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Ref. No.: DNIL/L&S/2022/S-17B/76

August 26, 2022

**National Stock Exchange of India Ltd.  
Exchange Plaza, 5th floor,  
Plot No. C/1, G Block  
Bandra-Kurla Complex  
Bandra (E), Mumbai- 400051  
Stock Code: DENORA EQ**

**BSE Limited  
Floor 25, Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
Phone: 022 22721233  
Scrip Code: 590031**

**Attn.: The Manager, Listing**

Dear Sir,

**Sub: Notice of the 33<sup>rd</sup> Annual General meeting of De Nora India Limited and Annual Report 2021-22**

In accordance Regulation 34 (1)(a) and Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations') we are enclosing herewith copy of the Notice convening the 33<sup>rd</sup> Annual General Meeting of the Company along with the Annual report of the Company for the year 2021-22 which is being sent to the members to their registered email IDs and physical copy through permitted mode to the registered address whose email ID were not registered with the Company/RTA/Depository.

A copy of the Notice and Annual Report is also made available at Company's website at [india.denora.com](http://india.denora.com).

Kindly take the same on record.

Thanking you.

Yours faithfully,

For **DE NORA INDIA LIMITED**

  
**Shrikant Pai**  
Company Secretary  
Encl.: As above

# DE NORA INDIA LIMITED



ANNUAL REPORT 2021-22



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**DE NORA INDIA LIMITED**

CIN: L31200GA1993PLC001335

Registered Office: Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403115

Tel. No.: 0832 6731100; Email: [info.dni@denora.com](mailto:info.dni@denora.com); Website: [india.denora.com](http://india.denora.com)

**NOTICE** is hereby given that the 33<sup>rd</sup> (Thirty Third) ANNUAL GENERAL MEETING ('AGM') of the Members of DE NORA INDIA LIMITED ('the Company') will be held on Wednesday, 28<sup>th</sup> September 2022 at 11.00 A.M. (IST) at the Registered Office of the Company at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa 403 115, to transact the following business:

**ORDINARY BUSINESS**

**1. Adoption of Audited Financial Statements for the Financial Year 2021-22**

To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2022, together with the report of the Board of Directors ('the Board') and the Auditor's thereon.

**2. Declaration of Dividend on equity shares**

To declare dividend of ₹ 1/- per equity share for the Financial Year ended March 31, 2022.

**3. Re-appointment of Mr. Robert Scannell (DIN: 06818489)**

To appoint a Director in place of Mr. Robert Scannell (DIN: 06818489), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS**

**4. Increase in the limit of overall remuneration payable to Mr. Vinay Chopra, Managing Director (DIN: 06543610)**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (the 'Act') and the rules made thereunder (including any amendments thereto or statutory modifications or re-enactment thereof for the time being in force) and in partial modification of the Ordinary Resolution passed by the Members through Postal Ballot on May 15, 2022 and pursuant to the recommendation of the Nomination & Remuneration Committee ('NRC') and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for payment of remuneration to Mr. Vinay Chopra, Managing Director (DIN: 06543610)

including the minimum remuneration in case of inadequacy or absence of profit in any financial year during his remaining tenure as Managing Director of the Company, not exceeding the overall ceiling of ₹ 1,20,00,000/- (Rupees One Hundred Twenty Lakhs only) per annum, notwithstanding that such remuneration may exceed the limits specified in Section 197 and Schedule V of the Act, with a liberty to the Board/NRC to alter and vary the existing terms and conditions of the appointment including authority to determine the amount of salary, performance linked incentive, increment, the type and amount of perquisites, other benefits and allowances payable to him in such manner as may be agreed between the Board/NRC and Mr. Vinay Chopra, within such overall ceiling.

**RESOLVED FURTHER THAT** save and except as aforesaid, all other existing terms and conditions of appointment of Mr. Vinay Chopra approved by Ordinary Resolution of the Members through Postal ballot on May 15, 2022, shall continue to remain in full force and effect.

**RESOLVED FURTHER THAT** to give effect to this resolution, the Board, be and is hereby authorized to do all acts, deeds, matters and things including filings and execute all such agreements, documents, instruments and writings as may be required or deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in respect of the matter aforesaid and matters incidental thereto."

**By Order of the Board of Directors  
For De Nora India Limited**

Place: Kundaim, Goa  
Date: July 27, 2022

**Shrikant Pai**  
**Company Secretary**  
**ACS 40001**

**Registered Office:**

Plot No. 184, 185 & 189,  
Kundaim Industrial Estate,  
Kundaim - 403 115, Goa  
CIN: L31200GA1993PLC001335  
Email: [info.dni@denora.com](mailto:info.dni@denora.com)



**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('AGM') IS ENTITLED TO APPOINT A PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as a proxy on behalf of Members not exceeding 50 (fifty) in number and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. A member holding more than 10% (ten percent) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the AGM. Proxies submitted on behalf of Companies, Societies, Partnership Firms etc. must be supported by appropriate resolution or authority as applicable. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided not less than three days advance notice in writing to this effect is given to the Company.
3. **Authorization u/s 113 of the Act by Corporate Shareholders:** Institutional/Corporate Shareholders (i.e., other than individuals/HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of Certified True Copy of Board Resolution/Authorization etc., in pursuance of Section 113 of the Companies Act, 2013 authorizing its representative to attend the AGM. The said resolution/authorization shall be sent to the scrutinizer by e-mail through its registered e-mail address to [sadashivshet@gmail.com](mailto:sadashivshet@gmail.com) with a copy marked to the Company at [info.dni@denora.com](mailto:info.dni@denora.com).
4. Members/Proxies/Authorised Representatives are requested to bring the duly filled and signed attendance slip (enclosed) complete in all respect, for attending the meeting.
5. **E-voting facility:** In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, (as amended), the Company is providing the facility of remote e-voting to all Members in respect of the business to be transacted at the AGM by availing the remote e-voting services provided by Central Depository Services (India) Limited (CDSL).
6. Any Members desiring any information / clarification on the accounts are requested to write to the Company at least seven days in advance to enable the Management to compile the relevant information to reply same in the meeting.
7. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection by the Members during the Annual General Meeting of the Company. Relevant documents referred to in the accompanying Notice shall be available for inspection by the Members at the Registered Office of the Company during business hours, from 9.00 a.m. to 5.00 p.m. on all working days up to the date of the AGM.
8. Pursuant to Section 101 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said Notice of AGM along with Annual Report, the Attendance Slip and Proxy Form will be sent to the Members whose names are recorded in the Register of Members / Register of Beneficial owners, by permitted / requisitioned mode individually at their registered postal address / sent electronically at their e-mail address available with the Company or with the Depository Participant(s).  
  
Members who would like to receive notices, letters, annual reports, documents and any other correspondence by electronic mode are requested to register their email addresses and changes therein, from time to time, with Company's Registrar and Transfer Agent, Bigshare Services Private Limited, in respect of shares held in physical form.
9. The Notice calling the AGM along with Annual report 2021-22 will be available on the website of the Company at [india.denora.com](http://india.denora.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL i.e., [www.evotingindia.com](http://www.evotingindia.com).
10. The route map to reach the meeting venue showing the prominent landmark is given at the end of this Notice.
11. **Book closure:** The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, September 22, 2022, to Wednesday, September 28, 2022 (both days inclusive).
12. **Cut-off date for Remote e-voting:** The Company has fixed Wednesday, September 21, 2022, as the cut-off date for remote e-voting. The remote e-voting rights of the shareholders/beneficial owners shall be reckoned



on the equity shares held by them as at close of business hours on the cut-off date i.e., Wednesday, September 21, 2022, only. The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

13. **Transfer of Unclaimed/Unpaid Dividend to IEPF:** In terms of Section 124 of the Act and Rules made thereunder, dividends that are unclaimed/ unpaid for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, during the year, the unpaid / unclaimed dividend of the financial year ended December 31, 2013, amounting to ₹ 2,48,924/- was transferred by the Company to the IEPF, established by the Government of India. During the year the Company has also transferred ₹ 40,723/- as benefits (dividend) arising on shares already transferred to IEPF.

The details in respect of unclaimed / unpaid dividend and due dates for transfer to IEPF are as under:

Dividend for FY ended	Date of declaration of Dividend	Due date for transfer to IEPF
December 31, 2014	June 29, 2015	July 31, 2022
March 31, 2016*	September 21, 2016	October 23, 2023
March 31, 2017	September 27, 2017	November 01, 2024
March 31, 2018	September 26, 2018	October 30, 2025
March 31, 2021	September 23, 2021	October 27, 2028

\*The financial year ended March 31, 2016, comprised of fifteen months from January 1, 2015, to March 31, 2016.

Any Member, who has not claimed dividend in respect of the aforesaid financial years, is requested to approach the Company/Registrar and Transfer Agent for claiming the same, at least 30 days before they are due for transfer to the said fund. Once the amount is transferred by the Company to IEPF, no claim thereof shall lie against the Company.

14. **Transfer of shares to IEPF:** Pursuant to the provisions of Section 124, 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended, all shares in respect of which dividend has not been paid or claimed for

seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ('IEPF Account') within a period of thirty days of such shares becoming due to be transferred to the IEPF Account.

In accordance with IEPF Rules, during the year under review, 17,109 shares on which the dividends remained unpaid or unclaimed for seven consecutive years were transferred to the demat account of the IEPF Authority after following the prescribed procedure. The voting rights on shares transferred to IEPF remains frozen until the rightful owner claims the shares.

The Company sends reminders to the Members concerned to claim their dividend in order to avoid transfer for shares to IEPF Authority and Notices in this regard are also published in the newspapers in accordance with IEPF Rules. The details of such Members and shares due for transfer are uploaded on the "Investors Section" of the website of the Company, i.e., [india.denora.com](http://india.denora.com). In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in terms of the IEPF Rules.

The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the web Form No. IEPF-5. In case, the Members have any queries on the subject matter and the IEPF Rules, they may contact the Company's Registrar and Transfer Agent, M/s. Bigshare Services Private Limited.

15. Shareholders are advised to avail the facility of receipt of future dividends (if any) through National Electronic Clearing Service (NECS). Shareholders holding shares in electronic form are requested to contact their respective Depository Participant for availing NECS facility. The Company or its Registrar and Transfer Agent, Bigshare Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Shareholders holding shares in physical form and desirous of either registering bank details or changing bank details already registered against their respective folios are requested to send a request letter for updating Bank Account No. with 9-digit MICR No. to our Registrar and Share Transfer Agent or to the Company with attested copy of your PAN Card and a photo copy of your cheque leaf (to capture correct bank account no, IFSC Code and 9-digit MICR Code).





16. **Nomination Facility:** Pursuant to Section 72 of the Companies Act, 2013 and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, Members are entitled to make nomination in respect of shares held by them. Members desirous of making nominations are requested to send their requests in the prescribed Form (SH-13) duly filled, to the Company's Registrar & Transfer Agent (RTA) i.e., M/s. Bigshare Services Private Limited. Members holding shares in demat form may contact their Depository Participants ('DP') for availing this facility.

17. **Dividend:** Dividend for the financial year 2021-22 as recommended by the Board, if approved, at the AGM will be paid, subject to deduction of tax at source, as applicable, from October 12, 2022 onwards, to those Members whose names appear in the Register of Members as at the end of business hours on Wednesday, September 21, 2022 and who are beneficial owners as at the close of business hours on the said date as per the beneficiary list provided by Central Depository Services (India) Limited and National Securities Depository Limited.

Pursuant to Regulation 12 of Listing Regulations read with Schedule I to the said regulations, it is mandatory for the Company to use bank details as furnished by the investors for the payment of dividend through any RBI approved electronic mode of payment. In case, the bank details are not available, or the Company is unable to pay the dividend directly through electronic mode, the Company shall, dispatch the dividend warrant / banker's cheque / demand draft to such Members.

Further in terms of Schedule I to the Listing Regulations, the Company is required to mandatorily print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the Company shall mandatorily print the address of the investor on such payment instruments.

18. **TDS on Dividend:** Members may note that the Income Tax Act, 1961 ("the IT Act") as amended by the Finance Act 2020, mandates that dividends paid or distributed by a Company after April 1, 2020, shall be taxable in the hands of Members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

a) **For Resident Shareholders,** TDS shall be made under Section 194 of the IT Act at 10% on the amount of Dividend declared and paid by the Company during financial year 2022-23 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted @ 20% as per

Section 206AA of the IT Act. However, no tax shall be deducted on the Dividend payable to a resident Individual (with valid PAN details updated in their folio/client ID records) if the total dividend amount payable does not exceed ₹ 5,000 and also in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm or HUF)/Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions specified in the IT Act are being met. Resident shareholders may also submit documents as prescribed under the IT Act to claim a lower / nil withholding tax.

b) **For non-resident Shareholders,** taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") read with Multilateral Instrument (MLI), between India and the country of tax residence of the member, if they are more beneficial to them. For this purpose, i.e., to avail the benefits under the DTAA, non-resident shareholders will have to provide the following:

- Self-attested copy of Permanent Account Number (PAN card) allotted by the Indian Income Tax authorities.
- Self-attested copy of Tax Residency Certificate (TRC) for the financial year 2022-2023 from the tax authorities of the country of which the shareholder is resident.
- Self-declaration in Form 10F
- Self-declaration by the Member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the Member

Please note that the application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholders. In case the documents are found to be incomplete, the Company reserves the right to not consider the tax rate prescribed under the tax treaty.



**Notes:**

- (i) Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.
  - (ii) In order to enable us to determine the appropriate TDS/withholding tax rate applicable, we request you to provide the details and documents as mentioned above by email to our RTA at [tds@bigshareonline.com](mailto:tds@bigshareonline.com) or to the Company at [info.dni@denora.com](mailto:info.dni@denora.com) on or before Monday, September 26, 2022. Any communication in relation to tax rate determination/deduction received after the said date shall not be considered.
  - (iii) The documents furnished by the shareholders (such as Form 15G/15H, TRC, Form 10F, Self-Attested Declaration etc.) shall be subject to review and examination by the Company before granting any beneficial rate or NIL Rate. The Company reserves the right to reject the documents in case of any discrepancies or the documents are found to be incomplete.
  - (iv) It may be further noted that in case the TDS on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from a Shareholder, there would still be an option available with such Shareholder to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against Company for any taxes deducted by the Company.
  - (v) The certificate in respect of tax deducted at source, if any, will be emailed directly to the Shareholder after filing the quarterly TDS Returns of the Company, post payment of the said Dividend. Shareholders will also be able to view the credit of TDS in Form 26AS, which can be downloaded from Income Tax Department's website.
  - (vi) This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.
19. **Updation of PAN, KYC and Nomination details:** SEBI vide its Circular dated November 3, 2021, and December 14, 2021, has provided common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC and Nomination details. As per the said Circular it mandatory for the shareholders holding securities in physical form to furnish PAN, Nomination and KYC details (Postal address with PIN, mobile number, email address, bank details, specimen signature) to Bigshare Services Private Limited, Registrar and Transfer Agent ("RTA") of the Company. The relevant Circular(s) and necessary forms in this regard have been made available on the website of the Company and RTA.
- Shareholders are requested to ensure that the above details are updated with Bigshare Services Private Limited. In case of failure to provide required documents and details as per the aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023, by the RTA. The Company has sent individual letters to all the members holding shares of the Company in physical form for furnishing their PAN, KYC and Nomination details. Members are advised to register their details with the RTA, in compliance with the said Circular for smooth processing of their service requests.
20. SEBI has mandated submission of Permanent Account Number (PAN) and Bank Account details by every participant in securities market. The Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, residential status, telephone/ mobile numbers, PAN, Bank account details, nominations, power of attorney, etc., to their DPs in case the shares are held in electronic form and to RTA of the Company, Bigshare Services Private Limited in case the shares are held in physical form. Members must quote their Folio No./Client ID and DP ID and contact details such as e-mail address, contact no., etc. in all their correspondence with the Company / Registrar & Share Transfer Agent.
21. **Transfer of shares permitted in demat form only:** In terms of amendments to Regulation 39 and 40 of Listing Regulations and SEBI Circulars dated January 24, 2022, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository and all the investor service requests for processing of transfer / transmission / duplicate certificate etc. shall be processed in dematerialized mode only. In view of this and to eliminate risks associated with physical shares, all the Members holding shares in physical form are also requested to dematerialize their shareholding at the earliest.
22. In case individual shareholder, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice of the AGM and holding shares in demat mode as on the cut-off date, may follow the steps mentioned under Sl. No. 27 and 28 below for obtaining login credentials.





23. Mr. Sadashiv V. Shet, Practicing Company Secretary (ICSI Membership No. 2477), has been appointed as the Scrutinizer to scrutinize the remote e-voting process and e-voting during the AGM in a fair and transparent manner.

24. The Scrutinizer shall after the conclusion of e-voting at the AGM, unblock the votes cast through e-voting and during the AGM in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 (forty eight) hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes if any, and whether the resolution has been carried or not, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the results of the voting forthwith. The resolutions shall be deemed to be passed at the AGM of the Company subject to obtaining requisite votes thereto.

25. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [india.denora.com](http://india.denora.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing and shall also be communicated to National Stock Exchange of India Limited, Mumbai & BSE Limited, Mumbai.

26. In terms of Section 152 of the Companies Act, 2013, Mr. Robert Scannell, Non-executive director, retires by rotation and being eligible offers himself for re-appointment. Information required under Regulation 36 of Listing Regulations in respect of the director seeking re-appointment at the AGM is furnished as annexure to this Notice. The Director has furnished consent/ declarations for his re-appointment as required under Act and rules made thereunder.

**27. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:**

(i) The remote e-voting facility will be available during the following period.

**Commencement of remote e-voting:** From 9:00 a.m. (IST) on Sunday, September 25, 2022.

**End of remote e-voting:** At 5:00 p.m. (IST) on Tuesday, September 27, 2022.

During this period, Members of the Company, holding shares either in physical form or in

dematerialized form, as on the cut-off date i.e., Wednesday, September 21, 2022, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:



Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"><li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li><li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li><li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li><li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li></ol>

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"><li>1. 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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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.</li><li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> 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.</li></ol>
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<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 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.</p>
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL**

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

(iv) **Login method for e-Voting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.

5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any Company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

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

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (viii) Click on the EVSN for the “DE NORA INDIA LIMITED”.
- (ix) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Facility for Non – Individual Shareholders and Custodians – Remote e-voting**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at the email address viz [sadashivshet@gmail.com](mailto:sadashivshet@gmail.com) and

to the Company at the email address viz [info.dni@denora.com](mailto:info.dni@denora.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**28. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.:**

- (i) **For Physical shareholders** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at [info.dni@denora.com](mailto:info.dni@denora.com) / RTA at [info@bigshareonline.com](mailto:info@bigshareonline.com)
- (ii) **For Demat shareholders** - Please update your email id & mobile no. with your respective Depository Participant (DP)
- (iii) **For Individual Demat shareholders** – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.
29. If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
30. The Company would also provide the facility for voting through the ballot or polling paper at the AGM to the Members attending the AGM who have not already cast their vote by remote e-voting to enable them to exercise their right of voting at the meeting.
31. A Member can opt for only one mode of voting i.e. either in person or through proxy at the meeting or through e-voting. If a Member casts votes by both the modes, then the vote casted through e-voting shall prevail and the vote casted through other mean shall be treated as invalid.
32. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
33. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” or “Polling Paper” for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.





**EXPLANATORY STATEMENT**

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, sets out all material facts relating to the special business mentioned at Item No. 4 of the accompanying Notice dated July 27, 2022:

**Item No. 4**

Members may kindly recall that Mr. Vinay Chopra (DIN: 06543610) was re-appointed as the Managing Director of the Company for a period of three years with effect from July 16, 2022, on the terms and conditions including remuneration payable to the Managing Director approved by the Members by way of Ordinary Resolution through Postal Ballot on May 15, 2022.

The terms of appointment of Managing Director, authorised the Board / Nomination and Remuneration Committee (NRC) to alter and vary the terms and conditions including the amount of salary, annual increments, performance linked incentive, the type and amount of perquisites, other benefits and allowances as per the policy of the Company, provided that, the overall remuneration shall be within the maximum limits as laid down under Sections 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Act as amended from time to time. Further, in case of no profits or inadequacy of profits in any financial year, during the tenure of the Managing Director's employment with the Company, remuneration (consisting of all his fixed and variable pay) as provided in the terms of appointment, shall be paid by the Company to the Managing Director as "minimum remuneration".

Pursuant to the provision of Section 197 of the Act read with Schedule V thereto, the remuneration payable to Managing Director of the Company shall not exceed 5% of the net profit of the Company and if in any Financial Year, the Company has no profits or its profits are inadequate, remuneration to Managing Director may be paid not exceeding the limits specified under Item (A) of Section II of Part II of the said Schedule with the approval of Members by way of Ordinary Resolution. Remuneration to the Managing Director in excess of the above prescribed limits may be paid if approved by the Members by passing Special Resolution.

While the Company does not envisage any loss or inadequate profits to pay Managerial Remuneration, rising running cost and the challenging business environment may affect the profitability of the Company in future. Consequent to payment of performance related incentives and annual increment, the overall remuneration of Mr. Chopra may exceed the limits specified under Section 197(1) read with Section II, Part II of Schedule V to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force).

In view of extant provisions of law relating to managerial remuneration and out of abundant caution, it is proposed to obtain Members approval by way of Special Resolution, as stated herein above, for the payment of remuneration to

Mr. Chopra including the minimum remuneration in case of inadequacy or absence of profit, not exceeding the overall ceiling of ₹ 1,20,00,000/- per annum notwithstanding that such remuneration may exceed the limits specified under Section 197 read with Schedule V of the Act, in any financial year during his remaining tenure as Managing Director of the Company. Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Managing Director of the Company as approved by the Members of the Company to remain unchanged.

Mr. Chopra is associated with the Company since long and has contributed towards the growth of Company. Considering his knowledge of various aspects relating to Company's affairs and long business experience, the NRC and Board are of the opinion that the increase in the limit of remuneration as above is apt and justifiable with his duties and responsibilities as Managing Director.

The Board and the NRC in their respective meetings held on July 27, 2022 have accorded their approval to the above and in the interest of the Company have recommended the Special resolution as set out in this Notice for approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their respective relatives are in any way concerned or interested, except for Mr. Chopra, in resolution at Item No. 4 of the Notice.

The particulars of the information, pursuant to the provisions of Schedule V, Part II, Section II, clause (A) of the Act are as under:

**I. General Information:**

- (1) Nature of industry  
The Company is mainly engaged in the business of manufacture of products for electrolytic processes.
- (2) Date of commencement of commercial production  
Commercial operations of the Company commenced in the year 1993.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.  
Not applicable.
- (4) Financial performance based on given indicators

(₹ in lakhs)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20
<b>Gross Revenue</b>	7416.65	5054.10	4822.85
<b>Profit before Tax</b>	2095.76	757.43	1035.32
<b>Profit after Tax</b>	1545.04	564.57	812.81
<b>Reserves &amp; Surplus</b>	7657.25	6166.73	5602.44





- (5) Foreign investments or collaborators, if any.

The Company has a Technical Collaboration with Industrie De Nora S.p.A., Italy which is the Ultimate Holding Company of the Company.

**II. Information about the appointee:**

- (1) Background details:

Mr. Vinay Chopra, a Post-graduate in Management, Graduate in Industrial Engineering, a Diploma Holder in Mechanical Engineering and is Certified Lean Six Sigma Master Black Belt. He has over 30 years of experience in Electro Chemical Industry and has been associated with De Nora since 1990. He joined De Nora India Limited at Rampur in the Production Department. In 2007, he moved to the Marketing Department as head of Oxygen products of De Nora (Cathodic Protection, Surface Finishing, Electro Chlorinators). Further, in the year 2013 he was promoted to the position of the Manager of the Company for a term of three years and in 2016 he was appointed as Managing Director of the Company. Currently in charge of managing the affairs of the Company as the Managing Director, he is responsible for the overall management and administration of the Company.

- (2) Past remuneration (last two years):

Mr. Vinay Chopra was paid ₹ 42.78 lakhs for financial year 2021-2022 and ₹ 38.47 lakhs for the financial year 2020-21 as managerial remuneration.

- (3) Recognition or awards

None to mention

- (4) Job profile and his suitability

Mr. Chopra has been associated with De Nora India Limited for more than 30 years and is serving the Company since 1990. He devotes his full time and attention to the business of the Company and is responsible for the general conduct and management of the affairs of the Company, subject to the superintendence, control and supervision of the Board.

Mr. Chopra has over 3 decades of invaluable experience in the line of the business of the Company which is compatible with the organizational requirements and the Company would benefit under his leadership and valuable guidance. In addition to the above, he is also a member of the Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and the Share Transfer Committee of the Company.

Taking into consideration the qualification and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

- (5) Remuneration proposed

Salary, performance related incentives, perquisites and other allowances not exceeding the overall ceiling of ₹ 1,20,00,000/- (Rupees One Hundred Twenty Lakhs only) per annum with the authority to the Board of Directors to fix the salary, incentives and annual increments, based on merits and considering the performance of the Managing Director against the goals set by the Board as well as the performance of the Company.

- (6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person

The remuneration proposed to be paid to Mr. Vinay Chopra, Managing Director is purely based on merit. Further, the remuneration of the Managing Director is commensurate taking into consideration the responsibilities shouldered by him and has been considered by the Nomination and Remuneration Committee and approved by the Board of Directors in their respective meetings held on July 27, 2022.

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Besides the remuneration paid/payable to Mr. Chopra, he does not have any other pecuniary relationship directly or indirectly with the Company or with the managerial personnel.

**III. Other information:**

- (1) Reasons of loss or inadequate profits

The Company proposes to obtain the approval of the Members as an abundant caution in case the remuneration paid/payable to the Managing Director as per the agreed terms of the contract of appointment exceeds the limits under the Companies Act, 2013, in situations of loss or inadequacy of profit. While the Company does not envisage any loss or inadequate profits, rising running cost and the challenging business environment may affect the profitability of the Company in future.

- (2) Steps taken or proposed to be taken for improvement

The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its



strategies to improve volumes and reduce costs. The Company has taken steps to strengthen its business fundamentals through focused network engagements, enhancing customer experience and thrust on improving working capital management. The results of these initiatives are likely to be felt in the coming years.

- (3) Expected increase in productivity and profits in measurable terms.

The Company has already taken and is continuing to undertake diligent efforts to step up the performance of the Company and bring about an improvement in productivity and operational growth in future. However, it is difficult to forecast the productivity and profitability in measurable terms, but the Company expects that the productivity and profitability may improve and would be comparable with the industry average.

#### IV. *Disclosures:*

The disclosure of remuneration package, service contract, notice period, severance fees etc. of Mr. Vinay Chopra including other necessary disclosures have been made in the Corporate Governance Report which forms a part of the Board's Report in the Annual Report of the Company for FY 2021-22.

The terms & conditions including remuneration payable to the Managing Director as approved by the Members by way of Ordinary Resolution through Postal Ballot on May 15, 2022, along with the above explanatory statement shall be construed to be the memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

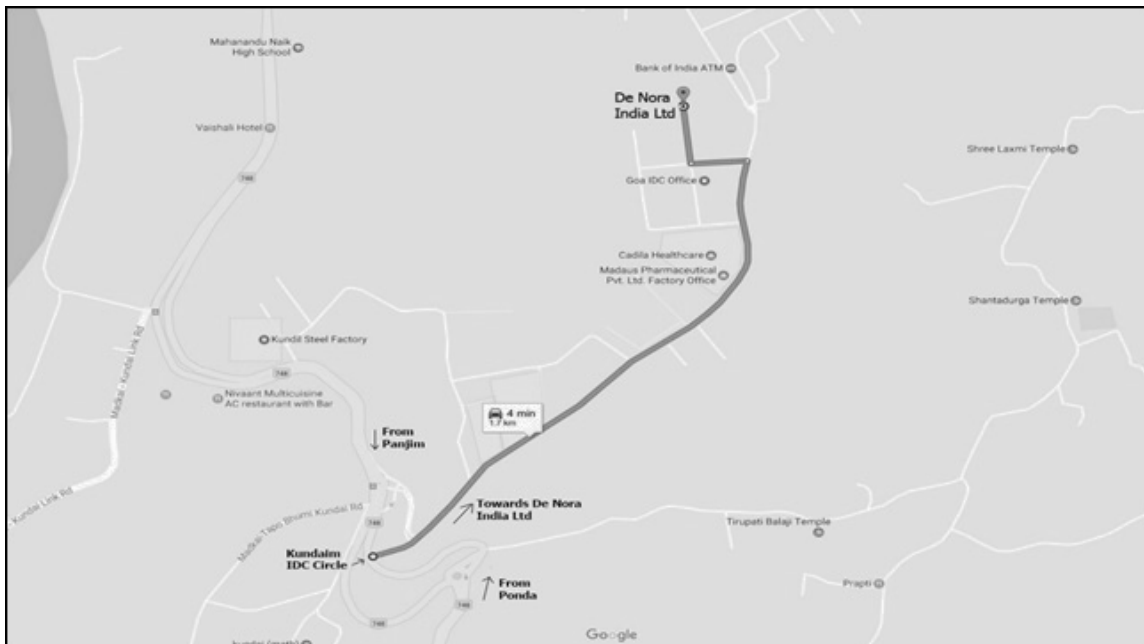


**Details of Directors seeking re-appointment at the forthcoming AGM**

(Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of clause 1.2.5 of Secretarial Standard -2 on General Meetings issued by ICSI)

Particulars	Item No. 3
<b>Name</b>	<b>Robert Scannell</b>
<b>DIN</b>	06818489
<b>Date of Birth</b>	25.08.1959
<b>Age</b>	62 years
<b>Qualification</b>	Ph. D holder in Electrochemistry
<b>Experience (including expertise in Specific Functional Area)/Brief Resume</b>	He is a Ph.D holder in Electrochemistry, is the Managing Director of De Nora Deutschland GmbH and the Regional Chief Officer of De Nora for EMEA and India, including President of De Nora Italy S.r.l. Milano. He is a highly motivated executive with over 30 years Industrial Experience in the core businesses of the De Nora Group. He was previously the head of Global Technical Services within De Nora and held the position of Head of Research & Development within Heraeus Elektrochemie GmbH and a research position within Siemens in Erlangen Germany.
<b>Relationship with other Directors</b>	NIL
<b>Other Directorship/Committee Membership</b>	NIL
<b>Chairman/Member in the Committees of the Boards of other Companies</b>	NIL
<b>Date of first appointment on the Board of the Company</b>	February 12, 2014
<b>Shareholding in the Company</b>	NIL
<b>Board meetings attended in FY 2021-2022</b>	5/6

**Route Map**





## BOARD'S REPORT

### Dear Members,

Your Directors are pleased to present the 33<sup>rd</sup> (Thirty Third) Board's Report on the business and operations of the Company together with the audited financial statements for the year ended March 31, 2022.

### 1. FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2022 is summarized below.

(₹ in Lakhs)

Particulars	FY 2021-22	FY 2020-21
	Audited	Audited
Revenue from Operations	7,416.65	5,054.10
Other Income	95.85	182.82
Total	7,512.50	5,236.92
Profit before Depreciation, Exceptional items and Tax Expense	2,362.72	1,017.66
Less: Depreciation/ Amortization/ Impairment	266.96	260.23
Profit before Exceptional items and Tax Expense	2,095.75	757.43
Exceptional Items	-	-
Profit/(Loss) before Taxation	2,095.75	757.43
Less: Tax Expense (Current & Deferred)	550.72	192.86
Net Profit	1,545.03	564.57
Other Comprehensive Income/(Loss) (net of tax)	(1.43)	(0.28)
Total Income for the year	1,543.60	564.29

*Note: Previous year's figures have been regrouped for comparison purposes with current year's presentation wherever necessary.*

### 2. OVERVIEW OF COMPANY OPERATIONS & PERFORMANCE

The Company is primarily a manufacturer of Electrolytic Products such as anodes, cathodes, electrochlorinators and Water Technology products and is managed organizationally as a single unit. The operations of the Company have been stable, but the management is focusing on improving the profitability in a sustainable manner.

The turnover of the Company was ₹ 7,416.65 lakhs for the year ended March 31, 2022 as compared to ₹ 5,054.10 lakhs in the previous year. The Company's Profit from Operations for the year ended March 31, 2022 was ₹ 2,095.75 lakhs as compared to ₹ 757.43 lakhs in the previous year.

The Profit after tax for the year ended March 31, 2022, was ₹ 1,543.60 lakhs as compared to ₹ 564.29 lakhs for the previous year ended March 31, 2021.

### 3. DIVIDEND

The Board of Directors have recommended a dividend of ₹ 1 per equity share of ₹ 10 each (i.e., 10%) for the financial year ended March 31, 2022, subject to the approval of Members at the 33<sup>rd</sup> Annual General Meeting ('AGM').

### 4. TRANSFER TO RESERVES

The entire undistributed profit after tax is carried forward in the profit and loss account and no amount has been transferred to reserve for the financial year ended March 31, 2022.

### 5. SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2022 was ₹ 530.86 lakhs comprising of 53,08,634 equity shares of ₹ 10 each. During the year under review there has been no change in the capital structure of the Company.

### 6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Changes in the Board:

Mr. Purushottam S. Mantri (DIN: 06785989) was appointed as Non-Executive, Independent Director, not liable to retire by rotation, on the Board of Directors of the Company by Members at the 32<sup>nd</sup> AGM of the Company held on September 23, 2021, for a term of five consecutive years commencing from February 05, 2021 till February 04, 2026.

In terms of Section 152 of the Act, Mr. Francesco L'Abbate (DIN:08063332) Non-Executive, Non-Independent Director, retired by rotation and was re-appointed by the Members at the 32<sup>nd</sup> AGM held on September 23, 2021.

Mr. Vinay Chopra was re-appointed as Managing Director of the Company for a period of three years with effect from July 16, 2022, on the terms and conditions including remuneration payable to the Managing Director approved by the Members by way of Ordinary Resolution through Postal Ballot on May 15, 2022.

There was no resignation of Director of the Company during the year. All the Directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164(2) of the Companies Act, 2013 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

#### Director seeking re-appointment

In accordance with the provisions of Section 152 Act, Mr. Robert Scannell, Non-executive, Non-Independent



Director of the Company, retires by rotation at the 33<sup>rd</sup> AGM of the Company and being eligible has offered himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice. The Board has recommended his re-appointment at the forthcoming Annual General Meeting as Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

#### **Key Managerial Personnel (KMP)**

Mr. Vinay Chopra, Managing Director, Mr. Deepak Nagvekar, Chief Financial Officer and Mr. Shrikant Pai, Company Secretary continued to be the Key Managerial Personnel of the Company in accordance with the provisions of Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as on the date of this Report.

#### **7. NUMBER OF BOARD MEETINGS**

During the year under review, 6 (six) meetings of the Board of Directors were held. The details of the meetings of the Board of Directors of the Company held and attended by the Directors during the financial year 2021-22 are given in the Corporate Governance Report which forms part of this Board's Report. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013 as amended from time to time.

#### **8. COMMITTEES OF THE BOARD**

As on 31<sup>st</sup> March 2022, the Board has 4 (Four) Committees: Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee and Corporate Social Responsibility Committee.

The details composition, terms of reference, meetings held during the year of the Board and its Committees are provided in the Report on Corporate Governance. All recommendations made by the various committees during the year under review, have been accepted by the Board.

#### **9. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

- a. in the preparation of the annual accounts the applicable accounting standards have been followed and there are no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year

and of the profit of the company for that period;

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

#### **10. INDEPENDENT DIRECTORS**

The Independent Directors of the Company have submitted requisite declarations confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) and 25(8) of the Listing Regulations and have confirmed that they are not aware of any circumstance or situation which exists or may be anticipated that could impair or impact their ability to discharge their duties. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

All Independent Directors have registered their name in the Independent Directors data bank maintained by the Indian Institute of Corporate Affairs. In the opinion of the Board, the Independent Directors possess the requisite expertise, experience, integrity and proficiency required for appointment as Independent Director of the Company. The Independent Directors of the Company are exempted from the requirement to undertake online proficiency self-assessment test conducted by Indian Institute of Corporate Affairs (IICA).

#### **11. BOARD PERFORMANCE EVALUATION**

Pursuant to the provisions of the Act and SEBI Listing regulations, the Board of Directors has carried out an annual evaluation of its own performance, Committees of the Board and individual directors in accordance with the parameters for such evaluation formulated by the Nomination and Remuneration Committee. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees and individual Directors.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on various aspects of the functioning of the Board such





as Board members' understanding of their roles and responsibilities, adequacy of Board composition, Board meetings and the reporting process, quality and transparency of Board discussions, achievement of corporate objectives, etc.

Performance of the Committees is evaluated on the basis of their effectiveness in carrying out their respective mandates, committee compositions, regularity of its meetings etc.

The Board evaluated the performance of individual directors based on parameters such as participation and contribution of the individual director to Board deliberations, ability to guide the Company in key matters, and knowledge and understanding of significant developments etc. No Director participated in his / her own evaluation.

The Independent Directors at their separate meeting held on April 8, 2021, without the attendance of Non-Independent Directors and members of the Management, reviewed the performance of the Non-Independent Directors, Chairman and the Board as a whole taking into account the views of Executive Directors and Non-Executive Directors. The Independent Directors also reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors were satisfied with the Company's standard of governance, its transparency, meeting practices and overall Board effectiveness. The outcome of the evaluation process was discussed and deliberated at the Board meeting. The Board of Directors also expressed their satisfaction towards the process followed by the Company for evaluating the performance of the Directors, Board and its Committees.

## 12. MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of Regulation 34(2)(e) of Listing Regulations, the Directors' comments on the operations, performance and future outlook of the Company is given in the Management's Discussion and Analysis, appended to the Board's Report as '**Annexure - I**'.

## 13. AUDIT COMMITTEE

The Audit Committee is duly constituted as per the provisions of the Act read with applicable Rules framed thereunder and the Listing Regulations. The details pertaining to the composition of the Audit Committee, number of meetings etc. are provided in the Corporate Governance Report, which forms part of this Report. All the recommendations made by the Audit Committee during the year under review were accepted by the Board of Directors.

## 14. RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on 'arm's length' basis. All the related party transactions are placed before the Audit Committee for approval. An omnibus approval of the Audit Committee is obtained for the related party transactions which are repetitive in nature. The Audit Committee reviews all transactions entered into pursuant to the omnibus approval so granted on a quarterly basis.

In terms of Regulation 23 of the Listing Regulations the Company submits within 30 days from the date of publication of its financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the stock exchanges.

During the year under review, the Company had obtained approval of Members through Postal Ballot for entering into Material Related Party Transactions, i.e., transactions exceeding ten percent of the annual turnover as per the last audited Financial Statements of the Company with De Nora Italy S.r.l., Italy, upto a maximum aggregate value of ₹ 2,200 Lakhs during the financial year 2021-22. Form AOC-2, pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is set out in the '**Annexure- II**' to this report. Disclosure on related party transactions as per IND AS-24 have been provided in notes to accounts annexed to the financial statements.

In line with the requirements of the Companies Act, 2013 and amendment to the Listing Regulations, the Company has formulated a revised Policy on Materiality and dealing with Related Party Transactions which is also available on the website of the Company at <https://india.denora.com/company/shareholder-information.html>.

## 15. NOMINATION AND REMUNERATION POLICY & BOARD MEMBERSHIP CRITERIA

Pursuant to provisions of Section 178 of the Act and SEBI Listing Regulations, the Board has adopted a Nomination & Remuneration Policy for the Directors, Key Management Personnel and the Senior Management Employees. The salient feature of this policy is to lay down the criteria for appointment of Director, Key Managerial and Senior Management positions in the Company and to ensure that level and composition of remuneration is reasonable and sufficient to attract, motivate and retain competitive executives. The Nomination and Remuneration Committee considers the qualification, experience, current trends in the industry, responsibilities shouldered by them, past performance, performance of the Company, the statutory provisions and other relevant factors while deciding on remuneration of



Directors, Key Managerial and Senior Management Personnel.

The Nomination and remuneration Committee recommends to the Board the persons who may be appointed as Director of the Company, after evaluating the appointee against a range of criteria which include qualification, experience, independence, integrity, professional skills, ethical behaviour, sound business judgement, ability to participate constructively in deliberations to assist the Board in fulfilling its responsibilities and willingness to exercise authority in a collective manner. The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience. The details of skills, expertise and competencies identified by the Nomination and Remuneration Committee and the names of Directors who have such skills/ expertise/ competence are provided in detail in the Corporate Governance Report.

Details of the remuneration paid to the Board of Directors is provided in the Corporate Governance Report. During the year under review, no changes were made to the above policy.

The Policy is available on the Company's website at <https://india.denora.com/company/shareholder-information.html>.

#### **16. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**

The remuneration paid to Directors, Key Managerial Personnel and Senior Management Employees in accordance with the Nomination and Remuneration Policy of the Company formulated as per Section 178 of the Companies Act, 2013 and Regulation 19 read with Schedule II of the Listing Regulations. The details of remuneration to Directors during the year under review is given in the Corporate Governance Report which forms part of this report.

Information under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in 'Annexure - III' to this report.

During the year there were no employees who if employed throughout the financial year were in receipt of remuneration of ₹ 102 Lakhs or more per annum or if employed for part of financial year was in receipt of remuneration of ₹ 8.5 Lakhs or more per month.

There were no employees who if employed throughout the financial year or part thereof, were in receipt of remuneration in the financial year which, in the

aggregate, or as the case may be, at a rate which, in the aggregate was in excess of that drawn by the Managing Director and held by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

The statement containing particulars of top 10 employees under Section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, in terms of Section 136 of the Act, the report and the accounts are being sent to the Members excluding the aforesaid annexure. The said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary. None of the employees listed in the said Annexure are related to any Director of the Company.

#### **17. INTERNAL FINANCIAL CONTROLS ('IFC')**

The Company has laid down internal financial controls and that such internal financial controls are adequate and were operating effectively with no significant deficiency or material weakness. The main aim of the IFC is to ensure that all the assets of the Company are safeguarded and protected, compliance of all laws applicable to the Company, proper prevention and detection of frauds and errors and all transactions are authorized, recorded and reported appropriately. These controls are routinely tested and certified by the Statutory as well as the Internal Auditors. The Audit Committee of the Board periodically reviews the adequacy and effectiveness of the Company's internal control systems and monitors the implementation of the audit recommendations.

#### **18. ANNUAL RETURN**

The Annual return of the Company as on 31<sup>st</sup> March 2022 in Form MGT-7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company viz. <https://india.denora.com/company/financial-information.html>.

#### **19. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the Financial Year ended 31<sup>st</sup> March 2022, the Company has incurred CSR expenditure of ₹ 13.25 Lakhs. The Corporate Social Responsibility Policy of the Company is available on the website of the Company at <https://india.denora.com/company/shareholder-information.html>

Annual report on CSR activities undertaken during the financial year ended 31<sup>st</sup> March 2022, in the format prescribed under Section 135 of the Act read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in 'Annexure IV' of this report.



**20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Conservation of Energy**

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this end. Though the manufacturing activities of the Company involve consumption of energy, it is not of major significance and no substantial investment was made for reduction of energy consumption. However, following efforts were initiated by the Company to conserve energy in the best possible way.

- (i) The steps taken or impact on conservation of energy;
  1. Use of Thyristor based panel for Furnace with replacement of Contactor based panel.
  2. Improvisation of various electrical equipment and compressors etc. to efficiently reduce power consumption by almost 30%.
  3. Introduction of VFD in process machineries to reduce power consumption.
  4. In process for Certification for ISO 50000.

- (ii) The steps taken by the Company for utilizing alternate sources of energy;

A project for use of Solar Power has been considered as project for financial year 2022-23. Our vision is to reduce load at raw energy by 10% and shift it to Solar Power.

- (iii) The capital investment on energy conservation equipment's;

During the year under review, the total capital invested in energy conservation equipment was as below.

Items	Amount (₹ In Lakhs)
Thyristor based Furnace Panel	12
Change of Furnace design with load reduction of 120KW	50
Replacement of Conventional Lights with LED's	1
Energy Meter and Accessories	0.5
<b>Total</b>	<b>63.5</b>

Introduction of new capital equipments in manufacturing activities has helped in conservation of energy at low level.

**Research and Development ('R&D') & Technology absorption**

The Company has an ongoing technical collaboration for Ion Exchange Membrane Electrolysers for chlor-alkali industry, electrochlorinators for water treatment and cathodic protection (anti corrosion) systems. The Company did not incur any expenditure on R&D during the year under review.

**Foreign Exchange Earnings & Outgo**

Foreign Exchange Earnings – ₹ 2,036.38 Lakhs

Foreign Exchange Outgo – ₹ 3,429.37 Lakhs

**21. RISK MANAGEMENT**

The Company has put in place a robust Risk Management framework to identify and evaluate business risks. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The assessment of the risks covers business risks, operational risks, physical risks, regulatory risks, fraud risks, people risk, information risk, information technology risks and other risks which are identified and prioritized based on severity, likelihood and effectiveness of current detection. Such risks are reviewed by the Senior Management on a yearly basis. These are discussed at the meetings of the Audit Committee and the Board. These have also been reported and discussed in the Management Discussion and Analysis Report, annexed to the annual report.

**22. WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The Vigil Mechanism as envisaged in the Companies Act, 2013, the rules prescribed thereunder and the Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns/ grievances about illegal or unethical practices in the Company, actual or suspected fraud or violation of the Company's Code or Policies. The vigil mechanism is overseen by the Audit Committee and provides adequate safeguards against victimization of persons who use such mechanism. It provides mechanism for stakeholders for direct access to the Chairman of the Audit Committee. During the year under review, there has been no incidence reported to the Audit Committee under the aforesaid mechanism.

The detailed Policy may be accessed on the Company's website at the link <https://india.denora.com/company/shareholder-information.html>.

**23. STATUTORY AUDITORS**

M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) were appointed as the Statutory Auditor of the Company at the 29<sup>th</sup> Annual General Meeting held on September 26, 2018, to hold office for a term of five years from the



conclusion of said meeting till the conclusion of 34<sup>th</sup> Annual General Meeting to be held in the year 2023. The Auditors' Report to the Members on the Financial Statements for the year ended March 31, 2022, forms part of the annual report and does not contain any qualification / reservations or adverse comments.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts and Auditors) Rules, 2014, the Company has received a certificate from the auditors to the effect that they are eligible to continue as Statutory Auditor of the Company.

#### **24. SECRETARIAL AUDIT**

In terms of the provisions of Section 204 of the Act read with Rule 9 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Sadashiv V. Shet, Practicing Company Secretary (COP No. 2540) as the Secretarial Auditor for conducting the Secretarial Audit of the Company for the Financial Year ended March 31, 2022.

The Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March 2022 is appended as '**Annexure - V**' to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### **25. COST AUDIT**

The maintenance of cost records is not applicable to the Company as per the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

#### **26. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

#### **27. CORPORATE GOVERNANCE**

The Company has complied with the provisions relating to corporate governance as provided under the Listing Regulations. In compliance with Regulation 34 read with Schedule V of the Listing Regulations, a detailed report on Corporate Governance along with the Auditor's Certificate on its compliance forms part of this Report as '**Annexure –VI**'.

#### **28. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES**

Particulars of investments made by the Company are given in the Notes to Financial Statements for the year ended March 31, 2022 which forms part of this Annual Report. During the year under review the Company has not given any loans or guarantees under Section 186 of the Act.

#### **29. HOLDING COMPANY**

As on March 31, 2022, the Promoter and the Holding company i.e., Oronzio De Nora International B. V. holds 28,49,500 equity shares representing 53.68% of the total paid-up equity share capital of the Company. There was no change in the shareholding of Oronzio De Nora International B. V. in the Company during the year. The Company continues to be a Subsidiary Company of Oronzio De Nora International B. V.

#### **30. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES AS PER COMPANIES ACT, 2013**

As of March 31, 2022, the Company does not have any subsidiary, associate company or a joint venture. During the year, no other company became or ceased to be a Subsidiary / Associate / Joint Venture company of the Company.

#### **31. INVESTOR EDUCATION AND PROTECTION FUND**

Details pertaining to the unpaid/unclaimed dividend and the shares transferred or due to be transferred to the Investor Education and Protection Fund are provided in the notes to the Notice of the Annual General Meeting which forms part of this annual report.

#### **32. INDUSTRIAL RELATIONS**

Relationship between the Management of the Company and Worker's Union continue to remain cordial. The Management's Discussion & Analysis gives an overview of the developments in Human Resources/Industrial Relations during the year.

#### **33. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

In compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee ('ICC') and has in place a policy which provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. The ICC is composed of internal members and an external member who has extensive experience in the field. The Company is committed to provide a safe and respectable work environment to all its employees.

The following is reported pursuant to sub-clause 10(l) of Clause C of Schedule V of the Listing Regulations:

- a. Number of complaints of sexual harassment received/ filed during the year: Nil
- b. Number of complaints disposed off during the year: Nil
- c. Number of complaints pending as on end of financial year: Nil





### 34. DETAILS OF NODAL OFFICER

The details of the Nodal Officer appointed by the Company under the provisions of the IEPF are given below and the same are disseminated on the website of the Company viz., [india.denora.com](http://india.denora.com).

Name of the Nodal Officer	Mr. Shrikant Pai – Company Secretary
Phone No.	0832 6731151
Email ID	<a href="mailto:shrikant.pai@denora.com">shrikant.pai@denora.com</a>
Correspondence Address	De Nora India Limited Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa 403 115

### 35. OTHER DISCLOSURES

The Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- No change in the nature of business of the Company during the financial year ended March 31, 2022;
- There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations;
- There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year March 31, 2022 and the date of this Report;
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;

- There was no revision in the financial statements of the Company during the year under review;
- The Company has not issued any Sweat Equity Shares or Bonus Shares during the year under review;
- No Employee Stock Option and Employee Stock Purchase Schemes were launched during the year under review;
- During the year under review, the Company has not accepted any deposits within the meaning of Section 73 to 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.
- There were no instances of frauds reported by the Statutory Auditors or Secretarial Auditors of the Company as specified under the second proviso of Section 143(12) of the Act.

### 36. ACKNOWLEDGEMENT

The Board of Directors takes this opportunity to thank the employees, customers, dealers, members, suppliers, bankers, government authorities, stock exchanges and all other business associates for their consistent support and co-operation to the Company during the year under review and look forward to their support in future as well.

**For and on behalf of the Board of Directors  
For De Nora India Limited**

**Satish Dhume**  
Chairman  
DIN: 00336564

Place: Kundaim, Goa  
Date: July 27, 2022





## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **ECONOMIC OVERVIEW**

Over the last couple of years, the impact of COVID has been mainly disruptive in terms of economic activity and unfortunate loss of human lives. The economy shrunk by 7.3% during 2020-21 due to downtrend across most sectors. Indian economy is expected to grow by 8.9% in the financial year 2021-22 (Second advanced estimates), against the base of 6.6% contraction witnessed in FY 2020-21, despite inflationary pressure and uneven recovery of the labour market that has impacted private investment.

The low base effect, a significant increase in international crude petroleum prices and subsequent rise in prices of raw materials of industrial products during 2021-22 primarily pressed the WPI-based inflation to a double-digit level. Persistent inflation is expected to result in rising interest rates and the shift from quantitative easing to quantitative tightening.

Due to the COVID pandemic, private sector capital expenditure has been subdued over the past few years. However, the union budget of 2022 has focused on kickstarting the Capex cycle by boosting infrastructural spending and introducing production-linked incentive schemes and digital incentives to help the industry. The increased capital spending is likely to improve the efficiency of India's logistic infrastructure, among others, crowd-in private investment, generate jobs in construction, and sustain growth.

COVID-19 pandemic was very effectively controlled by the Central & State Government with effective vaccination drive and local lockdowns, while largely enforcing covid appropriate behaviour. This has galvanized the economy on growth path.

### **COMPANY OVERVIEW**

De Nora India Limited ('DNIL') mainly catering to chlor-alkali industry for manufacture and coating of anode and cathode for electrolytic process, these electrodes are used by customers to produce Caustic soda and Chlorine which are building blocks in thousands of products that make life safer, healthier, easier, more comfortable, more energy efficient in one word more innovative. The product portfolio also includes anodes (LIDA™) for cathodic protection systems of steel structure, Platinized titanium anodes and GREENCHROME® anodes for surface finishing application, Electrochlorination systems for water disinfection. De Nora vision is to deliver innovative technologies, products, and services to meet future challenges coming from environmental and industrial needs.

Recoating of anode and cathode is a specialised process, formulation of which involves use of noble metals. These formulations and processes are proprietary and because of its affiliation to 'Industrie De Nora', the Company has the authority to use these formulations and processes, giving it the prominent market share in India. DNIL not only provides support to caustic soda industry customers in India but

is also equipped to give technical support to electrolytic processes sector.

Despite the hostile & adverse environment, Company maintained a positive outlook. The operations of the Company were also intermittently affected but at the same time we feel pride and gratitude of being part of a very resilient Group made of colleagues who continue to do their best to overcome the difficulties experienced and to keep our customers happy and engaged with us. These uncertainties give very practical meaning to De Nora's purpose of empowering collaboration and championing resilience.

In these trying times the Company continues to be competitive because of its traditional values ("Durantes Vincunt"- persistence prevails) and its proven long history to improve efficiency and resilience of its business operations through their core technology.

### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

The chlor-alkali industry in India an important component of the basic chemicals industry. Caustic soda, soda ash, chlorine alongside hydrogen and hydrochloric acid comprise the chlor-alkali industry's components. These chemicals find their applications in several industries such as textiles, chemicals, paper, PVC, water treatment, alumina, soaps & detergents, pharmaceuticals, glass, chlorinated paraffin wax, among others. The various technologies, which are being used in the chlor-alkali industry, include mercury, membrane cell and diaphragm cells. In India, membrane cell technologies are widely used for caustic soda production.

Due to the continuing pandemic variants, pharma industry has gained much more importance which in turn relies on chlor-alkali industry. Most of the modern medicines today rely on chlor-alkali chemistry for part of their production process for which is likely to favour ancillary industries of chlor-alkali.

Sodium Hypochlorite is one of the side products of many Chlor-alkali manufacturers in India & looking at the long-term demand of Sodium Hypochlorite in view of the continuing COVID-19 crisis, the Chlor-Alkali suppliers are working upon their plant upkeep & continued operations resulting in quicker service support by important technology-based service providers like DNIL.

Chlor-Alkali industries are adopting upgraded membrane cell zero-gap technologies to reap benefits of lower power consumption per ton of caustic produced for ex: nX-BiTAC & BM2.7 generation VI electrolyzers. DNIL is also the leading service provider of anode and cathode elements used in these latest zero gap technology membrane cell electrolyzers. DNIL performs recoating and mechanical repairs to the anode and cathode half shells and retrofitting with zero gap solution to cathode structure used in the membrane cell technology of the chlor-alkali industry. The dynamics of the chlor-alkali industry has a considerable effect on the overall performance of the Company.



DNIL is the industry leader in technology and in this continuing challenging environment DNIL has made extra efforts to keep the cell technology competitive by reducing power consumption and is continuously redefining its business model to maintain margins and to best deliver value to its stakeholders by ensuring continuous improved productivity and good financial performance.

#### **OPPORTUNITIES AND THREATS**

The Goa factory is equipped with all the necessary equipment and facilities to meet the demands of the chlor-alkali industry. The Company continues to remain the market leader in the chlor-alkali and cathodic protection systems business. The main activity of the Company is dependent on recoating of electrodes for membrane cell electrolyzers in chlor-alkali plant, which is cyclic in nature because the life of the coating lasts for 6 to 8 years.

The income from recoating business contributes a major share in the Company's total income. The mercury cell plants have gradually been converted to membrane cell plants. The Company does not get the business of anode/cathodes coating at this conversion stage since these are inbuilt in the new cells and the complete set of cell elements are imported by the customers. The Company is not in the business of manufacturing membrane cell elements and the recoating business in respect of these anode/cathodes will happen only after 8 years.

The chlor-alkali market in India is undergoing consolidation in recent past & entry of newer technology suppliers has put the Company in more challenging environment to continue to maintain its market share.

#### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

From the financial year ended March 31, 2019 the Company has reported an additional new segment of Water Technologies in terms of the provisions of the Indian Accounting Standards. An annual turnover of Rs. 7,416.65 lakhs was registered by the Company during the year under review from the sale of its products.

(Amount ₹ in Lakhs)

Segment	2021-22	Contribution (%)	2020-21	Contribution (%)
Electrode Technologies	6,883.43	93%	4,709.59	93%
Water Technologies	533.22	7%	344.51	7%
<b>Total</b>	<b>7,416.65</b>	<b>100%</b>	<b>5,054.10</b>	<b>100%</b>

#### **OUTLOOK**

The Company is looking forward to maintaining its position of market leader in membrane recoating activity and cathodic protection systems. DNIL is catering to mostly India and South East Asia region, DNIL continues providing refurbishment of IEM cells of Middle East customers.

#### **RISKS & CONCERNS**

Risk management is embedded in all processes across the Company's operating framework. The Company's approach to addressing business risks is comprehensive

and includes a framework for identifying, monitoring, assessing, mitigating and reporting such risks. Risk Control Matrix has been prepared for all the key processes and business transactions. The Board and the Audit Committee periodically reviews the risk management framework and formulates strategies to mitigate those risks. The Senior Management team led by the Managing Director, is responsible to proactively manage risks with appropriate mitigation measures and implementation thereof.

Disruptive technology changes, drastic raw material price changes, potential supply chain disruptions, and regulatory changes have been identified as the some of the main sources of risk in the coming years. Moreover, longer supply chain distribution lead times, changes in import policy due to continuing COVID-19 crisis are likely to further affect the overall supply chain of critical raw materials required in production. Due to the sharp slowing down of major economies which is likely to have an impact on the earnings of the Company in short and medium term. Also, the Company's operations may be impacted due to incapacitation of supply chain, logistics due to exposure to COVID-19 pandemic, reduced productivity due to lockdown and due to suppliers' inability to adhere to the contractual terms may impact the Company.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The responsibility for establishing and maintaining adequate internal control lies with the Management of the Company. This internal control mechanism comprises a well-defined organization, which undertakes time bound audits and reports its findings to the Audit Committee, documents policy guidelines and determines authority levels and processes. The Company also has an Internal Audit function to provide reasonable assurance regarding the effectiveness and efficiency of operations, safeguarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations. To ensure and review the effectiveness and implementation of the systems and operations, the Audit Committee regularly reviews them, and further initiates corrective actions wherever deemed necessary.

The application systems for the business is backed by an integrated SAP Accounting System which provides complete integration of all transactions including financial transactions and statements. Processes and systems are subject to Internal Audit through an annual internal audit plan approved by the Audit Committee. These are further supported by the Statutory Auditors who validate that the financial reporting is true and fair. The results of all audits are discussed with the Senior Management and reviewed by the Audit Committee on a quarterly basis.

#### **FINANCIAL PERFORMANCE**

The financial results of operations of the Company for the year under review are detailed in the Directors' Report. As per the same, the Company's operations have resulted in a pre-tax profit of ₹ 2,095.76 lakhs for the current year as against ₹ 757.42 lakhs for the previous financial year.



The post-tax profit for the current year is ₹ 1,545.04 lakhs whereas it stood at ₹ 564.57 lakhs for 2020-21. The Earning per Share (EPS) (Basic & Diluted) of your Company for the financial year ended March 31, 2022 was at ₹ 29.10.

**DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Key Financial Ratios	FY 2021-22	FY 2020-21	Change (%)	Reason/ Explanation
Debtors Turnover Ratio	6.54	4.26	54%	Realisation of current sales within credit limits contributing favourable to the receivables at the year end.
Inventory Turnover Ratio	1.39	2.23	-38%	Operating working capital cycle changes due to business volumes
Interest Coverage Ratio	-	-	-	Not applicable as company is debt free.
Current Ratio	7.06	5.38	31%	Investments in short term liquid assets
Debt Equity Ratio	-	-	-	Not applicable as company is debt free.
Return on Net Worth (%)	19%	8%	137%	Improvement in profitability due to sales volume and net margin
Operating Profit Margin (%)	29%	15%	93%	
Net Profit Margin (%)	21%	11%	91%	

**MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS**

Our people are our most important asset. As such, the Company has created a learning culture based on agility for its employees. Your Company encourages and supports continuous employee growth and values employee contributions.

The vision of group De Nora is to Leverage all available talents as catalyst for a sustainable future. The five pillars of this vision are:

1. People development
2. Communication, reputation & networking
3. HR analytics, processes, digitalization & agile
4. Diversity Equality and Inclusion (DEI)
5. Well-being and happiness pursuit

Safety and health at the workplace is the number one priority for your company. This year, we decided to stress this once again by celebrating the National Safety week held between 4<sup>th</sup> to 10<sup>th</sup> March, by organizing a poster making competition to highlight the importance of Safety in all spheres of life so as to prevent mishaps and accidents resulting out of neglect or lack of awareness. The theme of the competition was Safety at work. The competition received huge response and many beautiful posters were received. Further, the Company has implemented many best practices across the plant to reduce mishaps and ensure a safe workplace.

Industrie De Nora globally celebrated the International Women’s Day by putting together a video by women employees of the De Nora group. The theme for this year was BreakTheBias: “A world free of bias, stereotypes and discrimination. A world that is diverse, equitable, and inclusive. A world where difference is valued and celebrated”.

As on March 31, 2022, there were 54 permanent employees on the rolls of the Company.

**Employee & Industrial Relations**

Your Company maintained cordial and harmonious relationship with all the employees. Any issues that arose were amicably settled through regular and healthy discussions with the workmen. There was no occurrence of any untoward incident in the Company during the year. Your Company has also encouraged wholehearted participation of the employees and union in improving productivity as well as quality of its products. Ensuring high productivity, employee satisfaction and persistent motivation are the key focus areas of the HR team.

The management of De Nora India Ltd. signed a 4 year agreement with workmen union this year.

**KMPs/Senior Management Personnel & Other Staff**

As recommended by the Nomination and Remuneration Committee (NRC), the Board has adopted a Remuneration Policy for KMPs/Senior Management Personnel. The remuneration is recommended by the NRC based on factors such as industry benchmarks, the Company’s performance vis-à-vis the industry, performance/track record of the KMPs/Senior Management Personnel.

The Remuneration paid to other staff is based on the grade, role and position in the Company, the experience, qualification, skills and competencies of the related employees. There exists a global Compensation System (CS), led by human resources, which is set with the aim of:

- being competitive to attract and retain talents on the local job markets where DNIL operates
- paying fairly for accountability and on merit
- rewarding solid and outstanding performance, i.e. people results.

The objective is to ensure that the compensation motivates the employees to give their best performance.

**CAUTIONARY STATEMENT**

Statements in this ‘Management Discussion and Analysis’ describing the Company’s objectives, projections, estimates, expectations, plans or predictions or industry conditions or events are ‘forward-looking statements’ within the meaning of applicable laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. Important factors that would make a difference to the Company’s operations include demand-supply conditions, raw material prices, changes in government regulations, tax regimes, economic developments within the country and outside the country and other factors such as litigation and labour negotiations.



**Annexure - II**

**Form No. AOC-2**

**[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

Form for disclosure of particulars of contract/arrangements entered by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis -**

There were no contracts or arrangements, or transactions entered into during the financial year ended March 31, 2022, which were not on arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis -**

The details of material contracts or arrangements or transactions at arm's length basis for the financial year ended March 31, 2022 are as follows:

Sr. No.	Name of the related party & Nature of relationship	Nature of contracts/ arrangements/ transactions	Value of contracts/ arrangements/ transactions (₹ in Lakhs)	Duration of Contracts/ arrangements/ transactions	Salient terms of Contracts/ arrangements/ transactions	Date of approval by the Board, if any	Amount paid as advance (₹ in Lakhs)
1.	De Nora Italy S.r.l., Italy (Subsidiary of Ultimate Holding Company)	Sale of goods / materials and services	1,986.82 Lakhs	Financial year 2021-22	The related party transaction (RPT) entered during the year was in the ordinary course of business and on arm's length basis. The RPT is also subject to transfer pricing guidelines.	All RPTs are reviewed and approved by Board and Audit Committee from time to time. Pursuant to the provisions of the Listing Regulations, the Members of the Company have approved the Material RPT with De Nora Italy S.r.l., Italy up to a maximum aggregate value of ₹ 2,200 Lakhs (Rupees Two Thousand Two Hundred Lakhs) during the financial year 2021-22 by passing an Ordinary Resolution through Postal Ballot on Tuesday, May 18, 2021.	Nil

**For and on behalf of the Board of Directors  
For De Nora India Limited**

**Satish Dhume  
Chairman  
DIN : 00336564**

Place: Kundaim, Goa  
Date: July 27, 2022



**Annexure-III**

**Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

1. **Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the Financial Year 2021-22 and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial Year 2021-22**

Median remuneration of all the employees of the Company for the financial year	₹ 5.98 Lakhs
Percentage increase in the median remuneration of employees in the financial year	16.11%
Number of permanent employees on the rolls of the Company as on March 31, 2022	54

Sr. No.	Name of Director	Designation	Remuneration (₹ in Lakhs)	Ratio of Directors remuneration to median remuneration	% Increase in the remuneration in the FY 2021-22
<b>I Executive Director</b>					
1.	Mr. Vinay Chopra	Managing Director	42.78	7.15:1	11.23 %
<b>II Non-Executive Directors</b>					
1.	Mr. Robert Scannell	Non – Executive Director	-	NA <sup>#</sup>	-
2.	Mr. Francesco L'Abbate	Non – Executive Director	-	NA <sup>#</sup>	-
3.	Mr. Satish Dhume	Independent Director	-	NA <sup>#</sup>	-
4.	Ms. Supriya Banerji	Independent Director	-	NA <sup>#</sup>	-
5.	Mr. Purushottam Mantri	Independent Director	-	NA <sup>#</sup>	-
<b>III Key Managerial Personnel</b>					
1.	Mr. Deepak Nagvekar	Chief Financial Officer	34.09	-	19.07 %
2.	Mr. Shrikant Pai	Company Secretary	9.18	-	8.51 %

<sup>#</sup> The Independent Directors and the Non-Executive Directors do not receive any remuneration except sitting fees for attending Board/Committee Meetings.

2. **Average percentiles 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 percentile increase made in the salaries of employees other than Managerial personnel in the last financial year i.e. 2021-22 was 10% whereas there was no increase in the managerial remuneration for the same financial year. Factors such as Indian Inflation, prevailing market rates and performance of the Company were considered while considering remuneration.

3. **Affirmation that the remuneration is as per the remuneration policy of the Company**

The Company affirms that the remuneration is as per the remuneration policy of the Company.

**For and on behalf of the Board of Directors  
For De Nora India Limited**

**Satish Dhume  
Chairman  
DIN : 00336564**

Place: Kundaim, Goa  
Date: July 27, 2022





**Annexure - IV**

**ANNUAL REPORT ON CSR ACTIVITIES**

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

De Nora India Limited strives to be a socially responsible Company and strongly believes in development which is beneficial to the society at large. As a corporate citizen, it is our co- extensive responsibility to commit effort and resource towards supporting the cause of disadvantaged and underprivileged people especially children by providing basic amenities for education, healthcare skill development and to keep the environment clean and safe for society. It is the Company's intent to make a positive contribution to the society in which the Company exists and operates.

The objective of the Company's CSR policy is to set guiding principles for carrying out CSR activities by the Company and to set up the process of execution, implementation, and monitoring of the CSR activities to be undertaken by the Company.

**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	Ms. Supriya Banerji	Chairperson and Non-Executive Independent Director	2	2
2	Mr. Robert Scannell	Non-Executive Director	2	2
3	Mr. Vinay Chopra	Managing Director	2	2

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.**

Composition of CSR Committee, CSR policy and CSR projects approved by the Board of Directors is available on our website at: <https://india.denora.com/company/shareholder-information.html>

**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 year, if any: **Not Applicable****

**6. Average net profit of the Company as per section 135(5): **₹661.54 Lakhs****

**7. (a) Two percent of average net profit of the company as per section 135(5): **₹ 13.23 Lakhs****

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

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

**(d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 13.23 Lakhs****

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
<b>₹ 13.25 Lakhs</b>	<b>NIL</b>	-	-	<b>NIL</b>	-

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



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

Amount in Lakhs (₹)

S I. 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	Mode of implementation on -Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR registration number
1	Support to Government Hospital by providing medical equipment	(i) Promoting health care including preventive health care	Yes	Goa	South Goa	10.75	Yes	NA	
2	Support to Schools / Institutes for education and healthcare of differently abled students	(ii) Promoting Education including special education (i) Promoting health care	Yes	Goa	North Goa & South Goa	1.93	Yes	NA	
3	Support to Government School for education of students from economically poor background	(ii) Promoting education among children	Yes	Goa	North Goa	0.57	Yes	NA	
<b>TOTAL</b>						<b>13.25</b>			

(d) Amount spent in Administrative Overheads: **NIL**

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹13.25 Lakhs**

(g) Excess amount for set off, if any: **NIL**

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

**For De Nora India Limited**

**Mr. Vinay Chopra**  
Managing Director  
(DIN: 06543610)

**Ms. Supriya Banerji**  
Non-Executive, Independent Director  
(Chairperson, CSR Committee)  
(DIN: 05209284)

Place: Kundaim, Goa  
Date: July 27, 2022



Annexure - V

FORM NO. MR- 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2022.

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

To,  
The Members,  
De Nora India Limited  
Plot Nos. 184, 185 & 189,  
Kundaim Industrial Estate,  
Kundaim, Goa - 403 115.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DE NORA INDIA LIMITED**, (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **DE NORA INDIA LIMITED'S** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; .....**Not applicable to the Company during the period under review.**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; .....**Not applicable to the Company during the period under review.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities), 2008; .....**Not applicable to the Company during the period under review.**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; .....**Not applicable to the Company during the period under review.**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; .....**Not applicable to the Company during the period under review.**



(vi) The following other Laws applicable specifically to the Company are:

1. Factories Act, 1948 and the Rules made thereunder.
2. The Environment (Protection) Act, 1986 and the Rules made thereunder
3. The Water (Prevention and Control of Pollution) Act, 1974 and the Rules made thereunder;
4. The Air (Prevention and Control of Pollution) Act, 1981 and the Rules made thereunder;
5. Legal Metrology Act, 2009 and the Rules made thereunder.
6. Electricity Act, 2003 and the Rules made thereunder

**I further report that**, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of yearly compliance report by the respective departmental heads / Company Secretary / Internal Auditor, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor compliance with applicable general laws and other legislations.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.

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

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

As per the minutes of the Board duly recorded and signed by Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

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

Date: April 29, 2022  
Place : Panaji, Goa

**Sadashiv V Shet**  
Practicing Company Secretary  
FCS No. 2477  
C P No.: 2540  
UDIN : F002477D000240561



**Annexure - VI**

**CORPORATE GOVERNANCE REPORT**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and all employees of the Company for enhancement of shareholder value, keeping in view the interests of other stakeholders of the Company. Integrity, transparency and compliance with regulations in all dealings with government, customers, suppliers, employees and other stakeholders are the objectives of good corporate governance.

The Company is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. The Company pursues to carry its business operations in a fair, transparent and ethical manner and holds itself accountable and responsible to the society it belongs. Your Company is striving for excellence through adoption of best governance and disclosure practices which go beyond the statutory and regulatory requirements as its endeavour is to follow the spirit of good governance than mere compliance with the conditions specified by regulatory authorities. The Company believes that an active, well informed and independent Board is necessary to ensure the highest standards of corporate governance.

**2. BOARD OF DIRECTORS**

The Directors of the Company collectively have the desired diversity and optimal mix of knowledge and expertise from diverse fields, possess the requisite qualifications and experience which enables them to discharge their responsibilities and enhance the quality of the Board's decision-making process.

The Board of Directors of the Company is duly constituted and is comprising of Executive and Non-Executive Directors, who are experienced, competent and highly renowned persons from the fields of manufacturing, finance, taxation, law, governance etc. The Board plays an imperative role in the management, general affairs, strategic directions and performance of the Company. The Board has delegated the operational conduct of the business to the Managing Director of the Company who looks after the day-to-day affairs of the Company.

**a) Board Composition, Category of the Directors, details of Directorships / Committee Memberships held in other Companies, attendance at the Board Meeting and the last Annual General Meeting**

As on March 31, 2022, the Board consists of six directors comprising five Non-Executive Directors and one Executive Director (Managing Director). Out of the five Non-Executive Directors, three Directors are Independent Directors of whom one is Women Director. The Independent Directors account for not less than 50% of the strength of the Board, as against minimum requirement of 33.33% as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The necessary disclosures regarding directorships, memberships and chairmanships in various other Boards and Committees and shareholding in the Company have been made by all the Directors.

The names and categories of the Directors on the Board, their attendance at the Board meetings held during the year under review and at the last annual general meeting, details of directorships / committee membership held by them in other Companies including name of the listed entities where the person is director for the year ended March 31, 2022 are given as below:

Name and Category of the Director	No. of Board Meetings held and attended	Directorship in other Companies <sup>#</sup>	No. of other Committee Memberships <sup>§</sup>		Name of other listed entities where the person is Director along with category	Attendance at the last AGM
			Member	Chairperson		
Mr. Satish Dhume (Chairman and Non Executive Independent Director)	6/6	Nil	Nil	Nil	Nil	Yes
Mr. Vinay Chopra (Managing Director)	6/6	Nil	Nil	Nil	Nil	Yes
Mr. Robert Scannell (Non-Executive Director)	5/6	Nil	Nil	Nil	Nil	Yes
Ms. Supriya Banerji (Non-Executive Independent Director)	6/6	Nil	Nil	Nil	Nil	Yes
Mr. Francesco L'Abbate (Non-Executive Director)	5/6	Nil	Nil	Nil	Nil	Yes
Mr. Purushottam Mantri (Non-Executive Independent Director)	6/6	1	1	Nil	Southern Gas Limited (Non-executive Independent Director)	Yes

<sup>#</sup> Excludes directorships held in private limited companies, foreign companies and section 8 companies.

<sup>§</sup> Disclosure of Chairmanship & Membership includes only two committee's viz. Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies whether listed or not excluding De Nora India Limited.





The last AGM of the Company held on September 23, 2021, was attended by all the Members of the Board of Directors. Mr. Satish Dhume attended the Annual General Meeting ('AGM') in the capacity as the Chairman of the Board & Audit Committee, Ms. Supriya Banerji attended the AGM in the capacity as the Chairperson of the Nomination & Remuneration Committee and Corporate Social Responsibility Committee. Purushottam Mantri attended the AGM in the capacity as the Chairperson of the Stakeholder's Relationship Committee.

None of the Directors on the Board of the Company is a Director in more than 20 Companies or 10 Public limited Companies as specified in Section 165 of the Act. None of the Directors of the Company is serving as Director or Independent Director in more than 7 listed entities and Managing Director of the Company is not serving as an Independent Director on the Board of any other listed Company. Further, in terms of Regulation 26 of SEBI Listing Regulations, none of the Directors is a member of more than ten committees or acting as a Chairperson of more than five committees across all Public Limited companies, in which they are Directors. Only audit committee and stakeholders' relationship committee are considered for the purpose of reckoning committee positions.

**b) Number of Board Meetings**

During the financial year ended March 31, 2022, 6 (Six) Board meetings were held and the time gap between any two consecutive Board meetings did not exceed 120 days. These meetings were held on April 08, 2021, May 10, 2021, June 25, 2021, August 05, 2021, October 29, 2021, and January 28, 2022.

Agenda papers containing all necessary information/documents are made available to the Board/Committees in advance to enable the Board/Committees to discharge its responsibilities effectively and take informed decisions. Where it was not practicable to attach or send the relevant information as a part of agenda papers, the same are tabled at the meeting or/and the representations are made by the concerned managers to the Board, subject to compliance with legal requirements. The information as specified in Schedule II of the Listing Regulations is regularly made available to the Board, whenever applicable, for discussion and consideration.

**c) Skills/ Expertise/ Competence of the Board of Directors**

The Board of Directors of the Company comprises of qualified members in terms of skills, knowledge, experience, personal attributes etc. who contribute and guide the Management towards the effective functioning of the Company. All the Board members are committed to ensure that the Company complies with the highest standards of Corporate Governance.

The Board has identified the following skills/ expertise/competencies of the Directors as required in the context of its business and operations and those available with the Board. The names of Directors who have such skills/ expertise/ competence is given below.

<b>Name of Director</b>	<b>Skills/ Expertise / Competence</b>
Mr. Satish Dhume, Chairman cum Independent Director	Finance, Audit, Internal control, Risk Management, Corporate Governance and Professional experience
Mr. Vinay Chopra, Managing Director	Corporate Strategy, Governance, Policy decision, Technical expertise, Industry experience and Risk Management
Mr. Robert Scannell, Non-Executive Director	Policy Decisions, Technical expertise and Industry experience
Mr. Purushottam Mantri, Independent Director	Legal, Finance, Regulatory knowledge, professional experience and Corporate Governance
Ms. Supriya Banerji, Independent Director	Policy Decisions, Corporate Governance and Industry Experience
Mr. Francesco L'Abbate, Non-Executive Director	Finance, Audit, Internal control and Industry Experience

**d) Independent Directors**

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned in Regulation 16(1)(b) of Listing Regulations and Section 149(6) of the Act. On the basis of declarations received from Independent Directors, the Board is of the opinion that each of them fulfils the prescribed independence criteria stipulated under the Act and Listing Regulations and that they are independent from the management of the Company.

None of the Independent Directors of the Company have resigned during the year before the expiry of his/ her tenure.



Schedule IV to the Act and the Listing Regulations mandate the Independent Directors to hold at least one meeting in every financial year, without the attendance of non-independent directors and members of the management. During the financial year under review, the Independent Directors met on April 08, 2021, to review the performance of the Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The said meeting was conducted without the attendance of Non-Independent Directors and members of Management. Further, all the Independent Directors of the Company were present at the meeting.

**e) Familiarization of Independent Directors**

In order to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business mode of the Company, etc. a familiarization programme has been adopted and implemented by the Company.

The details of the familiarization programmes imparted to the Independent Directors are available on the website of the Company <https://india.denora.com/company/shareholder-information.html>.

f) There is no inter-se relationship between any of the Directors of the Company. None of the Directors held any shares in the Company during the year under review.

**3. COMMITTEES OF THE BOARD**

The Board of Directors has constituted the following Committees of Directors with adequate delegation of powers to discharge the Company's requisite business:

**a) Audit Committee**

The Company's Audit Committee comprises of 3 members, all being Non-Executive Directors with a majority being Independent Directors. All the Members of the Audit Committee are financially literate.

The terms of reference of the Audit Committee are in conformity with the requirements of Regulation 18 of the Listing Regulations and Section 177 of the Act. The Broad terms of reference of the Audit Committee include:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- reviewing and examining with the Management the quarterly and annual financial statement and the auditors' report thereon before submission to the Board for approval.
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company.
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval of payment for any other services.
- reviewing about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
- reviewing with Management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems.
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues.
- evaluating internal financial controls and risk management systems.
- reviewing the functioning of the Whistle Blowing mechanism of the Company.
- Any other responsibility/duty as may be prescribed under the Companies Act, 2013 and/or the provisions of the SEBI Regulations.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion and analysis of financial condition and result of operations, statement of significant related party transactions and such other matters as prescribed.

The Audit Committee meets the criteria laid down under Section 177 of the Companies Act, 2013, read with Regulation 18 of the Listing Regulations



in terms of its composition, quorum for its meetings, functioning, role and powers etc.

During the financial year ended March 31, 2022, 6 (Six) Audit Committee Meetings were held on April 08, 2021, May 10, 2021, June 25, 2021, August 05, 2021, October 29, 2021, and January 28, 2022. The time gap between any two consecutive meetings of the Audit Committee did not exceed 120 days.

The composition of the Audit Committee and the attendance of members at the meetings held during the financial year ended March 31, 2022, are as follows:

Names of Committee Members	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Satish Dhume	Chairman	6	6
Mr. Robert Scannell	Member	6	5
Mr. Purushottam Mantri	Member	6	6

The Company Secretary is the Secretary of the Audit Committee. The Managing Director, the Chief Financial Officer as well as the representatives of the Internal and Statutory Auditors of the Company attend the Audit Committee meetings. The Internal Auditors and Statutory Auditors of the Company discuss their audit findings and updates with the Committee and submit their views directly to the Committee.

**b) Nomination & Remuneration Committee ('N&RC')**

The Nomination and Remuneration Committee comprises of 3 (three) members, all being Non-Executive Directors and majority being Independent Directors. The Committee is constituted in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 19 of the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee covers all the areas mentioned under Section 178 of the Act and Regulation 19 read with Part D of Schedule-II of the Listing Regulations. The broad terms of reference of the Committee include:

- formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees.
- formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management.

The Committee met 2 (two) times during the year under review on April 08, 2021, and August 05, 2021. The Company Secretary is the Secretary to the Committee.

The composition of the Nomination and Remuneration Committee and the attendance of members at the meetings held during the financial year ended March 31, 2022, are as follows:

Names of Committee Members	Chairperson /Member	No. of meetings held	No. of meetings attended
Ms. Supriya Banerji	Chairperson	2	2
Mr. Robert Scannell	Member	2	2
Mr. Purushottam Mantri	Member	2	2

The Board has adopted the Policy on Board Diversity and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which are available on the Company's website viz. [india.denora.com](http://india.denora.com).

**c) Stakeholder's Relationship Committee ('SRC')**

The Stakeholders' Relationship Committee comprises of 3 (three) members. The Committee is constituted in terms of the requirements of Section 178 of the Act and Rules framed thereunder read with Regulation 20 of the Listing Regulations.



The terms of reference of the Committee include resolving grievances of shareholders including complaints relating to transfer/transmission of shares, non-receipt of annual report, non-receipt of dividends declared, etc. The Committee also reviews the measures taken for effective exercise of voting rights by shareholders, adherence to the service standards adopted by the Company in relation to various services rendered by the Registrar & Share Transfer Agent, etc.

During the financial year ended March 31, 2022, 2 (Two) SRC meetings were held on May 10, 2021, and October 29, 2021. The Company Secretary is the Secretary to the Committee and is the Compliance Officer of the Company, pursuant to the requirements of the Listing Regulations.

The composition of the Stakeholder's Relationship Committee and the attendance of members at the meetings held during the financial year ended March 31, 2022, are as follows:

Names of Committee Members	Chairman / Member	No. of meetings held	No. of meetings attended
Mr. Purushottam Mantri	Chairman	2	2
Mr. Vinay Chopra	Member	2	2
Mr. Satish Dhume	Member	2	2

#### Details of Shareholders' Complaints

The Company and the Registrar and Transfer Agent of the Company, Bigshare Services Private Limited attends to all the grievances of the Shareholders. During the financial year ended March 31, 2022, 42 grievances/ correspondences were received from the Shareholders. All the grievances have been promptly redressed to the satisfaction of the Members and none of them were pending as on March 31, 2022.

The investor's complaints are also being processed through SEBI Complaint Redressal System (SCORES), the centralized web-based complaint redressal system. Through SCORES, the investors can view online, the actions taken and current status of the complaints. No shareholder complaints were lying unresolved as on March 31, 2022 under SEBI Complaints Redress System - 'SCORES'.

The details of complaints received, cleared / pending during the Financial Year 2021-22 are given below:

Nature of Complaints	Received	Cleared	Pending
Letters from SEBI / SCORES Site	0	0	0
Letters from Stock Exchanges	0	0	0
Letters from Depositories	0	0	0
Letters from Ministry of Corporate Affairs	0	0	0

#### d) Corporate Social Responsibility Committee ('CSR')

The role of the CSR Committee includes formulating and recommending to the Board the CSR Policy and CSR activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, monitoring of the CSR activities undertaken etc. The Company Secretary acts as the Secretary to the Committee.

During the financial year ended March 31, 2022, 2 (two) CSR Committee meetings were held on May 10, 2021 and January 28, 2022.

The composition of the CSR Committee and the attendance of members at the meetings held during the year ended March 31, 2022 are as follows:

Names of Committee Members	Chairperson / Member	No. of meetings held	No. of meetings attended
Ms. Supriya Banerji	Chairperson	2	2
Mr. Vinay Chopra	Member	2	2
Mr. Robert Scannell	Member	2	2



**4. REMUNERATION TO DIRECTORS**

a) None of the Non-Executive Directors had any pecuniary relationship or transaction with the Company other than the Director's sitting fees received by them and re-imbursement of expenses incurred by them while performing their role as Non-Executive Director, during the year under review.

**b) Criteria of Payments to Non-Executive Directors**

The Non-Executive Directors including Independent Directors are paid sitting fees for attending the Board and Committee meetings in addition to reimbursement of expenses incurred for attending the Board and Committee Meetings. The Non-Executive Directors / Independent Directors are not paid any commission on the Net Profits of the Company.

**c) Disclosures of Remuneration of Directors**

**i. Details of remuneration paid to Directors during the year under review:**

Amount (₹) in lakhs

Name of the Director	Sitting fees	Salary & Allowances	Perquisites & Benefits	Retirement Benefits	Performance linked Incentive	Total
Mr. Vinay Chopra	-	26.35	1.94	3.92	10.57	42.78
Mr. Satish Dhume	0.70	-	-	-	-	0.70
Mr. Francesco L'Abbate	0.25	-	-	-	-	0.25
Mr. Robert Scannell	0.70	-	-	-	-	0.70
Ms. Supriya Banerji	0.50	-	-	-	-	0.50
Mr. Purushottam Mantri	0.80	-	-	-	-	0.80

**ii. Details of fixed component and performance linked incentives**

The remuneration paid to Mr. Vinay Chopra, Managing Director of the Company, during the year under review was in accordance with the resolution passed by the Members of the Company in the 30<sup>th</sup> Annual General Meeting of the Company held on 26<sup>th</sup> September 2019. The Managing Director is paid fixed monthly remuneration and is eligible for annual performance linked incentive. The Managing Director is also entitled to benefits such as Company car and driver, telephone at home, mobile & internet connectivity, medical reimbursement etc. as per the Company Policy. The Board may at its absolute discretion, based on the recommendation of the Nomination and Remuneration Committee and review of individual performance as well as general performance of the Company for the relevant year, determine the variable incentive and increments to be paid to Managing Director subject to the overall ceilings stipulated in Schedule V and other applicable provisions of the Act read with Rules made thereunder.

**iii. Service contracts, notice period & severance fees**

The Independent Directors are appointed for a period of 5 years by the Members of the Company at the General Meetings. The Company has issued a formal letter of appointment to the Independent Directors in the manner as provided in the Companies Act, 2013. The terms and conditions of appointment are disclosed on the website of the Company.

In terms of resolution passed by the Members in the 30<sup>th</sup> Annual General Meeting, Mr. Chopra held office as Managing Director of the Company up to May 15, 2022. Mr. Chopra was re-appointed as Managing Director of the Company for a period of three years with effect from July 16, 2022, on the terms and conditions including remuneration approved by the Members by way of Ordinary Resolution through Postal Ballot on May 15, 2022. The resolution approved by the Members of the Company covers the terms and conditions of such appointment read with service rules of the Company. The notice period for the Managing Director is of three months. No severance fee is payable to the Managing Director.

**iv. Stock option details**

The Company does not have any Stock Options Scheme.





**d) Remuneration Policy**

The Board had adopted a Nomination cum Remuneration Policy in accordance with Section 178 of the Companies Act, 2013, the Rules made there under and the provisions of Regulation 19 of the Listing Regulations. The Policy provides for criteria and qualifications for appointment of Directors, Key Managerial Personnel (KMPs) and Senior Management Personnel, remuneration to them, Board diversity etc. The policy has been amended from time to time to align it in requirement with the provisions of applicable laws, rules and regulations. The Nomination cum Remuneration Policy is available on the website of the Company: <https://india.denora.com/company/shareholder-information.html>.

**e) Performance evaluation criteria for Independent Directors**

In line with the provisions of the Act and Listing Regulations, the annual performance evaluation is carried out during the financial year 2021-22, details of which are provided in the Board's Report.

The key areas of performance evaluation of individual directors, including independent directors are knowledge of business, diligence and preparedness, effective interaction with others, constructive contribution to discussion and strategy, concern for stakeholders, ethical conduct etc.

**5. GENERAL BODY MEETINGS**

**a) Details of Annual General Meetings held during past three years**

Year ended	AGM	Day, date & time	Location	Special Resolution passed
31.03.2019	30 <sup>th</sup>	Thursday, September 26, 2019, at 11.00 a.m. IST	Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403 115	Re-appointment of Ms. Sarita D'Souza (DIN: 06949439) as an Independent Director
31.03.2020	31 <sup>st</sup>	Wednesday, September 23, 2020, at 11.00 a.m. IST	Held through Video conference / other Audio-visual means	None
31.03.2021	32 <sup>nd</sup>	Thursday, September 23, 2021, at 11.00 a.m. IST	Held through Video conference / other Audio-visual means	None

**b)** No Extraordinary General Meeting (EGM) was held by the Company during the financial year ended March 31, 2022.

**c) Postal Ballot:**

No Special Resolution was passed through Postal Ballot during the financial year 2021-22.

During the year under review, pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company had sought approval of shareholders by way of Ordinary Resolution through Notice of Postal Ballot dated April 8, 2021, for Material Related Party Transactions with De Nora Italy S.r.l., Italy.

Mr. Umesh P Maskeri, Practicing Company Secretary (COP No. 12704) was appointed as the Scrutinizer for conducting postal ballot in a fair and transparent manner. The Company had engaged the services of CDSL for providing e-voting facility to its Members. In view of the COVID-19 pandemic, the MCA permitted companies to transact items through postal ballot as per the framework set out in General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, and 20/2021 dated December 8, 2021. The Postal Ballot Notice was sent through electronic mode to those Members whose e-mail IDs were registered with the Company/ Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on Friday, April 09, 2021 ("Cut-off date"). The notice of postal ballot was accompanied with detailed instructions to enable the Members to understand the procedure and manner in which postal ballot by remote e-voting was to be carried out. The newspapers publications were also made in accordance with the requirements under the Companies Act, 2013.

The Resolution was duly passed with requisite majority on the last date for e-voting i.e., on Tuesday, May 18, 2021. The Results of the Postal ballot including the Scrutinizer's Report was displayed on the website of the Company, CDSL and communicated to stock exchanges.



Details of voting pattern of the said Postal ballot is as below.

Sr. No.	Particulars	No. & % of votes received	No. & % of votes in favour	No. & % of votes against	Details of invalid votes
1.	Approval of Material Related Party Transactions with De Nora Italy S.R.L., Italy	92770 (1.75%)	92764 (99.99%)	6 (0.01%)	0 (0.00%)

## 6. MEANS OF COMMUNICATION

During the year the quarterly, half-yearly and yearly financial results were published in the 'Business Standard' (English Newspaper) or 'Free Press Journal' (English newspaper) and in 'Tarun Bharat' (Marathi newspaper) within prescribed timelines and are also posted on the Company's website; [india.denora.com](http://india.denora.com).

The Annual Reports are emailed to Members and others entitled to receive them. It is also available on the Company's website in a user-friendly and downloadable form.

In terms of Regulation 10 of the Listing Regulations, the Company complies with the online filing requirements on electronic platforms of National Stock Exchange of India Limited and BSE Limited. The Company submits to National Stock Exchange of India Limited and also to BSE Limited all disclosures/intimations, price sensitive information or such other matters which in its opinion are material and of relevance to the Members.

**Designated email-id:** The Company has also designated email ID: [dni.secretarial@denora.com](mailto:dni.secretarial@denora.com) exclusively for investor servicing.

**Company Website:** Comprehensive information about the Company, its business and operations, press releases and investor information can be viewed at the Company's website [india.denora.com](http://india.denora.com). An exclusive section on 'Investors' enables them to access information relating to the Company.

## 7. GENERAL SHAREHOLDER INFORMATION

a.	Annual General Meeting	Wednesday, September 28, 2022, at 11.00 a.m. at the Registered Office located at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa 403 115
b.	Financial Year	April 1, 2021 to March 31, 2022
c.	Date of Book Closure	22 <sup>nd</sup> September 2022 (Thursday) to 28 <sup>th</sup> September 2022 (Wednesday) (both days inclusive)
d.	Dividend Payment Date (subject to approval of shareholders)	From October 12, 2022 onwards
e.	Name & Address of Stock Exchange at which Shares are listed	National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400051
f.	Stock Code	DENORA EQ
g.	ISIN	INE244A01016
h.	Payment of Listing Fees	The Annual listing fees for the financial year 2022-23 has been paid to the above Stock Exchange.
i.	Corporate Identification Number (CIN) of the Company	L31200GA1993PLC001335
j.	Registered Office & Plant location	Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403115
k.	Registrar and Share Transfer Agent	M/s. Bigshare Services Private Limited, Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. Ph. No.: 022 62638200/62638204 Fax No.: 022 62638299 email: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> website: <a href="http://www.bigshareonline.com">www.bigshareonline.com</a>



l.	Details of securities suspended	None	
m.	Outstanding GDRs/Warrants/ADRs/ Convertible Instruments, conversion dates and likely impact on equity	None	
n.	Commodity Price Risk or Foreign Exchange Risk & Hedging Activities	Nil	
o.	Address for correspondence	<b>Registrar and Share Transfer Agent:</b> M/s. Bigshare Services Private Limited: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri East, Mumbai 400093. Ph. No.: 022-62638200/ 62638204	<b>Registered office of the Company:</b> De Nora India Limited Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim – Goa Ph. No.: 0832-6731100
p.	Details of Compliance Officer	Mr. Shrikant Pai, Company Secretary Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403115 Tel. No. 0832 6731100; Email:shrikant.pai@denora.com	
q.	E-mail id designated by the Company for Investor Complaints	<a href="mailto:dni.secretarial@denora.com">dni.secretarial@denora.com</a>	
r.	Credit Ratings for debt instruments / fixed deposit scheme / any other scheme or proposal	Not applicable	
s.	Details of Demat Suspense Account / Unclaimed Suspense Account	Not applicable	

#### 8. SHARE TRANSFER SYSTEM

In terms of Regulation 40 of SEBI Listing Regulations, as amended, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, with effect from January 24, 2022, listed companies shall issue securities in dematerialised mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange / sub division / splitting / consolidation of securities, transmission / transposition of securities. Therefore, Shareholders holding shares in physical form are requested to take action by applying with their respective Depository Participants (DPs) to dematerialize the Equity Shares of the Company.

The Board has delegated the powers of share transfers to a committee comprising of the Executive Director and Chief Financial Officer to look into share transfer and related applications received from Members, with a view to accelerate the transfer procedures. The Share Transfer Committee meets at regular intervals for approval of share transfers, issue of duplicate share certificates, split, consolidation, etc. as per the request received which are noted at subsequent Board Meeting.

The Company obtains certificate from a Practicing Company Secretary on annual basis as per the requirement of Regulation 40(9) of the Listing Regulations and the same is filed with stock exchanges.

Members holding shares in physical form may please note that all the requests related to transmission, transposition of securities, change of address, bank details, email ids, nomination etc. should be given directly to the Company's RTA M/s. Bigshare Services Private Limited.

Transfer of shares held in dematerialized form are done through the depositories with no involvement of the Company. For queries relating to transfer of Shares held in dematerialized form Members should address correspondence to their respective Depository Participants (DPs).



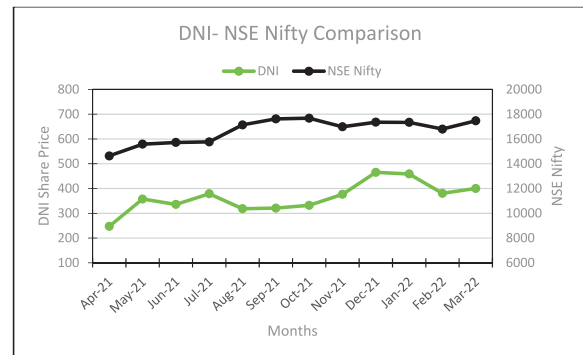
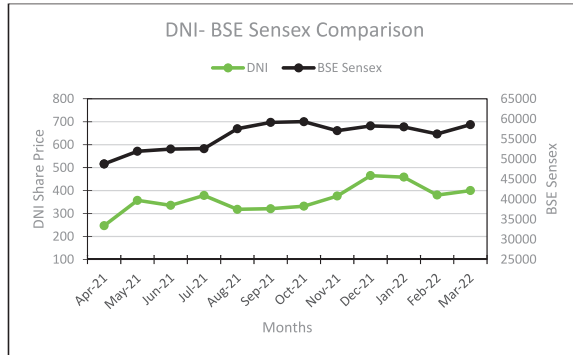
**9. MARKET PRICE DATA**

Monthly high and low prices of equity shares of the Company at the National Stock Exchange of India Limited and BSE Limited during the financial year 2021-22 are as below.

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2021	275.00	239.05	266.50	212.00
May 2021	417.50	244.50	394.30	244.25
June 2021	388.15	316.00	388.20	315.05
July 2021	424.45	331.40	422.40	334.50
August 2021	437.95	293.10	437.00	295.00
September 2021	358.00	310.05	359.20	315.00
October 2021	358.00	318.00	363.80	312.00
November 2021	428.00	337.40	425.00	338.00
December 2021	538.80	383.00	537.95	385.10
January 2022	536.00	431.00	535.95	436.00
February 2022	478.90	370.10	469.85	373.05
March 2022	447.85	356.00	452.00	361.10

**10. SHARE PRICE PERFORMANCE IN COMPARISON TO BROAD BASED INDICES – NSE NIFTY & BSE SENSEX**

The chart below shows the comparison of the Company’s monthly share price movement vis-à-vis the movement of the BSE Sensex and NSE Nifty for the financial year ended 31<sup>st</sup> March, 2022 (based on the month end closing):



**11. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2022**

Range of holding	Number of shares				Number of Shareholders			
	Physical	Demat	Total	%	Physical	Demat	Total	%
1-500	64322	620137	684459	12.8933	582	7186	7768	92.8076
501-1000	6255	237369	243624	4.5892	8	299	307	3.6679
1001-5000	5000	494742	499742	9.4138	2	236	238	2.8435
5001-10000	7500	199472	206972	3.8988	1	29	30	0.3584
10001-50000	-	562445	562445	10.5949	-	22	22	0.2628
50001 & above	-	3111392	3111392	58.6100	-	5	5	0.0597



**12. SHAREHOLDING PATTERN AS ON MARCH 31, 2022**

Particulars	Equity shares of ₹ 10 each	
	No. of Shares	%
Promoters (including Promoter Group)	2849500	53.68
Directors and their relatives	0	0
Financial Institutions/Banks	0	0
Clearing Members	9358	0.18
Corporate Bodies	101690	1.92
Trusts	155	0.00
Resident Individuals & HUF	2235373	42.11
Central/State Governments	0	0.00
Foreign Institutional Investors	0	0.00
Foreign Portfolio Investors – Corporate	200	0.00
Non-Resident Indians	71512	1.35
IEPF A/c	40846	0.76
<b>Total</b>	<b>5308634</b>	<b>100.00</b>

**13. DEMATERIALISATION OF SHARES AND LIQUIDITY AS ON MARCH 31, 2022**

Particulars of shares	Shares of ₹ 10 each		Shareholders	
	Number	% of total	Number	% of total
NSDL	4245862	79.98	3641	43.50
CDSL	979695	18.45	4136	49.41
<b>Sub-Total</b>	<b>5225557</b>	<b>98.44</b>	<b>7777</b>	<b>92.92</b>
Physical form	83077	1.56	593	7.08
<b>Total</b>	<b>5308634</b>	<b>100.00</b>	<b>8370</b>	<b>100</b>

**14. OTHER DISCLOSURES**

The Company has formulated a policy on materiality and dealing with related party transactions in compliance with the Act and SEBI Listing Regulations. The policy is available on the website of the Company at <https://india.denora.com/company/shareholder-information.html>.

All the transactions with related parties are disclosed in the notes annexed to the Audited Financial Statements and the materially significant related party transactions are disclosed in Form AOC - 2 (as applicable) forming part of the Director's Report. Prior approval of the Audit Committee is obtained for all related party transactions entered by the Company. All the transactions with related parties were entered into at arm's length and in the ordinary course of business. The Company has not entered into any transaction of a material nature with the Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large.

- (a) There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the capital market during the last three years.
- (b) The Company has adopted a Whistle Blower Policy and has established the vigil mechanism in line with the requirements under the Act and SEBI Listing Regulations for employees and Directors to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides adequate safeguards against victimization to all whistleblowers who use such mechanism. The said policy has been posted on the Company's website. The Company affirms that no personnel have been denied access to the Audit Committee.
- (c) All mandatory requirements as per Listing Regulations have been complied with by the Company. The status of compliance with the non-mandatory (Discretionary) requirements, as stated under Part E of Schedule-II to the Listing Regulations is as under:





- The Non-Executive Chairman does not maintain any office at the expense of the Company, however, the Company reimburses the expenses incurred by the non-executive Chairman in the performance of his duties.
  - The financial results of the Company are published in English and vernacular newspapers and are also posted on the website of the Company and the websites of the Stock Exchanges, where the shares of the Company are listed /traded. Further, significant events are informed to the Stock Exchanges from time to time and then the same is also posted on the website of the Company. These are not sent individually to the Members.
  - The Chairman of the Board, Mr. Satish Dhume is an Independent Director, and his position is separate from that of the Managing Director.
  - The Statutory Auditors of the Company have issued Audit report with unmodified opinion on the financial statements of the Company for the year ended March 31, 2022.
  - In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports directly to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the audit reports and suggests necessary action.
- (d) The Company does not have any material Subsidiary Company.
- (e) Commodity price risks and commodity hedging activities: NIL
- (f) During the year, the Company has not raised any money through public issue, right issue, preferential issue or qualified institutions placement.
- (g) During the year under review there were no instances where the Board of Directors has not accepted the recommendations of Board Committees.
- (h) The total fees paid by the Company to the statutory auditors and all entities in the network firm/network entity of which the statutory auditor is a part for all the services rendered for the financial year 2021-22 is as below.

<b>Particulars</b>	<b>Amount (₹ in Lakhs)</b>
Audit fees for statutory auditors	22.50
Tax audit	2.00
Re-imbusement of expenses	0.28
<b>Total</b>	<b>24.78</b>

- (i) The details of number of complaints filed, disposed off during the year and pending as on March 31, 2022, in respect of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 is provided in the Director's Report.
15. In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading (Code) duly approved by the Board of Directors of the Company.
16. During the year under review, no loans or advances in the nature of loans were provided by the Company to its holding company or to firms/companies in which directors are interested.
17. The Company has complied with the applicable corporate governance requirements as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations 2015.
18. The Company has complied with all the requirements of the corporate governance report as specified in sub-para (2) to (10) of Part C of Schedule V of the Listing Regulations.
19. 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 herewith as part of the report.
20. The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2022. Declaration signed by Managing Director stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with Code of Conduct of Board of Directors and Senior Management is annexed herewith as part of the report.
21. Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is annexed herewith as part of the report.



**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON COMPLIANCE OF  
CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members  
**DE NORA INDIA LIMITED**

I have examined the compliance of conditions of Corporate Governance by **DE NORA INDIA LIMITED** (the Company), for the financial year ended on **March 31, 2022**, as stipulated under the relevant clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors & the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I 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.

**Sadashiv V. Shet**  
Practising Company Secretary  
CP No.: 2540; Membership No.: 2477  
UDIN: F002477D000239813

Place: Panjim, Goa  
Date: April 29, 2022



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V para C sub clause (10)(I) of the SEBI (LODR), Regulations, 2015)**

To,  
The Members  
DE NORA INDIA LIMITED  
Kundaim Industrial Estate  
Kundaim Goa 403 115.

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of DE NORA INIDA LIMITED having CIN L31200GA1993PLC001335 and having registered office at Plot No. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa -403115, (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Vinay Chopra	06543610	May 09, 2013
2.	Robert Scannell	06818489	February 12, 2014
3.	Francesco L'Abbate	08063332	January 29, 2018
4.	Supriya Banerji	05209284	October 27, 2016
5.	Satish Ramchandra Dhume	00336564	March 30, 2019
6.	Purushottam Sitaram Mantri	06785989	February 05, 2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. 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.

**Sadashiv V. Shet**  
Practising Company Secretary  
CP No.: 2540; Membership No.: 2477  
UDIN: F002477D000240044

Place: Panjim, Goa  
Date: April 29, 2022

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, for the financial year ended March 31, 2022.

**For De Nora India Limited**

**Vinay Chopra**  
Managing Director  
DIN: 06543610

Place: Kundaim, Goa  
Date: July 27, 2022



## INDEPENDENT AUDITOR'S REPORT

To the Members of De Nora India Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of De Nora India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit (financial performance including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue Recognition

Refer Note 2.6 to the financial statement

The Company's revenue is derived from sale and service activities relating to electrolytic and water technology

products. The Company recognises revenue when performance obligations as per the underlying contracts are satisfied in accordance with Ind AS 115 - Revenue from Contract with Customers. The terms set out in the Company's sales contracts are varied which affect the timing of revenue recognition.

Further, revenue is one of the key performance indicator and timing of revenue recognition involves significant management judgement.

In view of the above, revenue recognition as has been identified as a Key Audit Matter.

Our audit procedures to assess the recognition of revenue included but not limited to the following –

- a. Obtained an understanding of and assessed the design and implementation of revenue recognition process and tested the operating effectiveness of internal financial controls over the existence, accuracy and timing of revenue recognition on test check basis;
- b. Verified the contracts on test check basis to identify performance obligations under the contract and to assess whether revenue is recognised in the period in which the performance obligation is satisfied;
- c. Performed substantive transactional verification on test check basis and applied analytical procedures to validate the recognition of revenue.
- d. Performed substantive analytical procedure considering the revenue trends of the previous years and the relationship between revenue and other financial statement line items.
- e. Reconciled the revenue as per the sales register to the revenue recorded in the financial statement.
- f. Performed cut-off testing to validate the timing of revenue recognition determined by management.
- g. Evaluated the appropriateness of the disclosures made in the financial statement in relation to revenue recognition as required by applicable accounting standards.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including Annexures but does not include the financial statements and our auditor's report thereon.

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

#### **Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
  - (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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.





- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv.
  - 1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons / entities, including foreign entities (' Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - 2) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons / entities, including foreign entities, that the Company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - 3) Based on our audit procedures which we have considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard, nothing has come to our notice that has caused us to believe that the representations made by the Management under sub-clause (1) and (2) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act, 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 52 to the financial statements).

- 3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Darryl Frank**  
Partner  
Membership No. 104096  
UDIN: 22104096AICSKF4353

Place : Kundaim, Goa  
Date : April 29, 2022



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF DE NORA INDIA LIMITED**

**Auditor's Responsibilities for the Audit of the 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended March 31, 2022 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.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Darryl Frank**  
Partner  
Membership No. 104096  
UDIN: 22104096AICSKF4353

Place : Kundaim, Goa  
Date : April 29, 2022



**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DE NORA INDIA LIMITED FOR THE YEAR ENDED MARCH 31, 2022.**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.  
B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties (other than lease hold land and buildings thereon wherein the Company is the lessee and the lease agreements for the lease hold land are duly executed in favour of the Company), and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment (including Right of Use assets) and its intangible assets. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i) (e) of the Order are not applicable to the Company.
- ii. (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from a Bank on the basis of security of current assets. However, as per the sanctioned letter the Company is not required to file the monthly / quarterly returns / statement with the bank.
- iii. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Act, the rules framed thereunder. Accordingly, provisions stated in paragraph 3(v) of the Order are not applicable to the Company.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other applicable statutory dues have generally been regularly deposited with the appropriate authorities during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us and the records examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. (a) The Company does not have any loans or borrowings and repayment to lenders during the year. Accordingly, the provision stated in paragraph 3(ix) (a) to (f) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion, according to the information explanation provided to us, there are no funds raised on short term basis. Accordingly, the provision stated in paragraph 3(ix)(d) of the Order is not applicable to the Company.
- (e) The Company does not have any subsidiary, associate or joint venture, hence reporting under the clause (ix)(e) of the order is not applicable to the Company.
- (f) The Company does not have any subsidiaries, associates or joint ventures, hence reporting under the clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) 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, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. (a) During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the financial statements for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the course of audit. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.
- xii. (a) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.



- xvi. (a) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) As represented, the Company does not have more than one CIC as a part of its group. Hence, the provisions stated in paragraph clause 3 (xvi)(d) of the Order are not applicable to the Company.
- xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Hence, the provisions stated in paragraph clause 3 (xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of audit report and the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- xx. (a) According to the information and explanations given to us, the provisions of section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred to the special account as on the date of our audit report. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxii) of the Order is not applicable.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Darryl Frank**  
Partner  
Membership No. 104096  
UDIN: 22104096AICSKF4353

Place : Kundaim, Goa  
Date : April 29, 2022





## **ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DE NORA INDIA LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of **De Nora India Limited** on the Financial Statements for the year ended March 31, 2022]

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of De Nora India Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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) (the "Guidance Note").

#### **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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with 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. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Darryl Frank**  
Partner  
Membership No. 104096  
UDIN: 22104096AICSKF4353

Place : Kundaim, Goa  
Date : April 29, 2022



## BALANCE SHEET

As at March 31, 2022

[Amount in Rs Lakhs, unless otherwise stated]

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	700.00	735.34
Capital work-in-progress	7	64.14	-
Other intangible assets	6	45.29	223.38
<b>Financial assets</b>			
Investments	8	11.16	7.42
Deferred tax asset (net)	31	157.36	88.61
Other non-current assets	9	86.18	107.58
<b>Total non-current assets</b>		<b>1,064.13</b>	<b>1,162.33</b>
<b>Current assets</b>			
Inventories	10	2,383.85	1,941.84
<b>Financial assets</b>			
Investments	8	2,315.51	387.70
Trade receivables	11	1,177.92	1,090.62
Cash and cash equivalents	12	1,389.79	1,889.10
Bank balances other than cash and cash equivalent	13	737.84	1,105.28
Loans	14	1.08	6.83
Other Financial Assets	15	2.28	2.28
Other current assets	16	291.63	374.94
<b>Total current assets</b>		<b>8,299.90</b>	<b>6,798.59</b>
<b>Total assets</b>		<b>9,364.03</b>	<b>7,960.92</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	530.86	530.86
Other equity	18	7,657.25	6,166.73
<b>Total equity</b>		<b>8,188.11</b>	<b>6,697.59</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	20	-	-
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		305.12	333.84
Other financial liabilities	21	102.85	91.85
Provisions	19	238.41	67.75
Other current liabilities	22	529.54	769.89
<b>Total current liabilities</b>		<b>1,175.92</b>	<b>1,263.33</b>
<b>Total liabilities</b>		<b>1,175.92</b>	<b>1,263.33</b>
<b>Total equity and liabilities</b>		<b>9,364.03</b>	<b>7,960.92</b>
See accompanying notes to the financial statements	1-53		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Darryl Frank**

Partner

Membership No: 104096

Place : Kundaim, Goa

Date : Apr 29, 2022

For and on behalf of the Board of Directors

**De Nora India Limited**

CIN: L31200GA1993PLC001335

**Satish Dhume**

Chairman

DIN : 00336564

**Deepak Nagvekar**

Chief Financial Officer

Place : Kundaim, Goa

Date : Apr 29, 2022

**Vinay Chopra**

Managing Director

DIN : 06543610

**Shrikant Pai**

Company Secretary

ICSI Membership No: 40001



## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

[Amount in Rs Lakhs, unless otherwise stated]

	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	23	7,416.65	5,054.10
Other income	24	95.85	182.82
<b>Total income</b>		<b>7,512.50</b>	<b>5,236.92</b>
<b>Expenses</b>			
Cost of raw material consumed	25	2,747.61	2,612.63
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	269.26	(16.11)
Employee benefits expense	27	575.23	529.62
Finance Costs	28	14.94	-
Depreciation and amortization expense	29	266.96	260.23
Other expenses	30	1,542.74	1,093.13
<b>Total expenses</b>		<b>5,416.74</b>	<b>4,479.50</b>
<b>Profit before tax</b>		<b>2,095.76</b>	<b>757.42</b>
<b>Tax expense</b>			
Current tax			
For current year profits	31	610.11	203.63
Adjustments for earlier years	31	7.62	(0.37)
Deferred tax charge/ (benefit)	31	(67.01)	(10.41)
<b>Total income tax expense</b>		<b>550.72</b>	<b>192.85</b>
<b>Profit for the year</b>		<b>1,545.04</b>	<b>564.57</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Changes in fair value of FVTOCI equity Securities		3.74	2.06
Remeasurement of net defined benefit liability		(6.91)	(3.13)
Income tax relating to the above items		1.74	0.79
		(1.43)	(0.28)
<b>Other comprehensive income for the year, net of tax</b>		<b>(1.43)</b>	<b>(0.28)</b>
<b>Total comprehensive income for the year</b>		<b>1,543.61</b>	<b>564.29</b>
<b>Earnings per share</b>			
Basic earnings per share	32	29.10	10.64
Diluted earnings per share	32	29.10	10.64
See accompanying notes to the financial statements	1-53		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Darryl Frank**

Partner

Membership No: 104096

For and on behalf of the Board of Directors

**De Nora India Limited**

CIN: L31200GA1993PLC001335

**Satish Dhume**

Chairman

DIN : 00336564

**Vinay Chopra**

Managing Director

DIN : 06543610

**Deepak Nagvekar**

Chief Financial Officer

**Shrikant Pai**

Company Secretary

ICSI Membership No: 40001

Place : Kundaim, Goa

Date : Apr 29, 2022

Place : Kundaim, Goa

Date : Apr 29, 2022



## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022  
[Amount in Rs Lakhs, unless otherwise stated]

(A) Equity share capital	As at March 31, 2022	As at March 31, 2021
Equity shares of Rs. 10 each issued, subscribed and fully paid		
Opening	530.86	530.86
Add: issue during the year	-	-
Closing	<b>530.86</b>	<b>530.86</b>

(B) Other equity	Particulars	Reserve and surplus			Items of OCI		Total
		Securities Premium Reserve	Capital Redemption Reserve	General Reserve	FVTOCI Reserve on defined benefit plan	FVTOCI Reserve on equity instruments	
	Balance as at April 01, 2020	736.08	24.65	706.76	(2.60)	3.65	5,602.44
	Profit for the year	-	-	-	-	-	564.57
	Other comprehensive income	-	-	-	(2.34)	2.06	(0.28)
	<b>Total other comprehensive income for the year</b>	-	-	-	<b>(2.34)</b>	<b>2.06</b>	<b>564.29</b>
	<b>Balance as at March 31, 2021</b>	<b>736.08</b>	<b>24.65</b>	<b>706.76</b>	<b>(4.94)</b>	<b>5.71</b>	<b>6,166.73</b>

Particulars	Reserve and surplus			Items of OCI		Total
	Securities Premium Reserve	Capital Redemption Reserve	General Reserve	FVTOCI Reserve on defined benefit plan	FVTOCI Reserve on equity instruments	
Balance as at April 01, 2021	736.08	24.65	706.76	(4.94)	5.71	6,166.73
Profit for the year	-	-	-	-	-	1,545.04
Other comprehensive income	-	-	-	(5.17)	3.74	(1.43)
<b>Total other comprehensive income for the year</b>	-	-	-	<b>(5.17)</b>	<b>3.74</b>	<b>1,543.61</b>
Dividend on Equity Shares paid during the year	-	-	-	-	-	(53.09)
<b>Balance as at March 31, 2022</b>	<b>736.08</b>	<b>24.65</b>	<b>706.76</b>	<b>(10.11)</b>	<b>9.45</b>	<b>7,657.25</b>

See accompanying notes to the financial statements 1-53

The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.: 105047W

**Darryl Frank**

Partner

Membership No: 104096

Place : Kundaim, Goa

Date : Apr 29, 2022

For and on behalf of the Board of Directors

**De Nora India Limited**

CIN: L31200GA1993PLC001335

**Satish Dhume**

Chairman

DIN : 00336564

Place : Kundaim, Goa

Date : Apr 29, 2022

**Vinay Chopra**

Managing Director

DIN : 06543610

**Deepak Nagvekar**

Chief Financial Officer

**Shrikant Pai**

Company Secretary

ICSI Membership No: 40001





## STATEMENT OF CASH FLOW

for the year ended March 31, 2022

[Amount in Rs Lakhs, unless otherwise stated]

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit before tax	2,095.76	757.42
<u>Adjustments for:</u>		
Depreciation and amortization expenses	266.96	260.23
Interest income	(33.70)	(78.08)
Finance cost	14.94	-
Liabilities written back	-	(8.41)
Loss / (gain) on sale/disposal of property, plant and equipment (net)	(0.02)	4.97
Unrealised loss / (gain) on foreign exchange (net)	0.36	8.72
Provision for / (Reversal of) Doubtful / Bad Debts (net)	81.40	21.82
Provision for / (Reversal of) advances to suppliers (net)	37.81	-
Provision for / (Reversal of) warranty (net)	66.79	(35.73)
Provision for / (Reversal of) obsolete Stock (net)	(81.42)	(3.31)
Dividend Income	(3.08)	(21.69)
Loss / (Gain) on sale of investment (net)	(3.05)	-
Fair value change in Investment	(15.77)	0.05
<b>Operating Profit before working capital changes</b>	<b>2,426.98</b>	<b>905.99</b>
<b>Changes in working capital</b>		
Decrease / (Increase) in inventories	(360.58)	657.96
Decrease / (Increase) in trade receivables	(168.58)	163.66
Decrease / (increase) in other financial assets	-	(1.88)
Decrease / (Increase) in current assets	73.48	(19.83)
(Decrease)/ Increase in trade payables	(29.22)	(122.63)
(Decrease)/ Increase in other financial liabilities	(4.21)	43.14
(Decrease)/ Increase in provisions	(6.94)	(10.53)
(Decrease)/ Increase in other current liabilities	(240.36)	98.91
<b>Cash generated / (used) in operations</b>	<b>1,690.57</b>	<b>1,714.79</b>
Income tax refund	-	136.38
Income tax paid	(524.45)	(235.79)
<b>Net cash flows from operating activities (A)</b>	<b>1,166.12</b>	<b>1,615.38</b>



## STATEMENT OF CASH FLOW

for the year ended March 31, 2022

[Amount in Rs Lakhs, unless otherwise stated]

		For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Cash flow from Investing activities</b>			
Payment for property, plant and equipment and intangible assets		(107.59)	(156.55)
Purchase of Investments		(2,299.25)	(19.94)
Proceeds from sales of investments		390.26	100.00
Proceeds from sale/disposal of property, plant, equipment		0.02	0.50
Proceeds from/(amount deposited into) fixed deposits (net)		367.13	97.46
Interest received		34.01	66.17
Dividend received		3.08	21.69
<b>Net cash flows from investing activities (B)</b>		<b>(1,612.34)</b>	<b>109.33</b>
<b>Cash flow from Financing activities</b>			
Proceeds from / (Repayment of) short-term borrowings		-	(76.73)
Dividend paid		(53.09)	-
<b>Net cash flows from / (used in) financing activities (C)</b>		<b>(53.09)</b>	<b>(76.73)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>(499.31)</b>	<b>1,647.98</b>
Cash and cash equivalents at the beginning of the year		1,889.10	241.12
Cash and cash equivalents at the end of the year		<b>1,389.79</b>	<b>1,889.10</b>
<b>Cash and cash equivalents comprise (Refer note 12)</b>			
Balances with banks			
On current accounts		201.22	1,033.42
Fixed deposits with maturity less than 3 months		440.00	-
In exchange earner's foreign currency accounts		748.38	855.35
Cash on hand		0.19	0.33
<b>Total Cash and cash equivalents at end of the year</b>		<b>1,389.79</b>	<b>1,889.10</b>
See accompanying notes to the financial statements	1-53		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Darryl Frank**

Partner

Membership No: 104096

Place : Kundaim, Goa

Date : Apr 29, 2022

For and on behalf of the Board of Directors

**De Nora India Limited**

CIN: L31200GA1993PLC001335

**Satish Dhume**

Chairman

DIN : 00336564

**Deepak Nagvekar**

Chief Financial Officer

Place : Kundaim, Goa

Date : Apr 29, 2022

**Vinay Chopra**

Managing Director

DIN : 06543610

**Shrikant Pai**

Company Secretary

ICSI Membership No: 40001



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 1 General Information

De Nora India Limited ("the Company" or "De Nora") was incorporated in June 1989 as Titanor Components Limited ("Titanor") and commenced business in November 1989. The Company's name was changed to De Nora India Limited on 27 June 2007. The Company has been incorporated under the provisions of The Companies Act and its equity shares are listed on National Stock Exchange of India Limited (NSE) in India. The Company has its manufacturing facilities at Kundaim, Goa, which is also its principal place of business and is involved in the business of manufacturing and servicing of Electrolytic products.

### 2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

#### 2.1 Basis of Preparation of Financial Statements

##### (a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### (b) Basis of measurement

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

Items	Measurement Basis
Certain Financial Assets and Financials Liabilities	Fair Value
Net Defined Benefit(asset)/liability	Present value of defined benefit obligation less fair value of plan assets

(c) All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

##### (d) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

##### (e) Functional and presentation currency

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



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to it up to the date it is ready for its intended use. Cost of property, plant and equipment that are not yet ready for their intended use at the balance sheet date are shown under capital work-in-progress.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

#### Depreciation methods, estimated useful lives

The Company depreciates Property, plant and equipments using the straight line method over their estimated useful lives as under :

Property, plant and equipment	
Leasehold improvement*	Lease period
Office Building	60 years
Factory Building	30 years
Plant & Machinery	15 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers	3 years

\* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property, plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property, plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

### 2.3 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	
Computer Software	3-5 years



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### 2.4 Foreign Currency Transactions

#### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

### 2.5 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### 2.6 Revenue Recognition

#### Sale of products

Revenue from the sale of products is recognised when the Company satisfies the performance obligation by transferring promised products to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, Goods and Services Tax (GST) and amounts collected on behalf of third party.





## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### Rendering of services

The Company primarily earns revenue from recoating / repairs of electrolytic products. Revenue from recoating / repairs of electrolytic products is recognized in accordance with the terms of the contract with customers when the identified performance obligation is completed. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of Goods and Services Tax (GST) and amounts collected on behalf of third party.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current Liabilities" as "Advance from Customer".

### Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

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

## 2.7 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### (a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### (b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## 2.8 Leases

### As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

Also initial direct cost incurred in operating lease such as commissions, legal fees and internal costs is recognised immediately in the Statement of Profit and Loss.

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

### 2.9 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress and manufactured finished goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

### 2.10 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

### 2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighing of all possible outcomes by their associated probabilities.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

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

### 2.12 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

### 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (a) Financial assets

##### (i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

### (iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 15-quarters ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 15 quarters ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 15 quarters ECL is a portion of the lifetime ECL which results from default events that are possible within 15 quarters after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 90 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

### (iv) Derecognition of financial assets

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### (b) Financial liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### (ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

##### *Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

#### (iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

### (c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## 2.14 Employee Benefits

### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (b) Other long-term employee benefit obligations

#### (i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

### (ii) **Defined benefit plans**

**Gratuity:** The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

### (iii) **Other long term employee benefit obligations**

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

## **2.15 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

## **2.16 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Company operates in two reportable segments i.e. "Electrode Technologies" and "Water Technologies".

## **2.17 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated.

## **3 Significant accounting judgments, estimates and assumptions**

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2022 are as below :





## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### (a) Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

#### (b) Impairment of non financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### (c) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depend upon assumptions determined after taking into account discount rate, salary growth rate, expected rate of return, mortality and attrition rate. Information about such valuation is provided in notes to the financial statements.

#### (d) Revenue Recognition

The Company derives significant revenue from recoating / repairs of electrolytic products. Such revenue is recognised in accordance with the terms of the contracts when identified performance obligation is completed. The terms of the contracts are varied which affects the identification of performance obligation, allocation of transaction price to the performance obligation and timing of revenue recognition. The company exercises the significant judgment in assessing the performance obligation and timing of revenue recognition.

#### (e) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

**4.1** Ministry of Corporate affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022.

### 4.2 Standards that became effective during the year

There are no new Standards that became effective during the year. The Company has applied certain amendments that became effective during the year which are discussed below:

#### (a) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments have no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods as and when it become applicable.

### (b) Amendments to Ind AS consequential to Conceptual Framework under Ind AS

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments have no impact on the financial statements of the Company.

### (c) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments have no impact on the financial statements of the Company.

### (d) Ind AS 103: Business combination

The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definition of asset and liability given in the framework for preparation and presentation of financial statements with Indian Accounting standards rather than the conceptual framework. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments have no impact on the financial statements of the Company.

### (e) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

In the definition of "Recoverable amount" the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments have no impact on the financial statements of the Company.



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**5 Property, plant and equipment**

	Gross block			Depreciation			Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at Mar 31, 2022	For the year	Deductions/ Adjustments	As at Mar 31, 2022	As at April 01, 2021
<b>Owned assets</b>								
Leasehold Improvement	10.84	-	-	10.84	0.20	-	1.18	9.66
Office building	17.32	-	-	17.32	0.43	-	2.59	15.16
Factory building	246.94	-	-	246.94	17.74	-	108.56	156.12
Plant and Machinery	529.17	38.70	-	567.87	46.54	-	95.43	472.44
Furniture and Fixtures	29.82	1.19	-	31.01	3.43	-	17.72	15.53
Vehicles	29.45	-	-	29.45	4.30	-	7.52	26.23
Office Equipment	52.99	8.54	-	61.53	7.89	-	37.86	23.02
Computers	26.16	3.69	1.95	27.90	6.93	1.95	22.00	9.14
<b>Total</b>	<b>942.69</b>	<b>52.12</b>	<b>1.95</b>	<b>992.86</b>	<b>87.46</b>	<b>1.95</b>	<b>292.86</b>	<b>735.34</b>

	Gross block			Depreciation			Net block	
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	For the year	Deductions/ Adjustments	As at March 31, 2021	As at April 01, 2020
<b>Owned assets</b>								
Leasehold Improvement	10.84	-	-	10.84	0.20	-	0.98	10.06
Office building	17.32	-	-	17.32	0.43	-	2.16	15.59
Factory building	247.21	-	0.27	246.94	18.40	0.27	90.82	174.52
Plant and Machinery	433.34	153.23	57.40	529.17	43.18	55.10	48.89	372.53
Furniture and Fixtures	25.48	5.17	0.83	29.82	3.18	0.84	14.29	13.53
Vehicles	24.96	20.00	15.51	29.45	4.27	12.53	3.22	13.48
Office Equipment	47.24	12.65	6.90	52.99	9.18	6.77	29.97	19.68
Computers	18.37	9.67	1.88	26.16	2.34	1.87	17.02	1.82
<b>Total</b>	<b>824.76</b>	<b>200.72</b>	<b>82.79</b>	<b>942.69</b>	<b>81.18</b>	<b>77.38</b>	<b>207.35</b>	<b>621.21</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**6 Other intangible assets**

	Gross block			Depreciation			Net block	
	As at April 01, 2021	Additions/ Adjustments	Deductions/ Adjustments	As at Mar 31, 2022	As at April 01, 2021	For the year	As at Mar 31, 2022	As at April 01, 2021
Computer Software	881.35	1.41	-	882.76	657.97	179.50	837.47	223.38
<b>Total</b>	<b>881.35</b>	<b>1.41</b>	<b>-</b>	<b>882.76</b>	<b>657.97</b>	<b>179.50</b>	<b>837.47</b>	<b>223.38</b>

	Gross block			Depreciation			Net block	
	As at April 01, 2020	Additions/ Adjustments	Deductions/ Adjustments	As at March 31, 2021	As at April 01, 2020	For the year	As at March 31, 2021	As at April 01, 2020
Computer Software	878.76	2.59	-	881.35	478.92	179.05	657.97	399.84
<b>Total</b>	<b>878.76</b>	<b>2.59</b>	<b>-</b>	<b>881.35</b>	<b>478.92</b>	<b>179.05</b>	<b>657.97</b>	<b>399.84</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**7 Capital-Work-in Progress (CWIP)**

**(a) For Capital-work-in progress ageing schedule**

**As at March 31, 2022**

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	64.14	-	-	-	64.14
Projects temporarily suspended	-	-	-	-	-

**As at March 31, 2021**

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

**8 Financial Assets- Investments**

	As at March 31, 2022	As at March 31, 2021
Non Current Investments		
Equity Investments at Fair value through Other Comprehensive Income (FVOCI)		
- Quoted equity shares		
10,000 (March 31, 2021 : 10,000) equity shares of Bank of Baroda of Rs 2 each, (March 31, 2021 : Rs.2 each) fully paid-up	11.16	7.42
<b>Total Non Current Investments</b>	<b>11.16</b>	<b>7.42</b>
Current Investments		
Investments in Mutual Funds at Fair value through profit and loss (FVTPL)		
- Investments in Mutual Funds (unquoted) (Refer footnote i)	2,315.51	387.69
<b>Total Current Investments</b>	<b>2,315.51</b>	<b>387.69</b>
Current	2,315.51	387.70
Non- Current	11.16	7.42
	<b>2,326.67</b>	<b>395.12</b>
<b>Aggregate book value of:</b>		
Mutual Funds (unquoted)	2,315.51	387.69
<b>Aggregate market value of:</b>		
Mutual Funds (unquoted)	2,315.51	387.69
<b>Aggregate amount of impairment in value of Investments</b>	-	-



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### Footnote:

#### i. Details of investments in Mutual Funds designated at FVTPL:

Particulars	Number of units		Amount (in Rs.)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
HDFC Cash Management Fund - Savings Plan - daily dividend reinvestment	-	0.25	-	270.45
HDFC Liquid Fund - Direct Plan - Dividend - Daily Reinvest	-	0.11	-	117.04
HDFC Ultra Short Term Fund - Direct Plan - Growth	93.25	-	1,157.45	-
TATA Money Market Fund Direct Plan - Growth	0.25	-	955.07	-
TATA Ultra Short Term Fund - Direct Plan - Growth	17.05	-	202.99	-
Tata Floater Fund - Growth Plan	-	0.01	-	0.20
	<b>110.55</b>	<b>0.37</b>	<b>2,315.51</b>	<b>387.69</b>

#### 9 Other non-current assets

	As at March 31, 2022	As at March 31, 2021
Surplus in Gratuity fund (funded) (Refer Note 33)	0.17	15.51
Surplus in Leave availment fund (funded)	0.19	7.07
Capital advance*	8.44	3.30
Income tax receivable (net of provision for tax)	77.38	81.70
<b>Total other non-current assets</b>	<b>86.18</b>	<b>107.58</b>

\* Value of contracts in capital account remaining to be executed as at March 31, 2022 is Rs. 210.93 Lakhs (March 31, 2021: Rs. 16.50 Lakhs)

#### 10 Inventories

	As at March 31, 2022	As at March 31, 2021
(Valued at the lower of cost and net realizable value)		
Raw material in stock	1,641.38	927.97
Raw material in transit	-	2.14
Work in progress in stock	643.00	849.56
Finished goods in stock	99.47	162.17
<b>Total Inventories</b>	<b>2,383.85</b>	<b>1,941.84</b>

#### 11 Trade receivable

	As at March 31, 2022	As at March 31, 2021
Secured, considered good	-	-
Unsecured		
-Considered good	1,177.92	1,090.62
-Considered doubtful	184.65	104.95
Less : Allowance for bad and doubtful debts	(184.65)	(104.95)
<b>Total Trade Receivable</b>	<b>1,177.92</b>	<b>1,090.62</b>
Further classified as:		
Receivable from related parties (Refer note 34)	50.50	210.65
Receivable from others	1,127.42	879.97
	<b>1,177.92</b>	<b>1,090.62</b>





**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

Footnote i : Include due from following Companies in which the Company is having common directors:

	As at March 31, 2022	As at March 31, 2021
De Nora Deutschland GmbH	-	210.65
	-	<b>210.65</b>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

**As at March 31, 2022**

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	979.49	177.34	70.36	0.13	2.05	81.42	<b>1,310.79</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	32.04	19.74	-	<b>51.78</b>
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	(7.26)	(4.40)	(39.97)	(32.11)	(19.92)	(80.99)	<b>(184.65)</b>
<b>Total</b>	<b>-</b>	<b>972.23</b>	<b>172.94</b>	<b>30.39</b>	<b>0.6</b>	<b>1.87</b>	<b>0.43</b>	<b>1,177.92</b>

**As at March 31, 2021**

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	548.98	557.46	2.59	5.07	-	81.47	<b>1,195.57</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	(16.55)	-	(2.59)	(3.57)	(0.46)	(81.78)	<b>(104.95)</b>
<b>Total</b>	<b>-</b>	<b>532.43</b>	<b>557.46</b>	<b>-</b>	<b>1.50</b>	<b>(0.46)</b>	<b>(0.31)</b>	<b>1,090.62</b>



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 12 Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
On current accounts	201.21	1033.42
Fixed deposits with maturity less than 3 months	440.00	-
In exchange earner's foreign currency EEFC accounts	748.39	855.35
Cash on hand	0.19	0.33
<b>Total Cash and cash equivalents</b>	<b>1,389.79</b>	<b>1,889.10</b>

Cash balances on current account and EEFC Account do not earn interest. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

### 13 Bank balances other than Cash and cash equivalent

	As at March 31, 2022	As at March 31, 2021
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date *	729.76	1,095.45
Earmarked Balances - Unpaid dividend #	8.08	9.83
<b>Total Bank balances other than Cash and cash equivalent</b>	<b>737.84</b>	<b>1,105.28</b>

\* Lien on FDR as on March 31, 2022 is Rs.729.73 Lakhs (March 31, 2021 - Rs. 725.45 Lakhs). Details are as follows:-

Particulars of facility	Amount of Facility	Deposit against facility
Bank Overdraft Account facility	150.00 (150.00)	180.00 (180.00)
Bank Guarantee Facility	527.65 (527.65)	549.74 (545.46)
Total	677.65 (677.65)	729.74 (725.46)

(Amounts in brackets pertains to previous year ended March 31, 2021)

# Amount restricted in use on account of unpaid dividend. No amount is due to be transferred to the Investors Education & Protection Fund as at March 31, 2022 (March 31, 2021 - Rs. Nil).

### 14 Loans

	As at March 31, 2022	As at March 31, 2021
<u>Unsecured, considered good</u>		
Loan to Staff	1.08	6.83
<b>Total Loans and Deposits</b>	<b>1.08</b>	<b>6.83</b>

### 15 Other Financial Assets

	As at March 31, 2022	As at March 31, 2021
Security deposits	2.28	2.28
<b>Total Other Financial Assets</b>	<b>2.28</b>	<b>2.28</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**16 Other current assets**

	As at March 31, 2022	As at March 31, 2021
Advances to Suppliers	12.22	45.16
Balance with Government authorities	235.03	269.26
Value/Refund to be received from revenue authorities	6.98	7.96
Prepaid expenses	15.89	17.45
Other receivables	21.51	35.11
<b>Total Other current assets</b>	<b>291.63</b>	<b>374.94</b>

**17 Share capital**

**(a) Equity shares**

	As at March 31, 2022	As at March 31, 2021
<b>Authorized</b>		
1,00,00,000 (March 31, 2021 - 1,00,00,000) Equity shares of Rs. 10 each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and paid up</b>		
53,08,634 (March 31, 2021 - 53,08,634) Equity Shares of Rs. 10 each fully paid	530.86	530.86
<b>Total</b>	<b>530.86</b>	<b>530.86</b>

**(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	53.09	530.86	53.09	530.86
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>53.09</b>	<b>530.86</b>	<b>53.09</b>	<b>530.86</b>

**(c) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

**(d) Shares held by the holding Company**

	As at March 31, 2022	As at March 31, 2021
Oronzio De Nora International B. V.	28.50	28.50



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

(e) **Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Name of the shareholder	As at Mar 31, 2022		As at March 31, 2021	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Equity shares of Rs. 10 each fully paid</b>				
Oronzio De Nora International B. V.	28.50	53.68%	28.50	53.68%

(f) **Details of Shares held by Promoters at the end of the year**

Promoter name	As at Mar 31, 2022			As at March 31, 2021		
	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Oronzio De Nora International B. V.	28.50	53.68%	0%	28.50	53.68%	0%

(g) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

(h) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**18 Other equity**

(A) **Securities premium reserve (SPR)\***

	As at March 31, 2022	As at March 31, 2021
Opening balance	736.08	736.08
Add : Securities premium credited on share issue	-	-
<b>Closing balance</b>	<b>736.08</b>	<b>736.08</b>

\*SPR record premium on issue of shares to be utilized in accordance with the Companies Act, 2013.

(B) **General reserve (GR)\***

	As at March 31, 2022	As at March 31, 2021
Opening balance	706.76	706.76
Add: movement during the year	-	-
<b>Closing balance</b>	<b>706.76</b>	<b>706.76</b>

\* GR is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to the statement of profit and loss.

(C) **Capital redemption reserve (CRR)\***

	As at March 31, 2022	As at March 31, 2021
Opening balance	24.65	24.65
Movement during the year	-	-
<b>Closing balance</b>	<b>24.65</b>	<b>24.65</b>

\* CRR up to the nominal value of shares is created out of distributable profit for buyback of shares as per the Companies Act, 2013.



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**(D) Surplus / (deficit) in the Statement of Profit and Loss**

	As at March 31, 2022	As at March 31, 2021
Opening balance	4,698.47	4,133.90
Add: Net Profit for the current year	1,545.04	564.57
Dividend on Equity Shares	(53.09)	-
<b>Closing balance</b>	<b>6,190.42</b>	<b>4,698.47</b>

**(E) Investments FVTOCI Reserve on equity instruments \***

	As at March 31, 2022	As at March 31, 2021
Opening balance	5.71	3.65
Fair valuation changes for the year	3.74	2.06
<b>Closing balance</b>	<b>9.45</b>	<b>5.71</b>

\* Comprises of cumulative fair valuation changes in equity shares. The Company has elected to recognise changes in fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within the equity, the Company transfers the amount from this reserve to retained earnings when the relevant equity securities are de-recognised.

**(F) FVTOCI reserve on defined benefit plan (net of tax)\***

	As at March 31, 2022	As at March 31, 2021
Opening Balance	(4.94)	(2.60)
Remeasurement gain / (loss) on defined benefit plans (net of tax)	(5.17)	(2.34)
<b>Closing balance</b>	<b>(10.11)</b>	<b>(4.94)</b>
* Comprises cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable.		
<b>Total other equity</b>	<b>7,657.25</b>	<b>6,166.73</b>

**19 Provisions**

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (Refer note 33)		
Provision for gratuity (funded)	-	-
Provision for Sick Leave availment (funded)	0.73	0.75
	0.73	0.75
Other provisions		
Provision for Income Tax	103.89	-
Provision for warranties	133.79	67.00
	237.68	67.00
<b>Total Provisions</b>	<b>238.41</b>	<b>67.75</b>



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 20 Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises *	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises ##	305.12	333.84
<b>Total trade payables</b>	<b>305.12</b>	<b>333.84</b>

\* Based on the information available with the Company, there are no outstanding dues and payments made during the year to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

#### As at March 31, 2022

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	232.87	36.66	5.03	9.58	16.15	4.83	305.12
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>232.87</b>	<b>36.66</b>	<b>5.03</b>	<b>9.58</b>	<b>16.15</b>	<b>4.83</b>	<b>305.12</b>

#### As at March 31, 2022

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	150.84	127.47	27.74	16.81	1.16	9.82	333.84
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>150.84</b>	<b>127.47</b>	<b>27.74</b>	<b>16.81</b>	<b>1.16</b>	<b>9.82</b>	<b>333.84</b>

## Refer Note 34 for trade payables to related parties

### 21 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
(at amortised cost)		
Employee Payable	79.55	82.02
Unpaid Dividend #	8.08	9.83
Capital creditors	15.22	-
<b>Total other financial liabilities</b>	<b>102.85</b>	<b>91.85</b>

# During the year ended March 31, 2022 unpaid dividend of Rs. 2.48 Lakhs (previous year ended March 31, 2021 Rs. 3.43 Lakhs) was transferred to Investor Education Protection Fund on June 28, 2021.

### 22 Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Statutory due payable	17.66	17.62
Advance from customer	511.88	752.27
<b>Total other current liabilities</b>	<b>529.54</b>	<b>769.89</b>





**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**23 Revenue from operations**

	<b>For the Year ended March 31, 2022</b>	<b>For the Year ended March 31, 2021</b>
Revenue from contracts with customers		
- Sale of Products	1,951.13	1,276.60
- Sale of services	5,406.08	3,749.35
(I)	<b>7,357.21</b>	<b>5,025.95</b>
Other operating revenue		
- Sale of Process Scrap	6.16	2.39
- Duty Drawback	22.12	22.10
- MEIS Income	31.16	3.66
(II)	<b>59.44</b>	<b>28.15</b>
<b>Total Revenue from operations</b>	<b>(I + II) 7,416.65</b>	<b>5,054.10</b>

**24 Other income**

	<b>For the Year ended March 31, 2022</b>	<b>For the Year ended March 31, 2021</b>
Interest income		
- On deposits with bank	33.16	65.51
- On income taxes	-	11.91
- On Others	0.54	0.67
Dividend income		
- from current investments	3.08	21.69
Profit on sale of current investments	3.05	-
Other non operating income		
- Fair valuation adjustments of Investments designated as FVTPL*	15.77	-
- Sale of miscellaneous scrap	5.75	4.77
Income from deputations services	30.75	26.80
Warranty provision written back	-	35.73
Foreign exchange fluctuation	2.20	7.05
Profit on sale of fixed assets	0.02	-
Miscellaneous income	1.53	0.28
Liabilities written back	-	8.41
<b>Total Other Income</b>	<b>95.85</b>	<b>182.82</b>

\* FVTPL of investments represent fair valuation changes in mutual funds.

**25 Cost of material consumed**

	<b>For the Year ended March 31, 2022</b>	<b>For the Year ended March 31, 2021</b>
Inventory at the beginning of the year	930.11	1,600.87
Add: Purchases	3,458.88	1,941.87
Less: Inventory at the end of the year	(1,641.38)	(930.11)
<b>Cost of raw material consumed</b>	<b>2,747.61</b>	<b>2,612.63</b>



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 26 Changes in inventories of finished goods and work-in-progress

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Inventories at the beginning of the year</b>		
-Finished goods	162.17	89.56
-Work-in-progress	849.56	906.06
	<b>1,011.73</b>	<b>995.62</b>
<b>Less: Inventories at the end of the year</b>		
-Finished goods	99.47	162.17
-Work-in-progress	643.00	849.56
	<b>742.47</b>	<b>1,011.73</b>
<b>Net decrease/ (increase)</b>	<b>269.26</b>	<b>(16.11)</b>

### 27 Employee benefits expense

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, wages, bonus, ex-gratia and other allowances	486.29	443.51
Contribution to Provident Fund and Other Social Securities funds / schemes # (Refer Note 33)	42.93	40.39
Contribution to Gratuity fund (Refer note 33)	10.39	11.23
Staff welfare and other employee expenses	35.62	34.49
<b>Total Employee benefits expense *</b>	<b>575.23</b>	<b>529.62</b>

# Based on the Supreme Court Judgement dated February 28, 2019, the Company was required to reassess the components to be included in the basic salary for the purposes of deduction of PF. However, the Company believes that there is not likely to be material impact and hence has not provided for any additional liability as on March 31, 2022 (previous year March 31, 2021 - Rs. Nil) in the books of account.

\* 'The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

### 28 Finance Costs

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest on delayed payment of income tax	14.94	-
	<b>14.94</b>	<b>-</b>

### 29 Depreciation and amortization expense

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation (Refer note 5)	87.46	81.18
Amortization (Refer note 6)	179.50	179.05
<b>Total Depreciation and amortization expense</b>	<b>266.96</b>	<b>260.23</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**30 Other expenses**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Stores and spares consumed	104.37	89.90
Packing material consumed	20.13	2.36
Job work charges	22.05	34.54
Labour charges	177.16	154.12
House Keeping charges	21.93	20.74
Electricity and water	66.44	59.32
Rates and Taxes	2.04	7.15
Repairs and maintenance-Building	35.61	26.70
Repairs and maintenance- Machinery	35.08	35.24
Repairs and maintenance - others	59.40	53.43
Insurance	34.93	20.30
Provision for Bad & Doubtful Debts (Net)	81.40	21.82
Provision for Warranty	66.79	-
Fair valuation adjustments of Investments designated as FVTPL*	-	0.05
Travel and conveyance	67.73	79.91
Freight and forwarding	43.59	4.74
Communication, broadband and internet expenses	7.87	8.28
Loss on sale/disposal of fixed assets (Net)	-	4.97
Corporate Social Responsibility (CSR) expenses #	13.25	10.28
Printing & Stationery	4.78	4.89
Advertisement and sales promotion	4.49	3.46
Legal and professional charges**	413.64	315.40
Bank charges	7.68	6.48
Donation	0.11	0.26
Royalty	163.28	79.15
Security Charges	31.97	22.96
Subscription & Membership	3.77	3.73
Directors' Sitting Fees	2.95	2.10
Other Operating Expenses	2.31	3.10
Provision for advances to supplier	37.81	-
Miscellaneous expenses	10.18	17.75
<b>Total Other Expenses</b>	<b>1,542.74</b>	<b>1,093.13</b>

\* FVTPL of investments represent fair valuation changes in mutual funds.

\*\* Includes Auditors' remuneration (exclusive of GST) as follows:



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>As auditor:</b>		
Statutory audit	22.50	22.50
<b>In other capacity:</b>		
Tax audit	2.00	2.00
Reimbursement of expenses	0.28	0.26
<b>Total</b>	<b>24.78</b>	<b>24.76</b>

# Note :- Expenditure incurred on Corporate Social Responsibility (CSR) activities (refer Note 44) :

The Expenditure incurred for complying with provisions for the CSR expenditure required under section 135 of Companies Act, 2013 is as follows:

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Gross amount required to be spent by the company during the year	13.25	10.28
Amount Spent during the year on :		
- Promotion of education to students from economically poor background	0.56	-
- Support to Govt Hospital (Medical Equipments)	10.75	-
- Support to School/Institutes for Edu. & Health care of differently abled students	1.94	-
- Contribution to PM CARES Fund	-	10.28
	<b>13.25</b>	<b>10.28</b>

**31 Income Tax**

**(A) Deferred tax relates to the following:**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>Deferred tax assets</b>		
On provision for employee benefits	3.12	8.28
On disallowance u/s 40A of Income Tax Act, 1961	49.00	28.94
On Provision for warranty	33.67	16.86
On Provision for doubtful receivables	46.47	26.41
On Provision for inventory obsolescence	49.75	70.24
On revenue recognised on percentage completion mentioned - ICDS IV	3.96	4.56
On others	9.52	-
	<b>(I) 195.49</b>	<b>155.29</b>
<b>Deferred tax liabilities</b>		
On property, plant and equipment	34.16	66.63
On others	3.97	0.5
	<b>(II) 38.13</b>	<b>66.68</b>
Deferred tax income	<b>(I - II) 157.36</b>	88.61
Less: Deferred tax asset not recognized	-	-
Deferred tax asset, net	<b>157.36</b>	<b>88.61</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**(B) Reconciliation of deferred tax assets/ (liabilities) (net):**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening balance as of 1 April	88.61	77.41
Effect on tax liability recognized in Statement of Profit and Loss	28.56	24.76
Effect on tax asset / (liability) recognized in OCI		
On re-measurements gain/(losses) of post-employment benefit obligations	1.74	0.79
Effect on tax asset recognized in Statement of Profit and Loss	38.45	(14.35)
Closing balance as at 31 March	<b>157.36</b>	<b>88.61</b>

**(C) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Tax liability	(28.56)	(24.76)
Tax asset	(38.45)	14.35
	<b>(67.01)</b>	<b>(10.41)</b>

**(D) Income tax expense**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
- Current tax taxes	610.11	203.63
- Adjustments in respect of current income tax of previous year	7.62	(0.37)
- Deferred tax charge / (income)	(67.01)	(10.41)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>550.72</b>	<b>192.85</b>

**(E) Income tax expense charged to OCI**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Net loss/(gain) on remeasurements of defined benefit plans	(1.74)	(0.79)
<b>Income tax charged to OCI</b>	<b>(1.74)</b>	<b>(0.79)</b>

**(F) Reconciliation of tax charge**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit before tax	2,095.76	757.42
Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	527.46	190.63
Tax effects of:		
- Item not deductible for tax / (taxable)	15.64	2.59
- Others (exempt income)	-	-
Earlier year adjustment	7.62	(0.37)
<b>Income tax expense</b>	<b>550.72</b>	<b>192.85</b>



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 32 Earnings/ (Loss) per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit attributable to equity holders	1,545.04	564.57
Weighted average number of equity shares for basic EPS	53.09	53.09
Effect of dilution:		
Share options	-	-
Convertible preference shares	-	-
Weighted average number of equity shares adjusted for the effect of dilution	<b>53.09</b>	<b>53.09</b>
Basic Earnings per share (INR)	29.10	10.64
Diluted Earnings per share (INR)	29.10	10.64

### 33 Employee benefits

#### A) Defined Contribution Plans

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss –		
Employers' Contribution to Provident Fund	22.53	19.35
Employers' Contribution to Pension Fund	7.76	8.21
Employers' Contribution to Superannuation Fund	12.49	12.68
Social securities employers' contributions	0.15	0.15
Employer contribution to Employee State Insurance and employee social securities fund / scheme	<b>42.93</b>	<b>40.39</b>

#### (B) Defined benefit plans

	As at March 31, 2022	As at March 31, 2021
a) Surplus in Gratuity Fund / (Gratuity payable to employees) (Refer Note 9)	0.17	15.51

#### i) Actuarial assumptions

	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.95%	6.41%
Rate of increase in Salary	8.00%	8.00%
Expected average remaining working lives of employees (years)	8.85	8.79
Attrition rate	3.00%	3.00%
Mortality rate	IALM (2012-14) Ult.	IALM (2012-14) Ult.





**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**ii) Changes in the present value of defined benefit obligation and plan assets**

	As at March 31, 2022	As at March 31, 2021
Present value of obligation at the beginning of the year	233.30	215.29
Interest cost	14.00	13.32
Current service cost	12.34	12.00
Benefits paid	(20.09)	(11.44)
Actuarial (gain)/ loss on obligations	7.64	4.13
<b>Present value of obligation at the end of the year</b>	<b>247.19</b>	<b>233.30</b>
Plan assets at the beginning of the year	248.81	213.17
Expected return of plan assets	15.95	14.09
Contributions	1.96	31.99
Benefits paid	(20.09)	(11.44)
Actuarial gain / (loss)	0.73	1.00
<b>Plan assets at the end of the year</b>	<b>247.36</b>	<b>248.81</b>

**iii) Expense recognized in the Statement of Profit and Loss**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current service cost	12.34	12.00
Interest cost	14.00	13.32
Expected return on plan assets	(15.95)	(14.09)
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>10.39</b>	<b>11.23</b>

\*Included in Employee benefits expense (Refer Note 27). Actuarial (gain)/loss of Rs. 6.91 Lakhs- (March 31, 2021: Rs. (3.13 Lakhs)) is included in other comprehensive income.

**iv) Assets and liabilities recognized in the Balance Sheet:**

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligation as at the end of the year	247.19	233.30
Fair Value of Plan Assets	247.36	248.81
<b>Net defined benefit asset / (liability) recognized in Balance Sheet*</b>	<b>0.17</b>	<b>15.51</b>

\*liability Included in provision for employee benefits and asset in Other non current assets (Refer note 9)

**v) Expected contribution to the fund in the next year**

	As at March 31, 2022	As at March 31, 2021
Gratuity	43.22	29.73

**vi) Expected Gratuity cost to be recognised in the Statement of Profit and Loss for the next year**

	As at March 31, 2022	As at March 31, 2021
	11.21	10.39



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**vii) A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Impact on defined benefit obligation		
Discount rate		
100 basis points increase	232.64	218.77
100 basis points decrease	263.32	249.50
Rate of increase in salary		
100 basis points increase	263.32	249.09
100 basis points decrease	232.64	218.84

**viii) Maturity profile of defined benefit obligation**

**Expected future cash flows**

	As at March 31, 2022	As at March 31, 2021
Year		
Year 1	43.22	29.73
Year 2	19.63	26.39
Year 3	12.02	17.19
Year 4	12.25	13.95
Year 5	22.77	10.68
Year 6 to 10	141.05	121.51
Above 10 years	156.74	159.36

**34 Related Party Disclosures**

(A) Names of related parties and description of relationship as identified and certified by the Company:

**Ultimate Holding Company**

Industrie De Nora S.p.A

**Holding Company**

Oronzio De Nora International B.V.

**Key Management Personnel (KMP)**

Mr. Satish Dhume	Chairman & Independent Director
Mr. Vinay Chopra	Managing Director
Mr. Robert Scannell	Non-Executive Director
Mr. Purushottam S. Mantri	Non-Executive & Independent Director
Ms. Supriya Banerji	Non-Executive & Independent Director
Mr. Francesco L'Abbate	Non-Executive Director
Mr. Shrikant Pai	Company Secretary
Mr. Deepak Nagvekar	Chief Financial Officer

**Other related parties with whom transactions have taken place during the year**

De Nora Deutschland GmbH	Fellow subsidiary
De Nora Water Technologies Inc (Formerly known as "De Nora Water Technologies Texas LLC, US)	--do--
De Nora Tech LLC	--do--



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

De Nora Water Technologies LLC- Singapore Branch	--do--
De Nora Water Technologies Inc. USA	--do--
De Nora Water Technologies LLC, Abu Dhabi	--do--
De Nora Italy S.r.l Singapore Branch	--do--
De Nora Permelec Limited	--do--
De Nora Elettrodi (Suzhou) Co. Ltd	--do--
De Nora Italy S.r.L	--do--
YPK & Associates LLP	Firm in which relative of Director is a partner

**(B) Details of transactions with related party in the ordinary course of business for the year ended March 31, 2022**

Nature of Transactions	Holding Company	Ultimate Holding Company	Fellow subsidiaries	Key Management Personnel (KMP)	KMP Relative	Total
<b>Purchase of raw material, trading goods and spares</b>						
De Nora Deutschland GmbH	-	-	46.69	-	-	46.69
	(-)	(-)	(17.09)	(-)	(-)	(17.09)
De Nora Permelec Limited	-	-	3.55	-	-	3.55
	(-)	(-)	(0.76)	(-)	(-)	(0.76)
De Nora Tech LLC	-	-	5.50	-	-	5.50
	(-)	(-)	(1.34)	(-)	(-)	(1.34)
<b>Purchase of services</b>						
Industrie De Nora S.p.A	-	339.10	-	-	-	339.10
	(-)	(272.35)	(-)	(-)	(-)	(272.35)
De Nora Deutschland GmbH	-	-	14.39	-	-	14.39
	(-)	(-)	(20.22)	(-)	(-)	(20.22)
De Nora Water Technologies Inc.	-	-	-	-	-	-
	(-)	(-)	(13.96)	(-)	(-)	(13.96)
De Nora Water Technologies LLC, Abu Dhabi	-	-	-	-	-	-
	(-)	(-)	(4.03)	(-)	(-)	(4.03)
YPK & Associates LLP	-	-	-	-	0.40	0.40
	(-)	(-)	(-)	(-)	(0.51)	(0.51)
<b>Purchase of intangible assets</b>						
Industrie De Nora S.p.A	-	0.51	-	-	-	0.51
	(-)	(2.59)	(-)	(-)	(-)	(2.59)
<b>Royalty</b>						
Industrie De Nora S.p.A	-	163.28	-	-	-	163.28
	(-)	(79.15)	(-)	(-)	(-)	(79.15)
<b>Sale of goods and services</b>						
De Nora Italy S.r.L	-	-	1,983.59	-	-	1,983.59
	(-)	(-)	(2,023.97)	(-)	(-)	(2,023.97)
De Nora Deutschland GmbH	-	-	20.53	-	-	20.53
	(-)	(-)	(245.36)	(-)	(-)	(245.36)



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

Nature of Transactions	Holding Company	Ultimate Holding Company	Fellow subsidiaries	Key Management Personnel (KMP)	KMP Relative	Total
De Nora Italy S.r.l Singapore Branch	- (-)	- (-)	25.67 (2.77)	- (-)	- (-)	25.67 (2.77)
De Nora Do Brasil Ltda	- (-)	- (-)	1.72 (-)	- (-)	- (-)	1.72 (-)
<b>Other Income</b>						
De Nora Tech LLC	- (-)	- (-)	1.51 (-)	- (-)	- (-)	1.51 (-)
De Nora Italy S.r.l Singapore Branch	- (-)	- (-)	- (0.21)	- (-)	- (-)	- (0.21)
<b>Recovery of expenses</b>						
De Nora Italy S.r.L	- (-)	- (-)	3.23 (-)	- (-)	- (-)	3.23 (-)
De Nora Italy S.r.l Singapore Branch	- (-)	- (-)	0.39 (-)	- (-)	- (-)	0.39 (-)
De Nora Elettrodi (Suzhou) Co. Ltd	- (-)	- (-)	30.75 (26.80)	- (-)	- (-)	30.75 (26.80)
<b>Sitting Fees to Non-Executive Directors</b>						
Mr Satish Dhume	- (-)	- (-)	- (-)	0.70 (0.50)	- (-)	0.70 (0.50)
Ms. Sarita D'Souza	- (-)	- (-)	- (-)	- (0.55)	- (-)	- (0.55)
Ms. Supriya Banerji	- (-)	- (-)	- (-)	0.50 (0.40)	- (-)	0.50 (0.40)
Mr. Purshottam S. Mantri	- (-)	- (-)	- (-)	0.80 (0.10)	- (-)	0.80 (0.10)
Mr. Robert Scannell	- (-)	- (-)	- (-)	0.70 (0.40)	- (-)	0.70 (0.40)
Mr. Francesco L'Abbate	- (-)	- (-)	- (-)	0.25 (0.15)	- (-)	0.25 (0.15)
<b>Managerial Remuneration</b>						
Mr. Vinay Chopra	- (-)	- (-)	- (-)	42.78 (38.47)	- (-)	42.78 (38.47)
Mr. Deepak Nagvekar	- (-)	- (-)	- (-)	34.09 (28.63)	- (-)	34.09 (28.63)
Mr. Shrikant Pai	- (-)	- (-)	- (-)	9.18 (8.46)	- (-)	9.18 (8.46)
<b>Re-imbursement of Expenses</b>						
Mr Satish Dhume	- (-)	- (-)	- (-)	- (0.18)	- (-)	- (0.18)
Ms. Supriya Banerji	- (-)	- (-)	- (-)	- (0.18)	- (-)	- (0.18)



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

Nature of Transactions	Holding Company	Ultimate Holding Company	Fellow subsidiaries	Key Management Personnel (KMP)	KMP Relative	Total
<b>Amount due from</b>						
De Nora Deutschland GmbH	-	-	-	-	-	-
	(-)	(-)	(210.65)	(-)	(-)	(210.65)
De Nora Elettrodi (Suzhou) Co. Ltd	-	-	7.93	-	-	7.93
	(-)	(-)	(6.61)	(-)	(-)	(6.61)
De Nora Water Technologies LLC- Singapore Branch	-	-	1.70	-	-	1.70
	(-)	(-)	(1.64)	(-)	(-)	(1.64)
De Nora Tech LLC	-	-	1.51	-	-	1.51
	(-)	(-)	(-)	(-)	(-)	(-)
De Nora Italy S.r.L	-	-	39.37	-	-	39.37
	(-)	(-)	(10.72)	(-)	(-)	(10.72)
<b>Amount due to</b>						
Industrie De Nora S.p.A	-	178.32	-	-	-	178.32
	(-)	(186.35)	(-)	(-)	(-)	(186.35)
De Nora Tech LLC	-	-	-	-	-	-
	(-)	(-)	(1.34)	(-)	(-)	(1.34)
De Nora Water Technologies LLC- Singapore Branch	-	-	10.00	-	-	10.00
	(-)	(-)	(9.63)	(-)	(-)	(9.63)
De Nora Deutschland GmbH	-	-	4.94	-	-	4.94
	(-)	(-)	(16.43)	(-)	(-)	(16.43)
De Nora Permelec Limited	-	-	0.56	-	-	0.56
	(-)	(-)	(-)	(-)	(-)	(-)
Mr. Robert Scannell	-	-	-	0.88	-	0.88
	(-)	(-)	(-)	(0.32)	(-)	(0.32)
Mr. Francesco L'Abbate	-	-	-	0.40	-	0.40
	(-)	(-)	(-)	(0.15)	(-)	(0.15)
Mr. Vinay Chopra	-	-	-	-	-	-
	(-)	(-)	(-)	(1.30)	(-)	(1.30)
Mr. Deepak Nagvekar	-	-	-	-	-	-
	(-)	(-)	(-)	(0.89)	(-)	(0.89)
Mr. Shrikant Pai	-	-	-	-	-	-
	(-)	(-)	(-)	(0.52)	(-)	(0.52)

Amounts in brackets pertains to previous year ended March 31, 2021

(C) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021 - Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

The Company's international / domestic transfer pricing certification is carried out by an independent firm of Chartered Accountants. The Company has established a system of maintenance of documents and information as required by the transfer pricing legislation u/s. 92-92F of the Income Tax Act, 1961. Up to 31 March, 2021, the last date for which the transfer pricing certification was carried out, there were no adjustments made to the transactions entered into with 'associated enterprises' as defined in section 92A of the Income Tax Act, 1961. The Management believes that the international transactions and specified domestic transactions entered into with 'associated enterprises' during the financial year are at arm's length price and that there will be no impact on the amount of tax expense or the provision of tax on the application of the transfer pricing legislation to such transactions.

### 35 Segment Reporting

#### A. Basis for segmentation :

Operating segments are identified as those components of the Company:-

- that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components;
- whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and performance assessment; and
- for which discrete financial information is available.

The Company has two reportable segments as described under 'Segment Composition' below. The nature of products and services offered by these businesses are different and are managed separately given the different sets of technology and competency requirements

#### B. Reportable segments :

An operating segment is classified as reportable segment if reported revenue (including inter-segment revenue) or absolute amount of result or assets exceed 10% or more of the combined total of all the operating segments.

#### C. Segment profit :

Performance of a segment is measured based on segment profit (before interest and tax), as included in the internal management reports that are reviewed by the Company's Board of Directors

#### D. Segment composition :

As per the criteria specified under Ind AS 108 - Operating Segments, the Company has identified 'Electrode Technologies' and 'Water Technologies' as its Operating Segments.

#### E. Information about reportable segments :

	March 31, 2022		March 31, 2021	
	Electrode technologies	Water technologies	Electrode technologies	Water technologies
<b>Revenue</b>				
External Customers	6,883.43	533.22	4,709.59	344.51
Inter-segment	-	-	-	-
<b>Total revenue</b>	<b>6,883.43</b>	<b>533.22</b>	<b>4,709.59</b>	<b>344.51</b>
<b>Segment profit</b>	<b>2,230.99</b>	<b>56.06</b>	<b>829.14</b>	<b>64.65</b>
<b>Segment assets</b>	<b>6,187.46</b>	<b>569.87</b>	<b>5,997.91</b>	<b>1,174.21</b>
<b>Segment liabilities</b>	<b>653.22</b>	<b>418.80</b>	<b>500.62</b>	<b>762.71</b>





**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**F. Reconciliation of information on reportable segments**

	March 31, 2022	March 31, 2021
Revenue from reportable segments	7,416.65	5,054.10
Other Income from reportable segments	73.95	140.13
Un-allocable income	21.90	42.69
Less: Inter-segment Revenue	-	-
<b>Total revenue</b>	<b>7,512.50</b>	<b>5,236.92</b>
Total profit before tax for reportable segments	2,287.05	893.79
Un-allocable expenditure net-off un-allocable income	(191.29)	(136.37)
<b>Total profit before tax from operations as reported in Statement of Profit and Loss</b>	<b>2,095.76</b>	<b>757.42</b>
Total assets from reportable segments	6,757.33	7,172.12
Un-allocated assets	2,606.70	788.80
<b>Total assets as reported in Balance sheet</b>	<b>9,364.03</b>	<b>7,960.92</b>
Total liabilities from reportable segments	1,072.02	1,263.33
Un-allocated liabilities	103.90	-
<b>Total liabilities as reported in Balance sheet</b>	<b>1,175.92</b>	<b>1,263.33</b>

**G. Geographical information**

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table.

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
India	5,369.55	2,741.16
Outside India	2,047.10	2,312.94
<b>Total</b>	<b>7,416.65</b>	<b>5,054.10</b>

**H. Major customers**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:		
Customer A	3,034.45	2,023.21
Customer B	1,983.59	457.39
<b>Total</b>	<b>5,018.04</b>	<b>2,480.60</b>

**36 Fair values of financial assets and financial liabilities**

**A. Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions were used to estimate the fair values:**

1. Fair value of cash, bank balances, short-term deposits, trade and other short-term receivables, trade payables, short term borrowings and other financial liabilities approximate their carrying amounts largely due to short-term maturities of these Financial instruments.
2. The fair value of non-current financial assets comprising of security term deposits at amortised cost using Effective Interest Rate (EIR) are not significantly different from the carrying amount.
3. Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

### 37 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

#### Fair value measurement hierarchy of assets

	As at March 31, 2022	As at March 31, 2021
(a) <u>Financial Assets measured at fair value</u>		
<b>Level 1 (Quoted price in active markets)</b>		
Investments in mutual funds FVTPL	2,315.51	387.70
(b) <u>Financial assets measured at FVTOCI</u>		
<b>Level 1</b>		
<b>Investments in equity instruments FVTOCI</b>	11.16	7.42

Investment in equity shares is designated as FVTOCI \*

\*The equity instruments which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Company has considered this to be more relevant.

There have been no transfers between Level 1 and Level 2 during the period

Financial assets measured at amortized cost (at level 3)

	As at March 31, 2022	As at March 31, 2021
Trade receivables (Note 11)	1,177.92	1,090.62
Cash and cash equivalents (Note 12)	1,389.79	1,889.10
Banks and other Cash and cash equivalents (Note 13)	737.84	1,105.28
Loans (Note 14)	1.08	6.83
Other Financial Assets (Note 15)	2.28	2.28
<u>Financial liabilities measured at amortized cost (at Level 3)</u>		
Trade payables (Note 20)	305.12	333.84
Other financial liabilities (Note 21)	102.85	91.85



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 38 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

#### (A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have exposure to the risk of changes in market interest rates as the Company does not have long-term debt obligations outstanding as at balance sheet date and short term debt obligations are with fixed interest rates.

##### (ii) Foreign currency risk

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. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency). The risk is measured through monitoring the net exposure to various foreign currencies and the same is minimized to the extent possible.

#### (a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period in INR, are as follows:

	As at March 31, 2022		As at March 31, 2021	
	USD	EUR	USD	EUR
<b>Financial assets #</b>				
Trade receivables	0.04	0.56	0.02	2.68
Balances in EEFC Account	-	8.93	-	10.06
	<b>0.04</b>	<b>9.49</b>	<b>0.02</b>	<b>12.74</b>
<b>Financial liabilities</b>				
Trade payables #	0.14	0.01	0.16	1.11
	<b>0.14</b>	<b>0.01</b>	<b>0.16</b>	<b>1.11</b>
<b>Net exposure to foreign currency risk assets / (liabilities)</b>	<b>(0.10)</b>	<b>9.48</b>	<b>(0.14)</b>	<b>11.63</b>

# the foreign currency exposure hedged by the Company as at March 31, 2022 is Nil (March 31, 2021 - Nil)



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### (b) Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and EURO exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material. The sensitivity analysis includes only net outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a INR 1 change in foreign currency rates.

	Impact on profit before tax	
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
USD		
- Increase by 1%	(0.07)	(0.10)
- Decrease by 1%	0.07	0.10
EUR		
- Increase by 1%	7.94	9.88
- Decrease by 1%	(7.94)	(9.88)

### (iii) Price risk

The Company is mainly exposed to the price risk due to its investment in mutual funds and equity shares. The price risk arises due to uncertainties about the future market values of these investments.

As at March 31, 2022, the investments in mutual funds amounts to Rs. 2,315.51 Lakhs (March 31, 2021: Rs. 387.70 Lakhs). These are exposed to price risk.

The Company has laid policies and guidelines which it adheres to in order to minimize price risk arising from investments in equity mutual funds.

1% increase in prices would have led to approximately an additional Rs. 23.15 lakhs gain in the Statement of Profit and Loss (2020-21: Rs.3.87 lakhs gain). 1% decrease in prices would have led to an equal but opposite effect.

### (B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

However, the credit risk arising on cash and cash equivalents is limited as the Company invest in deposits with banks and financial institution with credit ratings and strong repayment capacity. Investment in securities primarily include investment in liquid mutual funds units and equity shares.

#### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	As at March 31, 2022	As at March 31, 2021
Not due	979.49	548.98
Past due 1-180 days	177.34	557.46
Past due for more than 180 days	205.74	89.13
	<b>1,362.57</b>	<b>1,195.57</b>

### Expected credit loss assessment

The Company allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of loss (e.g. timeliness of payments, available press information etc.) and applying experienced credit judgement.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macroeconomic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue.

Movement of provision for doubtful debts:

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	104.95	84.84
Amount provided / (reversed) during the year (net of reversal)	81.40	21.82
Amounts written off	(1.70)	(1.71)
<b>Balance at the end of the year</b>	<b>184.65</b>	<b>104.95</b>

### Cash and cash equivalent

As at the year end, the Company held cash and cash equivalents Rs 1,389.79 Lakhs [March 31, 2021 - Rs. 1,889.10 Lakhs]. The cash and cash equivalents are held with banks with good credit rating.

### Other bank balances

Other bank balances are held with banks with good credit rating.

### Investments

The Company limits its exposure to credit risk by generally investing in liquid mutual funds and securities of counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counter-parties.

### Other financial assets

Other financial assets are neither past due nor impaired.

### (C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and liquid mutual funds with appropriate maturities to optimize the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

### Maturities of financial liabilities

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.

	Carrying amount	Upto 1 year	Between 1 and 5 years	More than 5 years	Total
<b>As at March 31, 2022</b>					
Trade payables	305.12	274.56	30.56	-	305.12
Other financial liabilities	102.85	102.85	-	-	102.85
	<b>407.97</b>	<b>377.41</b>	<b>30.56</b>	-	<b>407.97</b>
<b>As at March 31, 2021</b>					
Trade payables	333.84	306.05	27.79	-	333.84
Other financial liabilities	91.85	91.85	-	-	91.85
	<b>425.69</b>	<b>397.90</b>	<b>27.79</b>	-	<b>425.69</b>

### 39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The management and the Board of Directors monitors the return on capital as well as the level of dividends to shareholders. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current and current borrowings. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		As at March 31, 2022	As at March 31, 2021
Total equity	(i)	8,188.11	6,697.59
Borrowings other than convertible preference shares		-	-
Less: cash and cash equivalents		1,389.79	1,889.10
Net debt	(ii)	(1,389.79)	(1,889.10)
Overall financing	(iii) = (i) + (ii)	6,798.32	4,808.49
Gearing ratio	(ii)/ (iii)	0.00%	0.00%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

### 40 Provisions

#### Warranties/ recoating

The Company offers warranties for one of the critical parts of certain electro chlorinators and for some of its coating / recoating services and supplies for an initial period of two years followed by support contracts for a period of four years in the case of electro chlorinators and for a period of six years in the case of coating, eight years in case of recoating services during which period amounts are recoverable from the customers based on pre-defined





**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

terms. Estimated costs from warranty terms standard to the deliverable are recognised when revenue is recorded for the related deliverable. The Company estimates its warranty costs standard to the deliverable based on historical warranty claim experience and applies this estimate to the revenue stream for deliverables under warranty. Future costs for warranties applicable to revenue recognised in the current period are charged to the revenue account.

The warranty accrual is reviewed periodically to verify that it properly reflects the remaining obligation based on the anticipated expenditures over the balance of the obligation period. Adjustments are made when the actual warranty claim experience differs from estimates. Provisions include estimated costs of support maintenance contracts to the extent such estimated costs are expected to exceed the expected recovery during the obligation period. No assets are recognised in respect of the expected recovery on support contracts.

Factors that could impact the estimated claim information include the Company's productivity, costs of materials, power and labour and the actual recoveries on support contracts.

The movement in the provision for warranties/ recoating are summarised as under :

	As at March 31, 2022	As at March 31, 2021
Opening carrying amount	67.00	102.73
Additional provision during the year	66.79	-
Unused amounts reversed during the year	-	35.73
Closing carrying amount	133.79	67.00

**41 Contingencies and Commitments**

	As at March 31, 2022	As at March 31, 2021
Contingent liabilities	-	-
<b>Commitments</b>		
Estimated gross amount of Contracts remaining to be executed on capital account	210.93	16.50
Less :- Capital Advance (refer note 9)	8.44	3.30
Estimated net amount of contracts remaining to be executed on capital account, not provided for	<b>202.49</b>	<b>13.20</b>

**42 Bank Guarantees**

Bank to whom given	Nature	As at March 31, 2022	As at March 31, 2021
Bank of Baroda	Performance Bank Guarantees	91.64	197.53
Bank of Baroda	Financial Bank Guarantees	46.60	13.10
		<b>138.24</b>	<b>210.63</b>



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**43 Ratios**

S No.	Ratio	March 31, 2022		March 31, 2021		Ratio as on		Variation	Reason (If variation is more than 25%)
		Numerator	Denominator	Numerator	Denominator	March 31, 2022	March 31, 2021		
(a)	Current Ratio	8,299.90	1,175.92	6,798.59	1,263.33	7.06	5.38	31%	Variation is due to increase in investments of Mutual fund and increase in inventory value
(b)	Debt-Equity Ratio	-	8,188.11	-	6,697.59	-	-	0%	Not Applicable as the company is Debt free
(c)	Debt Service Coverage Ratio	-	-	-	-	-	-	0%	Not Applicable as the company is Debt free
(d)	Return on Equity Ratio	1,543.61	530.86	564.29	530.86	2.91	1.06	174%	Improvement in the business volumes resulting in better returns on shareholder's Equity.
(e)	Inventory Turnover Ratio	3,016.87	2,162.85	2,596.52	2,269.16	1.39	1.14	22%	-
(f)	Trade Receivables Turnover Ratio	7,416.65	1,134.27	5,054.10	1,065.11	6.54	4.75	38%	Realisation of current sales within credit limits contributing favourable to the receivables at the year end
(g)	Trade Payables Turnover Ratio	3,583.38	319.48	2,034.13	395.17	11.22	5.15	118%	Creditors discharged well in time vis-s-vis Net purchases, As can be seen with the favourable Current asset ratio;
(h)	Net Capital Turnover Ratio	7,512.50	7,123.98	5,236.92	5,535.26	1.05	0.95	11%	-
(i)	Net Profit Ratio	1,543.61	7,416.65	564.29	5,054.10	0.21	0.11	86%	There is an improvement in profitability due to increased sales volume and net margin.
(j)	Return on Capital Employed	2,110.70	8,188.11	757.42	6,697.59	0.26	0.11	128%	
(k)	Return on Investment	1,543.61	8,188.11	564.29	6,697.59	0.19	0.08	124%	



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**44 Corporate Social Responsibility**

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are Listed in Table D below. A CSR committee has been formed by the company as per the Act. The funds are utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

<b>A</b>	<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	Gross Amount required to be spent as per Section 135 of the Act	13.23	10.28
	Add: Amount Unspent from previous years	-	-
	<b>Total Gross amount required to be spent during the year</b>	<b>13.23</b>	<b>10.28</b>
<b>B</b>	Amount approved by the Board to be spent during the year	13.25	10.28
<b>C</b>	<b>Amount spent during the year on</b>		
	(i) Construction/acquisition of an asset	-	-
	(ii) On purposes other than (i) above	13.25	10.28

**D Details related to amount spent/ unspent**

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Contribution to PM CARES Fund	-	10.28
Support to students of economically poor background for education	0.57	-
Support to Govt Hospital (Medical Equipments)	10.75	-
Support to School/Institutes for Edu. & Health care of differently abled students	1.94	-
<b>Accrual towards unspent obligations in relation to:</b>		
Ongoing projects	-	-
Other than Ongoing projects	-	-
<b>TOTAL</b>	<b>13.25</b>	<b>10.28</b>

**E Details of ongoing CSR projects**

Nature of Project	Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
	With the Company	In Separate CSR Unspent Account		From the Company's Account	From separate CSR Unspent Account	With the Company	In Separate CSR Unspent Account
NIL	-	-	-	-	-	-	-

Nature of Project	Balance as at April 01, 2020		Amount required to be spent during the year	Amount spent during the year	From separate CSR Unspent Account	Balance as at March 31, 2021	
	With the Company	In Separate CSR Unspent Account				With the Company	In Separate CSR Unspent Account
NIL	-	-	-	-	-	-	-



**Notes forming part of the Financial Statements for the year ended March 31, 2022**

[Amount in Rs. Lakhs, unless otherwise stated]

**F Details of CSR expenditure in respect of other than ongoing projects**

Nature of Activity	Balance unspent as at April 01, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
Promotion of education to students from economically poor background	-	-	0.56	0.56	-
Support to Govt Hospital (Medical Equipments)	-	-	10.75	10.75	-
Support to School/Institutes for Edu. & Health care of differently abled students	-	-	1.94	1.94	-
<b>Total</b>	-	-	<b>13.25</b>	<b>13.25</b>	-

Nature of Activity	Balance unspent as at April 01, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
Contribution to PM CARES Fund	-	-	10.28	10.28	-

**G Details of excess CSR expenditure**

Nature of Activity	Balance excess as at April 01, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess as at March 31, 2021
NIL	-	-	-	-

**H Contribution to Related Parties/ CSR Expenditure incurred with Related Parties**

Name	Nature of Relationship	March 31, 2022	March 31, 2021
NIL	-	-	-

**I Disclosures on Shortfall**

Particulars	March 31, 2022	March 31, 2021
Amount Required to be spent by the Company during the year	13.23	10.28
Actual Amount Spent by the Company during the year	13.25	10.28
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall - State reasons for shortfall in expenditure	----	----

**45 Details of Crypto Currency or Virtual Currency**

Particulars	March 31, 2022	March 31, 2021
Profit or loss on transactions involving Crypto currency or Virtual Currency,	NIL	NIL
Amount of currency held as at the reporting date	NIL	NIL
Deposits or advances from any person for the purpose of trading or investing in Crypto Currency or virtual currency	NIL	NIL



## Notes forming part of the Financial Statements for the year ended March 31, 2022

[Amount in Rs. Lakhs, unless otherwise stated]

### 46 Undisclosed income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

### 47 Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

### 48 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### 49 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

50 During the year the Company has not capitalised any borrowing costs as per Ind AS 23 - "Borrowing costs".

51 As per Ind AS 36 "Impairment of Assets", the Company has reviewed potential generation of economic benefits from Property, Plant and Equipment. Accordingly, no impairment loss has been provided for the year ended March 31, 2022 (March 31, 2021: ₹ Nil) in the books.

52 The Board of Directors at its meeting held on Apr 29, 2022 has recommended a final dividend of Re. 1/- per equity share of Rs. 10/- each (previous year Re. 1/- per equity share of Rs. 10/- each) subject to the approval of the shareholders at the ensuing Annual General Meeting.

53 Previous year figures have been regrouped/ reclassified to confirm to the presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

**Darryl Frank**

Partner

Membership No: 104096

For and on behalf of the Board of Directors

**De Nora India Limited**

CIN: L31200GA1993PLC001335

**Satish Dhume**

Chairman

DIN : 00336564

**Vinay Chopra**

Managing Director

DIN : 06543610

**Deepak Nagvekar**

Chief Financial Officer

**Shrikant Pai**

Company Secretary

ICSI Membership No: 40001

Place : Kundaim, Goa

Date : Apr 29, 2022

Place : Kundaim, Goa

Date : Apr 29, 2022



# DE NORA INDIA LIMITED

(CIN – L31200GA1993PLC001335)

Registered Office: Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403 115

Email: [info.dni@denora.com](mailto:info.dni@denora.com); Website: [india.denora.com](http://india.denora.com); Phone: 91-832-6731100

## ATTENDANCE SLIP

(Please hand over at the entrance of the meeting duly completed and signed)

### 33<sup>rd</sup> ANNUAL GENERAL MEETING – 28<sup>th</sup> SEPTEMBER 2022

Folio No. / D.P ID & Client Id	
Name and Address of the Shareholder/ Proxy/Authorised Representative	
No. of shares held	

I certify that I am a registered Member/proxy for the registered shareholder of the Company.

I hereby record my presence at the 33<sup>rd</sup> ANNUAL GENERAL MEETING of the Company being held on Wednesday, 28<sup>th</sup> September 2022 at 11.00 a.m. at the Registered Office of the Company situated at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403 115.

\_\_\_\_\_  
Signature of Shareholder/Proxy/Authorised representative



# DE NORA INDIA LIMITED

(CIN – L31200GA1993PLC001335)

Registered Office: Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403 115

Email: [info.dni@denora.com](mailto:info.dni@denora.com); Website: [india.denora.com](http://india.denora.com); Phone: 91-832-6731100

## PROXY FORM (Form No. MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):		E-mail ID:	
Registered Address:		Folio No./Client ID:	
		DP ID:	

I/We, being the member (s) of \_\_\_\_\_ shares of De Nora India Limited, hereby appoint:

1.	Name : Address	E-mail ID: Signature:	or failing him/ her
2.	Name : Address	E-mail ID: Signature:	or failing him/ her
3.	Name : Address	E-mail ID: Signature:	or failing him/ her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company, to be held on **Wednesday 28<sup>th</sup> September 2022 at 11.00 a.m.** at the Registered Office of the Company situated at Plot Nos. 184, 185 & 189, Kundaim Industrial Estate, Kundaim, Goa – 403 115 and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\*I wish my above Proxy to vote in the manner as indicated in the box below:

Sr. No.	Resolution	For	Against
	<b>Ordinary Resolution:</b>		
1.	Adoption of Financial Statements, etc. for the financial year 2021 - 2022		
2.	Declaration of dividend on Equity Shares		
3.	Re-appointment of Mr. Robert Scannell (DIN: 06818489) as Director		
	<b>Special Resolution:</b>		
4.	Increase in the limit of overall remuneration payable to Mr. Vinay Chopra, Managing Director (DIN 06543610)		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022

Affix  
Revenue  
Stamp

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder(s): \_\_\_\_\_

### Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- \*\*2) This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 3) Appointing proxy does not prevent a member from attending in person if he so wishes.





*If undelivered, please return to :*

**DE NORA INDIA LIMITED**

Registered Office and Works:

Plot Nos. 184, 185 & 189, Kundaim Industrial Estate  
kundaim, Goa - 403 115.