligibility of the members to cast their vote by remote e-voting and e-Voting during the 41st AGM scheduled to be held on August 03, 2021 through VC/OAVM Facility.

Request you to kindly take the same on record.

Thanking you,

Yours truly,
For **Oriental Carbon & Chemicals Limited**

Pranab Kumar Maity
Company Secretary & GM Legal
Encl: As above

Oriental Carbon
& Chemicals Limited

OUR VISION IS TO BE PRESENT IN EVERY TYRE OF THE WORLD

41st Integrated
Annual Report 2020-21

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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 'anticipates', 'estimates', '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 our 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.

4 principal messages of this Annual Report

OCCL delivered one of its best annual performances despite challenges related to market demand and resource inflation in FY 20-21.

The Company is building on this performance through strategic initiatives directed at enhancing competitiveness across market cycles.

The Company is deepening its ESG commitment to reinforce its personality as a responsible forward-looking player.

The Company will complete phase one of its major capex cycle related to the Dharuhera expansion by October 2021with the objective to maximise revenues and stakeholder value.

Corporate snapshot

Oriental Carbon & Chemicals Limited.

One of the few global manufacturers of **insoluble sulphur.**

Catalysed by customer focus, research and knowledge

Driven by the vision to be present in every tyre of the world.

Our values

While striving to be present in every tyre of the world, we will endeavor to enhance value for the following stakeholders:

Our People: Build Trust and Engagement by creating Success Opportunities and enabling a Happy Environment

Our Customers: Build Trust and Reliability by delivering Quality and Optimizing Costs

Our Shareholders: Build Trust and Value by delivering Sustainable Growth and being Socially Responsible

How we intend to enhance value

- Growth mindset
- Respect and care
- One team
- Passion for excellence
- Continuous learning
- Customer centricity

Our pedigree

Oriental Carbon & Chemicals Limited belongs to the JP Goenka Group of companies. The Company was incorporated as Dharuhera Chemicals Limited (DCL) in 1978. The Company commissioned a unit to manufacture insoluble sulphur, now the Company's flagship product, in 1994. The Company is driven by knowledge, passion and a deep customer commitment.

Our products

The Company is one of a handful of global manufacturers of insoluble sulphur, a key raw material for tyres manufactured through a sophisticated process. Apart from this product, the Company manufactures sulphuric acid and oleum in its Dharuhera plant.

Our businesses

In addition to the manufacture of insoluble sulphur and sulphuric acid, the Company owns a majority stake in Duncan Engineering Ltd. (formerly Schrader Duncan Ltd). This company is a leading four-decade manufacturer of pneumatic products and accessories trusted for reliability and customisation. The Company is listed on the Bombay Stock Exchange.

Our customers

The Company addresses the demanding requirements of the tyre and rubber industries worldwide - in terms of quality product on the one hand and superior service on the other. The result is that OCCL is widely accepted as a preferred global vendor for insoluble sulphur.

Our facilities

The Company possesses state-of-the-art manufacturing facilities in Dharuhera (Haryana) and Mundra (Gujarat). Manufacturing operations commenced with a modest capacity of 3000 MT per annum in 1995, which has since grown to an aggregated 34,000 MT per annum. The Company also possesses a capacity of 46,000 MTPA for the manufacture of sulphuric acid and oleums.

Our supporting presence

In addition to our corporate office in the National Capital Region (India), the Company has warehouses and agents in various parts of the world.

Our brand

The Company's principal brand - Diamond Sulf – for insoluble sulphur is synonymous with world-class quality, helping downstream customers succeed in their journey for excellence.

Our certifications

The Company's products are EU-REACH-compliant. Besides, the Company's facilities and processes have been certified for IATF16949, ISO 9001, ISO 14001 and ISO45001, enhancing customer confidence.

Our product range

The Company strengthens the business of its customers through the development of customised grades – possibly the widest global range - addressing their diverse compounding requirements, making it possible to match the right grade with the manufacturing process and desired end product.

Our solutions focus

The Company continues to invest in people, plants, processes and presence with a long-term perspective, resulting in dependable and timely deliveries coupled with complementary technical services – a single-stop solution. This has helped OCCL partner customers across the long-term.

Our research focus

The Company is research-driven, having made proactive investments to experiment, evolve and innovate. The Company's objective is to enhance product quality and performance. The Company has an in-house DSIR-recognised R&D facility.

How we have **grown** over the years

2017
Commissioned insoluble sulphur capacity of 5,500 MTPA at Mundra

2018
Commissioned the fourth line (5,500 MTPA) of insoluble sulphur capacity at Mundra

2019
Kick started brownfield expansion of an additional 11,000 MTPA of Insoluble Sulphur capacity at Dharuhera in two phases

2012
Commissioned the second phase of the Mundra plant; acquired 50% equity shares of Schrader Duncan Ltd.

2016
Initiated expansion of an additional 11,000 MTPA of insoluble sulphur capacity at Mundra

2007
Introduced custom-made grades

2009
Commenced construction of the Mundra plant

2011
Commissioned the first phase of the Mundra plant (5,500 MTPA)

2002
Established a modern R&D department

2003
Developed the high dispersion grade

2005
Established a second line at Dharuhera

1998
Introduced high stability grades

2000
Divested the carbon black business

2001
Developed the AS grade

1978
- Incorporated as Dharuhera Chemicals Ltd to manufacture sulphuric acid
- Commenced sulphuric acid production

1984
Merged with Oriental Carbon Ltd. to form Oriental Carbon & Chemicals Ltd.

1994
Commenced insoluble sulphur production

What we **manufacture** and market

Diamond Sulf insoluble sulphur

Insoluble Sulphur: DIAMOND SULF is an amorphous form of sulphur in polymeric form in contrast to natural sulphur, which is crystalline and monomeric in nature. The polymeric chains of DIAMOND SULF comprise several thousand micro-fine sulphur particles. The product is rendered insoluble in all known solvents and rubber compounds; it does not take part in a cross-linking reaction like natural sulphur as long as it is in a polymeric form.

Regular grades: DIAMOND SULF oil-treated grades are insoluble in elastomers; they are completely non-blooming and are an ideal vulcanizing agent for unsaturated elastomers. They are particularly suitable for use in compounds where sulphur loading levels are required above the sulphur solubility rating of particular elastomers.

High stability grades: Insoluble sulphur possesses a high level of thermal stability and provides optimum resistance to sulphur reversion in soluble form even at elevated temperatures. The product facilitates enhanced bloom protection. High stable DIAMOND SULF ensures consistent vulcanizing properties and allows storage at relatively higher ambient temperatures.

Special grades: DIAMOND SULF special grades are customised around specific customer requirements. These grades have been progressively enhanced, customised further in line with demanding downstream requirements.

High Dispersible (HD) grade: This grade of DIAMOND SULF Insoluble Sulphur exhibits higher levels of dispersion in rubber matrix. During the mixing process this grade disperses faster, leading to a reduction in incorporation time under identical conditions. This grade contains a requisite quantity of suitable polymeric binder, which facilitates better dispersion, resulting in homogeneous vulcanisation and physical properties.

Sulphuric acid

The Company manufactures commercial grade and battery grade sulphuric acid and oleums. The product finds application as a dehydrating agent, catalyst and active reactant in chemical processes, solvents and absorbents. High purity grades are used in storage batteries, rayon, dye, acid slurry and pharmaceutical applications and normal grade in the steel, heavy chemical and superphosphate industries.

OCCL. Indian presence. Global footprint. Accounting for about 10% of the global production of insoluble sulphur

The Company's insoluble sulphur product is available worldwide through a multi-country network of agents and distributors.

Our global presence

21

countries across the globe

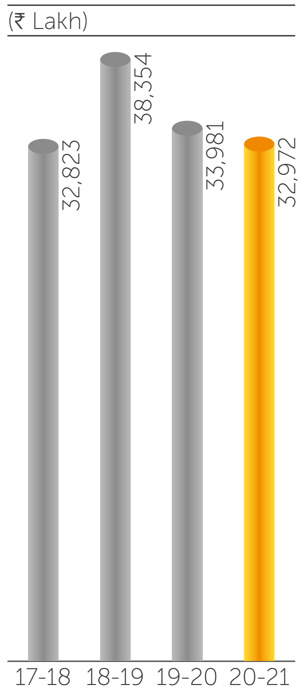
Our state of-the-art manufacturing facilities

Product name	Annual capacity (MT)	Location
Insoluble sulphur	12,000	Dharuhera (Haryana)
Insoluble sulphur	22,000	SEZ Mundra (Gujarat)
Sulphuric acid / Oleum	46,000	Dharuhera (Haryana)

Some of our prominent customers

apollo | Continental | BRIDGESTONE | MRF | CEAT | Hankook | YOKOHAMA | GOODYEAR | JK TYRE | nokian TYRES | SUMITOMO RUBBER INDUSTRIES | BKT | COOPER TIRES | NEXEN TIRE

How we have **grown** over the years



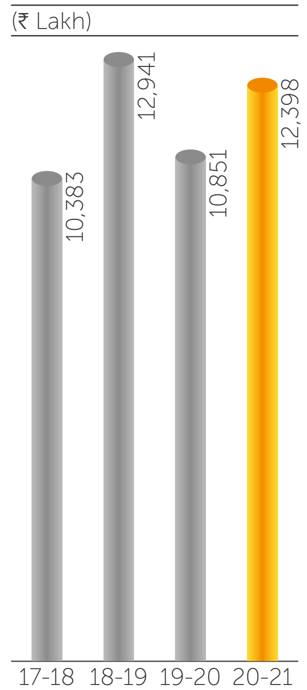
Revenues

Definition
Growth in sales net of taxes

Why this is measured
It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's success can be compared with sectoral peers.

What this means
On account of production disruption due to the pandemic, the Company reported a 3% reduction in sales of ₹329,72 Lakh. Sales in the second half of FY 20-21 was 27% higher at ₹208,57 Lakh compared to corresponding period in the previous year.

Value impact
The growth in revenues (observed in the second half of the year) provided the Company with the critical mass to amortise fixed costs more effectively, service customers with on-time and in-full deliveries and enhance profitability.



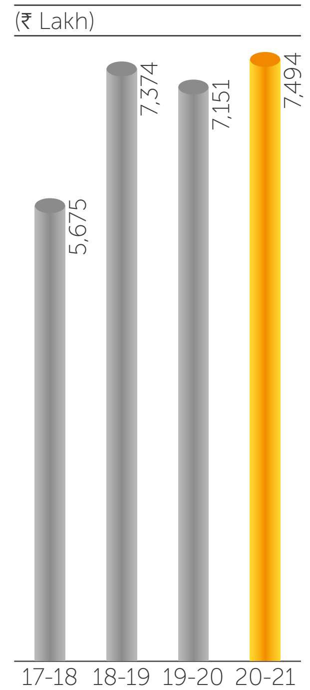
EBITDA

Definition
Earnings before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why this is measured
It is an index that showcases the Company's ability to generate a surplus after optimising operating costs, providing a base for comparison with sectoral peers.

What this means
Helps create a robust surplus-generating growth engine that enhances reinvestment.

Value impact
The Company reported a 14% increase in EBITDA in FY 20-21, an outcome of improved efficiency over last year.



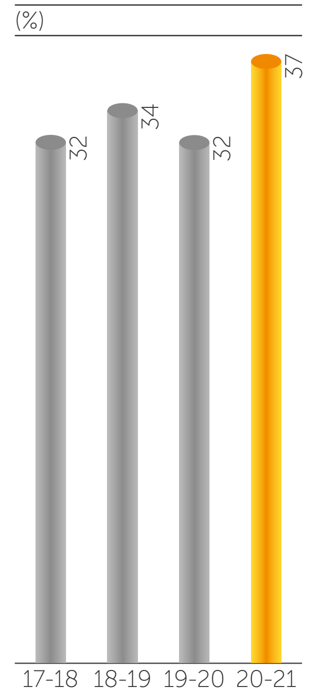
Net profit

Definition
Profit earned during the year after deducting all expenses and provisions

Why this is measured
It highlights the strength of the business model in enhancing value for shareholders.

What this means
This ensures that adequate cash is available for reinvestment, strengthening the virtuous cycle of business sustainability.

Value impact
The increment in net profit by 5% indicates growth through a challenging market (especially on account of the pandemic).



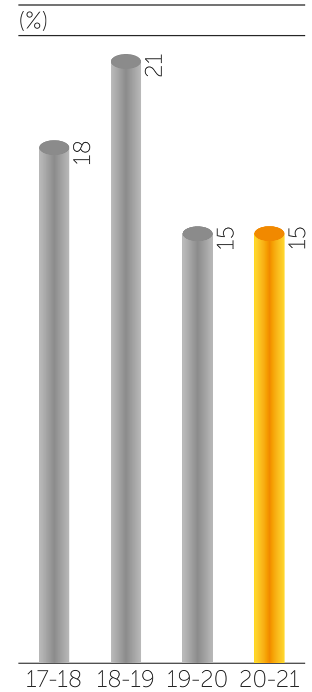
EBITDA margin

Definition
EBITDA margin is a profitability measure to ascertain a company's operating efficiency

Why this is measured
The EBITDA margin provides an idea of how much a company earns (before accounting for interest, depreciation and taxes) on each rupee of sales.

What this means
This measure demonstrates the buffer in the business, which, when multiplied by scale, can potentially enhance the surplus.

Value impact
The Company reported a 500-bps increase in EBITDA margin in FY 20-21, its highest in three years following all-round business tightening.



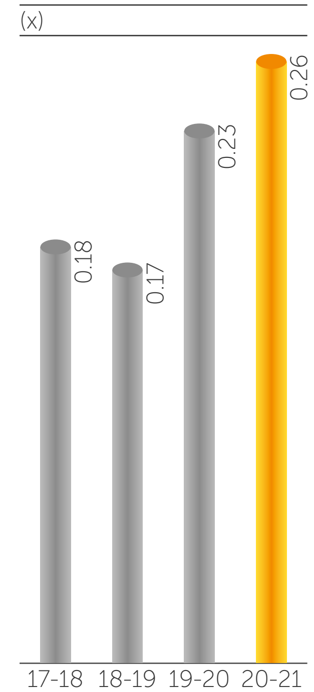
RoCE

Definition
This is a financial ratio that measures efficiency with which capital is employed in the Company's business

Why this is measured
RoCE is an insightful metric to compare profitability across companies based on their capital efficiency

What this means
Enhanced RoCE can potentially drive valuations and market perception.

Value impact
The Company was able to protect RoCE at 15% in FY 20-21 in spite of the pandemic impact.



Gearing

Definition
This is the ratio of debt to net worth (less revaluation reserves)

Why this is measured
This is one of the defining measures of a company's financial health. This indicates the ability of the Company to remunerate shareholders over debt providers (the lower the gearing the better).

What this means
This indicates whether the Company enhances shareholder value by keeping the equity side constant while moderating debt.

Value impact
The Company's gearing stood at a comfortable 0.26 in FY 20-21 even after an increase in borrowings for capacity expansion.

Our vision
To be present in every tyre of the world

Overview

At OCCL, our performance ambition is to create a company respected for its ability to enhance value for its stakeholders.

Addressable market

In 2020, the global demand for tyres reached nearly 3,378.96 Million units, growing at a CAGR of 4% between 2016 and 2020. The global demand for tyres is expected to grow at an almost similar rate between 2021 and 2026, resulting in a projected volume of 4,111.02 Million units by 2026. (Source: Expert market research.com).

Correspondingly, the global insoluble sulphur market size is projected to reach USD 1.2 Billion by 2027 registering a CAGR of 2.9%. (Source: prnewswire.com). The sulphuric acid market is projected to grow at a CAGR of 3% between 2020 and 2025. (Source: Mordor Intelligence).

At OCCL, we believe that growth of our addressable market represents the most potent platform to grow in a sustainable manner.

Goal contributors

Competitiveness: The Company intends to strengthen competitiveness through enhanced capacity, moderated cost structure, use of accruals in expansion outlays and access to low cost debt for business growth.

Enduring relationships: The Company intends to deepen relationships with customers, strengthening wallet share. In FY 20-21, the Company generated more than 90% of its revenues from insoluble sulphur customers of five years or more, a trend likely to sustain.

Research: The Company intends to widen its portfolio and deepen the technology quotient in each, helping downstream customers address their product integrity standards better.

Ongoing investments

Infrastructure: The Company initiated a two-phased expansion programme that is likely to enhance its global market share. Besides, the Company invested in world-class research infrastructure that will be commissioned in FY 21-22.

Integration: The Company is expanding insoluble sulphur and sulphuric acid capacity (steam generated from which is used in the manufacture of the former), strengthening integration and value-addition.

ESG: The Company continues to be committed to invest in ESG, strengthening its resolve to compliance, environment integrity, talent management, eco-system management (vendors and customers) and stakeholder expectations management.

5P's have strengthened our business sustainability - People, Product, Process, Profit and Planet

Overview

In a VUCA (volatile, uncertain, complex and ambiguous) world as the one we are passing through, the only insurance is preparedness.

In our business of insoluble sulphur, where the goalpost is perpetually shifting and quality standards increasing, there is a premium on being consistently ahead of the sectorial curve.

During the last few years, a new priority - the 5P's of sustainability comprising People, Product, Process, Profit and Planet – has raised the benchmarks for sustainability in our sector.

I am pleased to report that Oriental Carbon and Chemicals Limited (OCCL) invested in these priorities from the time it went into business. The Company has remained competitive across business cycles, growing through every downturn. The result is that our company has emerged as one of the most respected in the insoluble sulphur sector the world over.

At OCCL, we believe that the truly sustainable companies of the future will be those that increase production while moderating their carbon footprint. I am pleased to communicate that we invested in our business to enhance our respect as a responsible corporate citizen.

The 5 P's of our existence

Our People commitment: At OCCL, we have consistently believed that the competitive difference between our companies and others comes down to the quality of our talent. Over the years, we consistently positioned ourselves as a recruiter of specialised professionals. This commitment has deepened our respect as a research-driven company using proprietary capabilities in not just manufacturing around the highest standards of the day, but also in continuously raising our quality benchmark in line with the evolving requirements of demanding customers. Over the years, we continuously rejuvenated our talent pool through training, recruitment and new challenges. During the year under review, our company sustained this commitment by plugging organisational gaps, strengthening succession planning and enhancing our preparedness.

Our Product commitment: At OCCL, we recognise that we are engaged in the manufacture of a specialised product whose technology is available with only a few companies the world over. The priority at our company has been to manufacture products of a rising standard that enhance the quality of downstream products manufactured by our customers. The Company invested in modern research infrastructure and recruited specialised R&D professionals. The Company is deepening technical relationships with customers and launching joint projects. The result: integrating deeper our research-driven products with manufacturing processes used by our customers, winning the confidence of their technical customer teams and strengthening our mutually inter-related multi-year relationship.

Our Process commitment: At OCCL, we believe that in the modern world, where stakeholders seek consistently superior performance, there is a premium on process efficiency. This process efficiency is not just about investments in cutting-edge equipment; it is about questioning every practice with the objective to make it quicker, better and leaner. It is precisely this commitment that the Company showcased from the second half of FY 19-20 with the objective to moderate costs even before the insoluble sulphur sector had slowed or the pandemic had brought the global economy to a standstill. I am pleased to communicate that as a result of proactive urgency, we right-sized our Profit & Loss – using the same quantum of resources across an expanded capacity – whose visible impact will become evident from FY 21-22 onwards.

Our Profit commitment: At OCCL, we believe that the engine of what makes all our improvements sustainable is the capacity to report an attractive year-on-year surplus. This surplus is reinvested, making it possible to maximise the role of net worth in business growth. The Company has a fair record in this regard: it has been consistently reporting profit for the last 20 years. During the year under review, the most challenging in living memory, OCCL reported a growth in profitability, wherein profit grew inspite of no growth in revenue, validating the Company's competitiveness. By the close of the year under review, the Company possessed debt of ₹137,52 Lakh Crore, a debt-equity ratio of 0.26 and an attractive cash (and cash equivalent) corpus of ₹152,35 Lakh. We perceive these fundamentals to be an adequate buffer in a VUCA world.

Our Planet commitment: At OCCL, we believe that the truly sustainable companies of the future will be those that increase production while moderating their carbon footprint. I am pleased to communicate that we invested in our business to enhance our respect as a responsible corporate citizen. Over the years, we made-and continue to make-prudent investments in the 4R's (recycling, reuse, renewables and reduction) with the objective to moderate the consumption of finite resources. This moderation was achieved through the enunciation of an environment policy, investment in material-efficient technologies, preference for cleaner fuels (gas for instance), resources and processes, moderating (or recycling) water consumption and embracing 'green' as a way of life. Going ahead, the Company will seek a Responsible Care Company certification, reinforcing its 'Planet' credentials.

Coming together

It was the aggregation of the various P's in our business - People, Product, Process, Profit and Planet – into a smooth operational engine that translated into a stellar performance in FY 20-21. During the challenged first quarter of the year under review, OCCL reported a net profit break-even at only 40% capacity utilisation, validating its competitiveness even at the worst end of the sectorial cycle. Within just two quarters, the Company rebounded to report its best quarterly performance ever, marked by highest revenues, margins and profit. We believe that this ability to rebound quickly was not merely the result of an improvement in market demand or realisations but also due to preparedness by the virtue of having made proactive investments in the 5 P's.

Outlook

We believe that even as we have graduated from one test in FY 20-21, another test awaits us in FY 21-22.

The challenges of COVID-19 continue in India. The insoluble sulphur market continues to be weak, resulting in a global capacity overhang looming upon us. Realisations have been under pressure for some time.

We are cautiously optimistic of prospects as some of our customers, who approved our products for use in Thailand, India and Europe, are now providing approvals to our products for use in North America. We believe that by sweating these long-standing relationships better, we stand to enhance our revenues across the foreseeable future. We also believe that a number of insoluble sulphur customers, already buying a large quantity from China, will seek to broadbase their procurement from non-China countries like India, benefiting companies like ours.

Conclusion

Even as the short-term outlook appears guarded, I am optimistic of our medium-term competitiveness. When the oversupply in our market turns to an even balance, companies like OCCL that have invested in a larger capacity at a competitive cost will be at the right place to capitalise.

We believe that this approach will graduate us towards our vision of being present in every tyre of the world.

Arvind Goenka
Managing Director

Even as the short-term outlook appears guarded, I am optimistic of our medium-term competitiveness. When the oversupply in our market turns to an even balance, companies like OCCL that have invested in a larger capacity at a competitive cost will be at the right place to capitalise.

At OCCL, we are **opportunity-ready** from capacity, cost and ESG perspectives. Our ongoing cost moderation exercise is translating into a visible improvement

Performance overview

OCCL reported its second-best annual performance ever. The Company reported ₹344,68 Lakh in revenues and a 5% increase in profit after tax. This profitable growth in a year, when the Company's operations were presentable in only three quarters, continues to validate the Company's competitiveness in the most challenging end of the prevailing business cycle.

There were creditable features of the Company's performance during the year under review. Even as sales tonnage remained around the same level as in the previous year, the Company generated a higher profit as a result of the Company maximizing capacity utilisation, covering fixed costs and other expenses. The fact that this profit growth was derived without increasing sales realisations represented an index of the Company's commitment to enhance the customer's price-value proposition.

Overcoming challenges

The Company's handsome performance might imply that business conditions were favourable. Nothing would be further from the truth.

There was a sharp decline in the offtake of insoluble sulphur in the first quarter of the year under review following the announcement of a lockdown across countries. This was complemented by a substantial over-capacity in the global insoluble sulphur market on account of manufacturing capacities having been created aggressively the world over in the last few years. The result is that per unit realisations for insoluble sulphur declined to their lowest levels in recent years, just above the viability threshold. The result was that greenfield investment economics disappeared. In this environment, OCCL demonstrated its competitiveness by breaking even at a mere 40% capacity utilisation during the first quarter.

What we earned from our business in FY 20-21

8,199

₹ Lakh, quantum generated from our business*

*Profit after tax + Depreciation - Dividend declared

How we allocated our surplus in FY 20-21

1,399

₹ Lakh for the payment of dividend

From the second quarter onwards, the Company was required to increase output. Following the convergence of relief consumption, release in pent-up demand, buoyant rural economy, growing downstream demand and strong demand from the road construction, mining and e-commerce segments, there was a revival in the demand of our products from the third quarter of FY 20-21. The Company was required to scale its production with speed to address the growing needs of customers.

OCCL reported peak revenues during the third quarter, 33% higher than the revenues reported during the corresponding quarter of the previous financial year. With sales reaching 95% of capacity; the Company reported its best quarter by PAT in Q3 FY 20-21 and its best quarter by margins in Q3 FY 20-21. This performance could not be extended into the last quarter following a sharp increase in raw material costs.

Our strategic focus

One of the most important drivers of the Company's performance during the year under review was its capacity to make proactive improvements across all factors within its control, instead of waiting for market conditions to revive.

The Company pivoted its sales and pricing strategies with speed to address the challenges of volatile markets. With the environment of rubber compounds and processing equipment evolving, our marketing team played the role of a bridge to facilitate active collaboration and communication between our technology team and customers.

The Company was audited by Eco Valdis for three successive years, including a Gold rating, strengthening its marketing pitch in an increasingly sensitised world.

The Company had embarked on the exercise to moderate costs from a strategic long-term perspective well before the pandemic outbreak in 2020. The Company examined every expenditure head. It reallocated existing talent across its expanded capacity (to come on stream from the third quarter of FY 21-22) with the objective to enhance people productivity. It sustained capacity expansion through the pandemic months, seeking lower capital expenditure costs that enhanced overall project value that could lead to superior long-term competitiveness.

Our optimism

At OCCL, we believe that the worst could be over for the insoluble sulphur cycle.

At the realisations that prevailed at the close of the year under review no fresh capacities were being planned across the world as investment economics remained unviable.

As the world recovers from the pandemic and there is a preference for the ownership of personal mobility options, an increase in global demand could complement a decline in available manufacturing capacities, strengthening our prospects.

At OCCL, we are opportunity-ready from capacity, cost and ESG perspectives. Our ongoing cost moderation exercise could strengthen our financials from FY 21-22. A reallocation of our existing people strength towards the expanded capacity could enhance per person productivity in line with production growth. The Company will seek to increase its sales footprint in North America.

Our strategic clarity

The Company's capacity expansion has been structured across two phases.

In the first phase, the Company intends to expand capacity by 5,500 MTPA of insoluble sulphur and 41,250 MTPA of sulphuric acid by the third quarter of the current financial year.

In the second phase, the Company intends to raise its insoluble sulphur capacity by another 5,500 MTPA.

The Company's ₹215 Crore capex cycle – with hardly ₹60 Crore of its investment in-the second phase left-is likely to be completed by 2023 and could generate larger free cash flows thereafter.

The Company is likely to experience peak debt in the first half of the current financial year, following which a structured repayment programme could moderate debt sizably leading to the possibility of free cash generation across the foreseeable future.

The Company expects to report EBITDA margins between 28 and 32% across the foreseeable future based on the existing realities.

Basis of our long-term optimism

At OCCL, we are optimistic of our long-term prospects for a number of reasons.

The pandemic has widened the need for personal mobility across the world as a result of which the global demand for tyres is expected to grow at around 4% between 2021 and 2026.

The global economy is expected to grow at 5.5% in 2021 and higher thereafter as the vaccination rollout accelerates and consumer spending increases. The coming together of India's demographics, millennials, easy availability of financing options and increased aspirations among the youth are driving the offtake of vehicles.

The Indian tyre market offtake appears to be optimistic. India's rural market has emerged as a large consumer following a sustained increase in minimum support prices and record agriculture output.

The increased radialisation trend among LCV and TBR tyre consumers on account of superior mileage and fuel efficiency will translate into a larger consumption of insoluble sulphur.

A growing focus on Atmanirbhar Bharat (Make in India) could increase tyre industry investments in the country.

The successive waves of the Novel Coronavirus continue to drive the ownership of personal cars and two-wheelers on account of enhanced safety.

The imposition of anti-dumping duties on the import of Chinese tyres has helped widen the manufacture of tyres in India.

This is expected to sustain the offtake of tyres within India and globally, translating into a wider addressable opportunity for a focused player like OCCL.

Akshat Goenka
Joint Managing Director

Subsidiary poised for growth

One of the highlights of the Company's performance during the year under review was the consolidation in the operations of Duncan Engineering, the Company's engineering subsidiary.

The Company had invested in this business at the turn of this decade. Following patient capability-building, the subsidiary posted its first profit a couple of years ago within a sluggish economic environment.

During the year under review, the subsidiary reported 95% of the revenues of the previous financial year despite losing nearly the entire first quarter to the lockdown. During the last quarter, the subsidiary reported record production and sales, validating its optimism for the current financial year.

The subsidiary is growth-ready with no debt on its books, prudent recruitment of senior management and creation of a succession pipeline.

How we intend to **enhance** shareholder value across the foreseeable future

Focus

At OCCL, we recognise that we are in business to enhance value for all our stakeholders.

We believe that we are in business to generate consistently better returns than what investors would be able to generate from investments in alternative companies or asset classes.

In view of this, we shoulder an over-riding responsibility to invest in prudent strategy leading to any-market competitiveness, sustainable performance and an improved perception in the minds of our stakeholders leading to a superior valuation.

Strategic overview

At OCCL, we believe that at the heart of our competitiveness lies a simple approach: generate more from less.

This need to maximise resource productivity is not just limited to material efficiency; it extends to the need to maximise returns from a given funds pool.

Over the years, we attempted to maximise RoCE through a combination of the following strategies:

- Increase output leading to higher revenues, better coverage of fixed costs and stronger customer service leading to their retention and repeat business
- Cost moderation leading to increased surplus available for reinvestment, strengthening our virtuous cycle
- Research-driven value-addition leading to higher margins, stronger surplus and better perception among our stakeholders
- Better working capital management leading to superior cash flows, lower debt and higher margins
- Relatively low debt and low debt cost, strengthening margins and rightsizing the Balance Sheet
- Investment in down cycles at a low cost and in quick implementation tenures, strengthening the Company's preparedness for a full-fledged recovery

Cost moderation

At OCCL, we recognise that the most sustainable companies across the long-term are those possessing the lowest cost structure. This structure reinforces the capability of companies to survive different market cycles, making them the last persons standing and among the first to be off the blocks during sectorial recovery.

At OCCL, we embarked on the exercise to moderate fixed costs in October 2019, well before the outbreak of the pandemic. This proactive approach was influenced by a sharp increase in insoluble sulphur manufacturing capacity the world over; the Company recognised that this overcapacity would translate into a decline in realisations that would place a premium on the ability to remain competitive even during the worst end of the sectorial cycle.

The Company embarked on a zero-based budgeting of every major expenditure head. It examined every process to identify waste and redundancy; it questioned every practice with the objective to do it better, faster and cheaper.

The cost moderation exercise was completed in FY 20-21 and the effects of this will be visible from FY 21-22. The Company reported attractive savings across the board that moderated its break-even point. The Company expects to generate a sustainable decline in its cost structure year-on-year. The Company expects to maintain its FY 21-22 inflation-adjusted spending on talent at the same level as FY 20-21 despite a new manufacturing line to be commissioned from the third quarter onwards. A moderated capital expenditure for the capacity expansion is expected to keep in check the role of debt and debt cost (about 7.5% per annum), strengthening long-term competitiveness.

Capacity growth

At OCCL, we embarked on an expansion in our manufacturing capacity before the outbreak of the pandemic. The Company sustained this expansion through the pandemic: the downtrend empowered the Company to capitalise on a superior terms for equipment and ancillaries, enhancing project value (stronger power access, zero liquid discharge plant, centralised utility and higher capacity of the supporting acid plant).

The first phase of expansion of the insoluble sulphur plant and the sulphuric acid plant is expected to be commissioned by October 2021, potentially increasing the Company's global insoluble sulphur market share about 10% to 12%.

Besides, by selecting to invest during the down cycle, possibly one of only two such instances in the world at this juncture, the Company intends to emerge opportunity-ready – not just larger but stronger as well.

Market presence redistribution

At OCCL, we believe the time has come to broad base our global footprint with the objective to seed our presence in markets where we enjoy only a small presence.

At a time when global insoluble sulphur demand is growing 2-3% a year and no further capacity expansion is likely, we believe that there could be a possibility of the sector looking at a probable consolidation that could lead to a turnaround. This puts a premium on OCCL to commission capacities on schedule and strengthen its marketing cum research focus.

OCCL intends to focus on increasing its market share in North America to 10% in three years. The Company intends to increase global market share from 10% to 12%. The Company intends to sustain the increased share of Indian revenues at 40% across the foreseeable future.

Talent management

In a knowledge-driven business, the competitive difference comes down to talent. At OCCL, we intend to leverage talent by providing a platform that makes it possible for our people to do different things; besides, we have invested in our business with the objective to enhance people productivity (increased production per person). In a business where people cost as a component of revenues was 13% in FY 20-21, any improvement in people productivity can translate into enhanced margins.

During the year under review, the Company strengthened talent management through a new Performance Management System. The Company plugged gaps across functions at the General Manager level by recruiting from larger respectable multi-national chemical companies. This strengthened a culture of specialisation and embedded succession planning deeper into the organisation.

The Company intends to graduate its people productivity into a visible competitiveness driver in FY 21-22 through a prudent reallocation of existing employees across the new manufacturing line, increasing capacity (and production) without a corresponding increase in people.

Research focus

OCCL has always been a research-driven organisation. Over the years, this commitment translated into the development of quality-enhanced products that generated superior productivity at the customer end.

During the last couple of years, the Company deepened this focus. Even as most budgets were pruned during the pandemic in 2020, the Company sustained its research spending. The Company invested 0.6% of its revenues in research, reflected in the increased recruitment of specialised research professionals and increased allocation for a full-fledged research laboratory expected to be commissioned in FY 21-22.

This sustained research focus is expected to translate into the development of specialised insoluble sulphur grades and a widening of the product basket.

ESG recall

In the speciality chemicals industry, there is a growing respect for companies that invest deeper in their ESG personality.

ESG is seen as a business feature that balances the interests of the earth, community, vendors, customers, employees and shareholders – a framework of how a company can grow in a sustainable manner.

At OCCL, we enhanced this ESG perspective across our operating teams. The Company deepened investments in talent, strengthened vendor eco-system stability, enhanced customer service through better products delivered around a superior price-value proposition, deepened environment compliance, moderated resource consumption and strengthened de-risking.

The Company charted out a strategy to enhance installed capacity at a lower average input cost (people, funds, land and resource economies). It moderated water consumption and intends to switch to the use of natural gas in Mundra. Besides, it intends to seek respect-enhancing certifications like Responsible Care Chemicals and Eco Vadis, validating its credibility.

As an extension of this conviction, the Company arranged for the vaccination of all employees and their family members. From a community perspective, the Company invested in a rejuvenation of water ponds in villages proximate to its manufacturing facilities, which will help groundwater recharge, provide water supply to the community and strengthen the Company's commitment towards sustainability.

OCCL's shareholder value creation report

Capital appreciation

518
₹ Crore (BSE), market capitalisation, 31st March, 2016

576
₹ Crore, (BSE) market capitalisation, 31st March, 2020

916
₹ Crore, (BSE) market capitalisation, 31st March, 2021

How we sustained sound financial hygiene

RoCE	EBITDA	EBITDA margin	Gearing
21 % Return on Capital Employed, FY 15-16	**8,676** ₹ Lakh, Earnings before interest, tax and depreciation-amortisation, FY 15-16	**32** %, FY 15-16	**0.16** Debt-equity ratio, FY 15-16
15 % Return on Capital Employed, FY 20-21	**12,398** ₹ Lakh, Earnings before interest, tax and depreciation-amortisation, FY 20-21	**37** %, FY 20-21	**0.26** Debt-equity ratio, FY 20-21
600 bps decline, five years ending FY 20-21	**7.5%** CAGR, five years ending FY 20-21	**500 bps** growth, five years ending FY 20-21	**10 bps** increase, five years ending FY 20-21

Consistent dividend record

Dividend as a % of face value

FY 11	FY12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20
40	50	50	70	85	85	100	100	120	100

The Board of Directors declared an interim dividend for 2020-2021 of ₹4 per equity share of ₹10 each (40% of FV) and proposed a final dividend of ₹10/- per equity share.

ESG commitment resides at the core of OCCL

Overview

At OCCL, a framework of environment-social-governance (ESG) represents the heart of our business.

The environment component addresses the priority for businesses to utilise environmentally responsible resources, consume an optimal quantum, recycle waste, moderate use of finite fossil fuels, build resistance to climate change and moderate the carbon footprint.

The social component invests in people, organisational culture, customer relationships and social responsibility.

The governance component enunciates how we will conduct business. It enunciates strategic clarity, ethical values, codes, Board composition and alignment with UNGC principles, evoking a responsible expectation across stakeholders.

The coming together of environment, social and governance prioroties represents a platform for sustainable long-term growth.

Governance

At OCCL, governance enhances organisational predictability, attracting like-minded stakeholders who also believe in doing business our way. Some principles of our governance commitment have been described in this section.

Brand recall
At OCCL, we have always focused on building a positive recall across our diverse family of stakeholders. We desire to be spoken of with respect and the highest ethical standard. Across our customers, we are seen as a company that helps take their businesses ahead through superior product quality; our employees see us as a progressive company that provides an invigorating workplace; across the communities of our presence we are seen as a company that utilises safe processes and enhances their prosperity through sensitive interventions; to our shareholders, we are seen as a niche player that enhances value.

Global citizen
At OCCL, we see ourselves as a global citizen operating out of India. While this has been manifested most visibly in our revenue profile (58% global, FY 20-21), the other aspects of our world view are our commitment to global best practices, highest standards of integrity, imbibing global quality benchmarks, engaging the best global consultants and investing in the best global technologies.

Integrity
AT OCCL, we will do the right things the right way, whether it comprises equitable treatment of talent, gender respect, zero tolerance for sexual harassment and ethical transgressions, recruitment without prejudice, appraisal without partialness, respect for the dignity of people or environment integrity.

Board of Directors
At OCCL, the success of our strategic direction is influenced by our Board of Directors. We place a premium on our Board composition, comprising achievers of standing. These individuals have enriched our bandwidth, business understanding and strategic direction. The Board comprises a good proportion of Independent Directors, who can speak their mind and influence the Board.

Stakeholder value
At OCCL, we focus on enhancing value for all stakeholders: the customer must experience enhanced competitiveness arising out of our products; the employee must derive pride, remuneration and career advancement; the investor must generate a superior return on employed capital over alternative investment opportunities; the community must benefit from our presence; the government must benefit through taxes and livelihood creation; our vendors must benefit through the stable outsourcing of products and services.

Controlled growth
At OCCL, sustainability is derived from controlled growth. The Company has consciously allocated accruals into business growth without stretching the Balance Sheet. We have remained liquid and profitable through market cycles.

Long-term
At OCCL, we plan for the long-term and our initiatives are not inspired by short-term arbitrage. This has been reflected in our recruitment of professionals, investing in technologies and the building of future-facing infrastructure (research).

Focus
At OCCL, we have selected to focus on a narrow field that enhances our specialisation. The result is that within our peer group, our brand is that of a company that graduates customers from one level to another.

Process-driven
At OCCL, we have deepened investments in processes and systems. As an extension, a framework of checks and balances provide effective de-risking. We strengthened an audit-driven and compliance-driven approach, enhancing the credibility of our reported numbers.

Balanced approach
When faced with an accounting treatment that requires interpretation, we would rather take a conservative view so that our books are a faithful indication of what actually exists. When faced with market-facing initiatives we see our approach as opportunity-preparedness.

Resisted over-leveraging
At OCCL, we believe that in a business where only a handful of global companies possess specialised manufacturing technology, there can always be the temptation to mobilise large debt, invest in a substantial capacity expansion and engage in an aggressive pricing strategy to carve out a larger market share. We believe that large debt on our books could influence our strategic thinking away from the values we have cherished – of remaining a focused quality- and knowledge-driven player protecting its Balance Sheet robustness.

Expand incrementally
At OCCL, we address a global market that is annually growing in modest single-digits. To expand aggressively in this market implies that we would need to price below established players that could disturb market stability or nurse large unutilised capacity until a time that market growth caught up our installed base. We believe that steady growth has been the safest and tested response: consumes expenditure that can be largely addressed through accruals, does not compel us to disturb market pricing and seek lower prices that could in turn affect our brand and not stretch our managerial bandwidth in a business with a premium on the availability of specialised professionals. This marathon-like approach (as opposed to a sprint) has paid us rich dividends and we expect to sustain this approach.

Customer adjacency
At OCCL, we are located in one country but need to service customers across more than 21 countries. We seek to work with like-minded knowledge-driven customers who value quality. We engage with these customers continuously through modern communication tools, physical visits and an office in Europe that helps us minimise the engagement turnaround time. This adjacency – almost as if we represent an extension of the customer's premises – lies at the core of our personality, resulting in enduring relationships and a growing share of their wallet.

Environment

At OCCL, our environment approach has been woven around the elements of Plan-Mitigate-Adapt-Resilience.

There is a commitment to reduce energy intensity, reduce greenhouse as emission intensity and graduate to cleaner processes and fuels. The Company has invested in zero unutilised effluent discharge, moderated water consumption intensity and turned to gas as a resource in its Mundra plant.

At OCCL, there is a commitment to environmental management systems, due diligence, disaster and response systems across our manufacturing facilities. This day-to-day environment management has been delegated to professionals. The Company invested in processes and systems, especially information technology. Besides, it reported its environment performance to relevant stakeholders. Its environment performance was benchmarked to targets, accountability and responsibility, making it as critical a function as the other conventional business functions.

Social

At OCCL, transformation is accelerated by a passionate team mix that reconciles energy and experience.

Employees
At OCCL, we have invested in a culture of overarching excellence with the objective to emerge as a benchmark in terms of quality (product and process) and resource productivity. The Company made talent investments (recruitment, retention and training) to enhance efficiency and effectiveness. The Company invested in practices that enhanced safety – training, protocols, certifications, investments and awareness-building.

Customers and vendors
The Company deepened relationships with vendors of raw materials, capital equipment and spares as well as with customers.

Community
The Company engaged with the community around its manufacturing locations with the objective to widen the circle of prosperity through relevant interventions in the area in line with United Nations' Sustainable Development Goals.

Big numbers

Employees	Customers	Vendors	Community
4,569 ₹ Lakh, investment in talent in FY 19-20	**34,348** ₹ Lakh, revenues from sales to customers in FY 19-20	**15,130** ₹ Lakh, quantum of outsourcing from vendors in FY 19-20	**171** ₹ Lakh, investment in CSR in FY 19-20
4,424 ₹ Lakh, investment in talent in FY 20-21	**33,251** ₹ Lakh, revenues from sales to customers in FY 20-21	**14,702** ₹ Lakh, quantum of outsourcing from vendors in FY 20-21	**175** ₹ Lakh, investment in CSR in FY 20-21

The **soul** of OCCL

Employees relate their first-hand experiences of working at OCCL

"One of our colleagues was paralyzed. To help the family, the Company provided his wife a job at the same salary. Recently, one colleague's wife was diagnosed with kidney problems; the management allowed him to work from home and paid all medical expenses. This is a company with a heart."

Alok Gupta
Senior General Manager - Works

"When a colleague was in a serious condition due to COVID-19, the Managing Director made all medical arrangements; he was paid a salary even though he could not rejoin office for four months."

Narinder Singh Walia
General Manager - Works

"On one occasion, our technical team suggested a process modification that did not go as per precise expectations following sizable investments. There was no blame game; the management encouraged us to sustain experiments and not worry about financial outcomes. This gave the team considerable motivation."

Govind Dutt Pathak
Senior General Manager-Technical

"The MD's concern and proactive decision making around employee welfare empowered OCCL to not just address the pandemic but emerge stronger. This empathy is not alien at OCCL. When I once fell ill and had to stay at home for a couple of days, the MD checked in on my health through phone calls. That's OCCL for you! Covid or no Covid, employee welfare is a priority."

Anil Kumar Singh
Deputy General Manager, Human Resources, Dharuhera

'We deepened our customer commitment during the pandemic and by the second wave we were interacting with customers more frequently than ever. The pandemic may have disrupted our expansion schedule but could not break our spirit. We emerged stronger: deeper customer trust and ability to deliver against the odds. There is now a deeper customer conviction: 'OCCL can deliver any time and anyhow.'

Pankaj Gauri
General Manager, International Marketing, Noida

"OCCL made the most of the lockdown: it developed a product that improved the dispersion of insoluble sulphur, which improved the customer's end product efficiency. To be able to do this in a challenging time was an achievement."

Rahul Garg
General Manager, Research & Development, Dharuhera

"The one thing I like the best about OCCL is its unique manufacturing process and differentiated products - insoluble sulphur and sulphuric acid - that have carved out a recall in the global tyres market. The reasons for this: every OCCL worker feels at home in this company. This passion became evident from the worker enthusiasm when the Company was permitted to resume operations in May 2020. Each employee was driven by a singular docus: 'How can OCCL emerge stronger?' We helped the needy in the peripheral community as well; our team provided food and clothing."

Senthil Kumar R
Manager, Production, Dharuhera

"OCCL has provided opportunities to innovate since I joined two years ago. We are restructuring processes and introducing new policies. The Company provides exposure through cross-functional engagements. Best of all, this is a humane organisation: it provided a group term life insurance and group Mediclaim insurance policy to employees and their families; it provides work-life balance through flexible working hours; it permitted me to work from home even after office resumed physical attendance so that I would be able to look after my grandfather who was infected with COVID-19. OCCL is a family at work."

Vedika Agarwal
Manager (Corporate HR), Noida

"When operations shut down for two months in 2020, some portion of the managerial salary was deducted but when the Company performed better, the deductions were reimbursed. We receive appreciation mails regularly from the management.
No employee was laid off during the pandemic. The Company purchased oxygen concentrators for employees in Mundra, Noida and Dharuhera. When a colleague's mother was affected by COVID-19, OCCL helped by arranging hospital admission."

Ankush Saxena
Manager (Purchase), Noida

"If any OCCL employee was found with the slightest pandemic symptom, the Company arranged to test, bore all medical expenses and conducted tests for all family members and arranged quarantine. How many companies will go to this extent?"

Kamal Saria
Manager (Accounts & Finance), Mundra SEZ

"I have been 25 years in this Company because of its values, career growth and opportunities to learn different things across projects. Besides, OCCL provides medical cum life insurance for its employees to education loans for their children. Why would anyone want to leave?"

Mahesh Chand Gupta
Senior Manager, Production, Mundra

"OCCL is among the most informed players in the Indian chemical sector, a position derived from its engagement with a range of large tyre companies the world over and its ability to absorb knowledge with the objective to make technology improvements."

Dhiraj Kundu
General Manager, Sales

Our integrated **value-creation** report

Overview

There is a growing recognition of the importance of the Integrated Value-Creation Report within the ambit of stakeholder reporting. The report overcomes the limitations of the conventional limited (and often shareholder-focused) approach through a more comprehensive framework that integrates a company's 'hard' and 'soft' initiatives.

Integrated reporting draws different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) into a unified communication format that explains an organisation's ability to create, enhance and sustain value for its stakeholders (partners, local communities, legislators, regulators and policy-makers).

The Company's sustainability has been aligned with United Nations' principles for responsible manufacturing leading to environmental sustainability across Human Rights, Labour, Environment and Anti-corruption. The result is that OCCL is respected as a responsible corporate citizen.

Strategic framework

Our insoluble sulphur business is fundamentally long-term in nature. The preparedness for this business warrants a range of competencies. The primary requirement is a painstaking building of each block with capabilities and competences. There is premium on the need to specialise, deepen competencies and be the last person standing during a slowdown.

OCCL is attractively placed to deliver. The Company has been in this business for nearly a quarter of a century. Over time, this focus has been marked by consistent reinvestment, research and rich experience of market cycles and the ability to add capacity at relatively low capital costs per tonne. The result: OCCL is among the most competitive insoluble sulphur manufacturing companies in the world (even while it is not necessarily the largest).

The Company possesses proprietary manufacturing technology in a sector where this knowledge is guarded among half a dozen manufacturers. The time and effort an intending competitor could consume to develop such a proprietary technology could be so long that after having stabilised production, it could take perhaps twice the number of years to get the product approved by demanding customers and recoup investments.

Besides, the quality standards among downstream tyre companies are rising all the time; the acceptable benchmark of yesterday becomes redundant a few years later. Customers take years to approve vendors prior to initial engagement; purchases are only progressively scaled; the quality derived out of each successive capacity expansion needs to be approved all over again by the customer.

Our sustainability framework

Procurement economies
Procure from stable vendors, enhancing relationship consistency
Procure the best quality of raw materials
Procure economically and sustainably on the back of longterm relationships

Manufacturing excellence
Invest in cutting-edge technologies and Six Sigma projects
Maximise asset utilisation; moderate conversion costs
Manufacture a basket of grades from a location, enhancing economies

Community support
Provide community support in the regions of presence
Focus on integrated development
Enhance community welfare and confidence

Customer engagement
Deepen presence across global markets
Deliver grades that enhance customer's product quality
Maximise the customer's wallet share

Financial structure
Moderate debt and debt cost
Build a liquid buffer in the business
Focus on value-addition

People competence
Deepen the culture of knowledge and research
Maximise talent productivity
Strengthen the kaizen (continuous improvement) momentum

Environment integrity
Invest in technologies that enhance manufacturing efficiency
Reduce the consumption of finite resources
Protect the region's environment balance

Business objective

Aspire to be the most respected and most preferred technology-driven insoluble sulphur supplier to the rubber industry

Business fundamentals

- **Clientele:** Enduring relationships with customers in about 21 countries
- **Bandwidth:** Experienced team with more than 3 decades of experience
- **Growth:** Continuous capacity expansion (Insoluble Sulphur) from 3,000 MT in 1994 to 47,000 MT (proposed)
- **Efficiency:** Focus on cost optimisation related to raw material, freight, power and fixed expenses
- **Range:** Variety of grades customised around downstream needs

High entry barriers

- Stringent, time-consuming customer approvals
- Well-guarded technology
- Capital-intensive business

Market leadership

- Indian market share of insoluble sulphur at ~60%
- Global market share of ~10%

Sustained growth

- 4% CAGR in revenues, FY 15-21
- 7% CAGR in PAT, FY 15-21

Attractive fundamentals

- 37% EBITDA margin, FY 20-21
- 15% RoCE, FY 20-21
- 0.26 debt-equity ratio, FY 20-21
- 15,485 (₹ Lakh), cash on the books, 31st March, 2021

OCCL is respected among the most competitive insoluble sulphur companies in the world

Our sectorial landscape

Our principal priorities

- Customer-centricity
- Competitive pricing
- Quick response time
- Proficient planning
- On-time deliveries
- Sustainability

Big picture
There will be a perpetually growing market for personal mobility modes the world over, catalyzed by automobile scrapping, introduction of electric vehicles, increased aspirations and growing incomes

Per capita use
India consumed 22 vehicles per 1,000 individuals compared with a global average of 850 vehicles per 1,000 of the population in USA (2018). (Source:ET)

Income
The per capita income was estimated to have declined by 5% from ₹ 1.35 Lakh in FY 19-20 to ₹ 1.27 Lakh in FY 20-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of FY 20-21.

Global growth
The global automobiles market is expected to grow by 9% to USD 83.4 Million in 2021, 5% in 2022 to USD 86.9 Million followed by another 4% in 2023 to USD 89.3 Million; the global tyre industry is expected to sustain 3-4% annual growth. (Source: Forbes)

Radialisation
Radialisation is a growing global trend on account of better mileage and fuel efficiency; in the commercial vehicle segment 50% of tyres sold in India were radial compared to 90% worldwide. Whereas, in the passenger car segment 98% of tyres sold are radial in both India and across the globe.

Aggressive forecast
The Indian automotive industry aspires to nearly triple vehicle sales by 2026, from 26 Million to 76 Million vehicles, across segments.

Vast headroom
The Indian automotive sector's contribution to the global sectorial turnover is ~3%, a vast headroom for growth

Exciting target
Automotive Mission Plan 2026 set a target to triple automotive industry revenues to USD 300 Billion and expand exports sevenfold to USD 80 Billion.

Anti-dumping duty
India imposed anti-dumping duty on the import of certain Chinese radial tyres used in buses and trucks for five years.

Approval process
Most large tyre manufacturers have demanding quality approval processes of vendor enlistment, a favourable reality for existing players

Technology
The technology to manufacture insoluble sulphur is available with only a handful of companies, moderating new competition

Capital-intensive
The business is capital-intensive, marked by a capital: turnover ratio of 1:1, deterring fresh industry entry

OCCL's intangible strengths

Brand: OCCL stands for a comprehensive dependability for all stakeholders, resulting in an access to growth resources (talent, funds, materials and relationships etc.)

Focus: OCCL has focused on the manufacture of insoluble sulphur (and relatively less on sulphuric acid and engineering products) for more than two decades, OCCL enhanced specialisation, reflected in a lower capital cost per tonne of the installed product than the greenfield benchmark

Commitment: OCCL has consistently expanded its manufacturing capacity on the basis of growth plans drawn up by its customers, graduating it from 'make-to-stock' to 'sell-and-make'.

Systems-driven: OCCL represents a combination of promoter-directed and professional-managed capabilities in a systems-driven environment, marked by extensive documentation and on-time deliveries.

Knowledge: OCCL leveraged its proprietary knowledge (not depending on external technology providers) to manufacture insoluble sulphur, widening its product basket with superior grades

Promoter's holding: OCCL's promoters own a high 51.76% equity stake, enhancing organisational stability

Relationships: OCCL's relationships have been built and nurtured based on trust, service, open communication and customer-centricity.

Customer approvals: OCCL possesses approvals from major global tyre companies; each time the customers grew, so did OCCL.

Sustainability: OCCL has reinforced a culture of ESG, enhancing its respects as a responsible corporate citizen.

Agents: OCCL established a network of agents in all major markets leading to better service and quicker response time.

OCCL's business moat

Revenue visibility: Nearly 90% of OCCL revenues are derived from customers of five years or more

Customer credibility: The Company services the needs of institutional clients who possess liquidity; the Company has not suffered payment defaults on its books

Spread: OCCL's manufacturing operations are located across two Indian locations (Mundra and Dharuhera); India is one of the fastest growing major global economies

Scale: OCCL is among the largest insoluble sulphur manufacturers in the world and the largest manufacturer in India.

Positioning: OCCL's Mundra manufacturing facility is port-based, making it possible to export to customers the world over

Technology: OCCL has brought to the table a significant technology competence in delivering one of the highest performance standards in the customer's end product

Competitive: OCCL re-invested accruals in capacity expansion and utilised the prevailing infrastructure to expand at a relatively low capital cost per tonne, making it one of the most competitive global manufacturers.

Location: OCCL has grown manufacturing capacities across the last decade largely in Mundra SEZ, enjoying cost advantages on the one hand and port-based access on the other

Lean company: OCCL reinforced a culture of relatively low overheads, strengthening its any-market viability.

Approvals: OCCL's revenue visibility is derived from plants approved and audited by most large tyre manufacturers (Indian and multi-national), a competitive advantage

Portfolio: OCCL manufactures various grades to address demanding compounding requirements of leading tyre manufacturers as well as the ongoing development of new grades to meet evolving customer requirements.

Power cost optimisation: The Company is self-sufficient for steam at its Dharuhera plant; it benefits from a lower power cost in Mundra (located inside the SEZ)

Tax advantage: The location of the Mundra plant inside an SEZ enjoys indirect tax exemptions

Experienced management team: The management team possesses more than three decades of experience

OCCL's shareholder value commitment

Buyback: In FY 18-19, the Company announced a buyback of fully paid-up equity shares from existing shareholders from the open market at a price not exceeding ₹1,150 and for an aggregate amount not exceeding ₹3,500 Lakh. The buyback comprised 305,970 equity shares, which were extinguished.

Payout ratio: The management has enunciated a payout ratio (percentage of profit after tax that would be paid out as dividend) of around 20%, which reconciles the Company's need for growth capital and shareholder reward.

Our strategy

Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible corporate citizenship	Value-creation
Key enablers	OCCL nurtures a culture of process and product excellence, reflected in the launch of customised products compatible with the varying process needs of customers	OCCL drives operational excellence and cost leadership. OCCL enhanced capacity at its plants (especially Mundra), drawing on existing infrastructure OCCL institutionalised a cost moderation plan starting 2019 that helped reduce its break-even point	OCCL reinforced its customer engagement through proprietary technology, superior quality, adequate capacity and timely product delivery. 90% of FY 20-21 revenues were derived from customers of five years or more	OCCL is an employer of more than 450 people (full time and contractual) across its two facilities. OCCL's people engagement is marked by delegation, empowerment, responsibility and accountability. OCCL's workplace is marked by training, engagement, appraisal transparency, reward and outperformance	OCCL is a responsible corporate citizen engaged in clean manufacturing processes and community development. OCCL invested ₹174.61 Lakh across CSR activities in FY 20-21	OCCL enhances value through the manufacture of a quality-intensive product addressing the critical needs of tyre manufacturers. OCCL enhances value through manufacturing processes using superior technologies with narrow quality tolerance limits delivered consistently
Material issues / addressed	Superior use of cutting-edge technology leading to product differentiation	Creating the basis of long-term viability through an any-market competitiveness	Enhancing revenue visibility through multi-year customer agreements; focusing on a sell-and-make approach	Creating a professional culture seeking overarching excellence in everything the Company does	Engaged deeply with the community, widening prosperity in a holistic way	Addressing customer needs for a customised quality product
Capitals impacted	Manufactured, Intellectual, Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured, Social and Relationship	Intellectual, Human	Social and Relationship, Natural	Intellectual, Manufactured, Social and Relationship

The capitals we enhanced: **Outcomes**

Our resources

Financial capital
The financial resources are based on funds we mobilise from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

Manufactured capital
Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.

Human capital
Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.

Intellectual capital
Our focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.

Natural capital
We depend on moderate resources from nature, indicating a minimal impact on the natural environment.

Social and relationship capital
Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

Value created in FY 20-21

Financial capital	Turnover ₹**34,468 Lakh**	Earnings per share ₹**75**	RoCE **15%**
Manufactured capital	State of the art manufacturing facility for **34,000 MTPA** Insoluble Sulphur & **46,000 MTPA** Sulphuric acid/oleum		
Human capital	Number of employees **423**	Total remuneration ₹**4,395 Lakh**	
Intellectual capital	Cumulative senior management experience **132**	Status of company in India's organised insoluble sulphur sector **Only manufacturer**	
Natural capital	Materials recycled into process		
Social and Relationship capital	Sourced materials from suppliers ₹**14,702 Lakh**	Revenues from customers ₹**33,251 Lakh**	Paid to the exchequer ₹**1,654 Lakh**

Excellence driver

Marketing

Overview

OCCL is the one of the largest global manufacturers of insoluble sulphur, enjoying about 10% of the global market share and 60-65% domestic market share.

The Company is a preferred supplier for 40 leading global tyre brands including Continental, Bridgestone, Goodyear, Sumitomo, Nokian, Nexen, Hankook, Cooper, Apollo, MRF, Ceat and JK Tyre, among others.

Over the years, the Company expanded its scale to emerge as one of the most competitive insoluble sulphur providers through a combination of timely delivery, consistent quality and customer proximity. The result is that more than 85% of the Company's revenues were derived from customers of five years or more.

During the year under review, Europe and India were the two major markets of the Company, accounting for more than 60% of the Company's revenues. Over the years, the Company focused on reducing its dependence on Europe (where the market has been flat) in favour of growing markets like US, Latin America and South East Asia.

In response to a rising quality emphasis, the Company works closely with customers to develop specialised products, widening its product range and strengthening its share of revenues derived from premium products.

Highlights, FY 20-21

- OCCL reported only a 3% decline in revenue in spite of disruption due to COVID-19
- OCCL added 17 new customers
- OCCL increased the share of value added products to more than 40%.
- OCCL strengthened product dispersal to increase efficiency, reduce manufacturing cycle time and moderate energy costs

Strengths

Scale
The Company is among the largest insoluble sulphur manufacturers in the world, resulting in economies of scale (manufacturing, focused cost coverage and procurement).

Best practices
The Company follows a defined quality management system; it was certified for IATF 16949, ISO 9001, ISO 14001, ISO 45001, and periodically audited by statutory authorities and customers. The Company's product is also EU REACH-registered.

Entry barrier
It is not easy for an insoluble sulphur manufacturer to get product approvals from tyre companies; the Company's products have been approved by more than 40 customers worldwide.

Local
In an endeavor to provide local supplies/just-in-time deliveries and better services to global customers, the Company has invested in four global warehouses and made arrangements with third-party logistics service providers.

Flexible
The Company is among handful manufacturers with flexible manufacturing facilities, helping deliver to clients required quantity and quality.

Value-added
The Company has been working collaboratively with tyre manufacturing companies to develop new value-added and customised grades.

Road ahead

With the tyre industry expected to report stronger offtake on the back of a rise in global incomes, the Company is poised for sustained growth.

The value we deliver to customers

Customised product

Inventory management

Just-in-time delivery

Adequate availability

Superior material quality

Long-term partnerships

Product co-development

Business sustainability

Compelling price-value proposition

Excellence driver

Manufacturing

Overview

OCCL addresses the markets of tyres and rubber, which are demanding in their quality requirements, putting a premium on the need to manufacture insoluble sulphur around the highest manufacturing discipline. Besides, the Company's various customers possess their own proprietary standards, making it imperative to customise the core product around specific requirements.

During the year under review, company focused majorly on Sustainability, quality improvement, cost reduction, environment, and safety.

The Company was awarded the Gold category in assessment by an international agency Eco Vadis.

The Company is targeting a Responsible Care logo during FY 21-22.

Strengths

The Company's principal manufacturing strengths comprise the following:

Knowledge
The Company possesses a deep proprietary insight into the manufacturing technology of insoluble sulphur that makes it independent of external dependence

Robust processes
The Company has established robust processes, marked by high uptime, productivity and adaptability to different quality requirements

Standards
The Company has demonstrated a commitment to continuous shopfloor-driven improvements in the manufacturing process, resulting in improving efficiency (higher quality, lower costs, quality consistency, superior asset utilisation and increased worker productivity)

Extensive
The culture of manufacturing excellence is the result of a combination of site management and shopfloor competencies

Engagement
The Company continues to engage with respected global faculty members and academic bodies, deepening its understanding of sulphur and applications

Achievements, FY 20-21

The Company strengthened product quality through a robust technical solution, deepened its training, implemented in-house proprietary test processes, graduated the end product in line with the best global standards, implemented a number of kaizens involving shopfloor members with a focus on enhanced safety, quality improvement and cost optimisation (focusing on utilities and resources)

Outlook

The Company is expanding in Dharuhera with 5,500 MTPA of insoluble sulphur and 50,000 TPA of sulphuric acid, which are under the final stages of installation. The Company intends to deepen research investments, recruit technical talent and strengthen its product performance.

OCCL's growing research emphasis

At OCCL, we are engaged in the manufacture of a product that is quality-critical to the performance of tyres and rubber products. The superiority of our product enhances the integrity of the end product, minimizing scrap rejection

How OCCL responded to the challenge of radialisation

As Indian road conditions improved and customers became more quality-demanding, a transition transpired in the country's tyre sector. An increasing number of brands graduated from the manufacture of conventional cross-ply tyres to the modern radial equivalent. When this transition happened, a number of resource suppliers to cross-ply tyre manufacturers were required to evolve their product and improve quality. Manufacturers of insoluble sulphur, intending to service the emerging needs of radial tyre manufacturers, needed to do the same.

At OCCL, we responded positively to the challenge. Our research team strengthened its capability. Our manufacturing team modified the product process. Our marketing team showcased our product to global and Indian brands. The result is that our insoluble sulphur product is now preferred and trusted the world over.

Our experienced **management** team

Mr J. P. Goenka
Promoter & Chairman

Graduate from Kolkata University. Industrialist associated with the renowned multi-industry group name of Duncan. Possesses 55 years of experience across businesses like jute and cotton textiles, wool-tops, industrial explosives, rubber chemicals and engineering products.

Mr Arvind Goenka
Promoter & Managing Director

Commerce graduate from Kolkata University. Possesses 35 years of experience in managing jute, lubricants and carbon black business with an expertise in finance and international marketing. Responsible for long-term goal setting and progress monitoring.

Mr Akshat Goenka
Promoter & Joint Managing Director

Graduate in Economics & International Relations from University of Pennsylvania, USA. with expertise in project execution and cost optimisation. Led the team for commissioning a new plant for the manufacture of Insoluble Sulphur at SEZ Mundra.

Mr Anurag Jain
Chief Financial Officer

Been with the Company for 30 years. Brings dynamism to financial and commercial operations. Played an active role in the Company's growth and restructuring.

Mr Vijay Sabbarwal
President (Operations)

He is an IIT graduate heading the Operations of the Company from 2014. Has over 30 years of experience in diverse Industrial segments like chemicals, FMCG, consumer durables, automobiles etc.

Mr Muneesh Batta
Vice President (Marketing)

An M.B.A (International Business) with over 27 years of experience in International business. Responsible for marketing of Insoluble Sulphur & increasing market share of Diamond Sulf overseas.

Management **discussion and analysis**

Global economic overview

The global economy reported a de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This also led to global supply chain disruptions further fueling de-growth in some of the largest global economies.

Regional growth %	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

Performance of some major economies

United States: The country witnessed a GDP de-growth of 3.4% in 2020 compared to a growth of 2.3% in 2019.

China: The country's Gross Domestic Product grew 2.3% in 2020 compared to 6.1% in 2019 despite being the epicentre of the outbreak of the novel coronavirus.

Japan: Japan witnessed a contraction of 4.8% in 2020, the first instance of a contraction since 2009. (Source: CNN, IMF, Economic Times, trading economics, Statista, CNBC)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies. (Source: IMF)

Indian economic review

India's GDP contracted 7.3% during FY 20-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

The Indian economy passed through one of the most volatile periods in living memory in FY 20-21.

At the start of 2020, India was among the five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.38 Billion was the second largest in the world; its rural population of the under-consumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.38 Billion Indians were required to stay indoors.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY 20-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, commercial activities, travel and events starting May 2020, each stage of lockdown relaxation resulted in corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's relief consumption, following the lifting of social distancing controls, translated into a full-blown economic recovery. A number of sectors in India – real estate, Auto, steel, cement, home building products and consumer durables, among others - reported unprecedented growth. India de-grew at a relatively improved 7.5% in the July-September quarter and reported 0.4% growth in the October-December quarter and a 1.6% growth in the last quarter of the year under review.

The result is that India's GDP contracted 7.3% during FY 20-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	-7.3

Growth of the Indian economy, FY 20-21

	Q1, FY21	Q2, FY21	Q3 FY21	Q4,FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

The international trend of shifting production out of China coupled with a competitive and conducive environment is helping make India a preferred global supplier of tyres, which should result in a significant increase in production.

There were a number of positive features of the Indian economy during the year under review.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY 20-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The per capita income was estimated to have declined by 5% from ₹1.35 Lakh in FY 19-20 to ₹1.27 Lakh in FY 20-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of FY 20-21.

A slowdown in economic growth and inflation weakened the country's currency rate to a USD to a low of 76.85 from 71.22 at the beginning of the year 2020 before recovering to 73.07 at the end of the year.

Despite the gloomy economic scenario, foreign direct investments (FDI) in India increased 13% to USD 57 Billion in 2020.

The gap between government expenditure and revenue was estimated at ~₹12 trillion due to increased borrowing by the government in May 2020 to address the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of USD 23.6 Billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of USD 2.5 trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the ₹45,000-Crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits).

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

Outlook

The outlook for the country appears to be positive in view of the possibility that three down cycles – long-term, medium-term and short-term – could well be reversing at the same time. The long-term downtrend, as a result of non-performing assets, scams and overcapacity could be over; the medium-term downtrend that was caused by the ILFS crisis, select banks collapse and weakening NBFCs could well be over; the short-term downtrend on account of the pandemic should weaken in spite of the severe second wave witnessed by the country in April and May 2021 due to a faster rollout of vaccines.

This could well lead to a multi-year revival in capital investments. Besides, change in policies in US could result in a revival in global, trade, benefiting Indian exporters.

The Indian economy is projected to grow by around 9% in FY 21-22 as per institutional estimates, making it one of the fastest-growing economies. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms, redistribution of manufacturing base out of China and an efficient roll-out of the vaccine, among others.

The insoluble sulphur industry

Insoluble sulphur is the amorphous polymeric form of sulphur with the property of being insoluble in all known solvents and rubber. It is the preferred vulcanisation agent for the tyre industry. Insoluble sulphur is a solution for problems arising due to the use of sulphur. It prevents the blooming of rubber, scorching of bin and ensures uniform dispersion. It is responsible for the increase in vulcanisation speed, reducing the quantity of sulphur used.

The global demand of insoluble sulphur was estimated at about 273KMT in 2020; demand in India was placed at about 17KMT. Other major players in the global Insoluble Sulphur market comprised Eastman (USA), Shikoku Chemicals (Japan) and Sunshine (China).

Sectorial optimism

The Indian specialty chemicals industry (USD 32 Billion) accounts for only ~4% of the global market, indicating attractive headroom.

India is emerging as a growing player in the global chemical supply chain with a scalable low-cost manufacturing ecosystem, strengthening infrastructure and deepening ESG compliance.

India offers a complement of advantages: low cost of operations, feedstock availability, trained talent, access to ports and strong IP protection.

There is a declining cost differential between Indian and Chinese costs on account of rising Chinese labour costs, which are double that of India even as environmental costs are similar.

Global supply chains are increasingly seeking stable sourcing arrangements outside China to reduce their dependence on that country, putting Indian companies, possessing core R&D expertise, scale and ability, at an advantage.

Tyre market growth

The size of the global tyre market was placed at USD 260.77 Billion in 2020 and estimated to grow to USD 306.44 Billion by 2025. (Source: IIFL Securities). China is the world's largest tyre producing and consuming market, followed by Europe, USA and Japan.

The motor vehicle market contributes two-thirds of the total global market. Demand for tyres in the market is anticipated to rise at 4% per year to 4,111.02 Million units by 2026. The tyre market has been classified into radial and bias tyres, the former segment growing faster on account of advantages like lower transverse slip, greater power transfer, reduced fuel consumption, lower ground damage and higher vehicle efficiency. (Source:expertmarketresearch.com)

The global tyre industry

Tyre production (Million units)

Year	2006	2011	2016	2020
Production	1,431	1,691	1,788	3,378.96

Natural rubber consumption by the tyre industry ('000 tonnes)

Year	2006	2011	2016	2020
Consumption	707,335	772,162	864,022	756,265

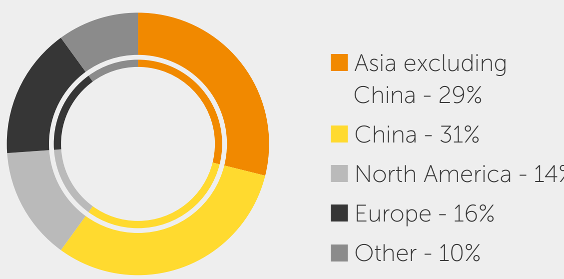
Tyre rubber consumption ('000 tonnes)

Year	2006	2011	2016
Consumption	21,692	24,737	27,281

Insoluble sulphur demand ('000 tonnes)

Year	Quantity demanded in ('000 tonnes)
2006	178
2011	227
2012	228
2013	236
2014	250
2015	264
2016	258
2020	273

Insoluble sulphur demand forecast



Radialisation effect

Year	2009	2014	2019
Insoluble sulphur-to-tyre rubber ratio	1.29	1.316	1.39

(Source: Notch report)

Indian tyre industry and growth drivers

On the basis of the vehicle type, the tyre market has been categorised into passenger cars, heavy commercial vehicles, light commercial vehicles and two-wheelers. The growth India's tyre industry is being driven by the following realities:

Growing automobile industry: The Indian automobile industry, the fourth largest in the world, is expected to become the third largest by 2026. Overall vehicle sales were 22.6 Million units in FY 20-21. Automobile exports grew about 13% year-on-year. Sales of commercial vehicles increased 20.7%. Increase in preference of personal mobility. (Source: auto.economictimes, investindia)

Rising incomes: India's GDP is expected to be in the high single-digit percentages in FY 21-22. India's per capita income is set to grow USD 2,190 in FY 21-22. Rising income levels could result in increased consumption. (Source: Statista)

Shift of preference from bias to radial tyres: The radial tyre is increasingly finding favour as it consumes less fuel and delivers higher tyre life.

Safety awareness: Growing awareness towards safety and the abuse to which the tyres are subjected in India make it imperative to produce world-class tyres and provide comprehensive solutions to tyre or vehicle owners that enhance their safety. Tyre customers have turned increasingly demanding, prompting producers to work on enhanced quality, making it imperative to work with credible suppliers of insoluble sulphur.

Competition: Increased competition is encouraging tyre companies to launch better products.

Increasing roads and highways: India has the second largest road networks in the world (5.5 Million Km). Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses the roads network to commute. ~65% of freight and ~80% passenger traffic is carried by India's roads. Road freight movement is expected to grow, strengthening the offtake of commercial vehicles. (Source: IBEF.org)

Increase in tyre exports: The international trend of shifting production out of China, coupled with a competitive and conducive environment, is helping make India a preferred global supplier of tyres, which should result in a significant increase in production.

Opportunities and threats

Opportunities

- The production of tyres is shifting to eco-friendly and lighter variants, which could increase the proportion of insoluble sulphur per tyre.
- Increased radialisation of commercial vehicle tyres.
- India is fast becoming a hub of tyre exports, especially in view of global manufacturers looking to broadbase their purchases from China.

Threats

- The Free Trade Agreement that India has with other countries could have a major impact on domestic industries as there are higher concessions on the customs duty of finished tyres (though India imposed an anti-dumping duty on tyre imports from China).
- Chinese manufacturers of insoluble sulphur are finding global acceptance.
- Uncertain commodity and freight rates are exerting a pressure on margins
- There could be an underutilised capacity in the industry if annual economic degrowth continues.

Outlook

The tyre industry is estimated to grow to USD 306.44 Billion by 2025 at a CAGR of 3.8%. The demand for insoluble sulphur is projected at 3,05,000 MTPA (Source: indianinfoline.com). The global demand for insoluble sulphur is expected to grow at about 3% per annum. However, Indian demand is expected to grow faster in double-digits due to the factors mentioned, which augurs well for the growth of the Company.

Sulphuric acid and oleum

Sulphuric acid is also known as 'oil of vitriol', a corrosive mineral acid. Sulphuric acid finds wide use in the chemical industry. Its main uses comprise fertilisers, detergents and battery. It is also used as a catalyst and dehydrating agent in petrochemical process and organic chemical manufacturing. India is one of the largest consumers of sulphuric acid globally.

Outlook

The sulphuric acid market is projected at a CAGR of 4.4% during the forecast period of 2021 to 2026. The revenue for sulphuric acid is projected to reach a value of USD 24 Billion by the end of 2026 as against USD 72.4 Billion on 2017. Demand of sulphuric acid from the fertiliser industry is also expected to rise on account of good monsoons and a liberal subsidy on fertilisers declared by the Government of India. A steep increase in the international prices of sulphuric acid on account of tight availability of feedstock sulphur ensures stability in prices. The demand for Oleum continues to be stable. (Source: industryarc.com)

Risk management

Economy risk: A sustained economic slowdown could affect insoluble sulphur demand

Mitigation: Global growth is expected to be higher in 2021 with Asia outperforming the global average. Besides, growing radialisation is expected to enhance the offtake of insoluble sulphur.

Measure: The global sulphur market is likely to grow at around 3% across the foreseeable future. Increasing use of sulphur in tyres due to better quality is expected to catalyse market growth. The Indian automobile industry, currently the fourth largest in the world, is expected to grow faster than the global average.

Debt service risk: Inability to service debt on schedule could impact the Company's credit rating.

Mitigation: The Company follows a conservative policy related to leverage.

Measure: OCCL's gearing was a comfortable 0.26 as on 31st March, 2021. Interest coverage ratio improved from 9.7 in FY 19-20 to 16.23 in FY 20-21.

Employee risk: Disrupted industrial harmony could affect people retention. Risk of underperformance due to lack of training and development of employees.

Mitigation: The Company instituted a number of policies covering recruitment, training, empowerment, job fulfilment and remuneration that enhanced industrial harmony. The Company has a policy to ensure that the skill sets of its employees are updated regularly vide training and programmes to meet the latest developments and requirements of the Company. There is a programme in place for appropriately training employees to acquire new skills in order to meet changing requirements of the Company and to prepare them for higher responsibilities.

Measure: The Company's employee strength was 423 as on 31st March, 2021 while retention stood at 93%. In FY 20-21 the external training development programs could not be undertaken during the year due to COVID related safety restrictions.

Product acceptance risk: The Company's product quality may prove to be erratic in a demanding marketplace.

Mitigation: OCCL enjoys approvals from the largest global tyre companies, effectively transforming one-off transactions into enduring relationships. The Company has a policy too continuously streamline processes to ensure consistent quality delivery.

Measure: More than 90% of the Company's revenues in FY 20-21 were derived from customers of five years or more.

Geographic risk: An excessive dependence on a single geography can have an adverse impact on the Company's financial health in the event of a decline in revenues from that market.

Mitigation: OCCL is serving customers in more than 21 countries across the globe

Measure: No country (except India) accounted for more than 10% of the Company's revenues in FY 20-21.

Financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations reported a 3% degrowth from ₹34,347.9 Lakh in FY 19-20 to ₹33,250.72 Lakh in FY 20-21, mainly on account of the first quarter impacted due to COVID-19. Other income of the Company reported 27% growth and accounted for a 3.5% share of the Company's revenues, reflecting the Company's dependence on its core business operations.

Margins: EBITDA increased to ₹12,397.8 Lakh in FY 20-21 from ₹10,850.61 Lakh in FY 19-20. The EBITDA margin of the Company improved to 37% from 32% in FY 19-20. The net profit margin of the Company was ₹7,500.18 Lakh in FY 20-21 compared to ₹7,150.55 Lakh in FY 19-20. The improvement in margins reflected the outcome of cost rationalisation and process efficiency improvements undertaken during the year. A favourable exchange rate also contributed to the margins.

Analysis of the Balance Sheet

Sources of funds: The capital employed by the Company increased 14% from ₹59,328 Lakh as on 31st March, 2020 to ₹67,876 Lakh as on 31st March, 2021 owing to internal accruals and term loans mobilized for capacity expansion.

The net worth of the Company increased 14% from ₹46,798 Lakh as on 31st March, 2020 to ₹53,248 Lakh as on 31st March, 2021. The Company's equity share capital remained unchanged during the year under review.

Long-term debt of the Company increased 26% to ₹13,758 Lakh as on 31st March, 2021 owing to new borrowings to fund capacity expansion. The long-term debt-equity ratio of the Company stood at 0.26 in FY 20-21 compared to 0.23 in FY 19-20.

Applications of funds: Fixed assets (gross) of the Company increased by 18% from ₹52,534 Lakh as on 31st March, 2020 to ₹61,982 Lakh as on 31st March, 2021, which includes capital work in progress for the expansion.

Working capital management

Current assets of the Company increased by 12% from ₹25,861 Lakh as on 31st March, 2020 to ₹28,882 Lakh as on 31st March, 2021, mainly due to increased business in the last quarter and raw material price increases. Current Assets includes current investment and cash and bank balance of ₹15,485 Lakh in FY 20-21 as compared to ₹14,116 Lakh in FY 19-20.

Inventories, including raw materials, work-in-progress and finished goods among others, increased to ₹4,006 Lakh on 31st March, 2021 from ₹3,418 Lakh as on 31st March, 2020. Trade receivables as at 31st March, 2021 were ₹7,480 Lakh compared to ₹6,667 Lakh as at 31st March, 2020.

Key ratios and numbers

Particulars	FY 20-21	FY 19-20
EBITDA/Turnover	37.3%	31.6%
Debtors/Turnover	4.45	5.15
Inventory/Turnover	8.3	10.05
Interest Coverage Ratio	16.23	9.66
Debt-equity ratio	0.26	0.23
Current Ratio	2.6	3.01
Net Profit Margin (%)	21.76%	20.25%
Book value per share (₹)	533.01	468.44
Earnings per share (₹)	75.08	71.58
Return on Net Worth (%)	14.1%	15.28%

Risks management system

Risk, which is the manifestation of business uncertainty affecting corporate performance and prospects, is an integral part of business. The Company follows a well-defined and exhaustive risk management process, which is integrated with its operations. This enables the Company to identify, categorise and prioritise operational, financial and strategic business risks. To address the identified risks, the Company continues to spend significant time, effort and human resources to manage and mitigate such risks. The Company also has a risk management committee to monitor likely risks to the business and its mitigation strategy.

Internal control systems and their adequacy

The Company has adequate internal control systems which includes internal financial controls the efficacy of which is continuously monitored and updated when required internally. The internal Auditors monitor the compliance of the same. The Company's internal control system ensures that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Human resources

The Company employed 423 officers and workmen as on 31st March, 2021. Increase in the value of human capital through the development of individual and collective competencies has helped the Company stay in step with market developments and requirements. The Company has a policy to regularly run programs and projects on skill development and upgradation of employee competence, however due to restricted mobility in FY 20-21 such development programs from external agencies could not be taken up. Programmes of knowledge sharing were conducted; employees are encouraged to attend external programs as required to enhance their perspective of emerging standards. A number of innovative ideas received from employees were implemented, resulting in enhance quality, cost optimisation and productivity.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statements or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

ORIENTAL CARBON & CHEMICALS LIMITED

Corporate Identity Number (CIN) – L24297WB1978PLC031539

Regd. Off.: 31, Netaji Subhas Road, Kolkata – 700 001

Email: investorfeedback@occlindia.com; Website: www.occlindia.com

NOTICE

NOTICE is hereby given that the Forty First Annual General Meeting of Oriental Carbon & Chemicals Limited will be held on Tuesday, the 03rd August, 2021 at 10.30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a. the audited financial statements of the Company for the financial year ended 31st March, 2021, and Reports of the Directors and Auditors thereon; and
   b. the audited consolidated financial statements of the Company for the financial year ended 31st March, 2021 and report of the Auditors thereon.
2. To confirm the interim dividend paid during the year and to declare a final dividend for the financial year ended 31st March, 2021.
3. To appoint a Director in place of Mr Akshat Goenka [DIN: 07131982], who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby accorded for ratification of remuneration amounting to ₹1,40,000/- (Rupees One Lakh forty thousand only) to be paid to M/s. J K Kabra & Co., the Cost Auditors appointed by the Board of Directors of the Company ('the Board') for the Financial Year ending 31st March, 2022.

   RESOLVED FURTHER THAT, the Board 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."

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

CANCELLATION OF EQUITY SHARES FORFEITED BY THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 61(1)(e) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications or re-enactment thereof) ("the Act") and subject to other permissions and approvals, if any, as may be required, consent of the Company be and is hereby accorded to the cancellation of 33,752 equity shares issued out of the authorised share capital of the Company, which were forfeited by the Company, and which have neither been re-issued nor have been taken up or agreed to be taken up by any person and the amount of issued share capital be and is hereby diminished by an amount of ₹1,51,660/- being the amount paid up on the forfeited shares so cancelled."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions as may be in its absolute discretion deemed necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the shareholders or otherwise and that the shareholders shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Registered Office:	By order of the Board
31, Netaji Subhas Road	
Kolkata 700001	
	Pranab Kumar Maity
Place: Noida	*Company Secretary*
Date: 18th June, 2021	Membership No. A20606

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated 5th May, 2020 read with Circular No. 14 dated 08th April, 2020, Circular No. 17 dated 13th April, 2020, General circular No.02/2021 dated 13th January, 2021 (hereinafter collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR /P/2020/79 dated 12th May, 2020 and Circular No. SEBI/HO/CFDCMD2/CIR/P/2021/11 dated 15th January, 2021 issued by the Securities and Exchange Board of India ("SEBI Circular") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue.
2. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 41st Annual General Meeting (AGM) of the Company is being held through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting.
3. Notice of 41st AGM and financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) for FY 20-21, are being sent only through email to all members as on 02nd July, 2021 on their registered email id with the Company and no physical copy of the same would be dispatched. 41st Integrated Annual Report containing Notice, financial statements and other documents are available on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the Company's shares are listed and is also available on the website of the Company (www.occlindia.com).
4. The Company has engaged the services of Link Intime India Private Limited (LIIPL) for providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at **Note No.21 below**.
5. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the Company shall be deemed to be the place of meeting for the purpose of recording of the minutes of the proceedings of this AGM.
6. Pursuant to the Circular No. 14/2020 dated 08th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Procedure for Registration of email ids and Bank Account details:

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

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

   (i) For shares held in physical mode:

      a) Advise any change in their address or bank mandates to the Company/Company's Registrar and Transfer Agent, Link Intime India Private Limited. The notification of change of address should be accompanied by the address proof, i.e., voter's identity card, electric/telephone bill, driving licence or a copy of the passport or bank statement of the member. OR

      b) Log into the website of our RTA, Link Intime India Private Ltd., at www.linkintime.co.in under Investor Services > Email/Bank detail Registration. Fill in the details and upload the required documents and submit.

   (ii) For Shares held in Demat mode:

      The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
9. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to Special Business to be transacted at Annual General Meeting is annexed hereto.
10. In terms of Section 152 of the Companies Act, 2013, Mr Akshat Goenka [DIN: 07131982], shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Pursuant to Regulation 36 of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard 2 (SS-2), the details of Mr Akshat Goenka, seeking re-appointment at the ensuing Annual General Meeting, are provided in the 'Corporate Governance Report' section of the Annual Report. Mr Goenka has furnished the requisite declaration for his re-appointment.

11. Any member desirous of receiving any information of Financial Statements or operations of the Company is requested to forward his/her queries to the Share Department of the Company at the Registered Office at least 10 working days prior to AGM, so that required information can be made available at the AGM.

12. The Register of Members and the Share Transfer Books of the Company will remain closed from 20th July, 2021 to 22nd July, 2021 (both days inclusive).

13. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 01st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Limited for assistance in this regard.

14. An Interim dividend @40% (i.e. ₹4/- per equity shares) was declared at the meeting of the Board of Directors of the Company held on 03rd November, 2020 to those members whose names appeared on the Company's Register of Members, or appeared as beneficial owners at the close of business on 11th November, 2020 (Record Date) and same was paid on and from 25th November, 2020.

    The Final Dividend as recommended by the Board of Directors, if approved at the meeting shall be credited/dispatched on or before 13th August, 2021 to those members whose names appear on the Company's register of members on 19th July, 2021 or their mandatees. In respect of the shares in electronic form, the dividend will be payable on the basis of ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. for this purpose.

15. Members holding shares in dematerialised form should intimate to the concerned Depository Participant(s), the necessary bank account details. Members holding shares in physical form may intimate the Registrar and Share Transfer Agents, the necessary bank details for ECS credit directly to their bank accounts wherever ECS facility is available or for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants. In case of any change in the bank particulars, the change should be intimated to the Depository Participant(s), (in case of dematerialised shares) and the Registrar and Share Transfer Agents (in case of physical shares), immediately so that the changed particulars may be used for dividend payment.

16. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ("IEPF Rules") the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education Protection Fund (IEPF), constituted by the Central Government. During FY 20-21, the unclaimed dividend amount of ₹7,12,026/- and ₹4,99,134/- towards the unpaid dividend account of the Company for the financial year 2012-13 (Final Dividend) and 2013-14 (Interim Dividend) was transferred to Investor Education and Protection Fund. The said amount had remained unclaimed for seven years, despite reminder letters having been sent to each of the members concerned.

17. The Final Dividend for the financial year ended 31st March, 2014 and Interim Dividend for the financial year ended 31st March, 2015, which remains unpaid or unclaimed, will be due for transfer to IEPF on 04th September, 2021 and 06th December, 2021 respectively.

    The Company has been sending reminders to those members having unpaid/unclaimed dividends before transfer of such dividend(s) to IEPF. The details of the unpaid/unclaimed dividend are also uploaded as per the requirements, on the Company's website www.occlindia.com.

    Pursuant to provision of Section 124(6) of the Companies Act, 2013 read with Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to Investor Education Protection Fund.

    Members, who have not encashed their dividend warrants for the above mention dividends are requested to lodge their claims with the Company.

18. To support the 'Green Initiative', the Members are requested to register their email addresses with the Company or Registrar and Share Transfer Agents of the Company to investorfeedback@occlindia.com or kolkata@linkintime.co.in or with the Depositories for receiving all communication, including Annual Report, Notices and Documents through e-mail instead of physical copy.

19. Non-resident Indian Members are requested to inform Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Limited, immediately of:

    a) Change of their residential status on return to India for permanent settlement.

    b) 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.

20. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. 01st April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ LIIPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investorfeedback@occlindia.com or kolkata@linkintime.co.in or they can login to the portal of LIIPL, i.e. www.linkintime.co.in and upload necessary tax exemption declaration after choosing OCCL name from the drop down menu under Investor Services/Tax Exemption Registration. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

    Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investorfeedback@occlindia.com or kolkata@linkintime.co.in. or they can login to the portal of LIIPL, i.e. www.linkintime.co.in and upload necessary tax exemption declaration after choosing OCCL name from the drop down menu under Investor Services/ Tax Exemption Registration.

    The aforesaid declarations and documents need to be submitted by the shareholders by 11.59 p.m. IST on 19th July, 2021.

21. **Instructions for remote e-voting and joining the Annual General Meeting are as follows:**

    In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 41st Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote e-Voting Services provided by Link Intime India Private Limited (LIIPL).

    A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation read with the MCA circulars.

    During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialised form, as on the cut-off date i.e. Tuesday, 27th July, 2021, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.

    The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, 31st July, 2021 and ends at 5:00 p.m. (IST) on Monday, 02nd August, 2021. The e-voting module shall be disabled by CDSL for voting thereafter.

    Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

    The facility for voting, through electronic voting system, shall also be made available during the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. Members who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

A. PROCEDURE FOR REMOTE E-VOTING:

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated 09th December, 2020:

Pursuant to SEBI circular dated 09th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 09th June, 2021.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. • After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. • Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - A. **User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) D. **Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ 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). ▶ Click **"confirm"** (Your password is now generated). 2. Click on 'Login' under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'**. 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on 'No' and accordingly modify your vote.

Institutional shareholders:

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

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

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

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

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

Helpdesk for Individual Shareholders holding securities in demat mode:

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

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

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

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

B. PROCEDURE FOR JOINING AGM THROUGH VC / OAVM AND E-VOTING DURING THE AGM:

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

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

- Select the **"Company"** and **'Event Date'** and register with your following details: -
  - A. **Demat Account No.** or **Folio No:** Enter your 16 digit Demat Account No. or Folio No
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company
  - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. **Mobile No.:** Enter your mobile number.
  - D. **Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

<u>Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.</u>

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

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the Company on the specific email id created for the general meeting.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

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

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

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

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

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

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

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

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

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

C. PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at investorfeedback@occlindia.com from 29th July, 2021 (9.00 a.m. IST) to 01st August, 2021 (5.00 p.m. IST).

The Speakers will only be allowed to express their views/ ask questions during the meeting on first come basis.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorfeedback@occlindia.com. The same will be replied by the Company suitably.

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

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

22. The Board has appointed Mr Pawan Kumar Sarawagi (Membership No. FCS 3381), of M/s. P Sarawagi & Associates, Company Secretaries, Kolkata as the Scrutinizer to scrutinize the remote e-voting process and voting process at AGM in a fair and transparent manner.

23. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

24. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.occlindia.com and on the website of LIIPL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

25. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

26. Since the AGM will be held through VC / OAVM, the Route Map is notannexed in this Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

As required under Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the Special Business relating to Item No. 4 & 5 of the accompanying Notice dated 18th June, 2021.

Item No. 4

The Board, on recommendation of the Audit Committee, has approved the appointment of the Cost Auditor to conduct the audit of cost records relating to the chemicals manufacture at Dharuhera for the financial year ending 31st March, 2022 at a remuneration of ₹1,40,000/- plus applicable tax and reimbursement of actual out of pocket expenses. In accordance with the provisions of the Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. The Board recommends the resolution set out at Item No. 4 for the approval of the Members of the Company.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5

In the past, the Board had forfeited 33752 shares of face value of ₹10/- each due to non-payment of call money by the shareholders. The total amount of capital paid against these shares is ₹1,51,660/-.

While showing details of the equity share capital in the Balance sheet, the details of forfeited shares also needs to be disclosed till the time these shares are either re-issued or cancelled. Considering small quantum of the shares, it is proposed to cancel these shares.

Further, pursuant to Section 61(1)(e) of the Companies Act, 2013, a limited Company having a share capital may, if so authorised by its articles, cancel shares which at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its issued share capital by the amount of the shares so cancelled.

The resolutions contained in item no. 5 of the accompanying Notice, accordingly, seek shareholders' approval through ordinary resolution to cancel the forfeited shares.

The Board recommends the resolution set out at Item No. 5 for the approval of the Members of the Company.

None of the Directors or key managerial personnel of the Company or their relatives is / are, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Registered Office:
31, Netaji Subhas Road
Kolkata 700001

Place: Noida
Date: 18th June, 2021

By order of the Board

Pranab Kumar Maity
Company Secretary
Membership No. A20606

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the 41st Annual Report along with the Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st March, 2021.

SUMMARY OF FINANCIAL RESULTS

(₹ Lakh)

Particulars	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Net Sales/Income from Operations	3,32,50.72	3,43,47.90
Other Income	12,16.81	9,56.58
Total Revenue	**3,44,67.53**	**3,53,04.48**
Profit/(Loss) Before Taxation	96,64.90	79,30.00
Provision for Taxation *	(21,64.72)	(7,79.49)
Profit/(Loss) after Taxation	**75,00.18**	**71,50.55**
Other Comprehensive Income/(loss)(Net of Tax)	(44.62)	(2,60.84)
Amount Available for Appropriation	5,02,16.40	4,40,80.21
Appropriation:		
Interim Dividend on Equity Shares	3,99.60	3,99.60
Tax on Interim Dividend	-	82.14
Final Dividend for Previous Year	5,99.41	7,99.21
Tax on Final Dividend	-	164.28
Balance Carried to Balance Sheet	**4,92,17.39**	**4,26,34.98**

* Including ₹ 5,10.21 Lakh Deferred Tax (Previous year ₹ (611.10) Lakh).

DIVIDEND

Your Directors are pleased to recommend Final Dividend of 100% on 99,90,092 Equity Shares (₹10/- per share of ₹10/- each) which is subject to the approval of Shareholders in the ensuing Annual General Meeting. With this, the total dividend for the year including interim dividend of 40% comes to 140%. There was no transfer to General Reserves during the year under review.

OPERATIONS

Insoluble Sulphur

The Company entered into FY 20-21 during a nationwide lockdown and a huge worldwide business disruption due to COVID-19, This resulted into major reduction in sales during the first quarter the impact of which continued in the second quarter. However, the second half of FY 20-21 witnessed a growth in sales due to V shaped recovery in demand. On account of good sales in second half, the total sales volume during the year was at par with the previous year. Margins were better than the previous year due to cost rationalizations at each level, improved production efficiencies and favorable foreign exchange etc. however these margin were tempered by increase in raw material cost from the Fourth Quarter.

The work on Phase-1 of expansion project of IS along with acid at Dharuhera Haryana is facing delays due to suspension of civil and other work during lockdown and shortage of labour. The Project has suffered further delays during the second wave of Covid in the months of April and May-2021. The First Phase of Insoluble Sulphur Plant and the Sulphuric Acid Plant which was expected to be commissioned by July' 2021 after the delays faced in the year 2020 is now expected to be commissioned by Q2 of 21-22.

Sulphuric Acid & Oleum

Sales during the first quarter FY 20-21 were impacted due to lockdown, however demand picked from second quarter onwards and total sales were at par with the previous year. Incremental sales realisation contributed to better margins as compared to last year.

FUTURE PROSPECTS

Insoluble Sulphur

Although the overall outcome during FY 20-21 was much better than that anticipated at beginning of the year. The unprecedented surge in Covid cases in India during the First quarter of FY21-22 will again hamper the momentum and lead to reduction in demand. As it is evident the second wave has proved to be devastating and shall have adverse impact on the domestic sales of the Company.

However, with increased rate of vaccination, hope of recovery in demand from second quarter in domestic market remains.

The demand in in the European Union and US has been stable and is now poised for growth provided there is no significant new covid wave. However, there might be a dip in demand in south Asia market in the first half of the year on account of increases in COVID cases in these countries.

The Project (Phase 1 of expansion at Dharuhera) is also facing delays due to suspension of civil work during the shutdown period of COVID-19 and shortage of labour thereafter. Therefore, the project is now expected to be commissioned by October' 21 instead of Q1 of 21-22 as envisaged earlier. However, no significant impact on the cost is anticipated as of now. However, this shall not have any impact on the sales of the Company as there is adequate capacity to take care of demand till commissioning of the Project.

Impact of Covid-19

The Company has considered the possible risk that may result from the pandemic relating to COVID-19 and based on current indicators of future economic conditions, expects to recover the carrying amount of all its assets including inventories, receivables, investments and other financial and non-financial assets in the ordinary course of business based on the internal and external information available upto the date of approval of these financial results. The Company is continuously monitoring any material changes in economic conditions.

The Company is taking all steps and precaution on account of Covid -19 at its workplaces. All the protocols as suggested/announced time to time by Authorities are being followed. Employees are allowed to work from home as and when required. Vaccination for all the employees along with their families have been facilitated. The Company has also taken the term insurance cover for employees.

Sulphuric Acid & Oleum

Contributions are expected to be under pressure going forward as two more plants of Sulphuric Acid (with combined additional capacity of about 250 MTPD) are expected to be commissioned during the year in North India. However, there might be some respite due to expected robust demand in the fertilizer sector and prevailing high international prices.

Along with the Capacity Expansion of Insoluble Sulphur, the Company is also expanding Sulphuric Acid capacity mainly with the view of providing steam for the new Insoluble Sulphur lines.

CREDIT RATING

The Company's Credit Rating has been done by ICRA for Long Term and Short term borrowing including Public Deposit. ICRA has reaffirmed the long-term rating of [ICRA]AA- (pronounced ICRA double A minus) and short term rating of [ICRA]A1+ (pronounced ICRA A one plus) assigned earlier to the ₹224.00 Crore Line of Credit of your Company, and also assigned a long-term rating of [ICRA] AA- (pronounced ICRA double A minus) and short term rating of [ICRA]A1+ (pronounced ICRA A one plus) to the additional limit of ₹40.00 Crore. The Outlook on the long term rating is Stable. ICRA has also reaffirmed the rating at MAA (pronounced M Double A) for the captioned Fixed Deposit Programme. The outlook on the rating is Stable. Instruments with this rating indicate high-credit-quality rating assigned by ICRA. The rated deposits programme carries low credit risk.

SUBSIDIARY

The Company has only one subsidiary, namely Duncan Engineering Ltd (formerly known as Schrader Duncan Limited).

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, statement containing salient features of standalone financial statements of subsidiaries in Form AOC-1 is attached to the Financial Statements in a separate section and forms part of this Report. The separate audited accounts of the Subsidiary Companies are available on the website of the Company.

The Company's subsidiary registered a gross turnover of ₹4199.78 Lakh during the current Financial Year against ₹44,38.97 Lakh during FY 19-20. The Subsidiary reported a profit of ₹798.77 Lakh (Previous Year Profit ₹326.30 Lakh).

As required under Rule 8(1) of the Companies (Accounts) Rules, 2014, the Board's Report has been prepared based on Standalone Financial Statements. The standalone turnover, PBT and PAT of the subsidiary are given in Form AOC-1.

In accordance with the third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its Standalone and the Consolidated Financial Statements would be placed on the website of the Company at www.occlindia.com. Further, as per provisions of the said Section, audited Annual Accounts of subsidiary company would also be placed on the website of the Company at www.occlindia.com. Shareholders interested in obtaining a copy of the Annual Accounts of the subsidiary company may write to the Company Secretary at the Company's corporate office or may drop a mail at investorfeedback@occlindia.com. The Company does not have any material subsidiary in the immediately preceding accounting year. However, as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI has made it mandatory for all listed companies to formulate a policy for determining 'material' subsidiaries. Accordingly, a policy on 'material' subsidiaries was formulated by the Audit Committee of the Board of Directors and same is also posted on the website of the Company and may be accessed at www.occlindia.com

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company prepared in accordance with the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Indian Accounting Standard 110 on Consolidated Financial Statements is provided in the Annual Report.

DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013, and the Article of Association of the Company, Mr Akshat Goenka is due to retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer himself for re-appointment.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a)&(b) of the Companies Act, 2013 and a certificate dated 18th June, 2021 received from Company Secretary in Practice certifying 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 Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to the Corporate Governance Report.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed both under the Act and Regulation 16 of the Listing Regulations.

The Board of Directors further confirms that the Independent Directors also meet the criteria of expertise, experience, integrity and proficiency in terms of Rule 8 of the Companies (Accounts) Rules, 2014 (as amended).

Separate Meeting of Independent Directors

Details of the separate meeting of Independent Directors held in terms of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations are given in the Corporate Governance Report.

SHARE CAPITAL

During the year under review, there was no change in the Share Capital of the Company.

KEY MANAGERIAL PERSONNEL (KMP)

The details of Key Managerial Personnel of the Company as per the provisions of Sec 203 of the Companies Act, 2013 are as follows:

a) Mr Arvind Goenka, Managing Director

b) Mr Akshat Goenka, Jt. Managing Director

c) Mr Anurag Jain, Chief Financial Officer

d) Mr Pranab Kumar Maity, Company Secretary

During the financial year 20-21, there was no change in the Key Managerial Personnel of the Company.

Mr Akshat Goenka, Joint Managing Director of the Company who is also serving as Managing Director of the Duncan Engineering Limited, the Subsidiary of the Company received a remuneration of ₹12,000/- and ₹19.5 Lakh as commission from the Subsidiary Company during the FY 20-21.

MEETINGS OF THE BOARD

During the year four Board Meetings were convened and held on 18th June, 2020, 10th August, 2020, 03rd November, 2020 and 02nd February, 2021. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of Board Meetings with regard to dates and attendance of each Directors have been provided in the Corporate Governance Report.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors in their meeting held on 22nd March, 2021 have evaluated the Performance of Non-Independent Directors, Chairperson of the Company after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Nomination and Remuneration Committee has also carried out evaluation of performance of every Director of the Company. On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

The Independent Directors are regularly updated on industry & market trends, plant process, and operational performance of the Company etc through presentations in this regard. They are also periodically kept aware of the latest developments in the Corporate Governance, their duties as directors and relevant laws.

AUDIT COMMITTEE

As on 31st March, 2021, the Audit Committee of the Board of Directors of the Company consists of three Independent Directors with Mr O. P. Dubey as Chairman and Mr B. B. Tandon, Mr S. J. Khaitan, as members and one promoter Director Mr Akshat Goenka, Joint Managing Director as Member. The Company Secretary is the Secretary of the Committee. The Chief Financial Officer and Auditors are permanent invitees to the committee meetings. The Committee met 4 (four) times during the year i.e. on 18th June, 2020, 10th August, 2020, 03rd November, 2020 and 02nd February, 2021.

The Committee, inter alia, reviews the Internal Control System and Reports of Internal Auditors and Compliance of various Regulations. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report. The Committee also reviews the Financial Statements before they are placed before the Board. Your Company has a well-structured Internal Audit System commensurate with its size and operations. During the year there were no instances where the Board had not accepted the recommendations of the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE

As on 31st March, 2021, the Nomination and Remuneration Committee consists of three Independent Directors with Mr O. P. Dubey as Chairman, Mr B. B. Tandon and Mr K. Raghuraman as members. The Committee, inter alia, identifies persons who are qualified to become directors and who may be appointed in key management positions and senior management. The Committee also finalizes their remunerations. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report. The Committee met twice during the year under review on 18th June, 2020 and 02nd February, 2021.

STAKE HOLDER'S RELATIONSHIP COMMITTEE

As on 31st March, 2021, the Stakeholders' Relationship Committee comprises of one Independent Director Mr S J Khaitan as Chairman, Executive Directors Mr Arvind Goenka and Mr Akshat Goenka as members. The Committee, inter alia, reviews the grievance of the security holders of the Company and redressal thereof. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report. The Committee met 6 (six) times during the year on 18th June, 2020, 10th August, 2020, 19th October, 2020, 13th January, 2021, 02nd February, 2021 and 24th March, 2021.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on 31st March, 2021, the Corporate Social Responsibility Committee consists of two Independent Directors, Mr S. J. Khaitan as Chairman and Mr K. Raghuraman, Member and one Executive Director Mr Arvind Goenka as member. The Committee met twice during the year on 18th June, 2020 and 02nd February, 2021. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

The Company recognizes that an effective practice of CSR is required giving due consideration to the welfare of the community, environment and social structure that it operates in and that of the country including focus welfare areas identified by the State and Central Governments. The CSR Committee of the Company has laid down the policy to meet the Corporate Social Responsibility objectives of the Company.

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy may be accessed on the Company's website at www.occlindia.com. The CSR Policy includes activities prescribed as CSR activity as per the Rules of Companies Act, 2013.The main Focus areas taken in the policy are Education, Health care and family welfare, Environment and Safety, contribution to any relief fund setup by the Government of India and any State Government.

The Average Net Profits of the Company for the last three financial years is ₹8716.93 Lakh and accordingly the prescribed CSR expenditure during the year under review shall not be less than ₹174.34 Lakh (i.e. 2% of the Average Net Profits of the Company for the last three financial years). ₹174.61 Lakh were spent on CSR activities and projects undertaken during the year. The Annual Report on CSR activities is annexed as **"Annexure A"** to this Report.

VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Whistle Blower Policy' to establish Vigil Mechanism for directors and employees to report genuine concerns has been framed. The policy is revised from time to time to realign it with applicable regulations or organisations suitability. The latest policy is available on the website of the Company and the web link of the same is provided in the Corporate Governance Report. This policy provides a process to disclose information, confidentially and without fear of reprisal or victimization, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrong doing within the Company. The Company ensures that no personnel is denied access to the Audit Committee.

RISK MANAGEMENT

As a policy, the Company has identified key risk concern/areas. The assessment of each risk area is done on quarterly basis. Following are the main concern/risk related to the Company:

Market Related Risk: mainly demand, realisation and redundancy of the product.

Production related Risk: mainly availability of inputs, accident or break down in the plant and rejection of material by the customers.

Human Resources Risk includes the risk of labour unrest, high employee turnover ratio and lower productivity due to dissatisfaction of employees.

Revenue Risk: adverse exchange rate movement. Govt. Policies and duty rates

Geographical Risk: risk arising out of Political Instability, restrictive trade practices against India, trade sanctions on different countries.

Data and records: data loss, fire and Virus attack etc.

A Risk Management committee has been formed for the purpose of evaluation of Risks and their mitigation plan.

The Board and the Audit Committee also takes note of Risk management of the Company in every quarter.

The Risk Assessment is also discussed in the Management Discussion and Analysis attached to this report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an established internal control system including internal financial Controls designed to ensure proper recording of financial and operational information, compliance of various internal controls and other regulatory and statutory compliances. Self-certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the Company. Internal Audit is conducted throughout the organization by qualified outside Internal Auditors. Findings of the internal Audit Report are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action are ensured wherever required. The Statutory Auditors have evaluated the system of internal controls including internal financial control of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business. The Audit Committee of the Board, from time to time, evaluated the adequacy and effectiveness of internal financial control of the Company with respect to:-

1. Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. There are well-laid manuals for such general or specific authorization.
2. Systems and procedures exist to ensure that all transactions are recorded as necessary to permit preparation of Financial Statements in conformity with Generally Accepted Accounting Principles or any other criteria applicable to such statements, and to maintain accountability for aspects and the timely preparation of reliable financial information.
3. Access to assets is permitted only in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.
4. The existing assets of the Company are verified/checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
5. Proper systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's policies.

POLICY ON NOMINATION AND REMUNERATION

The summary of Remuneration Policy of the Company prepared in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided in the Corporate Governance Report. The approved Remuneration Policy of the Company is also available on the website of the Company which is www.occlindia.com.

POLICY ON DIRECTORS' APPOINTMENT

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skill and experience that are required of the members of the Board. The members of the Board should possess the expertise, skills and experience needed to manage and guide the Company in the right direction and to create value for all stakeholders. The members of the Board will need to consist of eminent persons of proven competency and integrity with an established track record. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the members are required to have a significant degree of commitment to the Company and should devote adequate time in preparing for the Board meeting and attending the same.

The members of the Board of Directors are required to possess the education, expertise, skills and experience in various sectors and industries needed to manage and guide the Company. The members are also required to look at strategic planning and policy formulations.

The members of the Board should not be related to any executive or independent director of the Company or any of its subsidiaries. They are not expected to hold any executive or independent positions in any entity that is in direct competition with the Company. Board members are expected to attend and participate in the meetings of the Board and its Committees, as relevant. They are also expected to ensure that their other commitments do not interfere with the responsibilities they have by virtue of being a member of the Board of the Company. While reappointing Directors on the Board and Committees of the Board, the contribution and attendance record of the Director concerned shall be considered in respect of such reappointment. The Independent Directors shall hold office as a member of the Board for a maximum term as per the provisions of the Companies Act, 2013 and the rules made thereunder, in this regard from time to time, and in accordance with the provisions of the Listing Regulations. The appointment of Directors shall be formalised through a letter of appointment.

The Executive Directors, with the prior approval of the Board, may serve on the Board of any other entity if there is no conflict of interest with the business of the Company.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arms' 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 Company at large. All related party transactions are placed before the Audit Committee and given in the notes annexed to and forming part of this Financial Statement. The approved policy on Related Party Transactions as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also available on the website of the Company www.occlindia.com.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors state that:

a) In preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b) The Directors have selected such Accounting Policies as listed in the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2021 and of the profits of the Company for that period;

c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the annual accounts on a going concern basis;

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

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

CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the year. The Company has only one subsidiary, namely Duncan Engineering Ltd (formerly known as Schrader Duncan Limited).

INSURANCE

Our Company's properties, including building, plant, machineries and stocks, among others, are adequately insured against risks.

PUBLIC DEPOSITS

Fixed Deposits from public outstanding with your Company at the end of the financial year stood at ₹5,98,000/. Out of this, deposits aggregating to ₹3,03,000/- due for repayment on or before 31st March, 2021 were not claimed by the depositors by the said date. The Company has stopped accepting new deposits and no deposits were accepted during the year.

LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 506579 and on National Stock Exchange of India Limited (NSE) with scrip symbol OCCL. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 21-22 have been duly paid.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial Statements.

AUDITORS AND THEIR REPORT

a. Statutory Auditors:

Messrs S S Kothari Mehta & Co., Chartered Accountants, were appointed as Auditors of the Company for tenure of five years i.e. from the conclusion of 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting of the Company. The Auditors have confirmed their eligibility and qualification under Section 141 of Companies Act 2013. The Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March, 2021 form part of this Annual Report.

b. Secretarial Auditors:

The Board of Directors of the Company at their meeting held on 02nd February, 2021, appointed Mr Pawan Kumar Sarawagi, Practicing Company Secretary of M/s. P Sarawagi & Associates having office at Narayani Building, Room No.107, First Floor, Brabourne Road, Kolkata - 700001 for conducting the Secretarial Audit of the Company for the financial year 20-21. The Secretarial Audit Report in Form MR-3 for the financial year ended 31st March, 2021, is annexed herewith as "Annexure B".

c. Cost Auditors:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company relating to insoluble Sulphur plants located at Dharuhera, Haryana is required to be audited. Your Board had on recommendation of the Audit Committee, appointed Messrs J K Kabra & Co., Cost Accountants to audit the cost accounts of the Company for the financial year 20-21 on a remuneration of ₹1.4 Lakh. The Cost Audit Report for the year ended 31st March, 2020 has been submitted to the Ministry of Corporate Affairs within stipulated time period.

As required under the Companies Act, 2013, the remuneration payable to Cost Auditors is required to be placed before the members in a General Meeting for their ratification. Accordingly, a Resolution seeking member's ratification for remuneration payable to Messrs J K Kabra & Co., Cost Auditors is included at item no. 4 of the Notice convening the Annual General Meeting.

Response to Auditors' Remarks

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors and Secretarial Auditor in their Audit Report. Hence, no comment is required.

Annual Return of the Company

In accordance with Section 134(3)(a) of the Companies Act, 2013 read with sub-section (3) of section 92 of the Act, the Annual Return as on 31st March, 2021 is available on the website of the Company at the link : https://www.occlindia.com/investorrelations/Annual Return.

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance for the financial year 20-21, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with an Auditors' Certificate on compliance with the conditions of Corporate Governance is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year 20-21, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

BUSINESS RESPONSIBILITY REPORT

As stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached and forms part of the Annual Report.

CEO AND CFO CERTIFICATION

Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO and CFO certification as specified in Part B of Schedule II thereof is annexed to the Corporate Governance Report. The Managing Director & CEO and the Chief Financial Officer also provide quarterly certification on Financial Results while placing the Financial Results before the Board in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Code of Conduct for Directors and Senior Management Personnel is posted on the Company's website. The Managing Director & CEO of the Company has given a declaration that all Directors and Senior Management Personnel concerned affirmed compliance with the code of conduct with reference to the financial year ended on 31st March, 2021. The declaration is annexed to the Corporate Governance Report.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with all the mandatorily applicable secretarial standards issued by The Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

As required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed to this Report as "**Annexure C**".

RESEARCH & DEVELOPMENT

Research & Development is fundamental to the Company's efforts to maintain the technical and quality edge for the product. A full in-house Research & Development team works on continuous basis to improve the quality of product and its properties. New Grades are also being developed to meet customers varied requirements. Research in the areas of improving and streamlining process parameters and rationalizing fuel consumption is also being carried out. Help of accredited independent laboratories is also taken as and when required for studying and evolving critical parameters.

The Company's Research and Development Facility is approved by Department of Scientific and Industrial Research, Ministry of Science and Technology Government of India.

The R&D lab is regularly augmented by acquiring state of the art analytical and process equipment to help in faster and detailed analysis. Further, pilot plants, as required, are being set up to validate the research findings. The details of some specific R&D activities carried out and benefits derived out of them have been annexed to this report.

POLLUTION CONTROL AND SAFETY

Your Company's Plants have all the requisite Pollution Control Equipment and meets all the desired and statutory norms in this regard. The Company places the highest emphases on safety of its personnel and plants. All the statutory requirements in terms of safety are followed and exceeded. The Insoluble Sulphur Units of the Company enjoys ISO-TS 16949:2009, EMS14001-2004 and OHSAS18001:2007 Certification. The Company has started using Natural Gas in place of Furnace Oil and other liquid fuels at its Dharuhera Plant thus helping in reduction of pollution. A rooftop solar plant has also been installed and a zero-discharge water ETP has been commissioned to fully recycle wastewater at Dharuhera Plant. Projects to reduce fuel consumption and thus reducing gas emission are taken on a continuous basis.

PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as **'Annexure D'**, which is annexed hereto and forms a part of the Boards' Report.

FRAUD REPORTING

There was no fraud reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board of Directors during the year under review.

INSIDER TRADING REGULATIONS

Based on the requirements under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Code of Conduct for prevention of insider trading is in force in your Company. The Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in compliance with Chapter IV of the said Regulations and the same is also available on the Company's website www.occlindia.com.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

The Company sends reminder letters to all members whose dividends are unclaimed so as to ensure that they receive their rightful dues. Your Company has also uploaded on its website, www.occlindia.com, information regarding unpaid/unclaimed dividend amounts lying with your Company.

During FY 20-21, the unclaimed dividend amount of ₹7,12,026/- and ₹4,99,134/- towards the unpaid dividend account of the Company for the financial year 2012-13 (Final Dividend) and 2013-14 (Interim Dividend) was transferred to Investor Education and Protection Fund. The said amount had remained unclaimed for seven years, despite reminder letters having been sent to each of the members concerned.

Pursuant to Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendments, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the demat account of Investor Education and Protection Fund ("IEPF") Authority (the "Authority") as per the procedure mentioned in the said Rules. Accordingly, your Company transfers the required equity shares to the demat account of the Authority and in terms of the said Rules.

Members may note that unclaimed dividend and shares transferred to the demat account of the Authority can be claimed back by them from IEPF Authority by following the procedure mentioned in the said Rules.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013.

No case was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 during the year under review.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S OPERATIONS IN FUTURE

During the period under review, there were no significant and material orders passed by any regulator / court / tribunal impacting the going concern status and the Company's operations in future.

GREEN INITIATIVES

'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report etc. to shareholders at their e-mail address previously registered with the DPs and RTAs.

To support the 'Green Initiative', Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/Depositories for receiving all communications, including Annual Report, Notices, Circulars, etc., from the Company electronically.

Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation of the Pandemic, owing to the difficulties involved in dispatching of the physical copies of the Notice of the 41st AGM and the Annual Report of the Company for the financial year ended 31st March, 2021 including therein the Audited Financial Statements for the year 2020-2021, the afore-mentioned documents are being sent only by email to the Members.

ACKNOWLEDGMENTS

The Board places on record its appreciation of the support and assistance of various Banks, Government Agencies, Suppliers, valued Customers and the shareholders in particular and looks forward to their continued support. Relations between your Company and its employees remain cordial and the Directors wish to express their appreciation for the co-operation and dedication of all employees of the Company.

On behalf of the Board of Directors

Place: Noida	**Arvind Goenka**	**Akshat Goenka**
Date: 18th June, 2021	*Managing Director*	*Jt. Managing Director*
	DIN-00135653	DIN-07131982

ANNEXURE A TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Act & Rules made thereunder]

1. A BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS:

   In compliance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. The Company's focus areas are concentrated on increasing access to health, education, environment sustainability, community development and holistic development with a focus on underprivileged people living around its manufacturing units and other establishments. The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the Company to undertake and fulfill its Corporate Social Responsibility. The Policy functions as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms. This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society. The Company's CSR policy is placed on its website and the web-link for the same is https://www.occlindia.com/investor's relations/policies& procedure.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr Suman J Khaitan	Chairman	2	2
2	Mr Arvind Goenka	Member	2	2
3	Mr K Raghuraman	Member	2	2

3. Web-link for Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. i.e. https://www.occlindia.com/investor-relation

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

   Not Applicable

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 year20-21, if any : NIL

6. Average net profit of the Company as per section 135(5): ₹8716.93 Lakh

7. (a) Two percent of average net profit of the Company as per section 135(5): ₹174.34 Lakh

   (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): ₹174.34 Lakh

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

Total Amount Spent for the Financial Year (₹ in Lakh)	Amount Unspent (₹ in Lakh)				
	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
174.61	NIL	NA	NA	NIL	NA

(b) Details of CSR amount spent against Ongoing Project for the financial year:

1	2	3	4	5		6
Sl No.	Name of Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/No)	Location of the Project.		Project Duration
				State	District	
1	NA					

7	8	9	10	11	
Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount Transferred to the Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of implementation on Direct (Yes/No)	Mode of Implementation through implementing agency.	
				Name	CSR Registration Number
NA					

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

1	2	3	4	5		6	7	8	
Sl No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/ No)	Location of the Project.		Amount spent for the project (in ₹)	Mode of implementation on Direct (Yes/No)	Mode of Implementation through implementing agency.	
				State	District			Name	CSR Registration Number
1	Education Centre for Slums, School Fees payment and Repair and maint etc at Schools	Promoting Education/ Sanitation/ Health Care	Yes	Haryana, Delhi, U.P	Rewari, Delhi, Noida	16.85	No	Oriental CSR Trust	NA
2	Financial Assistance for Poor and Needy for Education, Health Care and construction of houses etc	Promoting Education/ Sanitation/ Health Care, Community Development	Yes	Haryana, Delhi, Rajasthan, Gujarat, West Bengal	Rewari, Delhi, Noida, Mundra, Kolkata	17.35	No	Oriental CSR Trust	NA
3	Providing treatment of poor and needy, Meal during COVID Lockdown	Health Care	Yes	Haryana, Gujarat, U.P and Delhi	Rewari, Delhi, Noida,	11.61	No	Oriental CSR Trust	NA
4	Donation to District Disaster Fund For Covid Management	Community Development, Health Care	Yes	Haryana	Rewari	10.00	Direct	NA	NA
5	Payment for Dist Council Child Welfare , Rewari	Promoting Education	Yes	Haryana	Rewari	0.21	Direct	NA	NA
6	Various Assistance Programme During and post Covid Lockdown.	Community Development, Health Care	Yes	Gujarat , U.P	Mundra, Noida	12.07	Direct	NA	NA
7	Water resource development programme	Community Development	Yes	Haryana	Rewari	34.32	Direct	NA	NA
8	Donation for Water Conservation Programme at Villages a Project run by PHDRDF	Ensuring Environmental Sustainability	Yes	Rajasthan	Alwar	5.00	Direct	NA	NA
9	Construction and renovation of School/ College Building/ Provision of Safe Drinking water/ Health Care for students	Promoting Education/ Sanitation/ Health Care	Yes	Rajasthan, West Bengal	Jhunjhunu, Kolkata	67.01	No	Ramchandra Goenka Charitable Trust, Kolkata and Oriental Foundation Trust	Applied
	TOTAL					174.42			

(d) Amount spent in Administrative Overheads: 0.19 Lakh

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹174.61 Lakh

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	0.00
(ii)	Total amount spent for the Financial Year	0.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.00
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.00

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 ₹)	Amount Spent in the reporting Financial Year (in ₹)	Amount Transferred to any fund specified under Schedule VII as per section 135(6). If any.			Amount remaining to be spent in succeeding financial years. (in.₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1	NIL						
	TOTAL						

(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 Project.	Financial Year in which the project was commenced.	Project Duration	Total Amount allocated for the project (in. ₹)	Amount spent in the Project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the Project Completed/ Ongoing
1	NA							
	TOTAL							

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 (asset-wise details).

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

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

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

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

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) of the Act.: Not Applicable

On behalf of the Board of Directors

Place: Noida
Date: 18th June, 2021

Arvind Goenka
Managing Director
DIN-00135653

S J Khaitan
Chairman of CSR Committee
DIN-00023370

ANNEXURE B TO THE DIRECTORS' REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Oriental Carbon & Chemicals Limited
CIN: L24297WB1978PLC031539
31, Netaji Subhas Road
Kolkata - 700001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Oriental Carbon & Chemicals Limited** (hereinafter referred to as 'the Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit and considering the various relaxations granted by the Securities and Exchange Board of India, the Ministry of Corporate Affairs and other government authorities due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, generally complied with the statutory provisions listed hereunder, as amended from time to time and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs);

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) Other laws specifically applicable to the Company : The Management has identified and confirmed the following laws as being specifically applicable to the Company :

(a) The Arms Act, 1959 and the rules framed thereunder;

(b) The Explosives Act, 1884 and the rules framed thereunder,

(c) The Environment (Protection) Act, 1986 and the rules framed thereunder particularly :

(i) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

(ii) The Hazardous Waste (Management & Handling) Rules 1989;

(iii) The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989; and

(iv) The Chemicals Accident (Emergency Planning, Preparedness & Response) Rules, 1996.

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

(i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the year under review the Company has generally complied with the applicable provisions of the acts, rules, regulations, standards, etc., mentioned above. The provisions of the FEMA and the rules and regulations made thereunder to the extent applicable for FDI, ODI and ECBs as mentioned above in item no. (iv) of para 3; and the provisions of regulations mentioned in (c), (d), (e), (g) and (h) under item no. (v) of para 3, were not applicable to the Company during the year under review.

We further report that:

I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes during the year under review in the composition of the Board of Directors of the Company.

II. Adequate notices were given to all the 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 meetings and for meaningful participation at the meetings.

III. During the year under review, all the decisions at the meetings of the Board and Committees thereof, were carried out unanimously as the Minutes of these Meetings did not reveal any dissenting member's view.

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, standards, etc.

We further report that no specific event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, etc., has taken place during the year under review.

For P. SARAWAGI & ASSOCIATES
Company Secretaries

P. K. Sarawagi
Proprietor
Membership No. : FCS-3381
Certificate of Practice No. : 4882
Peer Review Certificate No. 1128/2021
ICSI UDIN : F003381C000477624

Place: Kolkata
Date: 18th June, 2021

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

Annexure – A

To,
The Members
Oriental Carbon & Chemicals Limited
CIN: L24297WB1978PLC031539
31, Netaji Subhas Road
Kolkata - 700001

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 the Financial Records and the Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Standards and happening of events etc..
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. Considering resurgence of the COVID-19 pandemic and consequential impacts, including restricted movements and subsequent lockdowns, most of the information and documents were provided electronically by the Company and were relied upon by us.

For P. SARAWAGI & ASSOCIATES
Company Secretaries

P. K. Sarawagi
Proprietor
Membership No. : FCS-3381
Certificate of Practice No. : 4882
Peer Review Certificate No. 1128/2021
ICSI UDIN : F003381C000477624

Place: Kolkata
Date: 18th June, 2021

ANNEXURE C TO THE DIRECTORS' REPORT

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

I. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken:

- 100% steam requirement of Insoluble Sulphur plants at Dharuhera is met through utilisation of excess steam generated in Sulphuric Acid Plant by installing High Pressure Waste Heat Boiler.
- Replacement of 11 KVA Power Connection to 33 KVA Power Connection for continious supply at Dharuhera
- Preheating of boiler feed water from waste heat recovery
- Heat Recovery System in Refiners in Dharuhera

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

- Centralised utility at Dharuhera
- Waste heat recovery from condensing Sulphur vapours
- Replacement of Propane Gas in place of LDO at Mundra
- Installation of VFD in air compressors

(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

- The above measures have helped in the conservation of energy and reduction in carbon footprint.

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules.

1. Research & Development

(i) Specific area in Which R&D carried out by the Company :
1. Improvement in Bloom Characteristics of Insoluble Sulphur
2. Improvement in dispersion of Insoluble Sulphur
3. Introduction of new grades in collaboration with Customers
4. Improving efficiency and productivity of chemical process

(ii) Benefits derived as a result of the above R&D : Loyalty of existing customers coupled with enlistment of new quality-conscious customers, value addition in products, edge over competitors, and statistical process control

(iii) Future plan of action :
1. Development of New Grades specific to customer requirements
2. Process research to improve cost effectiveness and quality improvement.
3. Upgradation of R&D equipments and addition of new material research capabilities
4. New R&D lab for Process chemistry and Materials research The Company has a in-house R&D unit which has been recognised by Ministry of Science & Technology, Department of Scientific & Industrial Research. The R&D Unit is being augmented through acquisition of state of art analytical and process equipments.

(iv) Expenditure on R&D (₹ in Lakh)

(a) Capital	:	31.25
(b) Recurring	:	166.94
(c) Total	:	198.19
(d) Total R&D expenditure as a percentage of Net turnover.	:	0.60%

2. Technology absorption, adaptation and innovation: Production optimisation and innovation in the field of developing new and improved offerings, savings in consumption ratios and utilities

III. FOREIGN EXCHANGE EARNING AND OUTGO.

(a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. : The Company faced a downfall of 2.98% by value in exports. Exports Constituted 62.64% of total Insoluble Sulphur sales during the year by value.

(b) Total foreign exchange used and earned (₹ in Lakh)

(i) Earned	:	17,277.67
(ii) Used	:	816.29

On behalf of the Board of Directors

Place: Noida	**Arvind Goenka** *Managing Director* DIN-00135653	**Akshat Goenka** *Jt. Managing Director* DIN-07131982
Date: 18th June, 2021		

ANNEXURE D TO THE DIRECTORS' REPORT

A. Particulars of employees for the year ended 31st March, 2021 as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ;	Mr J.P Goenka- 3:10 Mr Arvind Goenka- 429:10 Mr B.B Tandon- 26:10 Mr K Raghuraman- 24:10 Mr O.P Dubey- 30:10 Mr S.J Khaitan- 36:10 Mr Akshat Goenka- 405:10 Mrs Runa Mukherjee- 17:10 Ms Kiran Sahdev - 11:10
II. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year ;	**Directors:** Mr J.P Goenka: (-60%) Mr Arvind Goenka: (7%) Mr B. B Tandon: (43%) Mr K Raghuraman: (37%) Mr O.P Dubey: (28%) Mr S. J Khaitan: (23%) Mr Akshat Goenka: (7%) Mrs Runa Mukherjee: (26%) Ms Kiran Sahdev: (365%) **Key Managerial Personnel** Mr Arvind Goenka: (7%) Mr Akshat Goenka: (7%) Mr Anurag Jain: (4.6%) Mr Pranab Maity: (79%)
III. The percentage increase in the median remuneration of employees in the financial year;	NIL
IV. The number of permanent employees on the rolls of Company;	423 employees as on 31/03/2021
V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average Salary increase of non managerial employees was 1.02% The total Increase in managerial remuneration was (7%).
VI. The key parameters for any variable component of remuneration availed by the directors;	Managing Director and Jt Managing Director are entitled to Commission. All other directors are also entitled to Commission based on the performance of the Company in addition to the sitting fees. Ms Kiran Sahdev has been appointed as LIC Nominee Director in place of Mr HS Shashikumar during the year.
VII. Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year ended 31st March, 2021 is as per the remuneration policy of the Company.

B. Particulars of employees for the year ended 31st March, 2021 as required under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation & Nature of Duties	Remuneration (₹)	Qualification & Total Service Experience (Years)	Age (Years)	Date of Commencement of Employment	Last employment held before Joining the Company	
							Company	Designation
(A)	EMPLOYED THROUGHOUT THE YEAR							
1	Goenka Arvind	Managing Director	2,66,53,138	B.Com 35	58	01.10.2009	Duncan International India Ltd.	Vice President
2	Goenka Akshat	Joint Managing Director	2,51,64,690	Graduate in Economics 10	33	01.01.2010	NA	NA
3	Jain Anurag	Chief Financial Officer	1,64,69,386	B.Sc 30	54	01.10.1990	NA	NA
4	Sabarwal Vijay	President (Operations)	1,08,87,299	BE (Mech) 30	54	20.10.2014	Subros Ltd	Sr. Vice President
5	Batta K Muneesh	Vice President (Marketing)	83,68,144	MIB, BA 27	51	14.05.1997	Usha International (India)Ltd.	Dy.Manager
6	Gupta Alok	Sr. General Manager (Works)	40,47,115	MSc 29	58	15.12.1992	IFFCO	Process Controller
7	Pathak D Govind	Sr. General Manager (Technical)	44,93,343	B.Tech (Chem) 27	49	12.08.2013	Continental Carbon India Ltd.	General Manager
8	Goel Chetan	General Manager (Project Procurement)	41,03,935	BE (Mech) MBA 31	54	23.08.2010	Indogulf Fertliser	General Manager (Commercial)
9	Garg Rahul	General Manager (R&D)	54,61,409	PHD In Organic Chem 15	45	13.05.2019	BASF Chemicals India Pvt ltd.	Research Scientist.
10	Kasma Sumeet	General Manager (Purchase)	45,37,402	BE (Mech) 17	39	02.10.2019	3M India Ltd	Sr Specialist (Sourcing)

Notes:

1 Remuneration has been calculated on the basis of Section 198 of the Companies Act, 2013 and includes expenditure incurred by the Company on salary and for provision of benefits (including LTA) and Performance Bonus/Commission payable to the employees for the current year has been considered, excluding actuarial valuation of Retirement Benefits.

2 The nature of employment is contractual in case of Directors and Permanent for all other employees.

3 Mr Arvind Goenka is related to Mr J.P. Goenka Chairman of the Board and Mr Akshat Goenka Jt Managing Director

4 Mr Akshat Goenka is related to Mr Arvind Goenka (Managing Director) and Mr J.P. Goenka (Chairman)

On behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-00135653

Akshat Goenka
Jt. Managing Director
DIN-07131982

Place: Noida
Date: 18th June, 2021

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The salient features of the philosophy on Company's Corporate Governance hinges upon transparency and ethical practices in professional working environment conducive to optimal performance with focus on achieving shareholder's long term value growth through constant innovation, commitment to quality and customer satisfaction whilst exploring new avenues of growth.

II. BOARD OF DIRECTORS

A. Composition and Category of the Board

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The Chairman of the Board of Directors is a Non-Executive Director and as at 31st March, 2021, the Board comprises of 9 Directors out of which 5, comprising of more than one half of the Board strength, are Independent Directors including one woman director and 4 are Non-Independent including 1 Nominee Director representing LIC of India as equity investor. All the Directors are eminent professionals with experience in Business, Industry, Finance and Law. The necessary disclosures regarding other Directorships and committee memberships have been made by all the Directors.

The composition of the Board satisfies the requirement of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

B. Number of Meetings held and Attendance of Directors during the Financial Year 20-21

During the financial year ended 31st March, 2021, four (4) Board Meetings were held on 18th June, 2020, 10th August, 2020, 03rd November, 2020 and 02nd February, 2021. The gap between two meetings is within 120 days.

The names and categories of the Directors on the Board, their attendance at Board Meetings and the Annual General Meeting held during the year and the number of Directorships and Committee Chairmanships /Memberships held by them in other companies as on 31th March, 2021 are given below:

Name of Directors and Director Identification Number (DIN)	Category of directorship	No. of Board Meetings		Attendance at Last AGM held on 18th August, 2020	No. of Directorships held (excluding**)	Committee Memberships# (excluding**)		Directorship in other listed entity (category of Directorship)
		Held	Attended			Chairman	Member@	
Mr J P Goenka (DIN:00136782)	Non-Executive Chairman-Promoter Director	4	1	No	2	-	-	Duncan Engineering Limited (Non-Independent, Non-Executive)
Mr Arvind Goenka (DIN:00135653)	Managing Director – Promoter Director	4	4	Yes	3	-	1	1. Duncan Engineering Limited (Non-Independent, Non-Executive) 2. Asahi Songwon Colors Limited (Independent, Non-Executive)
Mr Akshat Goenka (DIN:07131982)	Jt. Managing Director – Promoter Director	4	4	Yes	5	-	3	Duncan Engineering Limited (Non-Independent, Executive)
Mr O P Dubey (DIN:00228441)	Non-Executive-Independent Director	4	4	Yes	2	3	3	Duncan Engineering Limited (Independent, Non-Executive)
Mr S J Khaitan (DIN:00023370)	Non-Executive-Independent Director	4	4	Yes	3	3	5	1. Indo Rama Synthetics (India) Limited (Independent, Non-Executive) 2. Jindal Stainless Limited (Independent, Non-Executive)
Mr B B Tandon (DIN:00740511)	Non-Executive-Independent Director	4	4	No	4	-	5	1. Birla Corporation Limited (Independent, Non-Executive) 2. Filatex India Limited (Independent, Non-Executive) 3. Duncan Engineering Limited (Independent, Non-Executive)
Mr K Raghuraman (DIN:00320507)	Non-Executive-Independent Director	4	4	No	3	1	2	1. Rama Phosphates Limited (Independent, Non-Executive) 2. Birla Cable Ltd. (Independent, Non-Executive)
Mrs Runa Mukherjee (DIN:02792569)	Non-Executive-Independent Director	4	4	Yes	1	-	1	-
Ms Kiran Sahdev (DIN: 06718968)	Non-Executive-Nominee Director	4	4	Yes	1	-	-	-

**Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

Only two committee viz. The Audit Committee and the Stakeholders Relationship Committee are considered for this purpose.

@Number of Membership also includes Chairmanship held in the Committees.

None of the Directors held Directorship in more than 7 (seven) Public Limited Companies and/or were members of more than 10 (ten) committees or acted as Chairperson of more than 5 (five) committees across all Public Limited Companies in which they were Directors.

Information to the Board

Necessary information as required under applicable provisions of, the Companies Act, 2013, Part A of Schedule II of the SEBI Listing Regulations and Secretarial Standards ("SS-1") and other applicable laws, rules and regulations were placed and discussed at the Board Meetings.

Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting of the Company:

a. **Re-appointment of Mr Akshat Goenka, who retires by rotation, being eligible, offers himself for re- appointment.**

Mr Akshat Goenka, Joint Managing Director of the Company, is retiring at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The brief resume of Mr Akshat Goenka is given below:

Mr Akshat Goenka aged about 34 years, is a Graduate in Economics and International Relations from University of Pennsylvania, USA, an Ivy League Institution. He was appointed in the Company as Executive (Projects) with effect from 4th January 2010. He was promoted as Vice president in 2014 and appointed as Joint Managing Director of the Company in the year 2015. He played a key role in setting up Phase-I, Phase-II and Phase-III of the new Plant of the Company for manufacturing Insoluble Sulphur at SEZ Mundra, Gujarat. Mr Akshat Goenka successfully led the turnaround of Company's subsidiary Duncan Engineering Limited. Over the years, he has also contributed to the development of organizational culture that contributes to furthering the Company's commitment to its core values and stimulates continuous improvements.

Independent Directors

The tenure of the Independent Directors is in accordance with Companies Act, 2013.

The Independent Directors do not have nor had any material pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year apart from receiving the sitting fees, reimbursement of expenses incurred for attending the Board meeting, Committee meetings, Independent Directors' meeting and annual commission. All the Independent Directors have satisfied the criteria's of independency as laid down in Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act, 2013.

The Company provides suitable familiarisation programme to Independent Directors to help them familiarise themselves with nature of industry in which the Company operates and the business model of the Company in addition to regular presentation on expansion plans and their updates, operations and functions of the Company including important developments in various business divisions and new initiatives undertaken by the Company. In addition to above, Directors are periodically advised about the changes effected in the Corporate Law, Listing Regulations, about their roles, rights and responsibilities as Directors of the Company. There is a regular interaction of Directors with the Key Management Personnel of the Company.The familiarisation programme for Independent Directors is available on the Company's website (http://www.occlindia.com).

Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are Independent of the Management.

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 20-21, the Board hereby certify that all the Independent Directors appointed by the Company fulfills the conditions specified in these Regulations and are independent of the management.

Separate Meeting of the Independent Directors

As per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of SEBI Listing Regulations, 1 (one) separate meeting of Independent Directors was held on 22nd March, 2021 without attendance of Non-Independent Directors and the members of the management. This meeting was conducted in a manner so as to enable the Independent Directors to discuss and review the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors and for assessing the quality, quantity and timelines of flow of information between the Company management and the Board.

Disclosure of Relationships between Directors inter-se

Name of the Directors	Category of Directorships	Relationship between Directors
Mr J P Goenka	Non-Executive Chairman -Promoter Director	Mr Arvind Goenka (Son) and Mr Akshat Goenka (Grandson)
Mr Arvind Goenka	Managing Director & CEO -Promoter Director	Mr JP Goenka (Father) and Mr Akshat Goenka (Son)
Mr Akshat Goenka	Jt. Managing Director -Promoter Director	Mr J P Goenka (Grandfather) and Mr Arvind Goenka (Father)
Mr O P Dubey	Non-Executive Independent Director	None
Mr B B Tandon	Non-Executive Independent Director	None
Mr S J Khaitan	Non-Executive Independent Director	None
Mr K Raghuraman	Non-Executive Independent Director	None
Mrs Runa Mukherjee	Non-Executive Independent Director	None
Ms Kiran Sahdev	Non-Executive Nominee Director	None

Shareholding of Non-Executive Director(s)

As on 31st March, 2021, none of the Non-executive directors were holding any shares or convertible instruments in the Company

Code of Conduct

A Code of Conduct has been formulated for the Directors and senior management personnel of the Company and the same is available on the Company's website www.occlindia.com. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2021. Annual declaration signed by the Managing Director of the Company pursuant to Regulation 26(3) read with Schedule V (Part D) of the SEBI Listing Regulations is annexed to this Report as **"Annexure A"**.

The duties of the Independent Directors as laid down in the Companies Act, 2013 has been suitably incorporated in the Code of Conduct, as necessary.

Skills/Expertise/Competencies of the Board of Directors

The Board of Directors of the Company consist of eminent qualified professional members from the diverse field, who have significant amount of skills/expertise/competencies and thus make valuable contributions to the Board. The collective contribution of the Board members reflects in the performance of the Company.

In terms of requirement of SEBI Listing Regulations, 2015, the Board has identified the following skills/expertise/competencies of the Directors in context of Company's business for effective functioning:

Sl. No.	Name	Expertise/Skill
1.	Mr Jagdish Prasad Goenka	Strategy and Planning, Risk and compliance oversight and Critical and Innovative thoughts.
2.	Mr Arvind Goenka	Company Management, Global Marketing, Strategy, Planning and Cost, Risk and compliance oversight, Critical and Innovative thoughts, Regulatory Compliance and Governance and Finance and Accounts.
3.	Mr Akshat Goenka	Company Management, Global Marketing, Strategy and Planning, Risk and compliance oversight, Critical and Innovative thoughts, spearheading new projects, Investments and Finance
4.	Mr Om Prakash Dubey	Strategy and Planning, Risk and compliance oversight, Critical and Innovative thoughts, and Finance and Accounts
5.	Mr Brij Behari Tandon	Strategy and Planning, Critical and Innovative thoughts, Finance and Accounts and Regulatory Compliance
6.	Mr Suman Jyoti Khaitan	Law, Risk and compliance oversight, Critical and Innovative thoughts, Finance and Accounts Regulatory Compliance and Governance and Corporate Advisory
7.	Mr Kailasam Raghuraman	Finance and Banking Matters, Critical and Innovative thoughts and Risk and compliance oversight
8.	Mrs Runa Mukherjee	Risk and compliance oversight, Critical and Innovative thoughts, Supply Chain and Finance and Accounts
9.	Ms Kiran Sahdev	Human Resources, Corporate Quality and Safety Functions, Advanced Management and Skill Development

Managing Director & CFO Certificate

The certificate pursuant to Regulation 17(8) of SEBI Listing Regulations duly signed by the Managing Director and CFO in respect of the financial year ended 31st March, 2021 has been placed before the Board and is annexed to this Report as **"Annexure B"**.

III. COMMITTEES OF THE BOARD

Currently, there are six committees of the Board – the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee, the Corporate Social Responsibility Committee, the Risk Management Committee and the Operational and Finance Committee. The terms of reference of these Committees are determined by the Board from time to time. The composition, name of members and attendance and the meetings of these Committees are enumerated below:

A. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee. All members of the Committees are financially literate and at least one member possesses accounting and financial management expertise. The CFO, the Statutory Auditors and Internal Auditors are permanent invitees to the Committee meetings. The Terms of Reference of the Committee include the powers stipulated in Regulation 18(2)(c), the role of the Audit Committee and review of information pursuant to Regulation 18(3) of the SEBI Listing Regulations. The terms of reference also confirm to the requirements of Section 177 of the Companies Act, 2013.

a. Composition, meetings and attendance:

As on 31st March, 2021, the Audit Committee of the Company comprises of three Non-Executive Independent Directors and one Executive Director. The Company Secretary acts as the Secretary to the Audit Committee. The Committee met 4 (four) times during the year i.e. on 18th June, 2020, 10th August, 2020, 03rd November, 2020 and 02nd February, 2021. The intervening gap between the Meetings was within the prescribed period of 120 days. The composition of the committee and details of meetings attended by each of the members is as under:

Sl No	Name of the Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr O P Dubey	Non Executive- Independent Director	Chairman	4	4
2.	Mr B B Tandon	Non Executive- Independent Director	Member	4	4
3.	Mr S J Khaitan	Non Executive- Independent Director	Member	4	4
4.	Mr Akshat Goenka	Executive Director	Member	4	4

The Chairman of the Audit Committees was present at the 40th Annual General Meeting of the Company.

b. Terms of Reference:

Powers and role of the Audit Committee:

The powers of Audit Committee include the following:

i) **Powers:**

1. To seek information and act on any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

ii) **Role:**

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company including remuneration for any other services rendered by them;
3. Reviewing, with the management, and examination of the financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit findings
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Modified opinion(s) in the draft audit report
4. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
5. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
6. Review and monitor the auditor's independence and performance and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the Company with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with Internal Auditors of any significant findings and follow up there on;
14. Reviewing the findings of the internal auditors including matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
16. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
17. To review the functioning of the Whistle Blower mechanism;
18. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

iii) **Review of information by the Audit Committee:**

The Audit Committee reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control adequacy or weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control adequacy or weaknesses; and
5. The appointment, removal and terms of remuneration of the internal auditor.

B. NOMINATION & REMUNERATION COMMITTEE

a. Composition, meetings and attendance:

As on 31st March, 2021, the Nomination & Remuneration Committee of the Company comprises of three Non-Executive Independent Directors. The Committee met twice during the year under review on 18th June, 2020 and 02nd February, 2021. The composition of the committee and details of meetings attended by each of the members is as under:

Sl No	Name of the Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr O P Dubey	Non Executive- Independent Director	Chairman	2	2
2.	Mr B B Tandon	Non Executive- Independent Director	Member	2	2
3.	Mr K Raghuraman	Non Executive- Independent Director	Member	2	2

b. Terms of Reference

The term of reference of the Nomination and Remuneration Committee, are as follows:

- To form criteria for qualifications/independence etc., of Directors
- To identify persons for Directorships and senior management positions and to recommend for their appointment/removals.
- To evaluate the performance of each director.
- To recommend Policy for remuneration to Directors/KMPs and Senior Managerial Personnels (SMPs).
- To approve remuneration and Performance bonus of Directors. KMPs and SMPs.
- To ensure compliance of Code of Conduct for Independent Directors, other Directors, KMPs and senior employees.
- To form criteria for evaluation of Directors
- To devise policy of Board Diversity
- Any other matters which the Board of Directors may direct from time to time.

c. Board Evaluation

The process for Board Evaluation undertaken is inclusive of the following:

- The Board evaluates the performance of the Directors individually on the basis of evaluation made by the Independent Directors and Nomination and Remuneration Committee.
- The Nomination & Remuneration Committee evaluates the performance of each Director.
- The Independent Directors evaluate the performance of the Non-Independent Directors. including the Chairperson of the Company taking into account the views of the Executive and Non-Executive Directors and the Board as a whole.
- Performance of the Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committees are also evaluated.

The criteria for performance evaluation as laid down by the Nomination & Remuneration Committee, inter alia includes:

- Appropriate Board size, composition, independence, structure
- Appropriate expertise, skills and leadership initiatives
- Attendance in meetings and participation in discussions
- Adequate knowledge about the Company's business and the economic scenario
- Innovative ideas for growth of the Company's business and economic scenario
- Effectiveness in discharging functions, roles and duties as required
- Review and contribution to strategies, business and operations of the Company
- Expression of independent opinion on various matters taken up by the Board
- Timely flow of information and effective decision making
- Defining roles and effective coordination and monitoring
- Effective and prompt disclosures and communication
- Compliance with applicable laws and adherence to Corporate Governance
- Compliance with Policies, Code of Conduct etc.

d. Remuneration of Directors and Disclosures

1. Remuneration Policy of the Company

The Remuneration Policy recommended by the Nomination and Remuneration Committee has been accepted by the Board of Directors of the Company. The Committee also decides the payment of commission to executive directors and non-executive directors respectively. The performance evaluation criteria for non-executive including independent directors are laid down by the Committee and taken on record by the Board of Directors.

The objective of the Company's remuneration policy is to ensure that Company's Directors, Key Managerial Personnel and other senior management employees are sufficiently incentivised for enhanced performance. Following criteria shall be followed to determine the remuneration payable to Directors, Key Managerial personnel (KMP) and other Employees.

Remuneration to Executive Directors may be linked with some or all of the following(s):-

- Increase in stakeholder's wealth
- Target achievement in term of sales, margin vis-à-vis industry bench mark
- Overall health of organization
- New initiatives taken and diversification by the organization
- Optimum utilization of resources of the organization
- Long term goal setting of the organization
- Industry Pattern
- Risk Mitigation
- Remuneration should be reasonable and sufficient to attract and retain directors of quality.

Remuneration to Independent Directors:-

- Independent Directors are entitled for sitting fees and commission based on the performance of the Company.

Remuneration to KMP & SMP is linked with the following:-

- Achievement of given targets
- Increase in stakeholder's wealth
- Improvement made in the processes of the organization
- People management
- Optimum utilization of resources of the organization
- Industry pattern
- New Initiatives taken
- Remuneration should be reasonable and sufficient to attract and retain quality people

Remuneration to other employees may be linked with some or all of the following:-

- Qualification, Experience and merits
- Initiative in optimization/increase in performance efficiencies
- Achievements of given target
- Industry Pattern
- Inflation

Remuneration of Executive Directors and KMPs shall be within such limits as prescribed by the Companies Act and other statutes as applicable from time to time. In addition to the fixed monthly remuneration Executive Directors and KMPs shall be entitled to commission/ performance bonus as determined by the Board from time to time based on the performance parameters set in this regard. The Remuneration Policy of the Company is placed on the website of the Company at the following link: https://www.occlindia.com/investorrelations/policy&procedure.

2. Executive Directors:

The details of remuneration including commission to all Executive Directors for the financial year ended 31st March, 2021 is as follows and same is within the ceiling prescribe under applicable provisions of the Act, 2013.

Name and Designation	Service Contact/ Notice Period*	Salary (₹)	Commission (₹)	Contribution to Provident Fund (₹)	Perquisites and other allowances (₹)	Total (₹)
Mr Arvind Goenka	Appointed as Managing Director for five years w.e.f. 01st October, 2018	77,88,000	1,02,44,000	9,34,560	76,86,578	2,66,53,138
Mr Akshat Goenka	Appointed as Jt. Managing Director for five years w.e.f. 01st June, 2018, retire by rotation	70,56,000	1,02,44,000	8,23,200	70,41,490	2,51,64,690

* The appointment may be terminated by either party by giving three months' notice or salary in lieu thereof or by mutual consent.

Out of the above remuneration, the salary, contribution to provident and perquisites, if any, are fixed component and the Commission is linked with the profitability of the Company. None of the remuneration component is linked to performance of individual director.

3. Non-Executive Directors:

The details of sitting fees and annual commission to Non-Executive Directors for the Financial Year 20-21 are as follows:

Name	Service Contact/Notice Period	Sitting Fees* (₹)	Commission* (₹)	Number of shares and convertible instruments held in the Company
Mr J P Goenka	Retire by Rotation	35,000	1,22,500	Nil
Mr O P Dubey	Appointed for 5 years as Independent Director w.e.f. 30th July, 2019	4,11,000	14,38,500	Nil
Mr B B Tandon	-do-	3,61,000	12,63,500	Nil
Mr S J Khaitan	-do-	4,91,800	17,21,300	Nil
Mr K Raghuraman	-do-	3,37,000	11,79,500	Nil
Mrs Runa Mukherjee	Appointed for 5 years as Independent Director w.e.f. 31st July, 2020	2,35,000	8,22,500	Nil
Ms Kiran Sahdev	Retire by Rotation	1,55,000	5,42,500 (to be paid to LIC of India)	Nil

*Except as mentioned above, there was no pecuniary relationship or transaction of the Directors vis-a-vis the Company. The Company has not granted any stock option to its Directors.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. Composition, meetings and attendance:

As on 31st March, 2021, the Stakeholders' Relationship Committee of the Company comprises of one Non-Executive Independent Directors and two Executive Director. Mr Pranab Kumar Maity, Company Secretary, acts as the Secretary to the Committee and Compliance officer of the Company. The Committee met 6 (six) times during the year on 18th June, 2020, 10th August, 2020, 19th October, 2020, 13th January, 2021, 2nd February, 2021 and 24th March, 2021. During the year Mr Jagdish Prasad Goenka has resigned from the Committee and Mr Akshat Goenka has appointed as Member of the Committee w.e.f. 03.11.2020. The composition of the committee and details of meetings attended by each of the members is as under:

Sl No	Name of the Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr J P Goenka (Resigned w.e.f. 03.11.2020)	Non Executive Director	Chairperson	3	0
2.	Mr S J Khaitan	Non Executive-Independent Director	Chairperson (w.e.f. 03.11.2020)	6	5
3.	Mr Arvind Goenka	Executive Director	Member	6	6
4.	Mr Akshat Goenka (Appointed w.e.f. 03.11.2020)	Executive Director	Member	3	3

b. Terms of Reference:

The terms of reference of the Committee are to look into the redressal of grievances of the investors namely shareholders and Fixed deposit holders. The Committee also deals with grievances relating to transfer of shares, non-receipt of Balance Sheet or dividend, dematerialisation of shares, complaint letters received from Stock Exchanges, SEBI etc. The Board of Directors has delegated power of approving transfer/transmission of shares to the Committee.

c. Investors' Complaints and its redressal :

Shareholders' Complaints and Redressal as on 31st March, 2021:

Type of Grievances and Category	Dividend Warrant not received	Shares not Dematerialised	Non-Receipt of Share Certificates	Non-Receipt of Annual Report	Total
Complaint received during the year	1	0	0	0	1
Complaint Resolved during the year	1	0	0	0	1

No Share Transfer/Transmissions/issue of Duplicate share certificates was pending as on 31st March, 2021.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As required under Section 135 of the Companies Act, 2013, the Company has a Corporate Social Responsibility (CSR) Committee of the Board of Directors. CSR Committee, inter alia, had formulated and recommended to the Board, a Corporate Social Responsibility Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII of the Act, 2013. The CSR Committee recommends the amount of expenditure to be incurred on CSR activities and monitor the CSR activities undertaken by the Company from time to time.

a. Composition, meetings and attendance:

As on 31st March, 2021, the Corporate Social Responsibility Committee of the Company comprises of two Non-Executive Independent Directors and one Executive Director. The Committee met twice during the year on 18th June, 2020 and 02nd February, 2021. The composition of the committee and details of meetings attended by each of the members is as under:

Sl No	Name of the Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr S J Khaitan	Non Executive- Independent Director	Chairman	2	2
2.	Mr K Raguraman	Non Executive- Independent Director	Member	2	2
3.	Mr Arvind Goenka	Executive Director	Member	2	2

b. Terms of reference:

The terms of reference of CSR Committee are as follows:

1. To formulate, monitor and recommend to the Board the CSR Policy including the activities to be undertaken by the Company;
2. To recommend the amount of expenditure to be incurred on the activities undertaken;
3. To monitor the implementation of the framework of Corporate Social Responsibility Policy;
4. To review the Company's disclosure of CSR matters;
5. To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed.
6. To consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation, Corporate Social Responsibility Voluntary Guidelines 2009 and the Companies Act, 2013.

E. RISK MANAGEMENT COMMITTEE

The Company has laid down adequate procedures to inform the Board about the risk assessment and risk minimisation procedures. The Company through its Board of Directors has constituted a Risk Management Committee for the purpose of monitoring and reviewing of the risk management plans periodically.

E. RISK MANAGEMENT COMMITTEE (Cont.)

As per the provision of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has a Risk Management Committee of the Board of Directors, which comprises of two Non-Executive Independent Directors and one Executive Director and two senior employees of the Company under the Chairmanship of a Non-Executive Independent Director. The Committee met once during the year under review i.e. on 02nd February, 2021. Chief Financial Officer of the Company is permanent invitee to the Committee. The composition of the committee and details of meetings attended by each of the members is as under:

Sl No	Name of the Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr K. Raghuraman	Non Executive- Independent Director	Chairman	1	1
2.	Mrs Runa Mukherjee	Non Executive- Independent Director	Member	1	1
3.	Mr Akshat Goenka	Executive Director	Member	1	1
4.	Mr Vijay Sabarwal	President Operation (SMP)	Member	1	1
5.	Mr Muneesh Batta	Vice President Marketing (SMP)	Member	1	1

F. OPERATIONAL AND FINANCE COMMITTEE

As on 31st March, 2021, the Operational and Finance Committee of the Company comprises of one Non-Executive Independent Directors and two Executive Director. The Committee met 4 (Four) times during the year i.e. on 07th July, 2020, 04th November, 2020, 02nd February, 2021 and 04th March, 2021. The composition of the committee and details of meetings attended by each of the members is as under:

Sl No	Name of the Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr S J Khaitan	Non Executive- Independent Director	Chairman	4	4
2.	Mr Arvind Goenka	Executive Director	Member	4	4
3.	Mr Akshat Goenka	Executive Director	Member	4	4

IV. SUBSIDIARY

The Company has only one listed subsidiary company namely Duncan Engineering Limited (formerly known as Schrader Duncan Ltd.) with its Board having the rights and obligations to manage the Company in the best interest of their stakeholders.

V. GENERAL BODY MEETINGS

a) The last three Annual General Meetings were held as per details given below:

Financial Year	Date of AGMs	Location	Time	Special Resolutions passed
FY 19-20	18.08.2020	Through video conferencing	10.30 a.m.	Yes (One)
FY 18-19	26.07.2019	Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001	10.30 a.m.	Yes (Five)
FY 17-18	27.07.2018	Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001	10.30 a.m.	Yes (Four)

No Extraordinary General Meeting was held during the past 3 years.

b) Special Resolution passed through Postal Ballot:

During the FY 20-21, No Special Resolutions were put through postal ballot.

c) Special Resolution proposed to be conducted through Postal Ballot:

There is no Special Resolution proposed to be conducted through Postal Ballot.

Remote e-voting and ballot voting at the AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged Link Intime (India) Pvt. Ltd. to provide e-voting facility to all the members. Members whose names appear on the register of members as on 27th July, 2021 shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM, and the members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

In the Notice of the forthcoming 41st Annual General Meeting there was no items of business (Special Resolutions) which require to be conducted through postal ballot.

VI. MEANS OF COMMUNICATION

Financial Results

The quarterly, half yearly and annual results of the Company are sent to Stock Exchanges immediately after they are approved by the Board of Directors. These results were sent to the stock exchanges are also published in leading English and Bengali newspaper, such as Business Standard/Financial Express (English) and Aajkal/ArthikLipi (Kolkata).

The results are also displayed on the Company's website www.occlindia.com, in compliance with Regulation 33 and Regulation 47 of the SEBI Listing Regulations.

Other Information

General Information on the Company, official news releases and presentations to analysts and Institutional investors are also posted on the Company's website.

VII. GENERAL SHAREHOLDERS' INFORMATION

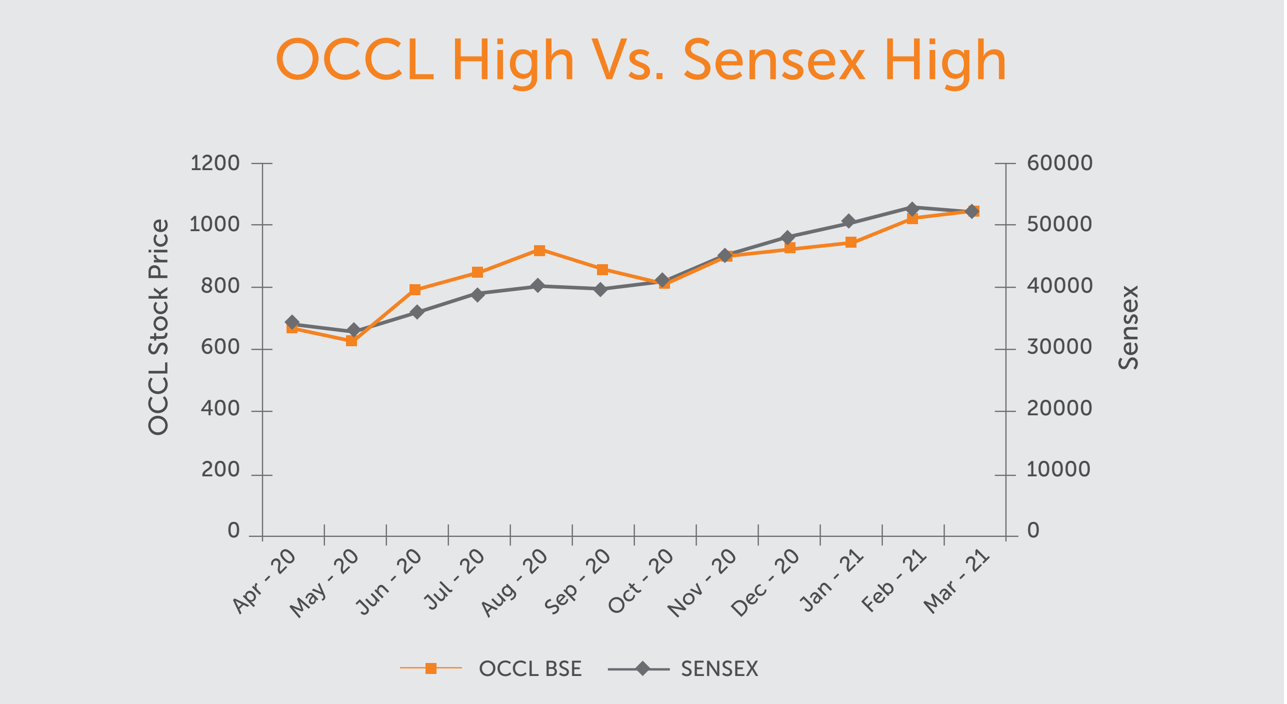
i.	Date, time and venue of Annual General Meeting	Tuesday, 03rd August, 2021, 10.30 A.M. Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 05th May, 2020 read with General Circular No. 14/2020 dated 08th April, 2020, General Circular No. 17/2020 dated 13th April, 2020 and General Circular No. 02/2021 dated 13th January, 2021.
ii.	Financial Year	Financial year of the Company is from 01st April to 31st March. Publication of results for the Financial Year 21-22 (tentative and subject to change) a) First quarter results: On or before 14th August, 2021 b) Second quarter and half year results: On or before 14th November, 2021 c) Third quarter results: On or before 14th February, 2022 d) Fourth quarter results and results for the year ending 31st March, 2022: On or before 30th May, 2022.
iii.	Dates of book closure	20th July, 2021 to 22nd July, 2021
iv.	Dividend payment date	On or before 13th August, 2021
v.	Listing of Equity Shares at Stock Exchanges	BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001 National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai – 400 051
vi.	Payment of Listing Fees	Annual Listing Fees for the Stock Exchanges for the Financial Year 21-22 has been duly paid by the Company.
vii.	Stock Code/Symbol	BSE Scrip Code: 506579, NSE Symbol: OCCL

Stock Market Price Data

a. The monthly high and low quotations (in ₹) during the last financial year on BSE Limited (BSE) and National Stock Exchange (NSE) are given below:

Month	At BSE		At NSE	
	High	Low	High	Low
April 2020	665.00	530.00	678.20	534.80
May 2020	624.95	576.95	629.00	586.00
June 2020	783.65	591.05	783.95	596.30
July 2020	845.00	733.45	845.00	728.75
August 2020	916.35	753.90	920.00	763.05
September 2020	852.00	719.05	831.90	727.00
October 2020	811.90	750.00	809.00	733.85
November 2020	891.55	769.10	891.45	768.55
December 2020	919.00	784.45	914.00	780.00
January 2021	941.55	801.90	944.40	802.10
February 2021	1018.35	875.00	1,020.00	876.05
March 2021	1048.00	878.20	1,050.00	875.95

b. Performance in comparison to broad based indices - BSE Sensex:



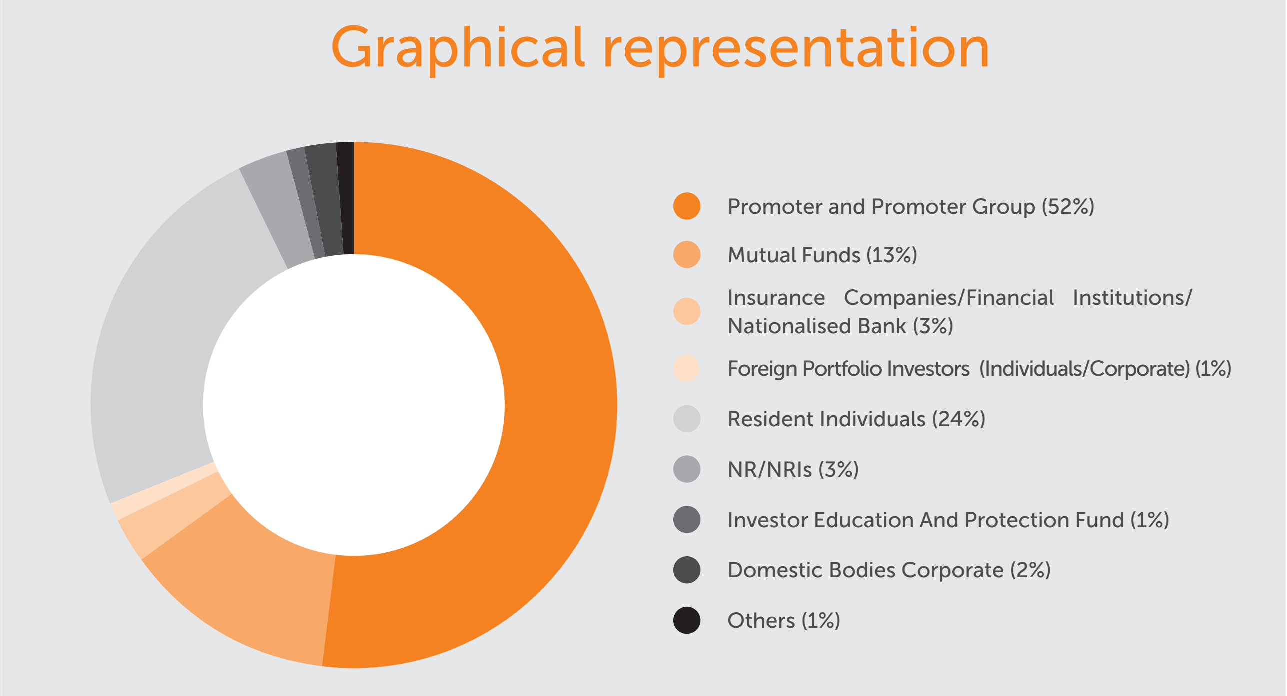
Distribution of Shareholding as on 31st March, 2021

a. Distribution of shareholding by category:

Sl No.	Category	Numbers of Shares Held	% of Shareholding
1.	Promoter and Promoter Group	5171124	51.76
2.	Resident Individuals	2380655	23.83
3.	Mutual Funds	1322684	13.24
4.	Insurance Companies/Financial Institutions/Nationalised Bank	355444	3.56
5.	NR/NRIs	285348	2.86
6.	Domestic Bodies Corporate	190367	1.91
7.	Investor Education And Protection Fund	105360	1.05
8.	Foreign Portfolio Investors (Individuals/Corporate)	68237	0.68
9.	Others (Clearing Members/HUF/Trusts/AIFs)	110873	1.11
Total		9990092	100.00

b. Distribution of shareholding by size:

Range in number of shares held	No. of Shareholders	% of shareholders	No. of shares held	Value of Shares	% of shareholding
1 to 500	16974	94.8427	1254423	12544230	12.5567
501 to 1000	484	2.7044	358997	3589970	3.5935
1001 to 2000	258	1.4416	373920	3739200	3.7429
2001 to 3000	58	0.3241	144261	1442610	1.444
3001 to 4000	31	0.1732	111515	1115150	1.1163
4001 to 5000	19	0.1062	87900	879000	0.8799
5001 to 10000	30	0.1676	215254	2152540	2.1547
10001 and above	43	0.2403	7443822	74438220	74.512
Total	17897	100	9990092	99900920	100



Registrar and Transfer Agent

Pursuant to Regulation 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed following SEBI registered Agency as Common Registrar and Share Transfer Agent of the Company for both the Physical and Dematerialised segment:

Link Intime India Private Limited
Room No. 502 & 503, 5th Floor, Vaishno Chamber,
6, Brabourne Road, Kolkata – 700 001
Phone - 033-4004 9728Telefax- 033-4073 1698
E-mail: kolkata@linkintime.co.in

Share Transfer System

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, 01st April, 2019, except in case of request received for transmission or transposition of securities. The Company has a Committee of the Board of Directors called Stakeholders' Relationship Committee, which meets as and when required. The formalities for transmission/transposition of shares in the physical form are completed and share certificates are dispatched to the transferee within 15 days of receipt of the documents, provided the documents are complete. The half year Compliance Certificate pursuant to Regulation 40(9) of the SEBI Listing Regulations for the half year ending 30th September, 2020 and 31st March, 2021 issued by Mr Pawan Kumar Sarawagi of M/s. P Sarawagi & Associates, Company Secretaries, have been duly submitted to stock exchanges.

Dematerialisation of shares

The Company's Equity Shares are tradable compulsorily in electronic form and are available for trading in depository systems both National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). The ISIN of the Company, as allotted by NSDL and CDSL, is INE 321D01016. Nearly 97.04% of total Subscribed & Paid-up Equity Shares are held in dematerialised form with NSDL and CDSL as at 31st March, 2021.

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity: Nil

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal in Commodity.

The Company sales revenue comprises of Export sales and Domestic sales and the Company also imports some of its raw materials. The Company has also availed Foreign Currency Term Loan. On account of the foregoing, the Company is exposed to Foreign Exchange Risk. To mitigate the Foreign Exchange Risk, the Company has a policy of hedging 60 % to 90% of its Net Foreign currency Exposure through forward covers. The details of Foreign Currency Exposure and Risk with respect to above has also been explained in Note No 33 to Financial Statement of the Company for the year ended 31st March, 2021.

Credit Rating

The Company's Credit Rating has been done by ICRA for Long Term and Short term borrowing including Public Deposit. ICRA has reaffirmed the long-term rating of [ICRA]AA- (pronounced ICRA double A minus) and short term rating of [ICRA]A1+ (pronounced ICRA A one plus). The Rating Committee has revised the rating for Fixed Deposit Programme from MAA- (pronounced M double A minus) to MAA (pronounced M double A). (Outlook revised to Stable from Positive).

Unclaimed Equity Dividend

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account will, in terms of the provisions of Section 125 the Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. The details of unclaimed dividend as on 31st March, 2021 are as follows:

Sl. No.	Financial year	Date of Declaration	Dividend per Share (₹)	Date of transfer to Unpaid Dividend Account	Amount outstanding as on 31.03.2021 (₹)	Due date for transfer to IEPF
1	FY 13-14	30.07.2014	5.00	04.09.2014	1,216,910.00	04.09.2021
2	FY 14-15	31.10.2014	3.00	06.12.2014	774,627.00	06.12.2021
3	FY 14-15	31.07.2015	5.50	05.09.2015	1,651,045.00	05.09.2022
4	FY 15-16	09.11.2015	3.00	15.12.2015	779,940.00	15.12.2022
5	FY 15-16	22.07.2016	5.50	27.08.2016	1,236,834.50	27.08.2023
6	FY 16-17	09.11.2016	3.00	15.12.2016	756,138.00	15.12.2023
7	FY 16-17	28.07.2017	7.00	02.09.2017	1,600,851.00	02.09.2024
8	FY 17-18	25.11.2017	3.00	31.12.2017	708,771.00	31.12.2024
9	FY 17-18	27.07.2018	7.00	01.09.2018	1,460,977.00	01.09.2025

Unclaimed Equity Dividend (Cont.)

Sl. No.	Financial year	Date of Declaration	Dividend per Share (₹)	Date of transfer to Unpaid Dividend Account	Amount outstanding as on 31.03.2021 (₹)	Due date for transfer to IEPF
10	FY 18-19	01.11.2018	4.00	07.12.2018	902,784.00	07.12.2025
11	FY 18-19	26.07.2019	8.00	31.08.2019	1,513,616.00	31.08.2026
12	FY 19-20	24.10.2019	4.00	29.11.2019	839,492.00	29.11.2026
13	FY 19-20	18.08.2020	6.00	23.09.2020	981,918.00	23.09.2027
14	FY 20-21	03.11.2020	4.00	09.12.2020	586,477.00	09.12.2027

Members who have not encashed their dividend warrants for the above financial years/period may approach the Company for obtaining duplicate dividend warrants/revalidation of dividend warrants.

Plants Location

1. Plot 3 & 4, Dharuhera Industrial Estate
   P.O. Dharuhera, Distt. Rewari - 122 106, Haryana
2. Survey No. 141, Paiki of Mouje
   SEZ Mundra
   Village & Taluka - Mundra
   Dist. Kutch-370421, Gujarat

Address for Correspondence for Share transfer and related matters:

Any assistance regarding shares transfer and transmission, change of address, non-receipt of dividends, duplicate/missing Share Certificates, dematerialisation of shares and other related matters and for redressal of all share related complaints and grievance please write to or contact the Registrar & Share Transfer Agent or the Share Department of the Company at the address given below:

Registrar:	Company:
(For share and dividend related queries) Link Intime India Private Limited Room No. 502 & 503, 5th Floor, Vaishno Chamber, 6, Brabourne Road Kolkata – 700 001 Phone - 033-4004 9728 Telefax- 033-4073 1698 E-Mail: kolkata@linkintime.co.in	(For any other matter and unresolved complaints) Oriental Carbon & Chemicals Limited Duncan House, 31, Netaji Subhas Road Kolkata – 700 001 Phone No: 033-22306831 Fax No: 033-22434772 E-Mail: investorfeedback@occlindia.com

E-mail ID of Compliance Officer of the Company which is designated exclusively for the purpose of registering complaints by investors: investorfeedback@occlindia.com

VIII. OTHER DISCLOSURES

a. The Company did not have any materially significant related party transaction, which have potential conflict with the interest of the Company at large. The Board has approved a policy on dealing with related party transaction and same has been uploaded and available on the Company's website (http://www.occlindia.com/policies/Related_Party_Transactions_Policy_OCCL.pdf). Further, the statutory disclosure requirements relating to related party transactions have been complied in the Financial Statement.

b. The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.

c. There is no case of non-compliance of any statutory compliance for the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges i.e. BSE & NSE or Securities and Exchange Board of India or any statutory authority on any matter related to the capital market during the last three years.

VIII. OTHER DISCLOSURES (Cont.)

d. The Company has in place Vigil Mechanism / Whistle Blower Policy as required and it is affirmed that no personnel has been denied access to the Audit Committee.

e. The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and the Act, 2013.

f. Discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:

The Company has also complied with the discretionary requirements with regard to:

(i) reporting of Internal Auditor directly to Audit Committee,

(ii) moving towards regime of unqualified financial statements,

(iii) separating the post of Chairman and Managing Director / Chief Executive Officer and

(iv) formation of Risk Management Committee.

g. There are no material listed/unlisted subsidiary companies as defined in Regulation 16(1)(c) of the SEBI Listing Regulations. The Board has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of Regulation 16(1)(c) of the SEBI Listing Regulations.

h. The Disclosure of Commodity Price Risks and Commodity Hedging Activities:

The Company does not deal in any Commodity, which can be hedged.

i. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

The Company has not raised any funds through preferential allotment or qualified institutions placement.

j. The Company has adopted a Code of Conduct to regulate, monitor and report trading by Insiders as per SEBI (Prohibition of Insider Trading) Regulations, 2015, as approved by the Board of Directors, with a view to regulate trading in securities by the Director, Key Managerial Persons and other designated persons.

Mr Pranab Kumar Maity, Company Secretary & GM Legal, is the Compliance Officer who also acts as the Chief Investor Relations Officer.

k. **Certificate from a Company Secretary in practice:** Certificate from a Company Secretary in Practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report as **"Annexure C"**.

l. **Secretarial Audit Report:** The Company has undertaken Secretarial Audit for the financial year 20-21 which, inter-alia, includes audit of compliance with the Act, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by SEBI, Secretarial Standards issued by the Institute of Company Secretaries of India and other allied laws. The Secretarial Audit Report forms a part of this Annual Report.

m. **Annual Secretarial Compliance Report:** The Company has undertaken an Annual Secretarial Compliance Audit for the financial year 20-21 for all applicable compliances as per SEBI Regulations and Circulars/Guidelines issued thereunder. Accordingly, the Annual Secretarial Compliance Report for the financial year ended 31st March, 2021 will be submitted to the Stock Exchanges within the prescribed timeline.

n. **Directors and Officers Insurance ('D and O Insurance'):** The Company has in place D and O Insurance Policy for all its Independent Directors of such quantum and covering all such risks as may be determined by the Board of Directors of the Company.

o. During the financial year 20-21, there was no recommendation of any committee of the Board of the Company which is mandatorily required and is not accepted by the Board of the Company.

p. During the financial year 20-21, total fees for all services paid by the Company on a consolidated basis, to the statutory auditor of the Company is detailed below:

(₹ in Lakh)

Particulars	Amount
Audit Fees	19.50
Certificates & other matters	3.80
For Tax Audit	3.00
Reimbursement of expenses	-
Total	**26.30**

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

The Company is committed to provide an attractive working environment for its employees and to provide safe and healthy working conditions. The Company has also adopted a 'Anti- Sexual Harassment Policy' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the rules made thereunder. Details of Complaints received and redressed during the Financial Year 20-21:

(i) number of complaints filed during the financial year: None

(ii) number of complaints disposed of during the financial year: None

(iii) number of complaints pending as on end of the financial year: None

r. **Anti-Bribery Policy:** The Company has formulated an Anti-Bribery Policy which explains the Company's individual responsibility to comply with anti-bribery and anti-corruption laws around the world and to ensure that any third parties that the Company engages to act on its behalf, do the same. The policy is posted on the Company's website at the following link: https://www.occlindia.com/investorrelations/policy&procedure.

IX. The Company has complied with all applicable requirement specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

X. Compliance Certificate of the Auditors

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and the same is annexed to this report as **"Annexure D"**.

On behalf of the Board of Directors

Place: Noida
Date: June 18, 2021

Arvind Goenka
Managing Director
DIN-00135653

Akshat Goenka
Jt. Managing Director
DIN-07131982

ANNEXURE A TO THE REPORT ON CORPORATE GOVERNANCE

DECLARATION BY MANAGING DIRECTOR AND CEO UNDER REGULATION 26(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE OF CODE OF CONDUCT

To
The Board of Directors,
Oriental Carbon & Chemicals Ltd.,

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the financial year ended March 31, 2021.

For Oriental Carbon & Chemicals Ltd.

Arvind Goenka
Managing Director
DIN: 00135653

Place: Noida
Date: June 18, 2021

ANNEXURE B TO THE REPORT ON CORPORATE GOVERNANCE

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER IN TERMS OF REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors,
Oriental Carbon & Chemicals Ltd.,

We hereby certify that:-

(A) We have reviewed financial statements of the Company as on 31st March 2021 and the cash flow statement of the Company for the period ended as on that date and to the best of our knowledge and belief :

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws and regulations.

(B) To the best of our knowledge and belief, the Company has not entered into any transactions during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(C) We accept the responsibility for establishing and maintaining internal controls for the financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have also disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(D) We have also indicated to the auditors and the Audit Committee:-

(1) Significant changes in internal control over financial reporting during the year, if any;

(2) Significant changes in accounting policies during the year, if any and the same have been disclosed in the notes to the financial statements ; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Yours faithfully,

For Oriental Carbon & Chemicals Ltd

Anurag Jain
CFO

For Oriental Carbon & Chemicals Ltd.

Arvind Goenka
Managing Director
DIN: 00135653

Place: Noida
Date: June 18, 2021

ANNEXURE C TO THE REPORT ON CORPORATE GOVERNANCE

CERTIFICATE CONFIRMING NON-DISQUALIFICATION OF DIRECTORS

For the Financial Year ended March 31, 2021

[Pursuant to Regulation 34(3) and Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Oriental Carbon & Chemicals Limited
CIN: L24297WB1978PLC031539

We have examined the relevant registers, records, forms, returns and disclosures from Directors of **Oriental Carbon & Chemicals Limited** having CIN: L24297WB1978PLC031539 and having its Registered Office at 31, Netaji Subhas Road, Kolkata - 700001 (hereinafter referred to as 'the Company'), produced before us by the Company, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification, as considered necessary (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as detailed below, for the financial year ended March 31, 2021, have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

Sr. No.	Name of Director	DIN	Designation	Date of Appointment*
1.	Mr Jagdish Prasad Goenka	00136782	Non-executive Chairman & Promoter Director	20/03/1985
2.	Mr Arvind Goenka	00135653	Managing Director & CEO (Promoter)	21/05/1986
3.	Mr Akshat Goenka	07131982	Joint Managing Director (WTD) (Promoter)	14/05/2015
4.	Mr Suman Jyoti Khaitan	00023370	Independent Director	29/05/1998
5.	Mr Om Prakash Dubey	00228441	Independent Director	24/07/2009
6.	Mr Brij Behari Tondon	00740511	Independent Director	27/07/2007
7.	Mr Kailasam Raghuraman	00320507	Independent Director	28/01/2009
8.	Mrs Runa Mukherjee	02792569	Independent Director	16/03/2015
9.	Ms Kiran Sahdev	06718968	Nominee Director (LIC)	30/01/2020

** As per MCA Portal www.mca.gov.in*

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

For P. SARAWAGI & ASSOCIATES
Company Secretaries

P. K. Sarawagi
Proprietor
Membership No. : FCS-3381
Certificate of Practice No. : 4882
Peer Review Certificate No. 1128/2021
ICSI UDIN : F003381C000477547

Place: Kolkata
Date: June 18, 2021

ANNEXURE D TO THE REPORT ON CORPORATE GOVERNANCE

Independent Auditor's Certificate on Corporate Governance

To the Members of
Oriental Carbon & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by **Oriental Carbon & Chemicals Limited ("the Company")** for the year ended 31st March, 2021, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2021.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C , D and E of schedule V of the Listing Regulations during the year ended 31st March, 2021.

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

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it 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 for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **S S Kothari Mehta & Co.**
Chartered Accountants
Firm Registration Number: 000756N

Naveen Aggarwal
Partner
Membership No.:094380
UDIN : 21094380AAAAEM7776

Place: Noida
Date: 18th June 2021

BUSINESS RESPONSIBILITY REPORT

FOR THE FINANCIAL YEAR 20-21

[Pursuant to Regulation 34(2) (f) of the Securities and Exchange Board of India (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

Introduction

Oriental Carbon & Chemicals Limited, incorporated in 1978, belongs to the JP Goenka Group of Companies. The Company is a globally respected manufacturer of Insoluble Sulphur. We possess more than 26 years of experience in manufacturing this product. Over the years, our knowledge has translated into the ability to manufacture customised and value-added grades of Insoluble Sulphur for our customers. This has enabled us to address the demanding requirements of some of the largest global tyre manufacturers.

The Company is driven by a profound sense of customer service. While at the same time being fully committed to its obligation towards the environment and the community. Our mindset reflects in proactive investments in people, plant & processes, to deliver quality product and efforts to reduce our impact on the environment such as carbon footprint and water. We are focused on **Interactive technical services** with our clients. This capability has enabled us to provide holistic solutions to our customers.

General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L24297WB1978PLC031539
2. **Name of the Company:** Oriental Carbon & Chemicals Ltd
3. **Registered address:** 31, Netaji Subhas Road, Kolkata – 700001, West Bengal
4. **Website:** www.occlindia.com
5. **E-mail id:** investorfeedback@occlindia.com
6. **Financial Year reported:** FY 20-21
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

   The Company is engaged in Manufacturing rubber chemicals /chemicals. The key products are as follows.

Product	NIC Code (2008) of product/service
Manufacture of Organic and Inorganic chemical compounds n.e.c.	20119

8. **Number of national locations where business activity is undertaken by the Company:**

   The Company's manufacturing plants are situated at Dharuhera, Haryana and Mundra, Gujarat.

   The Company has one distribution warehouse in Chennai.

   The Company's Registered Office is situated at Duncan House, 31, Netaji Subhas Road, Kolkata – 700 001 and Corporate Office is situated at Noida, U.P.

9. **Markets served by the Company:**

   Domestic:

   Insoluble Sulphur: Supplied all over India and our share in the domestic market is about 65%.

   Sulphuric Acid: all the sales are in Northern India.

   Global :

   Insoluble Sulphur: Market served are Europe, Asia, North America, South America and Africa.

   FINANCIAL DETAILS OF THE COMPANY:

   1. Paid-up capital (₹ in Lakh): 999.01
   2. Total Turnover (₹ in Lakh): 33,250.72
   3. Total profit after taxes (₹ in Lakh): 7,500.18
   4. Total spending on CSR activities undertaken by the Company as percentage of profit after tax (%): 2.30%
   5. List of activities in which CSR Expenditure done:

   Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 20-21.

OTHER DETAILS:

1. Structure of the Company - Group / Joint ventures / Associates / Holding / Subsidiaries

   There is no group, associates and Joint ventures. The Company has a listed subsidiary, Duncan Engineering Ltd (formerly known as Schrader Duncan Limited) as at 31st March, 2021.

2. Details of business of the subsidiaries

   The Company's subsidiary Duncan Engineering Ltd (DEL) is India's pioneer in the field of Industrial Pneumatics and Off-Highway Tyre (OTR) accessories. Catering to the Indian industry for over four decades, the Company is ISO 9001 / TS 16949 certified and listed on BSE. DEL has a strong presence in the Indian OEM and aftermarket segments across all regions through a penetrating network of sales offices and channel partners/distributors. Fluid Power & Automation (FPA) portfolio includes Pneumatics, Hydraulics and Valve Automation Systems (standard catalogue, bespoke products and customised solutions) for diverse applications in segments like Metals, Energy & Environment, Cement, Printing & Packaging , Pharma, Machine Tools, Material Handling, Process, Construction Machinery and other general engineering industries. It has integrated state-of-the-art manufacturing facility at Ranjangaon, Pune, Maharashtra.

3. Participation of subsidiary companies in the Business Responsibility (BR) initiatives of the Parent Company: No participation from Subsidiary Companies

4. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

   No participation from other entity.

BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Officers responsible for Business Responsibility (BR):

   a. Details of Director responsible for overseeing the implementation of BR Policy:

      i) DIN: 00135653

      ii) Name: Mr Arvind Goenka

      iii) Designation: Managing Director

   b. Details of the BR Head:

      i) DIN: Not Applicable

      ii) Name: Anurag Jain

      iii) Designation: Chief Financial Officer

      iv) Telephone number: +91-0120-2446850

      v) E-mail id: anuragjain@occlindia.com

2. Principle-wise (as per NVGs) BR Policy/policies:

   - Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]
   - Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]
   - Principle 3: Businesses should promote the wellbeing of all employees [P3]
   - Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. [P4]
   - Principle 5: Businesses should respect and promote human rights [P5]
   - Principle 6: Business should respect, protect, and make efforts to restore the environment [P6]
   - Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]
   - Principle 8: Businesses should support inclusive growth and equitable development [P8]
   - Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner [P9]

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The Policy have been approved by the Board of Directors and the policies have been framed considering the best interests of the stakeholders.								
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the policies are based on 'National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business'								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the Policies have been approved by the Board of Directors and signed by the Managing Director on behalf of the Board of Directors of the Company.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the Company's respective official(s) are authorised to oversee the implementation of the Policy.								
6	Indicate the link for the policy to be viewed online?	www.occlindia.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the Company's website and communicated to all internal stakeholders.								
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has The Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company intends to do the same in due course.								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Management of the Company assesses the BR performance during last quarter of the financial year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company will publish its Business Responsibility Report which shall form part of the Company's Annual Report for the financial year 20-21. The same can be accessed at: https://www.occlindia.com/investor's relations/ annual-report.html.

It will be published as and when the same is disclosed to the stock exchanges pursuant to the requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company?**

The Company has a 'Code of Conduct for Board Members and Senior Management' to protect our core values in the conduct of Business. The policy was approved by the Board of Directors of the Company to maintain transparency is dealings with suppliers, contractors and other stakeholders.

The core values of the Company imbibes high standards of Ethical & Moral Behaviour and our employees who directly deal with third parties, ensure that all such dealings are conducted ethically, morally and with personal and professional integrity.

2. **Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

No. However, the Company encourages its stakeholders to follow the code.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

There was neither any complaint pending as on 01st April, 2020 nor any such complaint was received during the financial year 20-21.

Principle 2 : Safety and Sustainability of Goods

1. **Are there any products or services of the Company whose design has incorporated social or environmental concerns, risks and/ or opportunities?**

Our Insoluble Sulphur is REACH compliant and conforms to all environmental parameters applicable in India.

It is Oil coated to reduce the risk of combustion or contamination through spillage.

Use of Insoluble Sulphur instead of sulphur helps towards making more environment friendly tyres.

Insoluble Sulphur yields faster process in manufacturing of tyres thereby resulting in saving of power and fuel.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.):**

a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

The Company achieved a reduction of about 300 KL per day in water consumption at its plant.

Procurement of molten Sulphur has reduced process of palletisation at the refinery and melting at our Plant.

b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

No specific data available.

High Stability Insoluble Sulphur yields faster process in manufacturing of tyres thereby resulting in saving of power and fuel.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company has well established system of sustainable sourcing of inputs including transportation. The Company has been able to maintain a very good relationship with its suppliers and most of them have been associated with the Company since long. The Company always places orders with its suppliers well in advance to ensure timely receipt of raw materials. Further, the Company has a long-term arrangement with all the transporters directly engaged by it. The Company always strive to focus on alternative and environment friendly sourcing of its inputs. At Dharuhera Plant, the Company has shifted to use of Steam produced in Acid Plant instead of Gas for producing Insoluble Sulphur.

The refineries while producing cleaner fuels generate sulphur as a by-product, which is being procured by the Company to manufacture its product.

The Company procures mostly naphthenic oil which is more environmental friendly than other oil.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company is procuring goods like packing materials, consumables and spares etc. and services from more than 280 (Two Hundred Eighty) Micro, Small and Medium Enterprises (MSME) suppliers.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste?**

The Company as a policy endeavours to recycle all waste including water and by-products and is generally a zero discharge Company.

Principle 3 : Well Being of all employees

1. Human Resource

Kind of Human Resources	Total number in the Company
Permanent Employees	423
Hired Employees	
• Temporary	Nil
• Contractual	59
• Casual	Nil
Permanent Woman Employees	5
Permanent employees with disabilities	5
Child Labour	Nil

2. **Do you have an employee association that is recognised by management?**

Yes, At Dharuhera Plant of the Company, there is an employee association that is recognised by the management.

3. **What percentage of permanent employees are members of such employee association?**

100% of the workers at Dharuhera. (125 permanent employees out of 125 employees)

4. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:**

a. Child Labour: Nil
b. Forced Labour: Nil
c. Involuntary Labour: Nil
d. Discriminatory Employment: Nil
e. Sexual Harassment complaints pending: Nil

The Company has Policy on Prevention of Sexual Harassment.

5. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

(a) Permanent Employees: 92% (391/423)
(b) Permanent Women Employees: 100% (5/5)

(c) Casual/Temporary/Contractual Employees: 100% (100/100)

(d) Employees with Disabilities: 100% (5/5)

Principle 4 : Protection of Stakeholders' Interest

1. **Has the Company mapped its internal and external stakeholders?** Yes
2. **Has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

   The Company identifies the disadvantaged, vulnerable and marginalised community stakeholders around its manufacturing units and strives to assist them through its CSR initiatives.
3. **What are the steps taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?**

   The Company has taken several CSR initiatives to engage with the marginalised stakeholders. The Company has been providing financial assistance for education of the poor and needy children and construction of houses, medical infrastructures and provision of solar lights etc. The Company has also rejuvenated three village ponds in near by villages inorder to increase ground water level to help access to clean water for the villagers.

Principle 5: Respecting and Promoting Human Rights

1. **Does the Company have any policy on human rights?**

   Yes, the Company continuously strives to promote human rights for all and to treat people with dignity and respect in the course of conduct of its business. The Company abides by the spirit of the Constitution of India and International guidelines on Human Rights and encourages its business partners to respect human rights.
2. **Does this policy on human rights cover only the Company or extend to the JV/ Suppliers / Contractors / NGOs / Others?**

   OCCL's Human Rights policy applies to all OCCL Employees, others acting on behalf of OCCL and all personnel of contractor /suppliers working at OCCL premises. This applies to all location where OCCL conducts business.

   No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the financial year 20-21.

Principle 6 : Respecting, Protecting and Restoring the Environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   The Company has in place an 'Environmental Policy" for environment protection. The subsidiary/Group follow the environmental norms as applicable to them.
2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc?**

   The Company is continuously reducing its carbon footprint by shifting to cleaner fuels and Green sources of Energy. OCCL practices the highest standards of environment compliances that extend beyond the statutory requirements of the day. The result is that the Company's operations are safe for the environment, employees, customers, end consumers and communities.

   The Company has installed rooftop solar power plant with capacity of 405KW and is taking initiatives to increase the share of renewable energy in its power consumption.

   The Company has started using gas instead of fuel oil in some applications thus reducing emission of harmful gases.

   Surplus heat from Sulphuric Acid plant is used to produce steam for Insoluble sulphur plant.

   Continuous initiatives are being taken to reduce Fuel and power consumption.
3. **Does the Company identify and assess potential environmental risks?**

   The Company identifies and assess potential environmental risks on a continuous basis for any new CAPEX.
4. **Does the Company have any project related to Clean Development Mechanism?**

   There is no Clean Development Mechanism (CDM) program taken up by the Company.
5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.**

   Yes, The Company has undertaken several initiatives on clean technology, energy efficiency and renewable energy. It can be accessed through the following link: http://www.occlindia.com/our-background/#environment-responsibility

   The Company has installed rooftop solar power plant with capacity of 405KW and is taking initiatives to increase the share of renewable energy in its power consumption.

   Initiatives to increase share of solar power in electricity consumption.

   Initiatives to shift to gas from liquid fuel.
6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions/waste generated by the Company for financial year 20-21 are within permissible limits given by CPCB/SPCB(s) of the respective units.

   The manufacturing locations of the Company have obtained the respective state government consents to operate. The emissions of air, water and solids are covered in this consent. Necessary authorizations have also been obtained for storage, transportation and disposal of hazardous wastes at recognised landfills of Pollution Control Boards.
7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   As on 31st March, 2021, there is no show cause notice or legal notice received from CPCB/SPCB are pending.

Principle 7 : Responsibility Towards Public and Regulatory Policy

1. **Whether the Company is a member of any trade/ chamber association?**

   The Company is the member of ICC (Indian Chemical Council), CHEMEXCIL (Chemicals Export Promotion Council), FIEO, EOU and SEZ Export Promotion Council, CII, FICCI, PHD Chamber of Commerce.
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?**

   No. However, the Company shall utilize the opportunities when available.

Principle 8: Iinclusive Growth and Equitable Development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the inclusive growth and equitable development? If yes details thereof.**

   The Company undertakes the initiatives through the Corporate Social Responsibility (CSR) Committee of the Board as per the CSR Policy of the Company. For details of initiatives taken up the Company during the financial year 20-21, please refer the Report on the CSR activities forming part of the Annual Report for the financial year 20-21.
2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

   The CSR projects of the Company are undertaken both in-house as well as through Charitable Trust formed by the Company for the purpose of CSR and third parties.
3. **Have you done any impact assessment of the initiative indicated above?**

   The CSR Committee consciously reviews the CSR projects periodically.
4. **What is your Company's direct contribution to Community Development Projects (CDP)? – Amount in and the details of the projects undertaken.**

   Rejuvenation of Ponds in three villages for ground water recharging and improvement in quality of water. Solar Lighting provided in a village. Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 20-21 containing the details on CSR spending.
5. **Have you taken steps to ensure that this CDP is successfully adopted by the community? Please explain.**

   The water recharge and efficacy of ponds is being monitored and report being generated on periodic basis.

   The projects have been implemented with the cooperation of the respective Panchayat.

Principle 9 : Engaging and Enriching Customer Value

1. **What percentage of customer complaints /consumer cases are pending as on the end of financial year?**

   Out of the Complaints raised during the year one complaints were under resolution as at the end of financial year.
2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. /Remarks (additional information)**

   In case of packaged products all the labeling requirements mandated by local laws and laws of the destination countries are complied with. Further, each product also carries additional information on handling, safety and traceability is also ensured through batch numbers.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, Irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   No

4. **Did your Company carry out any consumer survey /consumer satisfaction trends?**

   Customers are engaged on a continuous basis to understand their satisfaction trends and expectations form our products.

On behalf of the Board of Directors

	Arvind Goenka	Akshat Goenka
Place: Noida	*Managing Director*	*Jt. Managing Director*
Date: June 18, 2021	DIN-00135653	DIN-07131982

Financial **Statements**

Independent Auditors' Report

To

The Members

Oriental Carbon & Chemicals Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Oriental Carbon & Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note no. 33(c) on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management.

Our opinion on these standalone financials is not modified in respect of the matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	The Company recognizes revenue on satisfaction of performance obligations upon transfer of control of promised products to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer. At 31st March 2021, the Company's statement of profit and loss included Sales of ₹32,972.01 Lakh. The nature of rebates and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognised in the correct period or that revenue and associated profit is misstated. Refer to Accounting policies Note 1(III)(h) and Note No. 15 of the standalone Financial Statements.	1. We performed walkthroughs to understand the adequacy and the design of the revenue cycle for all significant components. We tested controls in the revenue and trade account receivables cycles over the accuracy and timing of revenue accounted in the financial statements. 2. We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements 3. In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions. 4. We validated the appropriateness and completeness of the related disclosures in Note No. 15 of the financial statements

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

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

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

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Profit and Loss (including other comprehensive loss), the Statement of Cash Flow and Statement of Change in Equity dealt with by this report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.

   (e) On the basis of written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of sub-section 2 of section 164 of the Act.

   (f) 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.

   (g) With respect to the adequacy of the internal financial controls with reference to the financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. and

   (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 financial statements – Refer Note 29 to the standalone financial statements.

   ii. The Company has made adequate provision, as required under the law or accounting standards for material foreseeable losses, if any on long term contracts including derivative contracts.

   iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner
Membership Number: 094380
UDIN 21094380AAAAEU2640

Place: Noida
Date: June 18, 2021

"Annexure A" to the Independent Auditors' Report

The Annexure as referred in paragraph (1) 'Report on Other Legal and Regulatory Requirements of our Independent Auditors' Report to the members of **Oriental Carbon & Chemicals Limited** on the standalone financial statements for the year ended March 31, 2021, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Management has made a programme of periodical verification of fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.

(c) The title deeds of immovable properties are held in the name of the Company, except in the following case:

Particular	No. of Cases	Gross Book Value (₹ In Lakh)	Net Book Value (₹ In Lakh)
Building *	1	2946.70	2746.03

*Also refer Note No. 2(ii)

ii. The inventory has been physically verified except stock lying with third parties by the management at reasonable interval during the year. As far as we could ascertain and accordingly to the information and explanations given to us, no material discrepancies were noticed between the physical stock and book records.

iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership Firms or other parties covered in the registered maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security provided.

v. The Company has complied with the directives issued by the Reserve Bank of India and the provisions of the section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder as applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other authority.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013, in respect of the manufacture of Insoluble Sulphur and chemicals and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Service Tax, custom duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2021.

(b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of custom, value added tax or Goods and Service Tax which have not been deposited on account of any dispute except as given below:

Name of Statute	Nature of Dues	Period (Assessment Year)	Amount (₹ in Lakh)	Forum where dispute pending
Gujrat Value Added Tax Act, 2003	VAT	2015-16	2.10	Deputy Commi-ssioner of State Tax

viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or Financial Institutions. The Company has not obtained any loans from government and no dues is outstanding to debenture holders.

ix. According to the information and explanation given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments) during the year. The term loans were applied for the purposes for which they are raised.

x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with provision of section 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner
Membership Number: 094380
UDIN 21094380AAAAEU2640

Place: Noida
Date: June 18, 2021

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Oriental Carbon & Chemicals Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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 Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner
Membership Number: 094380
UDIN 21094380AAAAEU2640

Place: Noida
Date: June 18, 2021

Standalone Balance Sheet as at March 31, 2021

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1. Non Current Assets			
a. Property, Plant & Equipment	2	32,652.85	33,791.29
b. Capital work in Progress		11,330.91	2,529.46
c. Intangible Assets	3	36.62	41.11
d. Intangible Assets under Development		6.96	2.66
e. Financial Assets			
i. Investments	4a	4,557.21	2,958.91
ii. Loans and Advances	4c	69.42	49.19
iii. Other Financial Assets	4g	724.61	715.06
f. Other Non Current Assets	6	853.59	1,959.75
TOTAL NON CURRENT ASSETS		50,232.17	42,047.43
2. Current Assets			
a. Inventories	5	4,005.69	3,417.65
b. Financial Assets			
i. Investments	4b	15,329.53	11,785.14
ii. Trade Receivables	4d	7,480.40	6,666.95
iii. Cash and cash Equivalents	4e	159.61	2,332.75
iv. Other Bank Balances	4f	179.60	177.78
v. Loans and Advances	4c	69.13	57.15
vi. Other Financial Assets	4g	276.76	297.24
c. Current Tax Assets (Net)	7	-	113.94
d. Other Current Assets	6	1,381.47	1,012.26
TOTAL CURRENT ASSETS		28,882.19	25,860.86
TOTAL ASSETS		79,114.36	67,908.29
II. EQUITY AND LIABILITIES			
A Equity			
a. Equity Share Capital	8	1,000.53	1,000.53
b. Other Equity	9	52,253.99	45,797.43
TOTAL EQUITY		53,254.52	46,797.96
B Liabilities			
1. Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10a	11,270.07	9,608.37
ii. Lease Liability	10c	577.32	581.72
iii. Other Financial Liabilities	10e	-	18.16
b. Provisions	12	232.23	249.49
c. Deferred Tax Liabilities (Net)	13	2,541.66	2,072.72
TOTAL NON CURRENT LIABILITIES		14,621.28	12,530.46
2. Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10b	4,130.54	3,834.93
ii. Lease Liability	10c	4.39	4.03
iii. Trade Payables	10d		
Dues of Micro Enterprises and Small Enterprises		34.56	16.53
Dues of Creditors Other than Micro Enterprises and Small Enterprises		1,877.66	1,423.73
iv. Other Financial Liabilities	10f	4,435.20	2,449.32
b. Other Current Liabilities	14	601.89	689.79
c. Income Tax Liability (Net)	11	20.87	-
d. Provisions	12	133.45	161.54
TOTAL CURRENT LIABILITIES		11,238.56	8,579.87
TOTAL EQUITY AND LIABILITIES		79,114.36	67,908.29
Notes to Accounts	1 - 36		

The accompanying notes referred to above form an integral part of the standalone financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal
Partner
Membership No. 094380

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

Place : Noida
Date: 18th June, 2021

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

Standalone Statement of Profit And Loss for the year ended March 31, 2021

(₹ in Lakh)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I.	Revenue from Operations	15	33,250.72	34,347.90
II.	Other Income	16	1,216.81	956.58
III.	Total Revenue (I+II)		34,467.53	35,304.48
IV.	Expenses:			
	Cost of materials consumed	17	8,070.06	8,268.53
	Changes in Inventories of finished goods, work in progress and stock in trade	18	(161.50)	743.61
	Employee benefit expense	19	4,395.28	4,458.49
	Finance costs	20	634.62	915.59
	Depreciation and amortisation expense	21	2,098.32	2,005.02
	Other expenses	22	9,765.85	10,983.24
	Total Expenses (IV)		24,802.63	27,374.48
V	Profit before tax (III-IV)		9,664.90	7,930.00
VI.	Income Tax Expense			
	Current tax	24(a)	1,654.51	1,390.55
	Deferred Tax (Net)	24(a)	510.21	(611.10)
VII.	Profit for the period (V-VI)		7,500.18	7,150.55
VIII.	Other Comprehensive Income (Net of Tax)			
	Items that will not be reclassified to Profit or Loss			
	Remeasurement Gain or (Loss) on Defined Benefit Plans		(18.86)	(64.76)
	Income Tax on the above item	24(b)	5.49	18.86
	Net Gain or (Loss) on FVTOCI on Equity & AIF Investments		(2.82)	(280.22)
	Income Tax on the above item	24(b)	(28.43)	65.28
	Total Other Comprehensive Income / (Loss) (Net of Tax)		(44.62)	(260.84)
IX.	Total Comprehensive income for the period (VII+VIII) (Comprising Profit / (Loss) and Other Comprehensive Income / (Loss) for the period)		7,455.56	6,889.71
X.	Earnings per equity shares :			
	Basic & Diluted (₹)	26	75.08	71.58
	Notes to Accounts	1 - 36		

The accompanying notes referred to above form an integral part of the standalone financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal
Partner
Membership No. 094380

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

Place : Noida
Date: 18th June, 2021

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

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

(₹ in Lakh)

Particulars	Current Year		Previous Year	
A. Cash Flow From Operating Activities				
Net Profit before tax	9,664.90		7,930.00	
Adjustments for:				
Depreciation & Amortisation Expense	2,098.32		2,005.02	
(Gain) / Loss on Sale / Discard of Property, Plant & Equipment (Net)	32.64		(41.66)	
Finance Costs	634.62		915.59	
Interest Income	(939.69)		(425.68)	
Income from AIF Investment	(42.70)		(4.68)	
Effect of Exchange Rate Change on Borrowings	(223.74)		241.31	
Debts earlier written off, now recovered	(0.06)		-	
(Gain) on Redemption / Sale of Current Investments	(4.56)		(290.19)	
Bad Advances / Debts	9.68		11.21	
Remeasurement Gain / (Loss) on Defined Benefit Plans	(18.86)		(64.76)	
(Gain) on financial assets measured at fair value through Profit or loss (Net)	(32.64)		(20.47)	
Operating Profit before Working Capital Changes	11,177.91		10,255.69	
Adjustments for :				
Trade and Other Receivables	(1,236.39)		1,832.29	
Inventories	(588.04)		1,213.01	
Trade and Other Payables	733.84		(925.57)	
Cash generated from Operations before tax	10,087.32		12,375.42	
Direct Tax Paid (Net)	(1,583.92)		(1,596.81)	
Net Cash from Operating Activities		8,503.40		10,778.61
B. Cash Flow From Investing Activities				
Payments for purchase of Property, Plant & Equipment including Capital work in progress, Intangible Assets and Capital Advances	(8,370.90)		(4,985.03)	
Proceeds from sale of Property, Plant & Equipment	127.49		285.08	
Loans and Advances to Subsidiary / Other Companies (Net)	1.33		0.19	
Purchase and Sale of Non Current Investments (Net)	(1,601.12)		(611.11)	
Purchase and Sale of Current Investments (Net)	(3,507.19)		(3,321.65)	
Movement in Fixed deposits with Banks	(0.70)		1.43	
Income from AIF Investment Received	42.00		4.68	
Interest Received	962.03		343.59	
Net Cash (used in) investing activities		(12,347.06)		(8,282.82)
C. Cash Flow From Financing Activities				
Dividend Paid	(999.01)		(1,198.81)	
Tax on Dividend Paid	-		(246.42)	
Proceeds from Borrowing - Non Current	5,524.46		2,781.01	
Repayment of Borrowing - Non Current	(2,602.81)		(1,590.48)	
Borrowing - Current (Net)	415.08		832.53	
Repayment of Lease Liability	(4.04)		(3.70)	
Interest and Financial Costs paid (excluding Transfer to Capital Work-in-Progress)	(663.16)		(913.25)	
Net Cash from / (Used in) Financing Activities		1,670.52		(339.12)

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

(₹ in Lakh)

Particulars	Current Year		Previous Year	
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		(2,173.14)		2,156.67
Opening Balance of Cash and Cash Equivalents		2,332.75		176.08
Closing Balance of Cash and Cash Equivalents		159.61		2,332.75
Cash & Cash Equivalents Comprise				
Cash on Hand		4.09		2.16
Balance with Scheduled Banks in Current Accounts and fixed deposits maturing within 3 months		155.52		2,330.59
		159.61		2,332.75

Notes:

(i) Figures in bracket represent outflows.

(ii) Other Bank Balances of ₹150.10 Lakh (Previous Year ₹148.28 Lakh) lying in designated account with scheduled banks on account of unclaimed dividend and ₹29.50 Lakh (Previous Year ₹29.50 Lakh) in Deposit Repayment Reserve Account and Margin Money maturing beyond three months are not included in cash & cash equivalents. These are shown under investing activities.

(iii) Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

Change in Liability arising from financing activities (₹ in Lakh)

Particulars	April 01, 2020	Cash Flow	Foreign Exchange Movement	March 31, 2021
Borrowings - Non Current (Current & Non-Current Maturities) (Refer Note 10(a))	10,941.02	2,921.65	(104.27)	13,758.40
Borrowings - Current (Refer Note 10(b))	3,834.93	415.08	(119.47)	4,130.54
	14,775.95	3,336.73	(223.74)	17,888.94

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2021

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

Standalone Statement of Changes in Equity for the year ended March 31, 2021

a) Equity Share Capital (₹ in Lakh)

Balance as at March 31, 2019	1,000.53
Add/(Less): Changes in Equity Shares Capital for the year ended March 31, 2020	-
Balance as at March 31, 2020	1,000.53
Add/(Less): Changes in Equity Shares Capital for the year ended March 31, 2021	-
Balance as at March 31, 2021	1,000.53

b) Other Equity (₹ in Lakh)

Particulars	Reserves					Other Comprehensive Income (OCI)	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings			
				Retained Earnings	Remeasurement Gain / (Loss) of the defined benefit plans (Net of Tax)	Equity Instruments through OCI (Net of Tax)	
Balance as at March 31, 2019	**1,732.18**	**30.85**	**878.07**	**37,044.24**	**(68.68)**	**736.29**	**40,352.95**
Profit/(Loss) for the year ended March 31, 2020	-	-	-	7,150.55	-	-	7,150.55
Other comprehensive income (net of tax) for the year ended March 31, 2020	-	-	-	-	(45.90)	(214.94)	(260.84)
Dividend including Corporate Dividend Tax	-	-	-	(1,445.23)	-	-	(1,445.23)
Balance as at March 31, 2020	**1,732.18**	**30.85**	**878.07**	**42,749.56**	**(114.58)**	**521.35**	**45,797.43**
Profit/(Loss) for the year ended March 31, 2021	-	-	-	7,500.18	-	-	7,500.18
Other comprehensive income (net of tax) for the year ended March 31, 2021				94.60	(13.36)	(125.85)	(44.61)
Dividend	-	-	-	(999.01)	-	-	(999.01)
Balance as at March 31, 2021	**1,732.18**	**30.85**	**878.07**	**49,345.33**	**(127.94)**	**395.50**	**52,253.99**

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal
Partner
Membership No. 094380

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

Place : Noida
Date: 18th June, 2021

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

Notes to Financial Statement for the year ended March 31, 2021

1: Company Overview, Basis of Preparation and Significant Accounting Policies

I CORPORATE INFORMATION

Oriental Carbon & Chemicals Limited ("OCCL" or "the Company") is a public limited company domiciled in India and has its Registered Office at Kolkata. The shares of the Company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Company's core business is manufacturing and sales of Insoluble Sulphur. The Company is a global supplier of Insoluble Sulphur of which about two-third of the turnover is from Exports. It has two manufacturing facilities, one in Haryana and other one in Gujarat.

II BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 (As amended) notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors on June 18, 2021

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

i. Certain financial assets and liabilities (including derivative instruments) measured at Fair Value / Amortised Cost;

ii. Defined benefit plan assets measured at Fair Value;

c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to two decimal points of Lakh, unless otherwise indicated.

d) Current or Non current classification

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the business of the Company and its business time cycle from inception of an order and its completion on realization in cash and cash equivalents, the Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

e) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets as at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the financial statements are:

Measurement of defined benefit obligations;

Recognition of deferred tax assets & MAT credit entitlement;

Useful life and residual value of Property, plant and equipment and intangible assets;

Measurement of Fair Value of Current Investments;

Measurement of fair value of Equity Investments.

III SIGNIFICANT ACCOUNTING POLICY

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a) Property, plant and equipment

i) Recognition and measurement

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

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

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

Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognised in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other noncurrent assets.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Depreciation

Depreciation on property, plant and equipment is provided on the Straight Line Method based on the useful life of assets as prescribed under Schedule II of the Companies Act, 2013, which are as follows:

Buildings including Factory Buildings and Roads	5 - 60 years
Plant & Equipment (Including Continuous Process Plant, Components & Laboratory Equipment)	5 - 25 years
Electrical Installations	10 years
Furniture and Fixtures	10 years
Air Conditioners and coolers	5 years
Office Equipment	5 - 10 years
Motor Vehicles	5 years
Computer and Servers & Networks	3 - 6 years

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. Buildings constructed on Right-of-use assets are depreciated based on the useful life prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b) Intangible assets

i) Recognition and measurement

Intangible Assets Acquired Separately

Intangible assets that are acquired by the Company are measured at cost. Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

All intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Impairment losses, if any, are recognised immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

ii) Amortisation

Amortization is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software : 5 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use or fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in Statement of Profit and Loss

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Financial Instruments

i) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent measurement

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) Method to gross carrying amount of the financial asset, if it is held within a business model whose objective is to hold the asset 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. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(b) Financial assets at fair value through other comprehensive income

Financial instruments are subsequently measured at fair value (at Last available audited information's). On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

(c) Financial assets at fair value through profit or loss

Financial assets which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Reclassification of Financial Assets and Financial Liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(f) Investment in subsidiary

Investment in subsidiary is carried at cost.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

With regard to trade receivable, the Company applies the simplified approach , which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

iv) Derecognition

Financial Assets

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither

transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

v) Derivative financial instruments

The Company is exposed to exchange rate risk which arises from its foreign exchange revenues, primarily in Euro and US Dollars. The Company uses foreign exchange forward contracts (derivative financial instruments), to hedge foreign currency risk associated with highly probable forecasted transactions and classifies them as cash flow hedges.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are taken directly to profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Company makes an assessment, on an on-going basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instrument that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

f) Inventories

Inventories are valued at lower of Cost and Net Realisable value. The cost of finished goods is determined by taking material, labour and related factory overheads including depreciation. Cost of material is determined on weighted average cost basis. Further the cost for Work-in-Progress includes material cost, stage wise direct cost and other related manufacturing overheads including depreciation. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and making the sale.

Cost of raw materials, packing materials, stores and spares are determined on weighted average basis.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, the same are written off or provision is made for such inventories.

g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h) Revenue from contracts with customers

The Company derives revenue from sale of Insoluble Sulphur, Sulphuric Acid and Oleum.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services 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 or services. The Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 15.

Sale of goods

For sale of goods, revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers at an amount that reflects the consideration the Company expects to receive in exchange for those products.

i) Other Revenue Streams

Export Benefits

In case of direct exports made by the Company, export benefits arising from Govt. incentives and schemes are recognised on shipment of direct exports.

The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced MEIS export benefit w.e.f. January 01, 2021. As the rates under RODTEP have not been

announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021.

Revenue from exports benefits are measured at the fair value of consideration received or receivable net of returns.

Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

j) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Company contributes to the gratuity fund, which are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet.

When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

k) Foreign currency transactions

Initial recognition:

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference:

Exchange differences are recognised in Statement of profit & loss. In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long term foreign currency monetary items relating to acquisition of depreciable fixed assets taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

l) Research and Development Expenses

Revenue Expenditure on Research and Development is charged to Statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Property, Plant & Equipment.

m) Borrowing costs

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

n) Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in Other Comprehensive Income

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For operations carried out in tax free units, deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet.

o) Segment Reporting

The Company's business activity falls within a single segment viz., Manufacturing and Sales of Chemicals. The segment has been identified by taking into account the nature of product, the differing risks, the returns, the organisation structure and the internal reporting systems and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

q) Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

r) Lease

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 lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to Control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. 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. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non financial assets'.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other current and non-current financial liabilities (see Note 10c).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

"Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

s) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Financial Statement for the year ended March 31, 2021

2 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Description	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at April 1, 2020	Additions/ adjustments	Sales/ adjustments	As at March 31, 2021	As at April 1, 2020	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Property Plant & Equipment										
Land - Freehold	162.59	-	-	162.59	-	-	-	-	162.59	162.59
Right of Use Assets - Land	1,417.86	-	-	1,417.86	270.57	56.47	-	327.04	1,090.82	1,147.29
Building	15,571.09	5.11	18.30	15,557.90	2,863.04	369.80	6.56	3,226.28	12,331.62	12,708.05
Plant & Equipment	28,047.67	547.34	254.92	28,340.09	10,192.25	1,206.62	145.70	11,253.17	17,086.92	17,855.42
Electrical Installations	2,885.80	154.44	102.37	2,937.87	1,672.60	229.20	91.77	1,810.03	1,127.84	1,213.20
Furniture and Fixture	441.20	1.46	12.41	430.25	237.00	34.12	2.73	268.39	161.86	204.20
Vehicles	642.86	328.98	45.76	926.08	315.65	116.16	29.56	402.25	523.83	327.21
Air Conditioners and coolers	182.05	26.01	15.72	192.34	122.27	26.48	14.61	134.14	58.20	59.78
Office Equipment	350.21	36.65	18.54	368.32	236.66	40.01	17.52	259.15	109.17	113.55
Total	**49,701.33**	**1,099.99**	**468.02**	**50,333.30**	**15,910.04**	**2,078.86**	**308.45**	**17,680.45**	**32,652.85**	**33,791.29**

Description	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at April 1, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Property Plant & Equipment										
Land - Freehold	162.59	-	-	162.59	-	-	-	-	162.59	162.59
- Leasehold	828.41	-	828.41	-	214.01	-	214.01	-	-	614.40
Right of Use Assets - Land	-	1,417.86	-	1,417.86	-	270.57	-	270.57	1,147.29	-
Building	15,381.53	328.78	139.22	15,571.09	2,500.14	368.07	5.17	2,863.04	12,708.05	12,881.39
Plant & Equipment	27,914.94	313.35	180.62	28,047.67	9,132.85	1,154.99	95.59	10,192.25	17,855.42	18,782.09
Electrical Installations	2,694.81	199.87	8.88	2,885.80	1,467.11	211.52	6.03	1,672.60	1,213.20	1,227.70
Furniture and Fixture	425.24	18.55	2.59	441.20	203.69	35.42	2.11	237.00	204.20	221.55
Vehicles	651.84	142.95	151.93	642.86	345.75	95.70	125.80	315.65	327.21	306.09
Air Conditioners and coolers	178.10	7.66	3.71	182.05	99.40	26.06	3.19	122.27	59.78	78.70
Office Equipment	329.74	38.74	18.27	350.21	217.51	36.39	17.24	236.66	113.55	112.23
Total	**48,567.20**	**2,467.76**	**1,333.63**	**49,701.33**	**14,180.46**	**2,198.72**	**469.14**	**15,910.04**	**33,791.29**	**34,386.74**

Notes:

(i) Gross Block includes ₹350.06 Lakh (Previous year ₹216.21 Lakh) purchased under Car Finance Scheme.

(ii) Building includes property of ₹2,946.70 Lakh pending for registration (Previous year ₹2,946.70 Lakh)

(iii) In accordance with Ind AS-101 the exchange differences arising on translation of long term foreign currency loans taken for acquisition of depreciable assets before the transition date are being capitalised and accordingly the net exchange difference for the year amounting to ₹(5.08) Lakh (Previous year ₹30.96 Lakh) have been (adjusted)/capitalised.

Notes to Financial Statement for the year ended March 31, 2021

3 INTANGIBLE ASSETS

(₹ in Lakh)

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	As at April 1, 2020	Additions/ adjustments	Sales/ adjustments	As at March 31, 2021	As at April 1, 2020	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer Software	302.98	14.97	-	317.95	261.87	19.46	-	281.33	36.62	41.11
Total	**302.98**	**14.97**	**-**	**317.95**	**261.87**	**19.46**	**-**	**281.33**	**36.62**	**41.11**

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	As at April 1, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	289.38	13.60	-	302.98	241.56	20.31	-	261.87	41.11	47.82
Total	**289.38**	**13.60**	**-**	**302.98**	**241.56**	**20.31**	**-**	**261.87**	**41.11**	**47.82**

4 FINANCIAL ASSETS

4(a) NON CURRENT INVESTMENTS (₹ in Lakh)

Particulars	Face Value / Share	As at March 31, 2021 No. of Shares	As at March 31, 2021 Value	As at March 31, 2020 No. of Shares	As at March 31, 2020 Value
(i) Quoted, Equity shares fully paid up Investments Carried at Cost Investment in Equity instruments (Subsidiary)					
(1) Duncan Engineering Limited (Formerly known as Schrader Duncan Ltd.)	10/-	1848500	1,453.65	1848500	1,453.65
(ii) Unquoted, Equity/Preference shares fully paid up Investments Carried at Fair Value Through OCI					
a) Investment in Equity Shares (Others)					
(1) Duncan International (India) Limited	100/-	8351	281.40	8351	207.84
(2) New India Investment Corporation Limited	75/-	1753	231.95	3353	334.07
(3) Veeda Clinical Research P Ltd	10/-	779	99.88	-	-
b) Investment in Preference Shares (Others)					
(1) B 9 Beverages Private Limited (CCCPS)	100/-	25837	100.00	-	-
(2) Muhavra Enterprise P Ltd (CCPS)	10/-	96	49.51	-	-
c) Investment in AIF Funds					
(1) Grand Anicut Fund - II			500.00		100.00
(2) Xponentia Opportunities Fund -I			308.70		340.30
(3) JM Financial India Fund (AIF-II)			130.80		127.66
(4) Paragon Partners Growth Fund AIF-II			229.20		31.90
(5) Fireside Ventures Fund AIF-II			125.00		125.00
(6) IQ Start-up Fund IQ Alpha III (AIF-I)			434.49		204.49
(7) Grand Anicut Angel Fund			137.63		9.00
(8) Real Estate Credit Opportunities Fund			450.00		-
(iii) Unquoted, Investment in Convertible Note					
(1) Startup Health Just Matters Pvt Ltd			25.00		25.00
TOTAL			4,557.21		2,958.91
Aggregate Market Value of Quoted Investments			2,123.93		1,626.68
Aggregate Fair Value of Unquoted Investments			3,103.56		1,505.26

4 FINANCIAL ASSETS *(Contd.)*

4(b) CURRENT INVESTMENTS (₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Quoted		
a)	Investment in Mutual Funds at FVTPL		
(1)	ICICI Prudential Credit Risk Fund Growth (Erstwhile ICICI Prudential Regular Saving Fund Growth) (March 31, 2021 Nil Units; March 31, 2020 1081209.657 Units)	–	235.14
(2)	DSP Banking and PSU Debt Fund (March 31, 2021 5886434.31 Units; March 31, 2020 Nil Units)	1,102.64	–
(3)	HDFC Corporate Bond Fund - Short Term (March 31, 2021 5050629.31 (Units; March 31, 2020 Nil Units)	1,259.02	–
(4)	ICICI Prudential Corporate Bond Fund (March 31, 2021 5101624.25 Units; March 31, 2020 Nil Units)	1,157.46	–
(5)	Aditya Birla Sunlife Banking and PSU Debt Fund (March 31, 2021 388960.94 Units; March 31, 2020 Nil Units)	1,101.70	–
(6)	IDFC Bond Fund Short Term Plan (March 31, 2021 1132433.38 Units; March 31, 2020 Nil Units)	505.81	–
(7)	Aditya Birla Sunlife Corporate Bond Fund Growth (March 31, 2021 467779.49 Units; March 31, 2020 Nil Units)	401.84	–
(8)	ICICI Prudential Saving Fund (March 31, 2021 96405.02 Units; March 31, 2020 Nil Units)	401.05	–
(9)	HDFC Low Duration Fund (March 31, 2021 892589.35 Units; March 31, 2020 Nil Units)	401.75	–
(10)	HDFC Short Term Debt Fund (March 31, 2021 819661.38 Units; March 31, 2020 Nil Units)	201.37	–
b)	Investment in Bonds		
(1)	6.99% HDFC Limited Face Value ₹10,00,000; (March 31, 2021 200 Bonds; March 31, 2020 Nil Bonds)	1,996.89	–
(ii)	Unquoted		
a)	Investment in Non Convertible Debentures		
(1)	Krazybee Services Pvt Ltd having coupon rate of 13.5% p.a. with a maturity period of 13 months	250.00	–
b)	Investment in Debts fund		
(1)	ESTEE 1 Alpha Fund	500.00	–
c)	Investment in NBFC Corporate Deposit		
(1)	HDFC Ltd.	4,050.00	3,650.00
(2)	LIC Housing Finance Ltd	2,000.00	7,900.00
TOTAL		15,329.53	11,785.14
Aggregate Market Value of Quoted Investments		8,529.53	235.14
Aggregate Market Value of Unquoted Investments		6,800.00	11,550.00

4 FINANCIAL ASSETS *(Contd.)*

4(c) LOANS AND ADVANCES

(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Loans and advances to Subsidiary	-	-	0.43	1.76
Other Loans and advances				
Employee Advances	69.42	49.19	68.70	55.39
TOTAL	69.42	49.19	69.13	57.15

4(d) TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured, Considered Good	-	-
Unsecured, Considered Good	7,480.40	6,666.95
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
TOTAL	7,480.40	6,666.95

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days

Impairment of Trade Receivables has been considered ₹ Nil based on the Expected Credit Loss Method and in other cases based on the management judgement.

4(e) CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
In Current Accounts	155.52	130.59
Cash on hand	4.09	2.16
Fixed Deposit with Maturity less than 3 Months	-	2,200.00
TOTAL	159.61	2,332.75

4(f) OTHER BANK BALANCES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposit Repayment reserve Account	29.50	29.50
Unpaid Dividend Accounts	150.10	148.28
TOTAL	179.60	177.78

4 FINANCIAL ASSETS *(Contd.)*

4(g) OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered good unless stated otherwise				
Measured at Amortised Cost				
Other Bank Deposits with more than 12 months maturity @	467.45	466.75	-	-
Security Deposits	257.16	248.31	54.27	53.11
Accrued Interest Income	-	-	222.49	244.13
TOTAL	724.61	715.06	276.76	297.24

@ Includes Margin Money for Bank Guarantees ₹51.06 Lakh (Previous year ₹38.35 Lakh)

5 INVENTORIES (Lower of Cost or Net Realisable Value)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials (Includes Stock-in-transit Rs . 88.32 Lakh; Previous year ₹92.19 Lakh)	1,286.19	914.57
Work in Progress	40.35	33.23
Finished Goods	2,012.40	1,858.02
Stores & Spares	624.66	573.69
Fuel	42.09	38.14
TOTAL	4,005.69	3,417.65

6 OTHER ASSETS

(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered good unless stated otherwise				
Export incentive Receivable	-	-	305.36	223.30
Capital Advances *	853.59	1,959.75	-	-
Assets held for sale (At lower of Book Value and Net Realisable Value)	-	-	11.80	11.80
Receivable on Foreign Currency Forward Contracts	-	-	159.57	120.97
Balance with Revenue Authorities	-	-	501.39	192.59
Insurance Claim Receivable	-	-	12.51	13.07
Prepaid Expenses	-	-	280.76	309.58
Other Advances	-	-	110.08	140.95
TOTAL	853.59	1,959.75	1,381.47	1,012.26

* Includes ₹75.00 Lakh (Previous year ₹75.00 Lakh) to a Company under liquidation against the use of an office premises which is pending transfer in favour of the Company.

7 INCOME TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Assets (Net of Provision for Income Tax)	-	113.94
TOTAL	-	113.94

8 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
1,49,90,000 (Previous year 1,49,90,000) Equity Shares of ₹10 each (Previous year ₹10 each)	1,499.00	1,499.00
1,000 (Previous year 1,000) Redeemable Cumulative Preference Shares of ₹100 each (Previous year ₹100 each)	1.00	1.00
	1,500.00	1,500.00
Issued Shares		
1,00,23,844 (Previous year 1,00,23,844) Equity Shares of ₹10 each (Previous year ₹10 each)	1,002.38	1,002.38
	1,002.38	1,002.38
Subscribed & Fully Paid up Shares		
99,90,092 (Previous year 99,90,092) Equity Shares of ₹10 each (Previous year ₹10 each)	999.01	999.01
Add: Forfeited Shares (Amount Originally paid up)	1.52	1.52
Total subscribed and fully paid up share capital	1,000.53	1,000.53

a. Terms / rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same except interim dividend is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Equity Shares

(₹ In Lakh, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Share outstanding at beginning of period	10023844	10023844	1,002.38	1,002.38
Share outstanding at end of period	10023844	10023844	1,002.38	1,002.38

8 EQUITY SHARE CAPITAL *(Contd.)*

Subscribed & Paid up

Equity Shares

(₹ In Lakh, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Share outstanding at beginning of period	9990092	9990092	999.01	999.01
Share outstanding at end of period	9990092	9990092	999.01	999.01

c. Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Cosmopolitan Investments Ltd	1907528	19.09%	1907528	19.09%
New India Investment corporation Ltd.	1212136	12.13%	1212136	12.13%
Duncan International (India) Ltd	994616	9.96%	994616	9.96%
HDFC Trustee Company Ltd	926250	9.27%	926250	9.27%
Haldia Investment Company Ltd	619344	6.20%	609995	6.11%

9 OTHER EQUITY

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
(I)	**Reserves**		
a.	**Capital Reserve**		
	Balance at the beginning of the Financial year	1,732.18	1,732.18
	Balance at the end of the Financial year	1,732.18	1,732.18
b.	**Capital Redemption Reserve**		
	Balance at the beginning of the Financial year	30.85	30.85
	Balance at the end of the Financial year	30.85	30.85
c.	**General Reserve**		
	Balance at the beginning of the Financial year	878.07	878.07
	Balance at the end of the Financial year	878.07	878.07
d.	**Retained Earnings**		
	Balance at the beginning of the Financial year	42,634.98	36,975.56
	Addition during the Financial year	7,500.18	7,150.55
	Items of Other Comprehensive Income recognised directly in retained earnings		
	- Realised gain from Non Current Equity instrument transferred from Other comprehensive income (Net of Tax)	94.60	-
	- Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)	(13.36)	(45.90)
		50,216.40	44,080.21
	Less: Appropriations		
	Interim Dividend paid	399.60	399.60
	Tax on Interim Dividend	-	82.14
	Dividend paid during the year	599.41	799.21
	Tax on Dividend paid during the year	-	164.28
		49,217.39	42,634.98
TOTAL (I)		51,858.49	45,276.08

9 OTHER EQUITY *(Contd.)*

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
(II)	Items of Other Comprehensive Income		
	Balance at the beginning of the Financial year	521.35	736.29
	Add: Other Comprehensive Income for the Financial Year		
	Net Gain or (Loss) on FVTOCI Non Current Investments (Net of Tax)	(31.25)	(214.94)
	- Realised gain from Non Current Equity instrument transferred to retained earning (Net of Tax)	(94.60)	-
	TOTAL (II)	395.50	521.35
	TOTAL OTHER EQUITY (I + II)	52,253.99	45,797.43

Notes:

(i) Capital Reserve:

The Company had recognised Surplus arising out of transfer of Assets and Liabilities of erstwhile Carbon Black Division to Capital Reserve.

(ii) Capital Redemption Reserve:

An amount of ₹30.60 Lakh (equivalent to nominal value of the equity shares bought back and cancelled by the Company in the year ended March 2019) has been transferred to Capital Redemption Reserve from General Reserve pursuant to the provisions of Section 69 of the Companies Act, 2013 and article 8 of the Articles of Association of the Company.

(iii) Items of Other Comprehensive Income

The Company recognises the gain or loss on fair value of non-current investments under Items of Other Comprehensive Income.

Realised gain on sale of equity instrument of ₹94.60 Lakh (Net of tax) during the year transferred to retained earning from other comprehensive income as per IND AS 109.

(iv) During the year, the Company has paid Interim dividend of ₹4.00; (Previous year ₹4.00) per equity share. Now, final dividend of ₹10.00 (Previous year ₹6.00) per equity share for financial year 2020-21 is recommended by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

10 FINANCIAL LIABILITIES

a) BORROWINGS (NON-CURRENT)

(₹ In Lakh)

Particulars	Non - Current Maturities		Current Maturities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Term Loans - From Banks (i)	11,169.55	9,513.41	2,399.92	1,147.90
Vehicle Loans from Banks (ii)	100.52	92.01	85.46	49.28
Public Deposits (iii)	-	2.95	2.95	135.47
Less : Current Maturities of Long Term Borrowings	-	-	(2,488.33)	(1,332.65)
TOTAL	11,270.07	9,608.37	-	-

Notes:

(i) (a) Securities:

Secured by (i) Rs 1996.43 Lakh, First pari-passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit; First exclusive charge on fixed assets including equitable mortgage of factory land and building at Dharuhera; Second pari-passu charge on entire current assets of the Company; (ii) Rs 1118.76 Lakh, First pari-

10 FINANCIAL LIABILITIES *(Contd.)*

passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit; Second pari-passu charge on entire fixed assets of Dharuhera Unit including equitable mortgage of factory land and building of Dharuhera Unit; Second pari-passu charge on entire current assets of the Company; (iii) Rs 749.15 Lakh, First pari-passu charge on entire fixed assets including equitable mortgage of factory land and building of SEZ Mundra Unit; (iv) Rs 7305.21 Lakh, First pari-passu charge on entire fixed assets including equitable mortgage of factory land and building at Dharuhera and SEZ Mundra Unit; Second pari-passu charge on entire current assets of the Company.

(i) (b) Terms of Repayments of Non-Current portion of Term Loans from Banks

(₹ In Lakh, unless otherwise stated)

As at March 31, 2021			As at March 31, 2020		
Outstanding Amount	Repayments		Outstanding Amount	Repayments	
	No. of outstanding Instalments	Periodicity		No. of outstanding Instalments	Periodicity
657.71	6	Quarterly Equal	1,123.86	10	Quarterly Equal
1,889.26	20	Quarterly Equal @	628.85	20	Quarterly Equal @
461.05	11	Quarterly Equal	644.71	15	Quarterly Equal
1,135.82	5	Quarterly Graded	2,330.34	10	Quarterly Graded
3,042.64	20	Quarterly Equal @	991.12	20	Quarterly Equal @
549.22	13	Quarterly Equal	761.28	18	Quarterly Equal
1,582.00	19	Quarterly Equal	1,132.00	20	Quarterly Equal @
199.93	4	Quarterly Equal	499.66	10	Quarterly Equal
860.61	10	Quarterly Equal	1,401.59	15	Quarterly Equal
791.31	20	Quarterly Equal @			
11,169.55			9,513.41		

@ Repayment of Term Loans will start after 1 year Moratorium period beginning from successful start of Commercial Production.

(ii) Secured by hypothecation of vehicles purchased under the scheme and non-current portion of ₹100.52 Lakh (Previous year ₹92.01 Lakh) is repayable in 1 to 28 (Previous year 3 to 39) equated monthly instalments after F.Y. 2021-22 onwards as per the repayment schedule.

(iii) Deposits from public carries rate of interest @ 7.75% (Previous year 7.75% to 9.50%) p.a. and non-current portion of ₹ Nil (Previous year ₹2.95 Lakh) is repayable between 0 to 1 year (Previous year 1 to 2 years).

(b) BORROWINGS (CURRENT)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Repayable on Demand		
Working Capital Loans from Bank (secured)		
Cash Credit and Packing Credit	3,938.85	3,247.88
Bill Discounting	191.69	587.05
TOTAL	4,130.54	3,834.93

Security:

Cash Credit, Packing Credit and Bill Discounting are secured by first pari passu charge on entire current assets of the Company and second pari passu charge over the entire fixed assets at Mundra SEZ Unit and First pari passu charge on entire fixed assets of the Company at Dharuhera unit.

10 FINANCIAL LIABILITIES *(Contd.)*

(c) LEASE LIABILITY (₹ In Lakh)

Particulars	Non - Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Lease Liability (Refer Note No. 35)	577.32	581.72	4.39	4.03
TOTAL	577.32	581.72	4.39	4.03

(d) TRADE PAYABLES (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Dues of Micro Enterprises and Small Enterprises (Refer Note No. 34)	34.56	16.53
Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,877.66	1,423.73
TOTAL	1,912.22	1,440.26

(e) OTHER FINANCIAL LIABILITIES (NON CURRENT) (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued on deposits	-	18.16
TOTAL	-	18.16

(f) OTHER FINANCIAL LIABILITIES (CURRENT) (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of Long-Term Borrowings	2,399.92	1,147.90
Current maturities of Vehicle Loans	85.46	49.28
Current maturities of Deposits	2.95	135.47
Interest accrued on Borrowings	68.58	78.96
Unpaid Dividend	150.10	148.28
Unpaid and Unclaimed Matured Deposits & Interest accrued thereon	3.58	5.49
Creditors for Capital Goods	786.61	342.98
Employees liabilities @	864.67	489.34
Directors' Commission	65.59	43.88
Security Deposits	7.74	7.74
TOTAL	4,435.20	2,449.32

@ Includes dues to Executive Directors ₹223.63 Lakh (Previous year ₹168.64 Lakh)

11 INCOME TAX LIABILITY (NET)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Liability (Net of Advance Tax and Tax Deducted at Source)	20.87	-
TOTAL	20.87	-

12 PROVISIONS

(₹ In Lakh)

Particulars	Non - Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits (Refer Note No. 27)				
Compensated Absences & Gratuity	232.23	249.49	133.45	161.54
TOTAL	232.23	249.49	133.45	161.54

13 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars		As at March 31, 2021	As at March 31, 2020
The balance comprises temporary differences attributable to:			
Deferred Tax Liabilities			
Property, Plant & Equipment and Intangible Assets		4,068.26	3,875.32
Deferred Tax Liability on FVTOCI on Equity Investments & AIF Investment		120.12	155.91
Deferred Tax Liability on Current Investment at Fair Value		9.50	5.96
Deferred Tax Liability on Amortised Value of Upfront Fees of Long Term Loans		0.25	0.86
Deferred Tax Liability on Exchange Difference on Forward Contracts		17.13	-
	A	4,215.26	4,038.05
Deferred Tax Assets			
Provision for employee benefits & others		94.23	132.80
MAT credit entitlement		1,579.37	1,832.53
	B	1,673.60	1,965.33
Deferred Tax Liabilities (Net)	A-B	2,541.66	2,072.72

14 OTHER LIABILITIES

(₹ In Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance received from and Credit balance of Customers	-	-	16.02	41.74
Advance Received from Others	-	-	21.00	-
Statutory dues payable	-	-	227.23	227.33
Payable on Foreign Currency Forward Contracts	-	-	239.56	294.46
Other payable	-	-	98.08	126.26
TOTAL	-	-	601.89	689.79

Notes to Financial Statement for the year ended March 31, 2021

15 REVENUE FROM OPERATIONS

Revenue from Contracts with Customers

(i) Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (₹ In Lakh)

Segment	Year ended March 31, 2021			Year ended March 31, 2020		
	Domestic	Export	Total	Domestic	Export	Total
a) Sale of Manufactures Products						
Insoluble Sulphur	11,375.68	19,069.73	30,445.41	12,029.49	19,656.27	31,685.76
Sulphuric Acid and Oleum	2,526.60	-	2,526.60	2,295.45	-	2,295.45
Total Revenue from Contracts with Customers	**13,902.28**	**19,069.73**	**32,972.01**	**14,324.94**	**19,656.27**	**33,981.21**
b) Export Benefits	-	278.71	278.71	-	366.69	366.69
Total Revenue from operation (a+b)	13,902.28	19,348.44	33,250.72	14,324.94	20,022.96	34,347.90
Timing of Revenue Recognition						
Goods Transferred at a point of time	13,902.28	19,069.73	32,972.01	14,324.94	19,656.27	33,981.21

(ii) Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivables *	7,480.40	6,666.95
Contract Liabilities		
Advance from customers (Refer Note No. 14)	16.02	41.74

* Trade Receivables are non-interest bearing and are generally on terms of 30 to 150 days.

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contracted Price	33,201.58	34,120.81
Adjustments		
Rebate	(215.71)	(122.02)
Discount	(13.86)	(17.58)
Revenue from Contracts with Customers	**32,972.01**	**33,981.21**

(iv) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2021 are, as follows:

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Advance from customers (Refer Note No. 14)	16.02	41.74

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.

Notes to Financial Statement for the year ended March 31, 2021

16 OTHER INCOME

(₹ In Lakh)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Profit On Redemption / Maturity of Current Investment (Net)		4.56		290.19
Interest Income				
On Deposit	796.36		288.59	
On Bonds	128.47		134.94	
On Loans	5.28		2.15	
Others	9.58	939.69	-	425.68
Income From AIF Investment		42.70		4.68
Loans and Debts earlier Written off, now recovered		0.06		-
Net Gain on foreign Currency Translation and Transaction		107.53		-
Rent received		1.08		1.08
Provision no longer Required written back		5.47		63.58
Scrap Sales		77.67		101.90
Net Gain on Fair Value of Current Investments		32.64		20.47
Profit on sale/discard of Property, Plant & Equipment (Net)		-		41.66
Miscellaneous Income		5.41		7.34
TOTAL		**1,216.81**		**956.58**

17 COST OF MATERIALS CONSUMED

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cost of Materials Consumed	8,070.06	8,268.53
TOTAL	**8,070.06**	**8,268.53**

18 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the Financial year		
Finished Goods	1,858.02	2,577.43
Work in Progress	33.23	57.43
	1,891.25	2,634.86
Inventories at the end of the Financial year		
Finished Goods	2,012.40	1,858.02
Work in Progress	40.35	33.23
	2,052.75	1,891.25
Change in Inventories	**(161.50)**	**743.61**

19 EMPLOYEE BENEFIT EXPENSE

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	3,919.24	3,873.65
Contribution to Provident & other funds (Refer Note No. 27)	182.69	216.25
Gratuity (Refer Note No. 27)	60.16	53.81
Long term compensated absences (Refer Note No. 27)	68.19	74.18
Employees Welfare Expenses	282.95	336.02
	4,513.23	4,553.91
Less: Transfer to Capital Work-in-Progress / Capitalised	117.95	95.42
TOTAL	4,395.28	4,458.49

20 FINANCE COSTS

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on financial liabilities measured at amortised cost	924.97	895.15
Other Borrowing Costs	56.32	76.29
	981.29	971.44
Less: Transfer to Capital Work-in-Progress / Capitalised	346.67	55.85
TOTAL	634.62	915.59

21 DEPRECIATION AND AMORTISATION EXPENSE

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer Note No. 2)	2,022.39	1,928.15
Depreciation of Right of use assets (Refer Note No. 2)	56.47	56.56
Amortisation of Intangible Assets (Refer Note No. 3)	19.46	20.31
TOTAL	2,098.32	2,005.02

22 OTHER EXPENSES

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Stores Consumed	56.03	110.63
Packing cost	798.12	830.53
Power and Fuel	3,063.58	3,348.38
Water Charges	110.62	113.73
Rent	108.61	106.39
Rates and Taxes	168.15	157.26
Insurance	253.19	257.26
Repairs to Buildings	113.04	151.35
Repairs to Machinery	738.86	934.33
Repairs to Others	172.99	195.17
Job & Hiring Charges	128.76	149.70
Freight & Forwarding	2,497.67	2,206.31
Commission and Discount	164.70	357.52
Travelling	54.85	273.85
Legal & Professional	178.41	231.14
Service Charges	214.04	229.98
Loss on sale/discard of Property, Plant & Equipment (Net)	32.64	-
Net Loss on Foreign Currency Translation and Transactions	-	218.46
Net Loss on Foreign Currency Forward Contracts	79.99	173.49
Bad Advances / Debts	9.68	11.21
Corporate Social Responsibility Expenditure (Refer Note No. 23)	174.61	171.29
Directors' Commission & Fees	91.16	73.14
Auditor's Remuneration (Refer Note No. 22(a))	26.30	30.36
Cost Auditor Fees	1.34	1.40
Miscellaneous	579.42	699.91
	9,816.76	11,032.79
Less: Transfer to Capital Work-in-Progress / Capitalised	50.91	49.55
TOTAL	9,765.85	10,983.24

a. AUDITORS' REMUNERATION

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	19.50	22.50
Certificates & other matters	3.80	3.65
For Tax Audit	3.00	3.50
Reimbursement of expenses	-	0.71
TOTAL	26.30	30.36

23 AMOUNT SPENT ON CSR ACTIVITIES

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	174.33	171.28
b) Amount spent during the year :		
COVID 19 Relief - Meal, Health, Hygiene and Sanitation	33.68	-
Community Development (Water harvesting /Rejuvenation Program / Solar Light Installation in Villages)	39.32	122.52
Promoting Education, Mid Day Meal, Skill Development Programme and Livelihood enhancement	101.42	43.77
Training and capacity building of CSR team and administrative expenses	0.19	5.00
TOTAL	174.61	171.29

24 INCOME TAX EXPENSE

a) Income tax recognised in Profit and Loss

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax expense		
Current tax on profits for the year	1,912.35	1,555.76
Less: Taxation Adjustment in respect of earlier years (Net)	1.93	(13.05)
Less: MAT Credit Entitlement (Net)	255.91	178.26
	1,654.51	1,390.55
Deferred tax expense		
Origination and reversal of temporary differences	510.21	(611.10)
Income tax charged to the statement of profit and loss	**2,164.72**	**779.45**

b) Income tax related to items recognised in OCI during the year

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred Tax Expense		
Remeasurement Gain / (Loss) on Defined Benefit Plans	(5.49)	(18.86)
FVTOCI Equity & AIF Investments	(35.78)	(65.28)
	(41.27)	**(84.14)**
Income Tax Expense		
FVTOCI on Equity Investment	64.21	-
Total Income tax charged to OCI	**22.94**	**(84.14)**

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax	**9,664.90**	**7,930.00**
At India's Statutory Income Tax Rate of 29.12% (Previous year 29.12%)	2,814.42	2,309.21
Adjustment for Tax Purposes:		
– Difference in book depreciation & amortisation and depreciation and amortisation as per Income Tax Act, 1961	(123.80)	(217.24)
– 43B Items	(3.79)	1.56
– Items not deductible (Net)	(16.01)	36.06
– Items of Previous years (Net)	(49.04)	44.50

24 INCOME TAX EXPENSES *(Contd.)*

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
– Donation and CSR (Net)	40.36	46.97
– Items of Research Institutions and In-house R&D	(9.10)	(34.60)
– Exempted from Tax (Operations from SEZ)	(728.46)	(585.70)
– Others (Net)	(12.23)	(45.00)
At the effective Income Tax Rate of 19.79% (Previous year 19.62%)	1,912.35	1,555.76
Income Tax Expenses	1,912.35	1,555.76
Less: MAT Credit Utilised	(255.91)	(178.26)
Tax adjustment for Earlier years	(1.93)	13.05
Income Tax expenses reported in the Statement of profit and loss	1,654.51	1,390.55
Deferred Tax expenses (income) reported in the Statement of profit and loss	510.21	(611.10)
	2,164.72	**779.45**

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred Tax Expense / (Income) relates to the following:		
– Depreciation & amortisation	192.94	(445.88)
– Mark to Mark Loss / (Gain) on Forward Contract	65.77	(102.04)
– Remeasurement (Gain) / Loss on Defined Benefit Plans	5.49	18.86
– Disallowance u/s 43B/37(1)	(10.07)	14.96
– Current Investments at Fair Value	3.54	(59.41)
– Unamortised Cost of Term Loans	(0.61)	(1.86)
– MAT Credit Entitlement adjusted during the year (Net)	255.91	178.26
– MAT Credit Entitlement previous year	(2.76)	(213.99)
Deferred Tax Expense / (Income)	**510.21**	**(611.10)**
Deferred Tax Expense / (Income) recognised in Other Comprehensive Income	(41.27)	(84.14)
Total Deferred Tax Expense / (Income)	**468.94**	**(695.24)**
Deferred Tax relates to the following:		
– Accelerated depreciation for tax purposes	4,068.26	3,875.32
– Disallowance u/s 43B/37(1)	(94.23)	(84.16)
– Current Investments at Fair Value	9.50	5.96
– Non-Current Investments at Fair Value	120.12	155.91
– Foreign Exchange Forwards	17.13	(48.64)
– Unamortised Cost of Term Loans	0.25	0.86
– MAT Credit *	(1,579.37)	(1,832.53)
Net Deferred Tax (Assets) / Liabilities	**2,541.66**	**2,072.72**
Reflected in the balance sheet as follows:		
Deferred Tax Liabilities	4,198.14	4,038.05
Deferred Tax Assets	1,656.48	1,965.33
Deferred Tax Liabilities (Net)	**2,541.66**	**2,072.72**

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

* During the year the Company Utilise MAT Credit amounting to ₹255.91 Lakh (Previous year ₹178.26 Lakh)

25 RESEARCH AND DEVELOPMENT EXPENSES

Details of Expenditure on Research and Development Facilities/ divisions of the Company recognised by Department of Scientific and Industrial Research.

a) Revenue Expenditure (₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefit Expenses		
Salaries, Wages and Bonus	110.82	129.17
Contributions to Provident & Other Funds	4.29	5.41
Employee welfare Expenses.	4.44	6.95
TOTAL	**119.55**	**141.53**
Consumption of Consumables	5.90	33.62
Repair to Machinery	13.26	6.50
Repair to Others	-	0.27
Rates Taxes and Fees	0.01	0.13
Auditor's Remuneration	0.34	0.31
Travelling and Conveyance	-	18.01
Loss on sale/discard of Property, Plant & Equipment (Net)	2.07	-
Miscellaneous Expenses	11.96	29.67
TOTAL	**33.54**	**88.51**
Depreciation		
Depreciation	13.85	12.90
TOTAL	**13.85**	**12.90**
Total Expenditure	**166.94**	**242.94**

b) Capital expenditure (₹ In Lakh)

Particulars	March 31, 2020	Additions during the year	Sale/ Adjustments during the year	March 31, 2021
Buildings	-	-	-	-
Equipments and Others	135.93	31.25	3.58	163.60
TOTAL	**135.93**	**31.25**	**3.58**	**163.60**

26 EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Net Profit for Basic & Diluted EPS (in ₹ Lakh)	7,500.18	7,150.55
b) Weighted Average Number of Equity Shares for Basic & Diluted EPS	9990092	9990092
c) Earning Per Share - Basic & Diluted (₹)	75.08	71.58
d) Face value per share (₹)	10.00	10.00

27 EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) **Defined Contribution Plans**

Amount recognized as an expense and included in Note No. 19 Item "Contribution to Provident and Other Funds" ₹182.69 Lakh (Previous year ₹216.25 Lakh) Consist of Contribution to Superannuation Fund ₹4.60 Lakh (Previous year ₹37.65 Lakh) and to Provident and other funds ₹178.09 Lakh (Previous year ₹178.60 Lakh).

b) **Other long-term benefits**

Amount recognized as an expense and included in Note No. 19 Item "Long Term Compensated Absences" ₹68.19 Lakh (Previous year ₹74.18 Lakh) includes ₹12.66 Lakh (Previous Year ₹34.55 Lakh) on account of Actuarial valuation.

c) **Defined benefits plans - as per actuarial valuation**

Gratuity Expense ₹60.16 Lakh (Previous year ₹53.81 Lakh) has been recognized in "Gratuity" under Note No. 19 as per Actuarial Valuation.

(₹ In Lakh)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Gratuity Funded	Long term Compensated Absences Non -Funded	Gratuity Funded	Long term Compensated Absences Non -Funded
I. Change in present value of obligation during the year				
Present value of obligation at the beginning of the year	644.57	302.75	553.92	301.65
Included in profit and loss:				
Current Service Cost	52.85	28.12	49.81	28.43
Interest Cost	43.48	20.42	42.74	23.28
Past Service Cost	-	-	-	-
Actuarial losses/(gains)				
Experience Judgement	-	(35.88)	-	(22.63)
Financial assumption	-	-	-	5.46
demographic assumptions	-	-	-	0.01
Included in OCI:				
Actuarial losses/(gains) arising from:				
Experience Judgement	4.35	-	56.50	-
Financial assumption	-	-	4.45	-
demographic assumptions	-	-	(0.01)	-
Others				
Benefits Paid	(87.78)	(28.75)	(62.84)	(33.45)
Present Value of obligation as at year-end	**657.47**	**286.66**	**644.57**	**302.75**
II. Change in Fair Value of Plan Assets during the year				
Plan assets at the beginning of the year	536.28	-	502.13	-
Included in profit and loss:				
Expected return on plan assets	36.17	-	38.74	-
Included in OCI:				
Actuarial Gain/(Loss) on plan assets	(14.51)	-	(3.82)	-
Others:				
Employer's contribution	108.29	-	62.07	-
Benefits paid	(87.78)	-	(62.84)	-
Plan assets at the end of the year	**578.45**	**-**	**536.28**	**-**

The plan assets are managed by the Gratuity Trust formed by the Company.

27 EMPLOYEE BENEFITS (contd.)

(₹ In Lakh, unless otherwise stated)

Particulars		Year ended March 31, 2021		Year ended March 31, 2020	
		Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
		Funded	Non -Funded	Funded	Non -Funded
III.	Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
	1. Present Value of obligation as at year-end	657.47	286.66	644.57	302.75
	2. Fair value of plan assets at year -end	578.45	-	536.28	-
	3. Funded status {Surplus/ (Deficit)}	(79.02)	(286.66)	(108.29)	(302.75)
	Net Asset/(Liability)	**(79.02)**	**(286.66)**	**(108.29)**	**(302.75)**
IV.	Expenses recognised in the Statement of Profit and Loss				
	1. Current Service Cost	52.85	68.19	49.81	74.18
	2. Actuarial (Gain) / Loss	-	-	-	-
	3. Past Service Cost	-	-	-	-
	4. Net interest Cost/ (Income) on the net defined benefit liability	7.31	-	4.00	-
	Total Expense	**60.16**	**68.19**	**53.81**	**74.18**
V.	Expenses recognised in the Statement of Other Comprehensive Income				
	1. Net Actuarial (Gain)/Loss	4.35	-	60.94	-
	2. Expected return on plan assets excluding interest income	14.51	-	3.82	-
	Total Expense	**18.86**	**-**	**64.76**	**-**
VI.	Constitution of Plan Assets				
	1. Equity Instruments	-	-	-	-
	2. Debt Instruments	502.30		422.86	
	3. Mutual Fund Units	33.50		33.50	
	4. Bank Balances to be Invested	42.65		79.92	
VII.	Bifurcation of PBO at the end of the year				
	1. Current Liability	79.02	54.43	108.29	53.25
	2. Non-Current Liability	-	232.23	-	249.49
VIII.	Actuarial Assumptions				
	1. Discount Rate	6.75%	6.75%	6.75%	6.75%
	2. Mortality Table	100% of IALM 12-14	100% of IALM 12-14	100% of IALM 12-14	100% of IALM 12-14
	3. Salary Escalation	7.00%	7.00%	0% for next year and 7% there after	0% for next year and 7% there after
	4. Turnover Rate	Age upto 44 Years - 2%, Age above 44 Years - 1%		Age upto 44 Years - 2%, Age above 44 Years - 1%	

IX. Experience Adjustment:

(₹ In Lakh)

Gratuity	2020-21	2019-20	2018-19	2017-18	2016-17
Present Value of obligation	657.47	644.57	553.92	504.48	449.12
Fair value of Plan assets	578.45	536.28	502.13	440.41	340.03
Net Asset/(Liability)	(79.02)	(108.29)	(51.79)	(64.07)	(109.09)
Actuarial (Gain)/Loss on plan obligation	4.35	60.94	7.27	(0.95)	63.57
Actuarial Gain/(Loss) on plan assets	(14.51)	(3.82)	(1.41)	3.37	0.23

27 EMPLOYEE BENEFITS (contd.)

(₹ In Lakh)

Long term Compensated Absences	2020-21	2019-20	2018-19	2017-18	2016-17
Present Value of obligation	286.66	302.75	301.65	262.17	239.41
Fair value of Plan assets	-	-	-	-	-
Net Asset/(Liability)	(286.66)	(302.75)	(301.65)	(262.17)	(239.41)
Actuarial (Gain)/Loss on plan obligation	(35.88)	(17.16)	3.37	(5.24)	(4.18)
Actuarial Gain/(Loss) on plan assets	-	-	-	-	-

X. Sensitivity Analysis

(₹ In Lakh)

Gratuity	Year ended March 31, 2021		Year ended March 31, 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	610.65	711.57	600.52	695.39
Future salary growth (1% movement)	708.04	612.80	692.19	602.42
Employee turnover (50% of Attrition rate)	657.42	657.48	644.62	644.46

XI. Maturity Profile of projected benefit obligation: from the fund

(₹ In Lakh)

Particulars	Year ended March 31, 2021 Gratuity Funded	Year ended March 31, 2020 Gratuity Funded
1 Year	98.35	108.04
2 to 5 Years	296.30	271.96
6 to 10 Years	231.77	257.36
More than 10 years	640.38	579.28

XII. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

a) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

b) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

c) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.

d) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

e) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

28 CAPITAL & AIF COMMITMENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated Amount of Capital Commitments outstanding and not provided for (Gross) (Advance paid ₹778.49 Lakh (Previous year ₹1882.75 Lakh))	4,508.30	8,468.08
Estimated Amount of Investment in AIF Units Commitments outstanding and not provided for *	3,010.73	2,011.00

* Investment to be made over a period upto 5 years.

29 CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Claims against the Company not acknowledged as debt*;		
Income Tax (Deposited ₹ Nil Lakh; Previous year ₹ Nil Lakh;) (Gross)	-	32.30
VAT (Deposited ₹0.13 Lakh; Previous year ₹ Nil Lakh;) (Gross)	2.10	-
b. Bank Guarantees;		
Bank Guarantees given to various Govt authorities/ others (Gross)	10.26	10.26
(Margin Money / Short Term Deposits ₹1.54 Lakh; Previous year ₹1.54 Lakh)		
c. Corporate Guarantee given to a bank for loan taken by Subsidiary Company (to the extent loan outstanding)	-	49.04
(Maximum value of Guarantee ₹569.41 Lakh ; Previous year ₹714.13 Lakh)		
d. Bonus liabilities pursuant to the retrospective amendment in the Bonus Act, 1965 for financial year 2014-15	12.53	12.53
has not been provided considering stay orders of Hon'ble Kerala High Court & Karnataka High Court.		

* The Company is hopeful of favourable decision and expect no outflow of resources, hence no provision is made in the books of account.

30 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

I. Nature of Related Party relationship

(a)	Duncan Engineering Limited (Formerly known as Schrader Duncan Limited)	:	Subsidiary Company
(b)	Duncan International (India) Limited	:	Enterprise over which relative of key management personnel is having significant influence.
(c)	Cosmopolitan Investments Ltd.	:	Enterprise over which key management personnel is having significant influence.
(d)	New India Investment Corporation Ltd.	:	Enterprise over which key management personnel is having significant influence.
(e)	Haldia Investments Ltd.	:	Subsidiary of Cosmopolitan Investments Ltd.
(f)	Disciplined Investments Ltd.	:	Subsidiary of Cosmopolitan Investments Ltd.

II. Key Management Personnel (KMP) & their relatives with whom transactions have taken place:

(a) Key Management Personnel

	(i) Mr J.P. Goenka - Chairman	:	Chairman and Relative of Key Management Personnel *
	(ii) Mr Arvind Goenka - Managing Director	:	Key Management Personnel
	(iii) Mr Akshat Goenka - Joint Managing Director	:	Key Management Personnel
	(iv) Mr S.J. Khaitan - Director	:	Non-Executive Director *
	(v) Mr O.P. Dubey - Director	:	Non-Executive Director *
	(vi) Mr B.B. Tandon - Director	:	Non-Executive Director *
	(vii) Mr K. Raghuraman - Director	:	Non-Executive Director *
	(viii) Mr H.S. Shashikumar - Nominee of Life Insurance Corporation of India (Resigned w.e.f 02.12.2019)	:	Non-Executive Director *
	(ix) Mrs Runa Mukherjee - Director	:	Non-Executive Director *
	(x) Ms Kiran Sahdev - Nominee of Life Insurance Corporation of India (Appointed w.e.f 30.01.2020)	:	Non-Executive Director *
	(xi) Mr Anurag Jain - Chief Financial Officer	:	Key Management Personnel
	(xii) Mr Pranab Kumar Maity - Company Secretary	:	Key Management Personnel
	* Director's Fees and Commission paid		
(b)	**Relatives of Key Management Personnel**		
	(i) Mrs Aparna Goenka	:	Relative of Key Management Personnel
III.	**Entities Controlled by Key Management Personnel with whom transactions have taken place:**		
	(i) Oriental CSR Trust	:	Trust in which key management personnel are Trustees
	(ii) Oriental Carbon & Chemicals Limited Employees Gratuity Fund	:	Trust in which key management personnel are Trustees

Notes to Financial Statement for the year ended March 31, 2021

30 RELATED PARTY DISCLOSURES *(contd.)*

IV. The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Lakh)

Particulars	Subsidiary Company (Refer I (a)) 2020-21	2019-20	Enterprise over which relative of key management personnel is having significant influence (Refer I (b)) 2020-21	2019-20	Enterprise over which key management personnel is having significant influence (Refer I (c)) 2020-21	2019-20	Enterprise over which key management personnel is having significant influence (Refer I (d)) 2020-21	2019-20	Subsidiary Company of Cosmopolitan Investments Ltd. (Refer I (e)) 2020-21	2019-20	Subsidiary Company of Cosmopolitan Investments Ltd. (Refer I (f)) 2020-21	2019-20	Chairman and Relative of Key Management Personnel (Refer II a(i)) 2020-21	2019-20
(a) Service charges paid	-	-	72.00	80.00	-	-	34.56	40.32	-	-	-	-	-	-
(b) Rent paid	-	-	-	-	78.60	78.60	-	-	-	-	-	-	-	-
(c) Expenses (Recovered)	(2.47)	(6.04)	(6.40)	(7.36)	(5.26)	(5.59)	(1.46)	(0.84)	-	-	-	-	-	-
(d) Purchases of Stores & Spares														
(A)- REVENUE	12.92	6.58	-	-	-	-	-	-	-	-	-	-	-	-
(B)- CAPITAL	70.50	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (A+B)	83.42	6.58	-	-	-	-	-	-	-	-	-	-	-	-
(e) Remuneration@	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f) Sale of Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g) Dividend Paid	-	-	99.46	119.35	190.75	228.90	121.41	145.46	61.53	71.87	3.00	3.60	-	-
(h) Director's Fees & Commission	-	-	-	-	-	-	-	-	-	-	-	-	1.58	3.90
(i) Donations towards CSR Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j) Contribution to Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k) Outstanding at the end of Financial year														
Receivable	0.43	1.76	-	-	-	-	-	-	-	-	-	-	-	-
Payable	-	-	-	-	-	-	-	-	-	-	-	-	1.13	2.34
Corporate guarantee given (to the extent loan outstanding)	-	49.04	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Key Management Personnel (Refer II a(ii)) 2020-21	2019-20	Key Management Personnel (Refer II a(iii)) 2020-21	2019-20	Non-Executive Directors (Refer II a(iv to x)) 2020-21	2019-20	Key Management Personnel (Refer II a(xi)) 2020-21	2019-20	Key Management Personnel (Refer II a(xii)) 2020-21	2019-20	Relative of Key Management Personnel (Refer II (b (i))) 2020-21	2019-20	Trust in Which Key Management personnel are Trustees (Refer III (i)) 2020-21	2019-20	Trust in Which Key Management personnel are Trustees (Refer III (ii)) 2020-21	2019-20
(a) Service charges paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Rent paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Expenses (Recovered)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Purchases of Stores & Spares																
(A)- REVENUE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(B)- CAPITAL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL (A+B)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e) Remuneration@	266.54	249.71	251.66	233.71	-	-	163.99	156.72	39.07	21.34	-	-	-	-	-	-
(f) Sale of Shares	159.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(g) Dividend Paid	10.75	12.90	10.00	12.00	-	-	0.27	0.32	-	-	20.20	24.00	-	-	-	-
(h) Director's Fees & Commission	-	-	-	-	89.59	69.24	-	-	-	-	-	-	-	-	-	-
(i) Donations towards CSR Activities	-	-	-	-	-	-	-	-	-	-	-	-	46.00	33.25	-	-
(j) Contribution to Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108.29	51.79
(k) Outstanding at the end of Financial year																
Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable	111.74	84.32	111.89	84.32	64.45	41.54	54.62	41.47	3.96	0.59	-	-	-	-	79.02	108.29
Corporate guarantee given (to the extent loan outstanding)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

@ Excludes Actuarial Valuation of Retirement Benefits.

Notes to Financial Statement for the year ended March 31, 2021

31 SEGMENT REPORTING

The Company's business activity falls within a single segment viz., Manufacturing and Sales of Chemicals. The segment has been identified by taking into account the nature of product, the differing risks, the returns, the organisation structure and the internal reporting systems and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

32 FINANCIAL INSTRUMENTS

Financial instruments – Fair values and risk management

Financial instruments by category (₹ In Lakh)

Particulars	Fair Value Hierarchy	March 31, 2021 FVTPL	March 31, 2021 FVTOCI	March 31, 2021 Amortised Cost	March 31, 2020 FVTPL	March 31, 2020 FVTOCI	March 31, 2020 Amortised Cost
Financial Assets							
Non-current Assets							
Loans	Level 3	-	-	69.42	-	-	49.19
Investment in Subsidiary	Level 3	-	-	1,453.65	-	-	1,453.65
Investments others	Level 2	-	3,078.56	-	-	1,480.26	-
Investments others	Level 3	-	-	25.00	-	-	25.00
Others	Level 3	-	-	724.61	-	-	715.06
Current Assets							
Investments	Level 1	8,529.53	-	-	235.14	-	-
Investments	Level 3	-	-	6,800.00	-	-	11,550.00
Trade receivables	Level 3	-	-	7,480.40	-	-	6,666.95
Cash and cash Equivalents	Level 3	-	-	159.61	-	-	2,332.75
Other Bank balances	Level 3	-	-	179.60	-	-	177.78
Loans	Level 3	-	-	69.13	-	-	57.15
Other Financial Assets	Level 3	-	-	276.76	-	-	297.24
TOTAL		**8,529.53**	**3,078.56**	**17,238.18**	**235.14**	**1,480.26**	**23,324.77**
Financial Liabilities							
Non-current Liabilities							
Borrowings	Level 3	-	-	11,270.07	-	-	9,608.37
Lease Liability	Level 3	-	-	577.32	-	-	581.72
Other financial Liabilities	Level 3	-	-	-	-	-	18.16
Current liabilities							
Borrowings	Level 3	-	-	4,130.54	-	-	3,834.93
Lease Liability	Level 3	-	-	4.39	-	-	4.03
Trade payables	Level 3	-	-	1,912.22	-	-	1,440.26
Other financial liabilities	Level 3	-	-	4,435.20	-	-	2,449.32
TOTAL		**-**	**-**	**22,329.74**	**-**	**-**	**17,936.79**

The fair value of cash and cash equivalents, other bank balances trade receivables, short term loans, current financial assets, trade payables, current financial liabilities and borrowings at their carrying amount.

Fair value hierarchy

The table shown above analysis financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1 This includes financial instruments measured using quoted prices.

Level 2 The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between level 1, level 2 and level 3 during the year.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date (MTM)

As per Para D-15 of Appendix D of Ind AS 101, Company has opted to value its investment in Subsidiary at Cost.

The fair values for security deposits (assets & liabilities) were based on their carrying values.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

A Financial risk factors

The Company is exposed to various financial risks i.e. market risk, credit risk and risk of liquidity. These risks are inherent and integral aspect of any business. The primary focus of the Risk Management Policy is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk consists of foreign exchange risk and interest rate risk. The Company calculates and compares the various proposals of funding by including cost of currency hedging also. The Company uses derivative financial instruments (Forward Covers) to reduce foreign exchange risk exposures.

i. Credit risk

The Company evaluates the customer credentials carefully from trade sources before extending credit terms and credit terms are extended to only financially sound customers. The Company secures adequate advance from its customers whenever necessary and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances and credit limit determined by the Company. The Company have stop supply mechanism in place in case outstanding goes beyond agreed limits.

Ageing Analysis of Trade Receivables (₹ in Lakh)

Ageing	As at March 31, 2021	As at March 31, 2020
Not due	7,070.09	5,289.31
Upto Six months	410.31	1,375.17
Six to Twelve Months	-	2.47
Above Twelve Months	-	-
Gross Carrying Amount	**7,480.40**	**6,666.95**
Expected Credited Losses	-	-
Expected Provision for Doubtful Debts	-	-
Net Carrying Amount	**7,480.40**	**6,666.95**

ii Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate , interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a) Foreign Currency risk

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the Company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

The following table analysis foreign currency risk from financial instruments as of March 31, 2021:

(Foreign Currency and Indian Currency in Lakh)

Particulars	₹	USD	EURO	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	3,639.21	27.54	18.75	-	-
Other Financial Assets	-	-	-	-	-
Total	**3,639.21**	**27.54**	**18.75**	**-**	**-**
Financial liabilities					
Trade payables	222.99	1.96	0.85	-	8.73
Borrowings	6,634.08	79.41	-	-	1,201.65
Other Liabilities	62.48	-	0.73	-	-
Total	**6,919.55**	**81.37**	**1.58**	**-**	**1,210.38**

The following table analysis foreign currency risk from financial instruments as of March 31, 2020:

(Foreign Currency and Indian Currency in Lakh)

Particulars	₹	USD	EURO	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	3,095.26	24.47	14.83	0.21	-
Other Financial Assets	-	-	-	-	-
Total	**3,095.26**	**24.47**	**14.83**	**0.21**	**-**
Financial liabilities					
Trade payables	97.42	1.29	-	-	-
Borrowings	3,516.18	36.32	-	-	1,117.11
Other Liabilities	60.26	-	0.73	-	-
Total	**3,673.86**	**37.61**	**0.73**	**-**	**1,117.11**

The following significant exchange rates have been applied during the year. (Amount in ₹)

Currency	Year End Spot Rate As at	
	March 31, 2021	March 31, 2020
USD	73.5047	75.3859
EURO	86.0990	83.0496
GBP	100.9509	93.0760
JPYs (100)	66.3600	69.6500

Sensitivity Analysis

A reasonable possible strengthening (weakening) of the Indian Rupee at March 31, would have affected the measurement of financial instruments denominated in Foreign Currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. A 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign currency rate.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

1% Increase and Decrease in Foreign Exchange rates will have the following impact on Profit before tax.

(₹ in Lakh)

Particulars	2020-2021		2019-2020	
	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
USD Sensitivity	(39.56)	39.56	(9.91)	9.91
EURO Sensitivity	14.79	(14.79)	11.71	(11.71)
GBP Sensitivity	-	-	0.20	(0.20)
JPYs (100) Sensitivity	(8.03)	8.03	(7.78)	7.78

Forward Contract outstanding for the purpose of Hedging as at the Balance Sheet Date:

(Foreign Currency and Indian Currency in Lakh)

Currency	Cross Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign Currency	₹	Foreign Currency	₹
Financial Assets					
USD *	₹	37.50	2,756.43	60.50	4,560.85
EURO *	₹	33.00	2,841.27	44.50	3,695.71
			5,597.70		8,256.56
Financial Liabilities					
USD	₹	79.48	5,842.50	36.01	2,714.53
JPY	₹	900.00	597.24	370.00	257.71
JPY	USD	-	-	200.00	139.30
			6,439.74		3,111.54

* Includes USD/₹ 24.00 Lakh (Previous year USD/₹ 36.32 Lakh) and EURO/₹ 18.65 Lakh (Previous year EURO/ ₹ 31.06 Lakh) against Sales Orders.

Foreign Currency Exposure not Hedged as at the Balance Sheet Date:

(Foreign Currency and Indian Currency in Lakh)

Currency	Cross Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign Currency	₹	Foreign Currency	₹
Financial Assets					
USD	₹	14.04	1,032.15	0.28	21.26
EURO	₹	4.41	379.44	1.39	115.22
GBP	₹	-	-	0.21	19.62
			1,411.59		156.10
Financial Liabilities					
USD	₹	1.88	138.34	1.61	121.00
EURO	₹	1.57	135.51	0.73	60.27
JPY	₹	310.38	205.97	547.11	381.06
			479.82		562.33

b) Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the Company and impact of floating rate borrowings on Company's profitability.

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

Interest Rate Risk Exposure

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ in Lakh	% of Total	₹ in Lakh	% of Total
Fixed Rate Borrowings	188.93	1.06%	279.71	1.89%
Variable Rate Borrowings	17,700.01	98.94%	14,496.24	98.11%
Total Borrowings	**17,888.94**	**100.00%**	**14,775.95**	**100.00%**

Sensitivity on Variable Rate Borrowings (₹ in Lakh)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest Rate Increase by 25 bp	(44.25)	(36.24)	(44.25)	(36.24)
Interest Rate Decrease by 25 bp	44.25	36.24	44.25	36.24

iii Liquidity risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

(₹ in Lakh)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	4,130.54	4,130.54	-	4,130.54
Borrowings - Non-Current and Current Maturities	13,758.40	2,488.33	11,270.07	13,758.40
Trade payables	1,912.22	1,912.22	-	1,912.22
Other financial liabilities - Current (Exclusive of Current Maturities)	1,946.87	1,946.87	-	1,946.87
Other financial liabilities - Non-Current				
Interest accrued on deposits	-	-	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

(₹ in Lakh)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	3,834.93	3,834.93	-	3,834.93
Borrowings - Non-Current and Current Maturities	10,941.02	1,332.65	9,608.37	10,941.02
Trade payables	1,440.26	1,440.26	-	1,440.26
Other financial liabilities - Current (Exclusive of Current Maturities)	1,116.67	1,116.67	-	1,116.67
Other financial liabilities - Non-Current				
Interest accrued on deposits	18.16	-	18.16	18.16

33 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

B Capital Risk Management

The Company's Policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Company may use appropriate means to enhance or reduce capital, as the case may be.

(₹ In Lakh, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	17,888.94	14,775.95
Less: Cash and Cash Equivalents including other bank balances	339.21	2,510.53
Less: Current Investments	15,329.53	11,785.14
Net Debt	**2,220.20**	**480.28**
Equity	53,254.52	46,797.96
Capital and Net Debt	**55,474.72**	**47,278.24**
Gearing Ratio	4.00%	1.02%

C The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. Based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of Financial Statements.

34 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Principal amount and the interest due remaining unpaid at the end of the accounting year		
	- Principal	34.56	16.53
	- Interest due there on	-	-
b.	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
	-Financial Year 2020-21	-	-
	-Financial Year 2019-20	-	-
c.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d.	The amount of interest accrued and remaining unpaid at the end of each accounting year		

34 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006 *(contd.)*

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
	-Financial Year 2020-21	-	-
	-Financial Year 2019-20	-	-
e.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company.

35 LEASES

(i) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2021

(₹ in Lakh)

Particulars	Right of use Asset Lease Hold Land
Balance as at April 1, 2020	**1147.29**
Additions during the year	-
Deletion during the year	-
Depreciation of Right of use assets (refer note 21)	56.47
Balance as at March 31, 2021	**1090.82**

(ii) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021:

(₹ in Lakh)

Particulars	Amount
Balance as at April 1, 2020	**585.75**
Transition impact on account of adoption of Ind AS 116 "Leases"	-
Additions during the year	-
Finance cost accrued during the year	48.02
Deletions	-
Payment of lease liabilities	(52.06)
Balance as at March 31, 2021	**581.71**
Current maturities of Lease liability {refer note 10 (C)}	4.39
Non-Current Lease Liability {refer note 10 (C)}	577.32

(iii) Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

(₹ in Lakh)

Period	Amount
0-1 Year	4.39
1-5 Year	33.76
More than 5 Year	543.56

35 LEASES *(contd.)*

(iv) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%

(v) Rental expense recorded for short-term leases was ₹ 108.61 Lakh (Previous year ₹ 106.39 Lakh) for the year ended March 31, 2021. (refer note 22)

(vi) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36 PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED/ REARRANGED, WHEREVER CONSIDERED NECESSARY TO CONFORM TO CURRENT YEAR'S CLASSIFICATION.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2021

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

Independent Auditors' Report

To
The Members
Oriental Carbon & Chemicals Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Oriental Carbon & Chemicals Limited** (hereinafter referred to as "the Holding Company") and its subsidiary Duncan Engineering Limited (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive loss), the consolidated Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained by us & other auditor in terms of their report as referred in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to note no. 30 (C) on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management.

Our opinion on these consolidated financials 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 financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	Recognition of Revenue (In respect of Holding Company) The Company recognizes revenue on satisfaction of performance obligations upon transfer of control of promised products to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer. At 31st March 2021, the Company's statement of profit and loss included Sales of ₹32,972.01 Lakh. The nature of rebates and sales returns, if any, involve judgement in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognised in the correct period or that revenue and associated profit is misstated. Refer to Accounting policies Note 1(III)(i) and Note No. 14 of the consolidated Financial Statements.	1 (i). We performed walkthroughs to understand the adequacy and the design of the revenue cycle for all significant components. We tested controls in the revenue and trade account receivables cycles over the accuracy and timing of revenue accounted in the financial statements. (ii). We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements. (iii). In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions. (iv). We validated the appropriateness and completeness of the related disclosures in Note No. 14 of the consolidated financial statements
2	Assessment of recoverability of Deferred tax assets (In respect of Subsidiary Company) The Company has recognized deferred tax assets(net) of ₹454.29 Lakh on the carried forward business losses and unabsorbed depreciation post netting of deferred tax liability on difference in Written down value of fixed assets as per the Companies Act, 2013 and the Income Tax Act, 1961. The deferred tax asset is recognised as it is considered to be recoverable based on the Company's projected taxable profits in the forthcoming years considering the stability and improvements in the business conditions and current and likely future state of the industry. Under Indian Accounting Standard 12 Income Taxes the carrying amount of a deferred tax asset is required to be reviewed at the end of each reporting period.	2 (i) Evaluated and tested the design and operating effectiveness of the Company's controls over recognition and assessment of recoverability of deferred tax assets on Business loss and unabsorbed depreciation. (ii) Reviewed the Company's accounting policy in respect of recognizing deferred tax assets on Business loss and unabsorbed depreciation. (iii) Evaluated whether the business loss and unabsorbed depreciation is legally available to the Company for the period, considering the provisions of Income-tax Act, 1961. (iv) Reviewed the setoff of carry forward Business loss and unabsorbed depreciation in the past.

Sr. No.	Key Audit Matter	Auditor's Response
	The future taxable profit projections involve several key assumptions including past trends, expected demand and stability and improvement in the business conditions and current and likely future state of the industry. We considered this a key audit matter as the amount of deferred tax assets is material to the financial statements and significant management judgement is required in assessing its recoverability based on significant assumptions underlying the forecast of future taxable profits. Further, recoverability of deferred tax assets depends on the achievement of Company's future business plan.	(v) Assessed the reasonableness of the assumptions underlying profit projections made by management, by reviewing the past trends and relevant economic and industry indicators. (vi) Reviewed the adequacy of disclosures made in the financial statements with regards to deferred taxes. (vii) Based on the above procedures performed by us, we considered the management's assessment of recoverability of deferred tax assets is reasonable.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for preparation and presentation of these consolidated financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS. 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 the assets of their respective Company included in 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 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid.

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

The respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting process of their respective Company included in the group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 & Subsidiary Company (based on the auditors' report of the auditors of the subsidiary Company) Group 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statement. 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 auditor For the subsidiary included in the consolidated financial statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them, we remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 section 143 (3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive loss), the Consolidated statement of change in equity and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules made thereunder.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India none of the directors is disqualified as on March 31, 2021 from being appointed as a director of that company in terms of sub-section 2 of Section 164 of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and Its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group refer to Note No. 27 to the consolidated financial statements;

      ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner
Membership Number: 094380
UDIN 21094380AAAAEV7696

Place: Noida
Date: June 18, 2021

"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Oriental Carbon & Chemicals Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements'

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Oriental Carbon & Chemicals Limited ('the Holding Company') and its subsidiary Duncan Engineering Limited, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Group internal financial controls with reference to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls` Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditors of such Company.

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner
Membership Number: 094380
UDIN 21094380AAAAEV7696

Place: Noida
Date: June 18, 2021

Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
I ASSETS			
1. Non Current Assets			
a. Property, Plant & Equipment	2	34,198.22	35,350.93
b. Capital work in Progress		11,330.91	2,529.46
c. Intangible Assets	3	46.99	56.56
d. Intangible Assets under Development		6.96	2.66
e. Financial Assets			
i. Investments	4a	3,103.56	1,505.26
ii. Loans and Advances	4c	74.79	49.19
iii. Other Financial Assets	4g	733.41	723.59
f. Other Non Current Assets	6	854.44	1,964.78
TOTAL NON CURRENT ASSETS		50,349.28	42,182.43
2. Current Assets			
a. Inventories	5	4,739.04	4,205.44
b. Financial Assets			
i. Investments	4b	15,429.88	11,785.14
ii. Trade Receivables	4d	8,061.31	7,133.86
iii. Cash and cash Equivalents	4e	212.57	2,336.70
iv. Other Bank Balances	4f	718.72	388.48
v. Loans and Advances	4c	77.07	62.69
vi. Other Financial Assets	4g	282.66	297.43
c. Current Tax Assets (Net)	7	51.19	215.13
d. Other Current Assets	6	1,471.34	1,110.91
TOTAL CURRENT ASSETS		31,043.78	27,535.78
TOTAL ASSETS		81,393.06	69,718.21
II. EQUITY AND LIABILITIES			
A Equity			
a. Equity Share Capital	8	1,000.53	1,000.53
b. Other Equity	9	52,319.80	45,462.36
Equity attributable to Owner of the Parent		53,320.33	46,462.89
c. Non Controlling Interest		1,518.65	1,117.97
TOTAL EQUITY		54,838.98	47,580.86
B Liabilities			
1. Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10a	11,289.77	9,625.48
ii. Lease Liability	10c	577.32	581.72
iii. Other Financial Liabilities	10e	10.35	30.52
b. Provisions	11	267.65	286.54
c. Deferred Tax Liabilities (Net)	12	2,087.36	2,072.72
TOTAL NON CURRENT LIABILITIES		14,232.45	12,596.98
2. Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10b	4,130.54	3,883.96
ii. Lease Liability	10c	4.39	4.03
iii. Trade Payables	10d		
Dues of Micro Enterprises and Small Enterprises		247.61	98.07
Dues of Creditors Other than Micro Enterprises and Small Enterprises		2,274.88	1,821.09
iv. Other Financial Liabilities	10f	4,806.18	2,763.01
b. Other Current Liabilities	13	709.14	795.88
c. Provisions	11	148.89	174.33
TOTAL CURRENT LIABILITIES		12,321.63	9,540.37
TOTAL EQUITY AND LIABILITIES		81,393.06	69,718.21
Notes to Accounts	1 - 35		

The accompanying notes referred to above form an integral part of the consolidated financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal
Partner
Membership No. 094380

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

Place : Noida
Date: 18th June, 2021

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

Consolidated Statement of Profit And Loss for the year ended March 31, 2021

(₹ in Lakh)

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I.	Revenue from Operations	14	37,386.06	38,679.33
II.	Other Income	15	1,264.11	1,057.54
III.	Total Revenue (I+II)		38,650.17	39,736.87
IV.	Expenses:			
	Cost of materials consumed	16	10,448.27	10,679.83
	Changes in Inventories of finished goods, work in progress and stock in trade	17	(122.39)	761.23
	Employee benefit expense	18	5,336.77	5,408.65
	Finance costs	19	654.37	956.98
	Depreciation and amortisation expense	20	2,206.67	2,144.31
	Other expenses	21	10,086.61	11,349.99
	Total Expenses (IV)		28,610.30	31,300.99
V.	Profit before exceptional items and tax (III-IV)		10,039.87	8,435.88
VI.	Exceptional Items		-	175.58
VII.	Profit before tax (V-VI)		10,039.87	8,260.30
VIII.	Income Tax Expense			
	Current tax	23(a)	1,684.99	1,394.55
	Deferred Tax (Net)	23(a)	55.93	(611.10)
IX.	Profit for the period (VII-VIII)		8,298.95	7,476.85
X.	Profit for the Year attributable to:			
	Owners of the Parent		7,899.67	7,313.74
	Non-Controlling Interest		399.28	163.11
XI.	Other Comprehensive Income (Net of Tax)			
	Items that will not be reclassified to Profit or Loss			
	Remeasurement Gain or (Loss) on Defined Benefit Plans		(16.06)	(73.03)
	Income Tax on the above item	23(b)	5.49	18.86
	Net Gain or (Loss) on FVTOCI on Equity & AIF Investments		(2.82)	(280.22)
	Income Tax on the above item	23(b)	(28.43)	65.28
	Total Other Comprehensive Income / (Loss) for the Period (Net of Tax)		(41.82)	(269.11)
XII.	Total Other Comprehensive Income / (Loss) for the Period attributable to:			
	Owners of the Parent		(43.22)	(264.98)
	Non-Controlling Interest		1.40	(4.13)
XIII.	Total Comprehensive Income for the Period (IX+XI)		8,257.13	7,207.74
XIV.	Total Comprehensive income for the period attributable to :			
	Owners of the Parent		7,856.45	7,048.76
	Non-Controlling Interest		400.68	158.98
XV.	Earnings per equity shares :			
	Basic & Diluted (₹)	25	79.08	73.21
	Notes to Accounts	1 - 35		

The accompanying notes referred to above form an integral part of the consolidated financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

For and on behalf of the Board of Directors

Naveen Aggarwal
Partner
Membership No. 094380

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

Place : Noida
Date: 18th June, 2021

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2021

(₹ in Lakh)

Particulars	Current Year		Previous Year	
A. Cash Flow From Operating Activities				
Net Profit before tax and Extra ordinary items	10,039.87		8,260.30	
Adjustments for:				
Depreciation and Amortisation	2,206.67		2,144.31	
(Gain) / Loss on Sale / Discard of Property, Plant & Equipment (Net)	28.42		(43.23)	
Finance Costs	654.37		956.98	
Interest Income	(956.09)		(451.43)	
Income from AIF Investment	(42.70)		(4.68)	
Effect of Exchange Rate Change on Borrowings	(223.74)		241.31	
Loans and Debts earlier written off, now recovered	(0.10)		(54.58)	
Bad Advances / Debts	10.88		16.36	
Provision for Doubtful Debts	5.20		0.13	
(Gain) / Loss on Redemption / Sale of Current Investments	(4.56)		(290.19)	
Remeasurement Gain / (Loss) on Defined Benefit Plans	(16.06)		(73.03)	
(Gain) / Loss on financial assets measured at fair value through Profit or loss (Net)	(33.00)		(20.47)	
Operating Profit before Working Capital Changes	**11,669.16**		**10,681.78**	
Adjustments for :				
Trade and Other Receivables	(1,352.59)		2,016.71	
Inventories	(533.60)		1,218.00	
Trade and Other Payables	924.00		(861.38)	
Cash generated from Operations	**10,706.97**		**13,055.11**	
Direct Tax Paid (Net)	(1,585.28)		(1,590.99)	
Net cash from Operating Activities		9,121.69		11,464.12
B. Cash Flow From Investing Activities				
Payments for purchase of Property, Plant & Equipment including Capital work in progress, Intangible Assets and Capital Advances	(8,461.32)		(5,046.27)	
Proceeds from sale of Property, Plant & Equipment	133.12		287.79	
Purchase and Sale of Non Current Investments (Net)	(1,601.12)		(611.11)	
Purchase and Sale of Current Investments (Net)	(3,607.19)		(3,321.65)	
Movement in Fixed deposits with Banks	(329.11)		(204.11)	
Income from AIF Investment received	42.00		4.68	
Interest Received	972.73		369.36	
Net Cash (used in) investing activities		(12,850.89)		(8,521.31)

Consolidated Cash Flow Statement for the year ended March 31, 2021 *(contd.)*

(₹ in Lakh)

Particulars	Current Year		Previous Year	
C. Cash Flow From Financing Activities				
Dividend Paid	(999.01)		(1,198.81)	
Tax on Dividend Paid	-		(246.42)	
Proceeds from Borrowing - Non Current	5,533.08		2,803.21	
Repayment of Borrowing - Non Current	(2,607.00)		(1,595.41)	
Borrowing - Current (Net)	366.04		212.29	
Repayment of Lease Liability	(4.04)		(3.70)	
Interest and Financial Costs paid (excluding Transfer to Capital Work-in-Progress)	(684.00)		(954.64)	
Net Cash from / (used in) Financing Activities		1,605.07		(983.48)
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)		(2,124.13)		1,959.33
Opening Balance of Cash and Cash Equivalents		2,336.70		377.37
Closing Balance of Cash and Cash Equivalents		212.57		2,336.70
Cash & Cash Equivalents Comprise				
Cash on Hand		4.40		2.47
Cheques on hand		0.19		-
Balance with Scheduled Banks in Current Accounts and fixed deposits maturing within 3 months		207.98		2,334.23
		212.57		2,336.70

Notes:

(i) Figures in bracket represent outflows.

(ii) Other Bank Balances of ₹150.10 Lakh (Previous Year ₹148.28 Lakh) lying in designated account with scheduled banks on account of unclaimed dividend and ₹568.62 Lakh (Previous Year ₹240.20 Lakh) in fixed deposits with banks & Deposit Repayment Reserve Account and Margin Money maturing beyond three months are not included in cash & cash equivalents. These are shown under investing activities.

(iii) Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

Change in Liability arising from financing activities (₹ in Lakh)

Particulars	April 01, 2020	Cash Flow	Foreign Exchange Movement	March 31, 2021
Borrowings - Non Current & Current Maturities (Refer Note 10(a))	10,961.88	2,926.10	(104.28)	13,783.70
Borrowings - Current (Refer Note 10(b))	3,883.96	366.04	(119.46)	4,130.54
	14,845.84	**3,292.14**	**(223.74)**	**17,914.24**

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2021

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

a) Equity Share Capital (₹ in Lakh)

Balance as at March 31, 2019	1,000.53
Add/(Less): Changes in Equity Shares Capital for the year.ended March 31, 2020	-
Balance as at March 31, 2020	1,000.53
Add/(Less): Changes in Equity Shares Capital for the year.ended March 31, 2021	-
Balance as at March 31, 2021	1,000.53

b) Other Equity (₹ in Lakh)

Particulars	Reserves					Other Comprehensive Income (OCI)	Total Other Equity
	Capital Reserve	Capital Redemption Reserve	General Reserve	Retained Earnings			
				Retained Earnings	Remeasurement Gain / (Loss) of the defined benefit plans (Net of Tax)	Equity Instruments through OCI (Net of Tax)	
Balance as at March 31, 2019	**2,008.99**	**30.85**	**878.07**	**36,284.64**	**(80.01)**	**736.29**	**39,858.83**
Profit/(Loss) for the year ended March 31, 2020	-	-	-	7,313.74	-	-	7,313.74
Other comprehensive income (net of tax) for the year March 31, 2020	-	-	-	-	(50.04)	(214.94)	(264.98)
Dividend including Corporate Dividend Tax	-	-	-	(1,445.23)	-	-	(1,445.23)
Balance as at March 31, 2020	**2,008.99**	**30.85**	**878.07**	**42,153.15**	**(130.05)**	**521.35**	**45,462.36**
Profit/(Loss) for the year ended March 31, 2021	-	-	-	7,899.67	-	-	7,899.67
Other comprehensive income (net of tax) for the year ended March 31, 2021	-	-	-	94.60	(11.97)	(125.85)	(43.22)
Dividend	-	-	-	(999.01)	-	-	(999.01)
Balance as at March 31, 2021	**2,008.99**	**30.85**	**878.07**	**49,148.41**	**(142.02)**	**395.50**	**52,319.80**

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2021

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

1: Group Overview, Basis of Preparation and Significant Accounting Policies

I CORPORATE INFORMATION

Oriental Carbon & Chemicals Limited (""OCCL"" or ""the Holding Company"") is a public limited company domiciled in India and has its Registered Office at Kolkata. The shares of the Holding Company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd.

The Consolidated Financial Statements comprise the Holding Company and its subsidiary (referred to collectively as ""the Group""). The Holding Company's core business is manufacturing and sales of Insoluble Sulphur. The Holding Company is a global supplier of Insoluble Sulphur of which about two-third of the turnover of the Holding Company is from Exports. The Holding Company has two manufacturing facilities, one in Haryana and other one in Gujarat. The principal activities of the subsidiary Company is manufacturing & trading of fluid power and automation products. The Subsidiary Company has its manufacturing facility in Maharashtra. The Subsidiary Company is a Public Limited Company and is listed on the Bombay Stock Exchange (BSE).

II BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 (As amended) notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors on June 18, 2021

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

i. Certain financial assets and liabilities (including derivative instruments) measured at Fair Value / Amortised Cost;

ii. Defined benefit plan assets measured at Fair Value;

c) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Group's functional and presentation currency. All amounts have been rounded to two decimal points of Lakh, unless otherwise indicated.

d) Current or Non current classification

All Assets and Liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business of the Group and its business time cycle from inception of an order and its completion on realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

e) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets as at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the financial statements are:

Measurement of defined benefit obligations;

Recognition of deferred tax assets & MAT credit entitlement;

Useful life and residual value of Property, plant and equipment and intangible assets;

Measurement of Fair Value of Current Investments;

Measurement of fair value of Equity Investments.

III SIGNIFICANT ACCOUNTING POLICY

The Group has consistently applied the following accounting policies to all periods presented in the financial statements.

a) Principle of Consolidation

i) The consolidated Financial statement includes the financial statement of the parent company, its subsidiary company. The consolidated financial statement have been prepared in accordance with Ind AS 110 on " Consolidated financial statement" as per Companies (Indian Accounting Standard) Rules 2015 notified under section 133 of the Companies Act , 2013 ('the Act) and other relevant provisions of the Act to the extent possible.

ii) The Financial Statement of the Parent Company and its Subsidiary company are prepared on line by line adding together like items of assets, liabilities equity, income and expenses , intercompany balances and transactions and any unrealised gains arising from inter company transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidences of impairment.

iii) The consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except provision for depreciation for some assets, which is not material to the Consolidated Financial Statements.

iv) Non controlling Interest in the consolidated financial statement is identified and recognised after taking into consideration the amount of equity attributable to non controlling interest at date on which investment in subsidiary is made

v) Non Controlling Interest in Equity since the date parent/ Subsidiary relationship came into existence, the losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary

vi) Financial statement of Subsidiary used for the purpose of Consolidation are drawn up to the same reporting date as that of the Company i.e. year ended March 31, 2021.

vii) The Subsidiary company which is included in the consolidation and the parent company's holding are as under:

Name of the Company	% of Share Holding		Place of Incorporation
	As on March 31, 2021	As on March 31, 2020	
Duncan Engineering Limited (Formerly Known as Schrader Duncan Limited)	50.01%	50.01%	India

b) Property, plant and equipment

i) Recognition and measurement

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

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

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

Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of all other repairs and maintenance are recognised in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other noncurrent assets.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Depreciation

Depreciation on property, plant and equipment is provided on the Straight Line Method based on the useful life of assets as prescribed under Schedule II of the Companies Act, 2013, which are as follows:

Buildings including Factory Buildings and Roads :	5 - 60 years
Plant & Equipment (Including Continuous Process Plant, Components & Laboratory Equipment) :	5 - 25 years
Electrical Installations :	10 years
Furniture and Fixtures :	10 years
Air Conditioners and coolers :	5 years
Office Equipment :	5 - 10 years
Motor Vehicles :	5 years
Computer and Servers & Networks :	3 - 6 years

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. Buildings constructed on Right-of-use assets are depreciated based on the useful life prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

c) Intangible assets

i) Recognition and measurement

Intangible Assets Acquired Separately

Intangible assets that are acquired by the Group are measured at cost. Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

All intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Impairment losses, if any, are recognised immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

ii) Amortisation

Amortization is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software : 5 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

d) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use or fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in Statement of Profit and Loss

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

e) Financial Instruments

i) Initial recognition

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent measurement

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) Method to gross carrying amount of the financial asset, if it is held within a business model whose objective is to hold the asset 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. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(b) Financial assets at fair value through other comprehensive income

Financial instruments are subsequently measured at fair value (at Last available audited information's). On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

(c) Financial assets at fair value through profit or loss

Financial assets which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Reclassification of Financial Assets and Financial Liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

With regard to trade receivable, the Group applies the simplified approach , which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

iv) Derecognition

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

v) Derivative financial instruments

The Group is exposed to exchange rate risk which arises from its foreign exchange revenues, primarily in Euro and US Dollars. The Group uses foreign exchange forward contracts (derivative financial instruments), to hedge foreign currency risk associated with highly probable forecasted transactions and classifies them as cash flow hedges.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are taken directly to profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group makes an assessment, on an on-going basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instrument that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

g) Inventories

Inventories are valued at lower of Cost and Net Realisable value. The cost of finished goods is determined by taking material, labour and related factory overheads including depreciation. Cost of material is determined on weighted average cost basis. Further the cost for Work-in-Progress includes material cost, stage wise direct cost and other related manufacturing overheads including depreciation. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and making the sale.

Cost of raw materials, packing materials, stores and spares are determined on weighted average basis.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, the same are written off or provision is made for such inventories.

h) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

i) Revenue from contracts with customers

The Group derives revenue from sale of Insoluble Sulphur, Sulphuric Acid, Oleum and General Engineering Products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and

provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 14.

Sale of goods

For sale of goods, revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers at an amount that reflects the consideration the Group expects to receive in exchange for those products.

j) Other Revenue Streams

Export Benefits

In case of direct exports made by the Group, export benefits arising from Govt. incentives and schemes are recognised on shipment of direct exports.

The Central Government of India has announced a new scheme on Remission of Duties or taxes on Export Product (RODTEP) which has replaced MEIS export benefit w.e.f. January 01, 2021. As the rates under RODTEP have not been announced till date, the income on account of benefits under the new scheme has not been recognized for the quarter ended March 31, 2021.

Revenue from exports benefits are measured at the fair value of consideration received or receivable net of returns.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Group's right to receive dividend is established, and is included in other income in the statement of profit and loss.

k) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Employees benefits in the form of the Group's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Group recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Group contributes to the gratuity fund, which are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

l) Foreign currency transactions

Initial recognition:

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference:

Exchange differences are recognised in Statement of profit & loss. In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the Group has continued the policy of capitalisation of exchange differences on

foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long term foreign currency monetary items relating to acquisition of depreciable fixed assets taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

m) Research and Development Expenses

Revenue Expenditure on Research and Development is charged to Statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Property, Plant & Equipment.

n) Borrowing costs

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

o) Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in Other Comprehensive Income

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For operations carried out in tax free units, deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset only if:

a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Group will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet.

p) Segment Reporting

The accounting policies adopted for the segment reporting are in conformity with the accounting policies adopted for the Group. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Group as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Group are segregated.

s) Lease

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 lessee

The Group's lease asset classes primarily comprise of lease for land and building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to Control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a

straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non financial assets'.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in other current and non-current financial liabilities (see Note 10c).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

"Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

t) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Notes to Consolidated Financial Statement for the year ended March 31, 2021

2 PROPERTY, PLANT & EQUIPMENT

(₹ in Lakh)

Description	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at April 1, 2020	Additions/ adjustments	Sales/ adjustments	As at March 31, 2021	As at April 1, 2020	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Property Plant & Equipment :										
Land - Freehold	162.59	-	-	162.59	-	-	-	-	162.59	162.59
Right of Use Assets - Land	1,622.68	-	-	1,622.68	294.76	58.55	-	353.31	1,269.37	1,327.92
Building	17,007.40	9.15	18.30	16,998.25	3,269.63	408.62	6.56	3,671.69	13,326.56	13,737.77
Plant & Equipment	28,656.20	603.33	257.81	29,001.72	10,509.38	1,247.01	147.19	11,609.20	17,392.52	18,146.82
Electrical Installations	3,103.90	158.55	102.37	3,160.08	1,884.19	231.39	91.77	2,023.81	1,136.27	1,219.71
Furniture and Fixture	634.34	4.84	12.41	626.77	420.51	38.23	2.73	456.01	170.76	213.83
Vehicles	700.82	340.15	61.12	979.85	340.93	126.49	44.92	422.50	557.35	359.89
Air Conditioners and coolers	208.71	26.01	15.72	219.00	148.88	26.54	14.61	160.81	58.19	59.83
Office Equipment	460.78	48.36	18.54	490.60	338.21	45.30	17.52	365.99	124.61	122.57
Total	52,557.42	1,190.39	486.27	53,261.54	17,206.49	2,182.13	325.30	19,063.32	34,198.22	35,350.93

Description	Gross Carrying Value				Depreciation / Amortisation				Net Carrying Value	
	As at April 1, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Property Plant & Equipment :										
Land - Freehold	162.59	-	-	162.59	-	-	-	-	162.59	162.59
- Leasehold	1,033.23	-	1,033.23	-	236.00	-	236.00	-	-	797.23
Right of Use Assets - Land	-	1,622.68	-	1,622.68	-	294.76	-	294.76	1,327.92	-
Building	16,815.94	330.68	139.22	17,007.40	2,869.01	405.79	5.17	3,269.63	13,737.77	13,946.93
Plant & Equipment	28,495.51	341.32	180.63	28,656.20	9,417.07	1,187.90	95.59	10,509.38	18,146.82	19,078.44
Electrical Installations	2,913.20	203.75	13.05	3,103.90	1,656.51	237.08	9.40	1,884.19	1,219.71	1,256.69
Furniture and Fixture	621.15	18.55	5.36	634.34	370.18	54.87	4.54	420.51	213.83	250.97
Vehicles	681.07	171.68	151.93	700.82	365.58	101.15	125.80	340.93	359.89	315.49
Air Conditioners and coolers	204.76	7.66	3.71	208.71	122.90	29.17	3.19	148.88	59.83	81.86
Office Equipment	459.53	42.48	41.23	460.78	336.74	41.68	40.21	338.21	122.57	122.79
Total	51,386.98	2,738.80	1,568.36	52,557.42	15,373.99	2,352.40	519.90	17,206.49	35,350.93	36,012.99

Notes:

(i) Gross Block includes ₹ 389.97 Lakh (Previous year ₹244.94 Lakh) purchased under Car Finance Scheme.

(ii) Building includes properties of ₹2,946.70 Lakh pending for registration (Previous year ₹2,946.70 Lakh)

(iii) In accordance with Ind AS-101 the exchange differences arising on translation of long term foreign currency loans taken for acquisition of depreciable assets before the transition date are being capitalised and accordingly the net exchange difference for the year amounting to ₹(5.08) Lakh (Previous year ₹30.96 Lakh) have been (adjusted)/Capitalised.

Notes to Consolidated Financial Statement for the year ended March 31, 2021

3 INTANGIBLE ASSETS

(₹ in Lakh)

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	As at April 1, 2020	Additions/ adjustments	Sales/ adjustments	As at March 31, 2021	As at April 1, 2020	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
Computer Software	413.51	14.97	-	428.48	356.95	24.54	-	381.49	46.99	56.56
Total	413.51	14.97	-	428.48	356.95	24.54	-	381.49	46.99	56.56

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	As at April 1, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	399.62	13.89	-	413.51	329.04	27.91	-	356.95	56.56	70.58
Total	399.62	13.89	-	413.51	329.04	27.91	-	356.95	56.56	70.58

4 FINANCIAL ASSETS

4(a) NON CURRENT INVESTMENTS

(₹ in Lakh)

Particulars	Face Value / Share	As at March 31, 2021		As at March 31, 2020	
		No. of Shares	Value	No. of Shares	Value
(i) Unquoted, Equity/Preference shares fully paid up					
Investments Carried at Fair Value Through OCI					
a) Investment in Equity Shares (Others)					
(1) Duncan International (India) Limited	100/-	8351	281.40	8351	207.84
(2) New India Investment Corporation Limited	75/-	1753	231.95	3353	334.07
(3) Veeda Clinical Research P Ltd	10/-	779	99.88	-	-
b) Investment in Preference Shares (Others)					
(1) B 9 Beverages Private Limited (CCCPS)	100/-	25837	100.00	-	-
(2) Muhavra Enterprise P Ltd (CCPS)	10/-	96	49.51	-	-
c) Investment in AIF Funds					
(1) Grand Anicut Fund - II			500.00		100.00
(2) Xponentia Opportunities Fund -I			308.70		340.30
(3) JM Financial India Fund (AIF-II)			130.80		127.66
(4) Paragon Partners Growth Fund AIF-II			229.20		31.90
(5) Fireside Ventures Fund AIF-II			125.00		125.00
(6) IQ Start-up Fund IQ Alpha III (AIF-I)			434.49		204.49
(7) Grand Anicut Angel Fund			137.63		9.00
(8) Real Estate Credit Opportunities Fund			450.00		-
(ii) Unquoted, Investment in Convertible Note					
(1) Startup Health Just Matters Pvt Ltd			25.00		25.00
TOTAL			3,103.56		1,505.26
Aggregate Fair Value of Unquoted Investments			3,103.56		1,505.26

4 FINANCIAL ASSETS *(Contd.)*

4(b) CURRENT INVESTMENTS

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
(i)	Quoted		
a)	Investment in Mutual Funds at FVTPL		
(1)	ICICI Prudential Credit Risk Fund Growth (Erstwhile ICICI Prudential Regular Saving Fund Growth) (March 31, 2021 Nil Units; March 31, 2020 1081209.657 Units)	-	235.14
(2)	DSP Banking and PSU Debt Fund (March 31, 2021 5886434.31 Units; March 31, 2020 Nil Units)	1,102.64	-
(3)	HDFC Corporate Bond Fund - Short Term (March 31, 2021 5050629.31 Units; March 31, 2020 Nil Units)	1,259.02	-
(4)	ICICI Prudential Corporate Bond Fund (March 31, 2021 5101624.25 Units; March 31, 2020 Nil Units)	1,157.46	-
(5)	Aditya Birla Sunlife Banking and PSU Debt Fund (March 31, 2021 388960.94 Units; March 31, 2020 Nil Units)	1,101.70	-
(6)	IDFC Bond Fund Short Term Plan (March 31, 2021 1132433.38 Units; March 31, 2020 Nil Units)	505.81	-
(7)	Aditya Birla Sunlife Corporate Bond Fund Growth (March 31, 2021 467779.49 Units; March 31, 2020 Nil Units)	401.84	-
(8)	ICICI Prudential Saving Fund (March 31, 2021 96405.02 Units; March 31, 2020 Nil Units)	401.05	-
(9)	HDFC Low Duration Fund (March 31, 2021 1115551.597 Units; March 31, 2020 Nil Units)	502.10	-
(10)	HDFC Short Term Debt Fund (March 31, 2021 819661.38 Units; March 31, 2020 Nil Units)	201.37	-
b)	Investment in Bonds		
(1)	6.99 % HDFC Limited Face Value ₹10,00,000; (March 31, 2021 200 Bonds; March 31, 2020 Nil Bonds)	1,996.89	-
(ii)	Unquoted		
a)	Investment in Non Convertible Debentures		
(1)	Krazybee Services Pvt Ltd having coupon rate of 13.5% p.a. with a maturity period of 13 months	250.00	-
b)	Investment in Debts fund		
(1)	ESTEE 1 Alpha Fund	500.00	-
c)	Investment in NBFC Corporate Deposit		
(1)	HDFC Ltd.	4,050.00	3,650.00
(2)	LIC Housing Finance Ltd	2,000.00	7,900.00
TOTAL		15,429.88	11,785.14
Aggregate Market Value of Quoted Investments		8,629.88	235.14
Aggregate Market Value of Unquoted Investments		6,800.00	11,550.00

4 FINANCIAL ASSETS *(Contd.)*

4(c) LOANS AND ADVANCES

(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good				
Other Loans and advances				
Employee Advances	74.79	49.19	77.07	62.69
TOTAL	74.79	49.19	77.07	62.69

4(d) TRADE RECEIVABLES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured, Considered Good	-	-
Unsecured, Considered Good	8,061.31	7,133.86
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	5.33	0.13
	8,066.64	7,133.99
Less : Impairment Allowance for doubtful debts	(5.33)	(0.13)
TOTAL	8,061.31	7,133.86

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

Trade receivables are non-interest bearing and are generally on terms of 7 to 150 days.

Impairment of Trade Receivables has been considered ₹5.33 Lakh (Previous year 0.13 Lakh) based on the Expected Credit Loss Method and in other cases based on the management judgement.

4(e) CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
In Current Accounts	207.98	134.23
Cash on hand	4.40	2.47
Cheques on hand	0.19	-
Fixed Deposit with Maturity less than 3 Months	-	2,200.00
TOTAL	212.57	2,336.70

4(f) OTHER BANK BALANCES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Other Term Deposits with less than 12 months maturity	539.12	210.70
Deposit Repayment reserve Account	29.50	29.50
Unpaid Dividend Accounts	150.10	148.28
TOTAL	718.72	388.48

4 FINANCIAL ASSETS *(Contd.)*

4(g) OTHER FINANCIAL ASSETS

(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered good unless stated otherwise				
Measured at Amortised Cost				
Other Bank Deposits with more than 12 months maturity @	467.45	466.75	-	-
Security Deposits	265.96	256.84	54.27	53.11
Accrued Interest Income	-	-	228.39	244.32
TOTAL	733.41	723.59	282.66	297.43

@ Includes Margin Money for Bank Guarantees ₹90.17 Lakh (Previous year ₹49.05 Lakh)

5 INVENTORIES (Lower of Cost or Net Realisable Value)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Raw Materials (Includes Stock-in-transit ₹130.06 Lakh; Previous year ₹92.19 Lakh)	1,794.30	1,447.20
Work in Progress	89.08	109.54
Finished Goods	2,175.70	2,028.80
Stores & Spares	637.86	577.70
Scrap	0.01	4.06
Fuel	42.09	38.14
TOTAL	4,739.04	4,205.44

6 OTHER ASSETS

(₹ in Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Considered good unless stated otherwise				
Export incentive Receivable	-	-	305.36	223.30
Capital Advances *	853.59	1,959.76	-	-
Assets held for sale (At lower of Book Value and Net Realisable Value)	-	-	11.80	11.80
Receivable on Foreign Currency Forward Contracts	-	-	159.57	120.97
Balance with Revenue Authorities	-	-	539.98	240.69
Insurance Claim Receivable	-	-	12.51	13.07
Prepaid Expenses	0.85	5.02	301.13	320.42
Other Advances	-	-	140.99	180.66
TOTAL	854.44	1,964.78	1,471.34	1,110.91

* Includes ₹75.00 Lakh (Previous year ₹75.00 Lakh) to a Company under liquidation against the use of an office premises which is pending transfer in favour of the Company.

7 INCOME TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Income Tax Assets (Net of Provision for Income Tax)	51.19	215.13
TOTAL	51.19	215.13

8 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
1,49,90,000 (Previous year 1,49,90,000) Equity Shares of ₹10 each (Previous year ₹10 each)	1,499.00	1,499.00
1,000 (Previous year 1,000) Redeemable Cumulative Preference Shares of ₹100 each (Previous year ₹100 each)	1.00	1.00
	1,500.00	1,500.00
Issued Shares		
1,00,23,844 (Previous year 1,00,23,844) Equity Shares of ₹10 each (Previous year ₹10 each)	1,002.38	1,002.38
	1,002.38	1,002.38
Subscribed & Fully Paid up Shares		
99,90,092 (Previous year 99,90,092) Equity Shares of ₹10 each (Previous year ₹10 each)	999.01	999.01
Add: Forfeited Shares (Amount Originally paid up)	1.52	1.52
Total subscribed and fully paid up share capital	1,000.53	1,000.53

a. Terms / rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same except interim dividend is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Equity Shares

(₹ In Lakh, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Share outstanding at beginning of period	10023844	10023844	1,002.38	1,002.38
Share outstanding at end of period	10023844	10023844	1,002.38	1,002.38

Subscribed & Paid up

Equity Shares

(₹ In Lakh, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Share outstanding at beginning of period	9990092	9990092	999.01	999.01
Share outstanding at end of period	9990092	9990092	999.01	999.01

8 EQUITY SHARE CAPITAL *(Contd.)*

c. Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% of Holding	No of Shares	% of Holding
Cosmopolitan Investments Ltd	1907528	19.09%	1907528	19.09%
New India Investment Corporation Ltd.	1212136	12.13%	1212136	12.13%
Duncan International (India) Ltd	994616	9.96%	994616	9.96%
HDFC Trustee Company Ltd	926250	9.27%	926250	9.27%
Haldia Investment Company Ltd	619344	6.20%	609995	6.11%

9 OTHER EQUITY

(₹ in Lakh)

	Particulars	As at March 31, 2021	As at March 31, 2020
(I)	Reserves		
a.	Capital Reserve		
	Balance at the beginning of the Financial year	2,008.99	2,008.99
	Balance at the end of the Financial year	2,008.99	2,008.99
b.	Capital Redemption Reserve		
	Balance at the beginning of the Financial year	30.85	30.85
	Balance at the end of the Financial year	30.85	30.85
c.	General Reserve		
	Balance at the beginning of the Financial year	878.07	878.07
	Balance at the end of the Financial year	878.07	878.07
d.	Retained Earnings		
	Balance at the beginning of the Financial year	42,023.10	36,204.63
	Addition during the Financial year	7,899.67	7,313.74
	Items of Other Comprehensive Income recognised directly in retained earnings		
	- Realised gain from Non Current Equity instrument transferred from Other comprehensive income (Net of Tax)	94.60	-
	- Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)	(11.97)	(50.04)
		50,005.40	43,468.33
	Less: Appropriations		
	Interim Dividend	399.60	399.60
	Tax on Interim Dividend	-	82.14
	Final Dividend of previous year	599.41	799.21
	Tax on Final Dividend of Previous year	-	164.28
		49,006.39	42,023.10
	TOTAL (I)	51,924.30	44,941.01
(II)	Items of Other Comprehensive Income		
	Balance at the beginning of the Financial year	521.35	736.29
	Add: Other Comprehensive Income for the Financial Year		
	Net Gain or (Loss) on FVTOCI Non Current Investments (Net of Tax)	(31.25)	(214.94)
	- Realised gain from Non Current Equity instrument transferred to Retained Earning (Net of Tax)	(94.60)	-
TOTAL (II)		395.50	521.35
TOTAL OTHER EQUITY (I + II)		52,319.80	45,462.36

9 OTHER EQUITY (Contd.)

Notes:

(i) Capital Reserve:

The Holding Company had recognised Surplus arising out of transfer of Assets and Liabilities of erstwhile Carbon Black Division to Capital Reserve and Capital Reserve arising on Consolidation of its Subsidiary.

(ii) Capital Redemption Reserve:

An amount of ₹30.60 Lakh (equivalent to nominal value of the equity shares bought back and cancelled by the Holding Company in the year ended March 2019) has been transferred to Capital Redemption Reserve from General Reserve pursuant to the provisions of Section 69 of the Companies Act, 2013 and article 8 of the Articles of Association of the Company.

(iii) Items of Other Comprehensive Income

The Holding Company recognises the gain or loss on fair value of non-current investments under Items of Other Comprehensive Income. Realised gain on sale of equity instrument of ₹94.60 Lakh (Net of tax) during the year transferred to retained earning from other comprehensive income as per IND AS 109.

(iv) During the year, the Holding Company has paid Interim dividend of ₹4.00; (Previous year ₹4.00) per equity share. Now, final dividend of ₹10.00 (Previous year ₹6.00) per equity share for financial year 2020-21 is recommended by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

10 FINANCIAL LIABILITIES

a) BORROWINGS (NON-CURRENT)

(₹ In Lakh)

Particulars	Non - Current Maturities		Current Maturities	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Term Loans - From Banks (i)	11,169.55	9,513.41	2,399.92	1,147.90
Vehicle Loans from Banks (ii)	120.22	109.12	91.06	53.03
Public Deposits (iii)	-	2.95	2.95	135.47
Less : Current Maturities of Long Term Borrowings	-	-	(2,493.93)	(1,336.40)
TOTAL	11,289.77	9,625.48	-	-

Notes:

(i) (a) Securities:

Secured by (i) Rs 1996.43 Lakh, First pari-passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit; First exclusive charge on fixed assets including equitable mortgage of factory land and building at Dharuhera; Second pari-passu charge on entire current assets of the Holding Company; (ii) Rs 1118.76 Lakh, First pari-passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit; Second pari-passu charge on entire fixed assets of Dharuhera Unit including equitable mortgage of factory land and building of Dharuhera Unit; Second pari-passu charge on entire current assets of the Holding Company; (iii) Rs 749.15 Lakh, First pari-passu charge on entire fixed assets of Holding Company including equitable mortgage of factory land and building of SEZ Mundra Unit; (iv) Rs 7305.21 Lakh, First pari-passu charge on entire fixed assets including equitable mortgage of factory land and building at Dharuhera and SEZ Mundra Unit; Second pari-passu charge on entire current assets of the Holding Company.

10 FINANCIAL LIABILITIES (Contd.)

(₹ In Lakh, unless otherwise stated)

(i) (b) Terms of Repayments of Non-Current portion of Term Loans from Banks

As at March 31, 2021			As at March 31, 2020		
Outstanding Amount	Repayments		Outstanding Amount	Repayments	
	No. of outstanding Instalments	Periodicity		No. of outstanding Instalments	Periodicity
657.71	6	Quarterly Equal	1,123.86	10	Quarterly Equal
1,889.26	20	Quarterly Equal @	628.85	20	Quarterly Equal @
461.05	11	Quarterly Equal	644.71	15	Quarterly Equal
1,135.82	5	Quarterly Graded	2,330.34	10	Quarterly Graded
3,042.64	20	Quarterly Equal @	991.12	20	Quarterly Equal @
549.22	13	Quarterly Equal	761.28	18	Quarterly Equal
1,582.00	19	Quarterly Equal	1,132.00	20	Quarterly Equal @
199.93	4	Quarterly Equal	499.66	10	Quarterly Equal
860.61	10	Quarterly Equal	1,401.59	15	Quarterly Equal
791.31	20	Quarterly Equal @			
11,169.55			9,513.41		

@ Repayment of Term Loans will start after 1 year Moratorium period beginning from successful start of Commercial Production.

(ii) Secured by hypothecation of vehicles purchased under the scheme and non-current portion of ₹120.21 Lakh (Previous year ₹109.12 Lakh) is repayable in 1 to 56 (Previous year 3 to 45) equated monthly instalments after F.Y. 2021-22 onwards as per the repayment schedule.

(iii) Deposits from public carries rate of interest @ 7.75% (Previous year 7.75% to 9.50%) p.a. and non-current portion of ₹ Nil (Previous year ₹2.95 Lakh) is repayable between 0 to 1 year (Previous year 1 to 2 years).

(b) BORROWINGS (CURRENT)

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans Repayable on Demand		
Working Capital Loans from Bank (secured)		
Cash Credit and Packing Credit	3,938.85	3,296.91
Bill Discounting	191.69	587.05
TOTAL	4,130.54	3,883.96

Security:

Cash Credit, Packing Credit and Bill Discounting of the Holding Company amounting to ₹ 4,130.54 Lakh (Previous year ₹3,834.93 Lakh) are secured by first pari passu charge on entire current assets of the Holding Company and second pari passu charge over the entire fixed assets at Mundra SEZ Unit of Holding Company and First pari passu charge on entire fixed assets at Dharuhera unit of Holding Company with State Bank of India. In respect of Subsidiary Company, Cash Credit amounting to ₹ Nil (Previous year ₹49.03 Lakh) is secured by primary first exclusive charge on the current assets of the Subsidiary Company and collateral charge on the tangible movable/ immovable fixed assets of the Subsidiary Company at Ranjangaon, Pune, with State Bank of India and further by Corporate Guarantees of the Holding Company and Cosmopolitan Investments Ltd. During the year CC Account at SBI was closed and new account at kotak has been opened with out any Corporate Guarantee.

10 FINANCIAL LIABILITIES *(Contd.)*

(c) LEASE LIABILITY (₹ In Lakh)

Particulars	Non - Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Lease Liability (Refer Note No. 33)	577.32	581.72	4.39	4.03
TOTAL	577.32	581.72	4.39	4.03

(d) TRADE PAYABLES (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Payables		
Dues of Micro Enterprises and Small Enterprises (Refer Note No. 28)	247.61	98.07
Dues of Creditors Other than Micro Enterprises and Small Enterprises	2,274.88	1,821.09
TOTAL	2,522.49	1,919.16

(e) OTHER FINANCIAL LIABILITIES (NON CURRENT) (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Accrued on deposits	-	18.17
Trade deposits	10.35	12.35
TOTAL	10.35	30.52

(f) OTHER FINANCIAL LIABILITIES (CURRENT) (₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of Long-Term Borrowings	2,399.92	1,147.90
Current maturities of Vehicle Loans	91.06	53.03
Current maturities of Deposits	2.95	135.47
Interest accrued on Borrowings	68.58	78.96
Unpaid Dividend	150.10	148.28
Unpaid and Unclaimed Matured Deposits & Interest accrued thereon	3.58	5.49
Creditors for Capital Goods	786.61	342.98
Employees liabilities @	1,207.80	779.25
Directors' Commission	87.84	63.91
Security Deposits	7.74	7.74
TOTAL	4,806.18	2,763.01

@ Includes dues to Executive Directors ₹223.64 Lakh (Previous year ₹168.65 Lakh) and in case of Subsidiary Company, there was an employees dismissal related case pending in 2nd Labour court, Pune since 2014. In January 2020, the 2nd Labour court issued an order and awarded against the Company and directed to reinstate all these employees with full back wages, and continuity of service along with consequential benefits. The Company has made a provision of estimated liability of ₹175.58 Lakh in the books during the financial year 2019-20 and has disclosed it as an Exceptional item. During the financial year 2020-21, Company filed writ petition and has gone on appeal with Hon'ble Mumbai High Court and got stay for the verdict of Labour court. Hence no provision created for the financial year 2020-21.

11 PROVISIONS

(₹ In Lakh)

Particulars	Non - Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for Employee Benefits				
Compensated Absences & Gratuity	267.65	286.54	143.94	173.22
Other Provisions:				
Provision for Warranty	-	-	4.95	1.11
TOTAL	267.65	286.54	148.89	174.33

12 DEFERRED TAX LIABILITIES (NET)

(₹ in Lakh)

Particulars		As at March 31, 2021	As at March 31, 2020
The balance comprises temporary differences attributable to:			
Deferred Tax Liabilities			
Property, Plant & Equipment and Intangible Assets		4,204.00	3,875.32
Deferred Tax Liability on FVOCI on Equity Investments		120.12	155.91
Deferred Tax Liability on Current Investment at Fair Value		9.59	5.96
Deferred Tax Liability on Amortised Value of Upfront Fees of Long Term Loans		0.25	0.86
Deferred Tax Liability on Exchange Difference on Forward Contracts		17.13	-
	A	4,351.09	4,038.05
Deferred Tax Assets			
Provision for employee benefits & others.		156.37	132.80
Unabsorbed Depreciation/Carry forward business Loss		527.98	-
MAT credit entitlement		1,579.38	1,832.53
	B	2,263.73	1,965.33
Deferred Tax Liabilities (Net)	A-B	2,087.36	2,072.72

13 OTHER LIABILITIES

(₹ In Lakh)

Particulars	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Advance received from and Credit balance of Customers	-	-	51.18	106.24
Advance received from Others	-	-	21.00	-
Statutory dues payable	-	-	299.18	267.68
Payable on Foreign Currency Forward Contracts	-	-	239.55	294.46
Interest Payable	-	-	0.15	1.24
Other payable	-	-	98.08	126.26
TOTAL	-	-	709.14	795.88

14 REVENUE FROM OPERATIONS

Revenue from Contracts with Customers

(i) Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (₹ In Lakh)

Segment	Year ended March 31, 2021			Year ended March 31, 2020		
	Domestic	Export	Total	Domestic	Export	Total
a) Sale of Manufactures Products						
Insoluble Sulphur	11,375.68	19,069.73	30,445.41	12,029.50	19,656.27	31,685.77
Sulphuric Acid and Oleum	2,526.60	-	2,526.60	2,295.45	-	2,295.45
Hydraulic and Pneumatic Equipment	3,877.52	83.35	3,960.87	4,099.37	54.29	4,153.66
Others	174.47	-	174.47	177.76	-	177.76
Total Revenue from Contracts with Customers	17,954.27	19,153.08	37,107.35	18,602.08	19,710.56	38,312.64
b) Export Benefits	-	278.71	278.71	-	366.69	366.69
Total Revenue from operation (a+b)	17,954.27	19,431.79	37,386.06	18,602.08	20,077.25	38,679.33
Timing of Revenue Recognition						
Goods Transferred at a point of time	17,954.27	19,153.08	37,107.35	18,602.08	19,710.56	38,312.64

(ii) Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Trade Receivables *	8,061.31	7,133.86
Contract Liabilities		
Advance from customers (Refer Note No. 13)	51.18	106.24

* Trade Receivables are non-interest bearing and are generally on terms of 7 to 150 days.

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per Contracted Price	37,361.38	38,477.64
Adjustments		
Rebate	(215.71)	(122.02)
Discount	(38.32)	(42.98)
Revenue from Contracts with Customers	37,107.35	38,312.64

14 REVENUE FROM OPERATIONS *(Contd.)*

(iv) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2021 are, as follows:

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Advance from customers (Refer Note No. 13)	51.18	106.24

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.

15 OTHER INCOME

(₹ In Lakh)

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
Profit On Redemption / Maturity of Current Investment (Net)		4.56		290.19
Interest Income				
On Deposit	809.97		290.32	
On Bonds	128.47		134.94	
On Loans	5.28		2.15	
Others	12.37	956.09	24.02	451.43
Income From AIF Invstment		42.70		4.68
Loans and Debts earlier Written off, now recovered		0.10		54.58
Net Gain on foreign Currency Translation and Transactions		109.59		-
Rent received		1.08		1.08
Provision no longer Required Written Back		19.20		71.41
Provision for Doubtful Debts Written Back		-		2.68
Advance Received Written Back		2.88		-
Scrap Sales		77.67		101.89
Net Gain on Fair Value of Current Investments		33.00		20.47
Profit on sale/discard of Property, Plant & Equipment (Net)		-		43.23
Miscellaneous Income		17.24		15.90
TOTAL		1,264.11		1,057.54

16 COST OF MATERIALS CONSUMED

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cost of Materials Consumed	10,448.27	10,679.83
TOTAL	10,448.27	10,679.83

17 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the Financial year		
Finished Goods	2,028.80	2,780.68
Work in Progress	109.54	119.34
Stock in trade	-	2.61
Scrap	4.06	1.00
	2,142.40	2,903.63
Inventories at the end of the Financial year		
Finished Goods	2,175.70	2,028.80
Work in Progress	89.08	109.54
Stock in trade	-	-
Scrap	0.01	4.06
	2,264.79	2,142.40
Change in Inventories	**(122.39)**	**761.23**

18 EMPLOYEE BENEFIT EXPENSE

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, Wages and Bonus	4,685.19	4,661.85
Contribution to Provident & other funds	233.88	273.74
Gratuity	74.34	64.40
Long term compensated absences	68.19	93.79
Employees Welfare Expenses	393.12	410.29
	5,454.72	5,504.07
Less: Transfer to Capital Work-in-Progress / Capitalised	117.95	95.42
TOTAL	**5,336.77**	**5,408.65**

19 FINANCE COSTS

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on financial liabilities measured at amortised cost	934.64	927.80
Other Borrowing Costs	66.40	85.03
	1,001.04	1,012.83
Less: Transfer to Capital Work-in-Progress / Capitalised	346.67	55.85
TOTAL	**654.37**	**956.98**

20 DEPRECIATION AND AMORTISATION EXPENSE

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer Note No. 2)	2,123.58	2,057.64
Depreciation of Right of use assets (Refer Note No. 2)	58.55	58.76
Amortisation of Intangible Assets (Refer Note No. 3)	24.54	27.91
TOTAL	**2,206.67**	**2,144.31**

21 OTHER EXPENSES

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Stores Consumed	74.07	148.32
Packing cost	798.12	830.53
Power and Fuel	3,091.27	3,379.72
Water Charges	115.27	117.74
Rent	108.61	107.70
Rates and Taxes	181.40	181.13
Insurance	262.93	261.65
Repairs to Buildings	116.44	158.30
Repairs to Machinery	731.30	938.72
Repairs to Others	193.60	215.10
Job & Hiring Charges	128.76	149.69
Freight & Forwarding	2,518.16	2,220.87
Commission and Discount	164.70	357.52
Travelling	66.72	321.77
Legal & Professional	251.93	256.01
Provision for Doubtful Debts	5.20	0.13
Service Charges	214.04	229.98
Loss on sale/discard of Property, Plant & Equipment (Net)	28.42	-
Net Loss on Foreign Currency Translations and Transactions	79.99	219.87
Net Loss on Foreign Currency Forward Contracts	-	173.49
Bad Advances / Debts	10.88	16.36
Corporate Social Responsibility Expenditure (Refer Note No. 22)	174.61	171.29
Directors' Commission & Fees	101.23	86.52
Executive Director's Commission	19.50	16.70
Auditor's Remuneration (Refer Note No. 21(a))	36.02	40.44
Cost Auditor Fees	1.34	1.40
Miscellaneous	663.01	798.59
	10,137.52	**11,399.54**
Less: Transfer to Capital Work-in-Progress / Capitalised	50.91	49.55
TOTAL	**10,086.61**	**11,349.99**

a. Auditors' Remuneration

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Audit Fees	27.70	30.53
Certificates & other matters	3.80	3.65
For Tax Audit	4.30	5.16
Reimbursement of expenses	0.22	1.10
TOTAL	**36.02**	**40.44**

22 AMOUNT SPENT ON CSR ACTIVITIES

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year	174.33	171.28
b) Amount spent during the year :		
COVID 19 Relief - Meal, Health, Hygiene and Sanitation	33.68	-
Community Development (Water harvesting /Rejuvenation Program / Solar Light Installation in Villages)	39.32	122.52
Promoting Education, Mid Day Meal, Skill Development Programme and Livelihood enhancement	101.42	43.77
Training and capacity building of CSR team and administrative expenses	0.19	5.00
TOTAL	174.61	171.29

23 INCOME TAX EXPENSE

a) Income tax recognised in Profit and Loss

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current tax expense		
Current tax on profits for the year	1,912.35	1,555.76
Less: Taxation Adjustment in respect of earlier years (Net)	(28.55)	(17.05)
Less: MAT Credit Entitlement (Net)	255.91	178.26
	1,684.99	1,394.55
Deferred tax expense		
Origination and reversal of temporary differences	55.93	(611.10)
Income tax charged to the statement of profit and loss	1,740.92	783.45

b) Income tax related to items recognised in OCI during the year

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Deferred Tax Expense		
Remeasurement Gain / (Loss) on Defined Benefit Plans	(5.49)	(18.86)
FVTOCI Equity & AIF Investments	(35.78)	(65.28)
	(41.27)	(84.14)
Income Tax Expense		
FVTOCI on Equity Investment	64.21	-
Total Income tax charged to OCI	22.94	(84.14)

24 RESEARCH AND DEVELOPMENT EXPENSES

Details of Expenditure on Research and Development Facilities/ divisions of the Company recognised by Department of Scientific and Industrial Research.

a) Revenue Expenditure

(₹ In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Employee Benefit Expenses		
Salaries, Wages and Bonus	110.82	129.17
Contributions to Provident & Other Funds	4.29	5.41
Employee welfare Expenses.	4.44	6.95
TOTAL	119.55	141.53
Consumption of Consumables	5.90	33.62
Repair to Machinery	13.26	6.50
Repair to Others	-	0.27
Rates Taxes and Fees	0.01	0.13
Auditor's Remuneration	0.34	0.31
Travelling and Conveyance	-	18.01
Loss on sale/discard of Property, Plant & Equipment (Net)	2.07	-
Miscellaneous Expenses	11.96	29.67
TOTAL	33.54	88.51
Depreciation		
Depreciation	13.85	12.90
TOTAL	13.85	12.90
Total Expenditure	166.94	242.94

b) Capital expenditure

(₹ In Lakh)

Particulars	March 31, 2020	Additions during the year	Sale/ Adjustments during the year	March 31, 2021
Buildings	-	-	-	-
Equipments and Others	135.93	31.25	3.58	163.60
TOTAL	135.93	31.25	3.58	163.60

25 EARNINGS PER SHARE

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a) Net Profit for Basic & Diluted EPS (in ₹ Lakh)	7,899.67	7,313.74
b) Weighted Average Number of Equity Shares for Basic & Diluted EPS	9990092	9990092
c) Earning Per Share - Basic & Diluted (₹)	79.08	73.21
d) Face value per share (₹)	10.00	10.00

26 CAPITAL COMMITMENTS

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Estimated Amount of Capital Commitments outstanding and not provided for (Gross) (Advance paid ₹778.49 Lakh (Previous year ₹1882.75 Lakh))	4,533.48	8,488.38
Estimated Amount of Investment in AIF Units Commitments outstanding and not provided for *	3,010.73	2,011.00

* Investment to be made over a period upto 5 years.

27 CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Claims against the group not acknowledged as debt*;		
Income Tax (Deposited ₹ Nil Lakh; Previous year ₹ Nil Lakh;) (Gross)	5.30	32.30
Excise Duty (Deposited ₹ Nil Lakh ; Previous year Nil Lakh) (Gross)	35.64	35.64
Service Tax (Deposited ₹ Nil Lakh ; Previous year Nil Lakh) (Gross)	15.43	-
VAT (Deposited ₹0.13 Lakh; Previous year ₹ Nil Lakh;) (Gross)	2.10	-
Other matters, MIDC issued notice dated 23rd of Oct 2020, directing Subsidiary Company to deposit differential amount for affecting change of name of the Company in MIDC records under the reason that change in the share holding pattern of the Company. (Deposited ₹ Nil Lakh; Previous year ₹ Nil Lakh) (Gross)	53.94	-
b. Guarantees excluding financial guarantees;		
Bank Guarantees given to various Govt authorities/ others (Gross)	44.97	33.84
(Margin Money / Short Term Deposits ₹40.65 Lakh; Previous year 12.24 Lakh)		
c. Statutory bonus liabilities pursuant to the retrospective amendment in the Bonus Act, 1965 for financial year 2014-15 has not been provided considering stay orders of Hon'ble Kerala High Court & Karnataka High Court.	42.89	42.89

* The group is hopeful of favourable decision and expect no outflow of resources, hence no provision is made in the books of account.

28 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
a. Principal amount and the interest due remaining unpaid at the end of the accounting year		
- Principal	247.61	98.07
- Interest due there on	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
-Financial Year 2020-21	-	-
-Financial Year 2019-20	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d. The amount of interest accrued and remaining unpaid at the end of each accounting year		
-Financial Year 2020-21	-	-
-Financial Year 2019-20	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Group.

29 FINANCIAL INSTRUMENTS

Financial instruments – Fair values and risk management

Financial instruments by category (₹ In Lakh)

Particulars	Fair Value Hierarchy	March 31, 2021			March 31, 2020		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets							
Non-current Assets							
Loans	Level 3	-	-	74.79	-	-	49.19
Investments others	Level 2	-	3,078.56	-	-	1,480.26	-
Investments others	Level 3	-	-	25.00	-	-	25.00
Others	Level 3	-	-	733.41	-	-	723.59
Current Assets							
Investments	Level 1	8,629.88	-	-	235.14	-	-
Investments	Level 3	-	-	6,800.00	-	-	11,550.00
Trade receivables	Level 3	-	-	8,061.31	-	-	7,133.86
Cash and cash Equivalents	Level 3	-	-	212.57	-	-	2,336.70
Other Bank balances	Level 3	-	-	718.72	-	-	388.48
Loans	Level 3	-	-	77.07	-	-	62.69
Other Financial Assets	Level 3	-	-	282.66	-	-	297.43
TOTAL		**8,629.88**	**3,078.56**	**16,985.53**	**235.14**	**1,480.26**	**22,566.94**
Financial Liabilities							
Non-current Liabilities							
Borrowings	Level 3	-	-	11,289.77	-	-	9,625.48
Lease Liability	Level 3	-	-	577.32	-	-	581.72
Other financial Liabilities	Level 3	-	-	10.35	-	-	30.52
Current liabilities							
Borrowings	Level 3	-	-	4,130.54	-	-	3,883.96
Lease Liability	Level 3	-	-	4.39	-	-	4.03
Trade payables	Level 3	-	-	2,522.49	-	-	1,919.16
Other financial liabilities	Level 3	-	-	4,806.18	-	-	2,763.01
TOTAL		-	-	23,341.04	-	-	18,807.88

The fair value of cash and cash equivalents, other bank balances trade receivables, short term loans, current financial assets, trade payables, current financial liabilities and borrowings approximate their carrying amount.

Fair value hierarchy

The table shown above analysis financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1 This includes financial instruments measured using quoted prices.

Level 2 The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between level 1, level 2 and level 3 during the year.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date (MTM)

The fair values for security deposits (assets & liabilities) were based on their carrying values..

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

A Financial risk factors

The Group is exposed to various financial risks i.e. market risk, credit risk and risk of liquidity. These risks are inherent and integral aspect of any business. The primary focus of the Risk Management Policy is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk consists of foreign exchange risk and interest rate risk. The Group calculates and compares the various proposals of funding by including cost of currency hedging also. The Group uses derivative financial instruments (Forward Covers) to reduce foreign exchange risk exposures.

i. Credit risk

The Group evaluates the customer credentials carefully from trade sources before extending credit terms and credit terms are extended to only financially sound customers. The Group secures adequate advance from its customers whenever necessary and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances and credit limit determined by the Group. The Group have stop supply mechanism in place in case outstanding goes beyond agreed limits.

Ageing Analysis of Trade Receivables (₹ in Lakh)

Ageing	As at March 31, 2021	As at March 31, 2020
Not due	7,576.55	5,645.54
Upto Six months	483.61	1,481.29
Six to Twelve Months	5.59	5.64
Above Twelve Months	0.89	1.52
Gross Carrying Amount	**8,066.64**	**7,133.99**
Expected Credited Losses (Provision for Doubtful Debts)	(5.33)	(0.13)
Net Carrying Amount	**8,061.31**	**7,133.86**

ii Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. 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. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a) Foreign Currency risk

The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the Group takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

The following table analysis foreign currency risk from financial instruments as of March 31, 2021:

(Foreign Currency and Indian Currency in Lakh)

Particulars	₹	USD	EURO	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	3,671.95	27.99	18.75	-	-
Other Financial Assets	-	-	-	-	-
Total	**3,671.95**	**27.99**	**18.75**	**-**	**-**
Financial liabilities					
Trade payables	257.83	2.27	0.99	-	8.73
Borrowings	6,634.08	79.41	-	-	1,201.65
Other Liabilities	62.48	-	0.73	-	-
Total	**6,954.39**	**81.68**	**1.72**	**-**	**1,210.38**

The following table analysis foreign currency risk from financial instruments as of March 31, 2020:

(Foreign Currency and Indian Currency in Lakh)

Particulars	₹	USD	EURO	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	3,095.26	24.47	14.83	0.21	-
Other Financial Assets	-	-	-	-	-
Total	**3,095.26**	**24.47**	**14.83**	**0.21**	**-**
Financial liabilities					
Trade payables	120.41	1.57	0.02	-	-
Borrowings	3,516.18	36.32	-	-	1,117.11
Other Liabilities	60.26	-	0.73	-	-
Total	**3,696.85**	**37.89**	**0.75**	**-**	**1,117.11**

The following significant exchange rates have been applied during the year. (Amount in ₹)

Currency	Year End Spot Rate As at	
	March 31, 2021	March 31, 2020
USD	73.5047	75.3859
EURO	86.0990	83.0496
GBP	100.9509	93.0760
JPYs (100)	66.3600	69.6500

Sensitivity Analysis

A reasonable possible strengthening (weakening) of the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in Foreign Currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. A 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign currency rate.

Notes to Consolidated Financial Statement for the year ended March 31, 2021

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

1% Increase and Decrease in Foreign Exchange rates will have the following impact on Profit before tax.

(₹ in Lakh)

Particulars	2020-2021		2019-2020	
	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
USD Sensitivity	(39.46)	39.46	(10.12)	10.12
EURO Sensitivity	14.67	(14.67)	11.69	(11.69)
GBP Sensitivity	-	-	0.20	(0.20)
JPYs (100) Sensitivity	(8.03)	8.03	(7.78)	7.78

Forward Contract outstanding for the purpose of Hedging as at the Balance Sheet Date:

(Foreign Currency and Indian Currency in Lakh)

Currency	Cross Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign Currency	₹	Foreign Currency	₹
Financial Assets					
USD *	₹	37.50	2,756.43	60.50	4,560.85
EURO *	₹	33.00	2,841.27	44.50	3,695.71
			5,597.70		8,256.56
Financial Liabilities					
USD	₹	79.48	5,842.50	36.01	2,714.53
JPY	₹	900.00	597.24	370.00	257.71
JPY	USD	-	-	200.00	139.30
			6,439.74		3,111.54

* Includes USD/₹24.00 Lakh (Previous year USD/₹36.32 Lakh) and EURO/₹18.65 Lakh (Previous year EURO/₹31.06 Lakh) against Sales Orders.

Foreign Currency Exposure not Hedged as at the Balance Sheet Date:

(Foreign Currency and Indian Currency in Lakh)

Currency	Cross Currency	As at March 31, 2021		As at March 31, 2020	
		Foreign Currency	₹	Foreign Currency	₹
Financial Assets					
USD	₹	14.49	1,064.89	0.28	21.26
EURO	₹	4.41	379.44	1.39	115.22
GBP	₹	-	-	0.21	19.62
			1,444.33		156.10
Financial Liabilities					
USD	₹	2.19	161.26	1.89	142.48
EURO	₹	1.71	147.42	0.75	62.29
JPY	₹	310.38	205.97	547.11	381.06
			514.65		585.83

b) Interest Rate Risk and Sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates expose the Group to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the Group and impact of floating rate borrowings on Group's profitability.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

Interest Rate Risk Exposure

Particulars	As at March 31, 2021		As at March 31, 2020	
	₹ in Lakh	% of Total	₹ in Lakh	% of Total
Fixed Rate Borrowings	214.23	1.20%	300.57	2.02%
Variable Rate Borrowings	17,700.01	98.80%	14,545.28	97.98%
Total Borrowings	17,914.24	100.00%	14,845.85	100.00%

Sensitivity on Variable Rate Borrowings (₹ in Lakh)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Interest Rate Increase by 25 bp	(44.25)	(36.36)	(44.25)	(36.36)
Interest Rate Decrease by 25 bp	44.25	36.36	44.25	36.36

iii Liquidity risk

Liquidity risk arises when the Group will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Group uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and Group monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

(₹ in Lakh)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	4,130.54	4,130.54	-	4,130.54
Borrowings - Non-Current and Current Maturities	13,783.70	2,493.93	11,289.77	13,783.70
Trade payables	2,522.49	2,522.49	-	2,522.49
Other financial liabilities - Current (Exclusive of Current Maturities)	2,312.25	2,312.25	-	2,312.25
Other financial liabilities - Non-Current				
Interest accrued on deposits	-	-	-	-
Trade Deposits	10.35	-	10.35	10.35

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

(₹ in Lakh)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	3,883.96	3,883.96	-	3,883.96
Borrowings - Non-Current and Current Maturities	10,961.88	1,336.40	9,625.48	10,961.88
Trade payables	1,919.16	1,919.16	-	1,919.16
Other financial liabilities - Current (Exclusive of Current Maturities)	1,426.61	1,426.61	-	1,426.61
Other financial liabilities - Non-Current				
Interest accrued on deposits	18.17	-	18.17	18.17
Trade Deposits	12.35	-	12.35	12.35

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

B Capital Risk Management

The Group's Policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Group may use appropriate means to enhance or reduce capital, as the case may be.

(₹ In Lakh, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	17,914.24	14,845.84
Less: Cash and Cash Equivalents including other bank balances	931.29	2,725.18
Less: Current Investments	15,429.88	11,785.14
Net Debt	1,553.07	335.52
Equity	54,838.98	47,580.86
Capital and Net Debt	56,392.05	47,916.38
Gearing Ratio	2.75%	0.70%

C The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Group. Based on current indicators of future economic conditions, the Group expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Group's assets in future may differ from that estimated as at the date of approval of Financial Statements.

31 SEGMENT REPORTING

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

As part of Secondary reporting, revenues are attributed to Geographic areas based on the location of the customers.

The following tables present the Revenue, Profit, Assets and Liabilities information relating to the Business/ Geographical segment for the year ended 31.03.2021

Information about Business Segment - Primary

(₹ In Lakh)

Reportable Segments	Chemicals		General Engineering Products		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Revenue	33,250.72	34,347.90	4,135.34	4,331.43	37,386.06	38,679.33
Total Revenue from operations	33,250.72	34,347.90	4,135.34	4,331.43	37,386.06	38,679.33
Result						
Segment Result	9,539.69	8,347.93	407.49	551.60	9,947.18	8,899.53
Less : Interest					654.37	956.98
Less : Other unallocable expenditure net off unallocable income					(747.06)	(493.33)

31 SEGMENT REPORTING *(contd.)*

(₹ In Lakh)

Reportable Segments	Chemicals		General Engineering Products		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Profit before exceptional items and tax					**10,039.87**	**8,435.88**
Less : Exceptional Items					-	175.58
Profit before tax					**10,039.87**	**8,260.30**
Less: Provision for Taxation (Including Deferred Tax)					1,740.92	783.45
Profit for the period					**8,298.95**	**7,476.85**
Profit for the period attributable to:						
Owners of the Parent					7,899.67	7,313.74
Non-Controlling Interest					399.28	163.11
Other Comprehensive Income (Net of Tax)					**(41.82)**	**(269.11)**
Other Comprehensive Income for the Period attributable to:						
Owners of the Parent					(43.22)	(264.98)
Non-Controlling Interest					1.40	(4.13)
Total Comprehensive income for the period					**8,257.13**	**7,207.74**
Total Comprehensive income for the period attributable to:						
Owners of the Parent					7,856.45	7,048.76
Non-Controlling Interest					400.68	158.98
Other Information						
Segment Assets	58,357.64	52,159.90	3,036.23	2,953.23	61,393.87	55,113.13
Unallocated Corporate Assets					19,999.19	14,605.08
Total Assets	58,357.64	52,159.90	3,036.23	2,953.23	81,393.06	69,718.21
Segment Liabilities	23,078.05	18,821.80	1,147.15	1,006.99	24,225.20	19,828.79
Unallocated Corporate Liabilities					2,328.88	2,308.56
Total Liabilities	23,078.05	18,821.80	1,147.15	1,006.99	26,554.08	22,137.35

Secondary Segment - Geographical by location of customers (₹ In Lakh)

Reportable Segments	Domestic		Export		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Revenue	17,954.27	18,602.08	19,431.79	20,077.25	37,386.06	38,679.33
Carrying amount of Trade Receivables	4,210.71	3,457.24	3,850.60	3,676.62	8,061.31	7,133.86
Finished Goods Stock	734.85	610.38	1,440.85	1,418.41	2,175.70	2,028.79

Other Information:

The Group has common assets for producing goods for domestic market and overseas market.

31 SEGMENT REPORTING *(contd.)*

Notes:

(i) The Group is organised into two main business segments, namely;
- Chemicals
- General Engineering Products

Segments have been identified and reported taking into account, the nature of products, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

(ii) The segment revenue in the geographical segments considered for disclosure are as follows:

(a) Revenue within India includes sales to customers located within India and earnings in India.

(b) Revenue outside India includes sales to customers located outside India and earnings outside India and export incentives/benefits.

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

32 RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

I. Nature of Related Party relationship

(a)	Duncan International (India) Limited	:	Enterprise over which relative of key management personnel is having significant influence.
(b)	Cosmopolitan Investments Ltd.	:	Enterprise over which key management personnel is having significant influence.
(c)	New India Investment Corporation Ltd.	:	Enterprise over which key management personnel is having significant influence.
(d)	Haldia Investments Ltd.	:	Subsidiary of Cosmopolitan Investments Ltd.
(e)	Disciplined Investments Ltd.	:	Subsidiary of Cosmopolitan Investments Ltd.

II.Key Management Personnel (KMP) & their relatives with whom transactions have taken place:

(a) Key Management Personnel

(i)	Mr J.P. Goenka - Chairman of Holding Company & Subsidiary Company	:	Chairman and Relative of Key Management Personnel *
(ii)	Mr Arvind Goenka - Managing Director of Holding Company & Director of Subsidiary Company	:	Key Management Personnel
(iii)	Mr Akshat Goenka - Joint Managing Director of Holding Company & Managing Director of Subsidiary Company	:	Key Management Personnel
(iv)	Mr S.J. Khaitan - Director of Holding Company	:	Non-Executive Director *
(v)	Mr O.P. Dubey - Director of Holding Company & Subsidiary Company	:	Non-Executive Director *
(vi)	Mr B.B. Tandon - Director of Holding Company & Subsidiary Company	:	Non-Executive Director *
(vii)	Mr K. Raghuraman - Director of Holding Company	:	Non-Executive Director *
(viii)	Mr H.S. Shashikumar - Nominee of Life Insurance Corporation of India in Holding Company (Resigned w.e.f 02.12.2019)	:	Non-Executive Director *
(ix)	Mrs Runa Mukherjee - Director of Holding Company	:	Non-Executive Director *

Notes to Consolidated Financial Statement for the year ended March 31, 2021

32 RELATED PARTY DISCLOSURES *(contd.)*

	(x) Ms Kiran Sahdev - - Nominee of Life Insurance Corporation of India in Holding Company (Appointed w.e.f 30.01.2020)	:	Non-Executive Director *
	(xi) Mr K. Nitin Kaul - Director of Subsidiary Company	:	Non-Executive Director *
	(xii) Mrs Arti Kant - Director of Subsidiary Company	:	Non-Executive Director *
	(xiii) Mr Anurag Jain - Chief Financial Officer of Holding Company	:	Key Management Personnel
	(xiv) Mr Pranab Kumar Maity - Company Secretary of Holding Company	:	Key Management Personnel
	(xv) Mr K.Raghu Raman - Chief Financial Officer of Subsidiary Company	:	Key Management Personnel
	(xvi) Mr Rajeev K. Gope - Company Secretary of Subsidiary Company	:	Key Management Personnel

* Director's Fees and Commission paid

(b)	**Relatives of Key Management Personnel**		
	(i) Mrs Aparna Goenka	:	Relative of Key Management Personnel
III.	**Entities Controlled by Key Management Personnel with whom transactions have taken place:**		
	(i) Oriental CSR Trust	:	Trust in which key management personnel are Trustees
	(ii) Oriental Carbon & Chemicals Limited Employees Gratuity Fund	:	Trust in which key management personnel are Trustees

Notes to Consolidated Financial Statement for the year ended March 31, 2021

32 RELATED PARTY DISCLOSURES *(contd.)*

IV. The following transactions were carried out with related parties in the ordinary course of business:

(₹ in Lakh)

Particulars	Enterprise over which relative of key management personnel is having significant influence		Enterprise over which key management personnel is having significant influence		Enterprise over which key management personnel is having significant influence		Subsidiary Company of Cosmopolitan Investments Ltd.		Subsidiary Company of Cosmopolitan Investments Ltd.		Chairman and Relative of Key Management Personnel		Key Management Personnel		Key Management Personnel	
	(Refer I (a))		(Refer I (b))		(Refer I (c))		(Refer I (d))		(Refer I (e))		(Refer II a(i))		(Refer II a(ii))		(Refer II a(iii))	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(a) Service charges paid	72.00	80.00	-	-	34.56	40.32	-	-	-	-	-	-	-	-	-	-
(b) Rent paid	-	-	78.60	78.60	-	-	-	-	-	-	-	-	-	-	-	-
(c) Expenses Reimbursed / (Recovered) (Net\	(6.40)	(5.94)	(5.26)	(5.59)	(1.46)	(0.84)	-	-	-	-	-	-	-	-	-	-
(d) Remuneration @	-	-	-	-	-	-	-	-	-	-	-	-	266.54	249.71	251.78	233.83
(e) Sale of Shares	-	-	-	-	-	-	-	-	-	-	-	-	159.52	-	-	-
(f) Dividend Paid	99.46	119.35	190.75	228.90	121.41	145.46	61.53	71.87	3.00	3.60	-	-	10.75	12.90	10.00	12.00
(g) Director's Fees & Commission	-	-	-	-	-	-	-	-	-	-	2.09	4.88	1.00	1.45	19.50	16.70
(h) Donations towards CSR Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i) Contribution to Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(j) Outstanding at the end of Financial year																
Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable	-	-	-	-	-	-	-	-	-	-	1.13	2.67	112.14	84.72	131.40	101.03

Particulars	Non-Executive Directors		Key Management Personnel		Key Management Personnel		Key Management Personnel		Key Management Personnel		Relative of Key Manage-ment Personnel		Trust in Which Key Manage-ment personnel are Trustees		Trust in Which Key Management personnel are Trustees	
	(Refer II a(iv to xii))		(Refer II a(xiii))		(Refer II a(xiv))		(Refer II a(xv))		(Refer II a(xvi))		(Refer II (b (i)))		(Refer III (i))		(Refer III (ii))	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(a) Service charges paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Rent paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Expenses Reimbursed / (Recovered) (Net\	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d) Remuneration @	-	-	163.99	156.72	39.07	21.34	35.24	35.24	10.68	10.68	-	-	-	-	-	-
(e) Sale of Shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f) Dividend Paid	-	-	0.27	0.32	-	-	-	-	-	-	20.20	24.00	-	-	-	-
(g) Director's Fees & Commission	98.15	80.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(h) Donations towards CSR Activities	-	-	-	-	-	-	-	-	-	-	-	-	46.00	33.25	-	-
(i) Contribution to Gratuity Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108.29	51.79
(j) Outstanding at the end of Financial year																
Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payable	66.40	44.14	54.62	41.47	3.96	0.59	8.41	8.41	0.87	0.87	-	-	-	-	79.02	108.29

@ Excludes Actuarial Valuation of Retirement Benefits.

Notes to Consolidated Financial Statement for the year ended March 31, 2021

33 LEASES

(i) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2021

(₹ in Lakh)

Particulars	Right of use Asset Lease Hold Land
Balance as at April 1, 2020	**1,327.92**
Additions during the year	-
Deletion during the year	-
Depreciation of Right of use assets (refer note 20)	58.55
Balance as at March 31, 2021	**1,269.37**

(ii) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021:

(₹ in Lakh)

Particulars	Amount
Balance as at April 1, 2020	**585.75**
Transition impact on account of adoption of Ind AS 116 "Leases"	-
Additions during the year	-
Finance cost accrued during the year	48.02
Deletions	-
Payment of lease liabilities	(52.06)
Balance as at March 31, 2021	**581.71**
Current maturities of Lease liability {refer note 10 (C)}	4.39
Non-Current Lease Liability {refer note 10 (C)}	577.32

(iii) Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

(₹ in Lakh)

Period	Amount
0-1 Year	4.39
1-5 Year	33.76
More than 5 Year	543.56

(iv) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%

(v) Rental expense recorded for short-term leases was ₹108.61 (previous year ₹107.70 Lakh) for the year ended March 31,2021. (refer note 21)

(vi) The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due..

Notes to Consolidated Financial Statement for the year ended March 31, 2021

34 (A) ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY:

Particulars	As at 31st March 2021							
	Net Assets i.e. Total Asset less Total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Lakh)	As % of Consolidated Profit/ (Loss)	Amount (₹ in Lakh)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakh)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakh)
Parent								
Oriental Carbon & Chemical Limited *	94.46	51,800.86	90.38	7,500.18	106.70	(44.62)	90.29	7,455.56
Subsidiary Company								
Duncan Engineering Limited (Formerly Known as Schrader Duncan Limited)	5.54	3,038.12	9.62	798.77	(6.70)	2.80	9.71	801.57
Total	**100.00**	**54,838.98**	**100.00**	**8,298.95**	**100.00**	**(41.82)**	**100.00**	**8,257.13**

Particulars	As at 31st March 2020							
	Net Assets i.e. Total Asset less Total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Lakh)	As % of Consolidated Profit/ (Loss)	Amount (₹ in Lakh)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakh)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakh)
Parent								
Oriental Carbon & Chemical Limited *	95.30	45,344.31	95.64	7,150.55	96.93	(260.84)	95.59	6,889.71
Subsidiary Company								
Duncan Engineering Limited (Formerly Known as Schrader Duncan Limited)	4.70	2,236.55	4.36	326.30	3.07	(8.27)	4.41	318.03
Total	**100.00**	**47,580.86**	**100.00**	**7,476.85**	**100.00**	**(269.11)**	**100.00**	**7,207.74**

*after eliminating investment in subsidiary company

34 (B) STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY COMPANY, PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 IN THE PRESCRIBED FORM AOC-1 RELATED TO SUBSIDIARY COMPANY

Name of the subsidiary	:	Duncan Engineering Limited (formerly known as Schrader Duncan Limited)
The date since when subsidiary was acquired	:	April 13, 2012

(₹ In Lakh, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Reporting period	1st April 2020 to 31st March 2021	1st April 2019 to 31st March 2020
Reporting currency	INR	INR
Share capital	369.60	369.60
Other Equity	2,668.52	1,866.95
Total assets	4,207.94	3,265.32
Total Liabilities	1,169.82	1,028.76
Revenue from Operations	4,148.26	4,338.00
Profit/ (Loss) before exceptional items and tax	374.97	505.89
Exceptional Items	-	175.58
Profit/(Loss) before Tax	374.97	330.31
Tax Expenses	(423.80)	4.01
Profit/(Loss) for the year after taxation	798.77	326.30
Other Comprehensive Income	2.80	(8.27)
Total Comprehensive Income	801.57	318.03
Percentage of shareholding	50.01%	50.01%

35 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2021

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-0013565

Akshat Goenka
Jt. Managing Director
DIN-07131982

P.K. Maity
Company Secretary

Anurag Jain
Chief Financial Officer

Notes

Notes

Corporate **Information**

BOARD OF DIRECTORS

Mr Jagdish Prasad Goenka
Chairman

Mr Arvind Goenka
Managing Director

Mr Akshat Goenka
Joint Managing Director

Mr Suman Jyoti Khaitan
Independent Director

Mr Om Prakash Dubey
Independent Director

Mr Brij Behari Tandon
Independent Director

Mr Kailasam Raghuraman
Independent Director

Mrs Runa Mukherjee
Independent Director

Ms Kiran Sahdev
Nominee Director (Nominee of Life Insurance Corporation of India)

AUDIT COMMITTEE

Mr Om Prakash Dubey
Chairman

Mr Suman Jyoti Khaitan
Member

Mr Brij Behari Tandon
Member

Mr Akshat Goenka
Member

NOMINATION AND REMUNERATION COMMITTEE

Mr Om Prakash Dubey
Chairman

Mr Brij Behari Tandon
Member

Mr Kailasam Raghuraman
Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr Suman Jyoti Khaitan
Chairman

Mr Arvind Goenka
Member

Mr Akshat Goenka
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr Suman Jyoti Khaitan
Chairman

Mr Arvind Goenka
Member

Mr Kailasam Raghuraman
Member

RISK MANAGEMENT COMMITTEE

Mr Kailasam Raghuraman
Chairman

Mrs Runa Mukherjee
Member

Mr Akshat Goenka
Member

Mr Vijay Sabarwal
(President-Operation) - Member

Mr Muneesh Batta
(Vice President-Marketing) - Member

OPERATIONAL & FINANCE COMMITTEE

Mr Suman Jyoti Khaitan
Chairman

Mr Arvind Goenka
Member

Mr Akshat Goenka
Member

CHIEF FINANCIAL OFFICER

Mr Anurag Jain

COMPANY SECRETARY

Mr Pranab Kumar Maity

STATUTORY AUDITORS

S S Kothari Mehta & Co.
Chartered Accountants

SECRETARIAL AUDITOR

P Sarawagi & Associates
Company Secretaries

SOLICITORS

Khaitan & Co.

BANKERS

State Bank of India
Export Import Bank of India
Kotak Mahindra Bank Ltd.

CORPORATE IDENTITY NUMBER (CIN)

L24297WB1978PLC031539

REGISTERED OFFICE

31, Netaji Subhas Road, Kolkata - 700 001
Phone: (033) 2230 6831/32
Fax: (033) 2243 4772
Email: investorfeedback@occlindia.com

CORPORATE OFFICE

14th Floor, Tower-B, World Trade Tower
Plot no. C-1, Sector-16,
Noida-201301, (U.P.), India
Phone: (0120) 2446850

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

Link Intime India Pvt. Ltd,
Vaishno Chamber, 5th Floor,
Flat Nos-502 & 503
6, Brabourne Road, Kolkata - 700 001
Phone: (033) 4004 9728 / 4073 1698
Telefax : (033) 4073 1698
Email : kolkata@linkintime.co.in

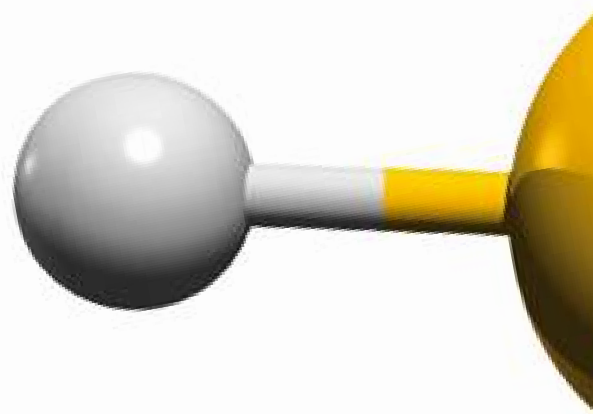
MANUFACTURING UNITS

Dharuhera, Haryana
Plot 3 &4, Dharuhera Industrial Estate
P.O. Dharuhera Dist. Rewari 123 106,
Haryana

Mundra, Gujarat
Survey No. 141, Palki of Mouje
SEZ Mundra, Taluka Mundra
Dist. Kutch 370 421, Gujarat

WEBSITE

http://www.occlindia.com
Investor Relations Email:
investorfeedback@occlindia.com



OCCL

Oriental Carbon & Chemicals Limited

Registered Office:
Duncan House
31, Netaji Subhas Road
Kolkata 700001, India