

ORIENTAL CARBON & CHEMICALS LIMITED

[Corporate Identity Number (CIN) - L24297WB1978PLC031539]
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July 27, 2020

The Manager

BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers, Dalal Street
Mumbai - 400 001

Scrip Code: 506579

The Manager

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051

Scrip Symbol: OCCL

Dear Sirs,

Sub: Annual Report of the Company for the year ended March 31, 2020

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our earlier letter regarding, inter alia, convening of the 40th Annual General Meeting ("AGM") of the Company on **Tuesday, the August 18, 2020** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility, please find enclosed the Annual Report of the Company for the financial year ended March 31, 2020, being sent by email to those Members whose email addresses are registered with the Company / Company's Registrar and Share Transfer Agent ("RTA") / Depository Participant(s) ("Depository"). The requirements of sending physical copy of the Notice of the 40th AGM and the Annual Report to the Members of the Company have been dispensed with vide MCA Circulars and SEBI Circular.

Members of the Company holding shares in physical form who have not registered their email addresses with the Company can obtain the Notice of the 40th AGM, Annual Report and/or login details for joining the 40th AGM through VC/OAVM facility including e-voting, by sending scanned copy of the signed request letter mentioning Name, Folio Number and Complete Address, self attested scanned copy of the PAN Card and self attested scanned copy of any document (such as Aadhar Card, Driving License, Voter Identity Card, Passport) in support of the address of the Members registered with Company by email to the Company's RTA's email id, viz. kolkata@linkintime.co.in or Company's email id, viz. investorfeedback@occlindia.com. Members holding shares in demat form can update their email address with their Depository Participant.

In terms of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management & Administration) Rules, 2014 (as amended), the Company has fixed **August 11, 2020** as the cut-off date to determine the eligibility of the members to cast their vote by remote e-voting and e-Voting during the 40th AGM scheduled to be held on August 18, 2020 through VC/OAVM Facility.

Request you to kindly take the same on record.

Thanking you,

Yours truly,

For **Oriental Carbon & Chemicals Limited**



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



Oriental Carbon & Chemicals Limited

*Providing Solutions.
Creating Trust.*



Integrated
ANNUAL REPORT
2019-20



“Keep going, because you did not come this far just to come this far.”

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions.

We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



*Providing Solutions.
Creating Trust.*

Oriental Carbon & Chemicals Limited has more than 25 years expertise in manufacturing of Insoluble Sulphur .

The Company's focus for all these years has been to create a product and service standard which would earn for it customer loyalty and trust through providing them consistent and sustainable value and innovation. In the process the company has also strived to earn trust and respect of all its stakeholders including the community in which it works.

12 things you need to know about Oriental Carbon & Chemicals

01 Our values

Our Vision

OCCL aims to be present in every tyre of world.

What we will achieve

While striving To Be Present in Every Tyre of the World, we will for:

Our People

Build Trust and Engagement by

- Creating Success Opportunities
- Enabling a Happy Environment

Our Customers

Build Trust and Reliability by

- Delivering Quality
- Optimizing Costs

Our Shareholders

Build Trust and Value by

- Delivering Sustainable Growth
- Being Socially Responsible

How we will achieve

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

02 Our pedigree

Oriental Carbon & Chemicals Limited belongs to The JP Goenka Group of companies. The Company was incorporated as Dharuhera Chemicals Limited (DCL) in 1978. The Company commissioned a unit in 1994 to manufacture Insoluble Sulphur which is now the company's flagship product. The Company is driven by knowledge, passion and a deep customer commitment. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

03 Our products

The Company is one of a handful of global manufacturers of Insoluble Sulphur, a specialized and key rubber Chemicals manufactured through a sophisticated process. Apart from this product, the Company also manufactures Sulphuric Acid and Oleum in our Dharuhera Plant.

04 Our businesses

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

05 Our customers

The Company addresses the demanding requirements of the tyre industries worldwide - in terms of quality product on the one hand and superior service on the other often Collaborating with them to work out unique solutions. The result is that the company is widely accepted by global tyre majors as a preferred global vendor for Insoluble Sulphur.

06 Our facilities

The Company possesses state-of-the-art manufacturing facilities in Dharuhera (Haryana) and Mundra (Gujarat). Manufacturing operations commenced with a modest capacity of 3000 MT per annum in 1994, which has since grown to an aggregated 34,000 MT per annum. The Company also possesses an aggregate capacity of 46,000 TPA for the manufacture of Sulphuric Acid and Oleums.

07 Our supporting presence

In addition to our Corporate Office in the National Capital Region (India), the Company has representatives in various parts of the world.

08 Our brand

The Company's principal brand - Diamond Sulf – for Insoluble Sulphur is synonymous with world-class quality, helping downstream customers succeed in their journey for excellence. The latest brand that the Company launched is Dyamix-pre-dispersed Sulphur, a different form of Insoluble Sulphur, which gives immense value to our customer through saving in energy and process time, intended mainly for new state of art tyre plants.

09 Our product range

The Company takes the business of its customers ahead through the development of various customized grades – possibly the widest global range - addressing the diverse compounding requirements of tyre manufacturers, with the right grade of Insoluble Sulphur.

10 Our solution focus

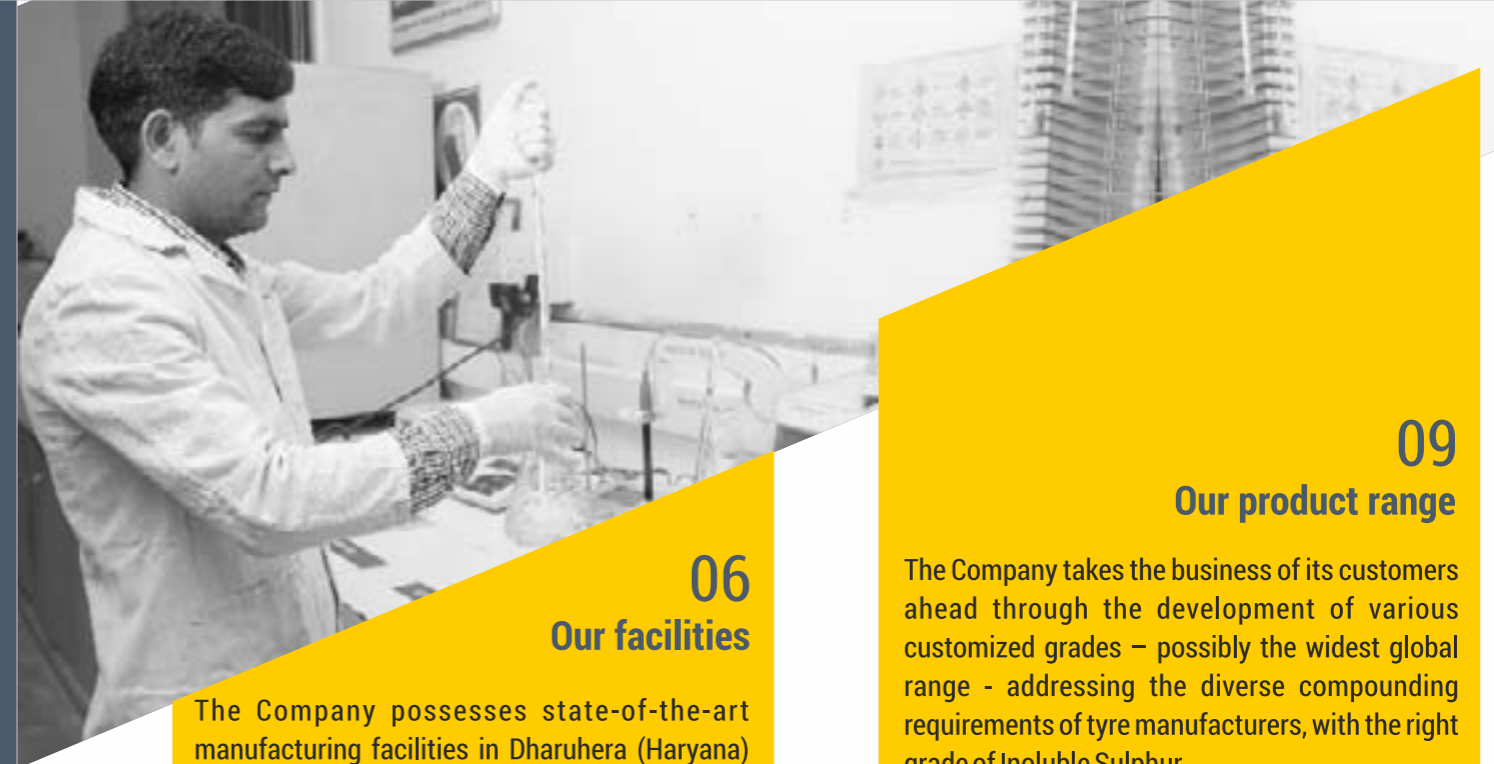
The Company has invested in people, plants, processes and presence with a long-term perspective resulting in dependable and timely deliveries coupled with specialised technical services and a full-fledged Research and Development department This has helped OCCL forge partnerships with its customers.

11 Our research focus

The Company is a research-driven performer, having made proactive investments to evolve, innovate and experiment with the objective to enhance product stability and performance. The Company has in-house DSIR recognized R&D facility.

12 Our certifications

Our products are REACH-compliant. Besides, the Company's facilities and processes have been certified for IATF 16949, ISO9001, ISO14001 and OHSAS 18001.



The Milestones

Incorporated as Dharuhera Chemicals Ltd to manufacture Sulphuric Acid

1978

Commenced Sulphuric Acid production

1978

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

1984

Commenced Insoluble Sulphur production

1994

Divested the carbon black business

2000

Established a second line (100% EOU) at Dharuhera

2005

Embarked on a Greenfield expansion project for 11000 MTPA of Insoluble Sulphur at Mundra plant

2009

Commissioned First Phase of Mundra plant for 5500 MTPA

2011

Acquired 50% equity shares of Schrader Duncan Ltd and Commissioned Second Phase of Mundra plant for 5500 MTPA

2012

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

2016

Commissioned First Phase of Insoluble Sulphur expansion of 5500 MTPA at Mundra

2017

Commissioned Second Phase of Insoluble Sulphur expansion 5500 MTPA at Mundra

2018

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

2019

What we manufacture and market



Insoluble Sulphur under brand name of Diamond Sulf

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

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

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

Special grades: Insoluble Sulphur special grades are customised around specific requirements. These grades have been progressively enhanced, customized further in line with demanding downstream requirements.

Pre dispersed: Pre dispersed product is a different form of Insoluble Sulphur, offered in the form of solid pellets. These are customized insoluble products mainly intended for new state of art Tyre Plants helping them save energy and process time.

Sulphuric Acid

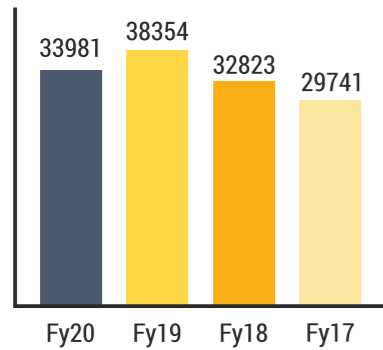
The Company manufactures commercial grade and battery grade Sulphuric Acid and Oleums. The product finds application as a dehydrating agent, catalyst and active reactant in chemical processes, solvents and absorbents.

It is also used in grades of high purity in storage batteries, rayon, dye, acid slurry and pharmaceutical applications and in grades of relatively low purity in the steel, heavy chemical and superphosphate industry.



This is how we have grown in the last few years

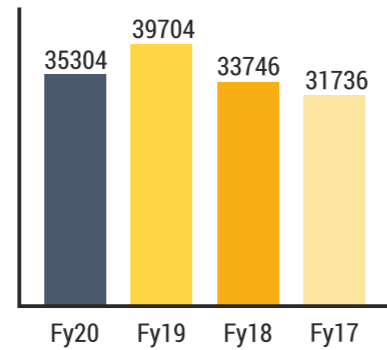
Net Sales (₹ in lakhs)



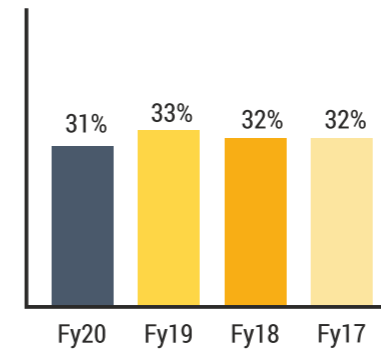
Performance

Our aggregate revenue was lower by 11% per cent as compared to FY19 on account of global slowdown and impact of COVID 19.

Total Revenue (₹ in lakhs)



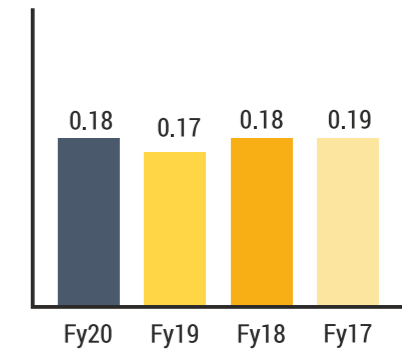
Operating Margin Movement (in %)



Performance

The Company's operating margin are consistent.

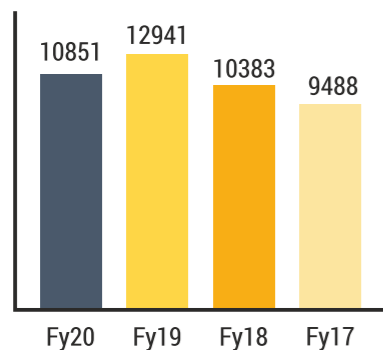
Gearing (Debt-equity) (in ratio)



Performance

The Company's gearing moderated from 0.19 in FY17 to 0.18 in FY20.

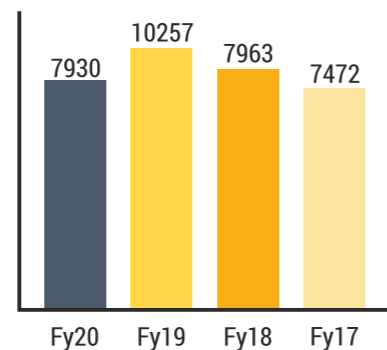
Operating Profit (EBIDTA) (₹ in lakhs)



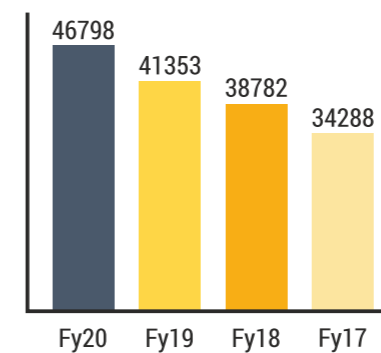
Performance

The Company's operating profit was also impacted due to lower sales.

Profit before Tax (₹ in lakhs)



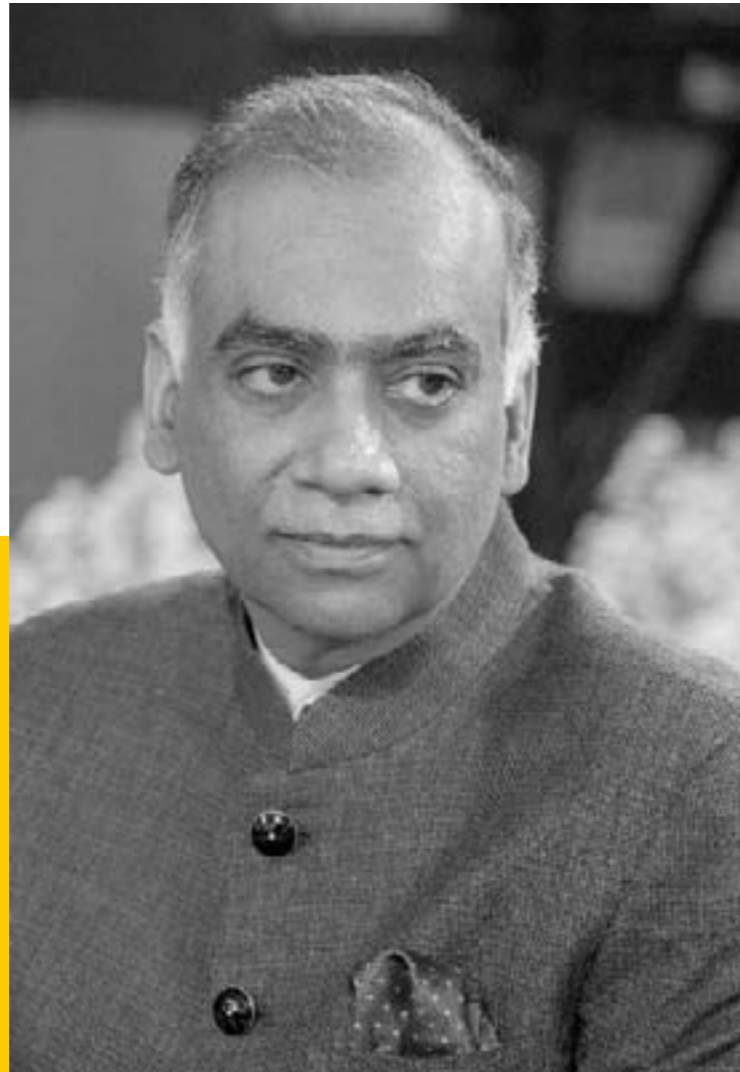
Net Worth (₹ in lakhs)



Performance

The Company's Net worth is increasing mainly from growth in operating profits .





From the Desk of Managing Director

Dear Shareholders,

The year under review was a challenging one, comprising a slowdown in the global and Indian economy as well as a pandemic whose impact became perceptible starting from the last quarter of FY 20.

COVID-19 pandemic has ravaged the economic foundations of world trade and is forcing an unprecedented social, economic, and business response. It has fundamentally changed the way we live, work, and has made 'Work from Home', 'Social distancing', and 'Higher technology adoption' as the 'new normal'.

As the world deals with the spiraling effects of the pandemic, at OCCL, we quickly took decisive action to respond to the unfolding challenges. Our Plants were Shut from 23rd Of March following the Order of the Government of India in this regard. However, We were and have been in constant engagement with all our stakeholders to understand and allay their anxieties and to ensure that our operations are not affected, once they restart.

We resumed production at our Plants as soon as we were allowed to do so by the respective authorities in order to cater to the requirements of our customers.

Our employees 'Worked from Home' (WFH) during the nationwide lockdown to contain the spread of the virus and protect their health. To ensure seamless business continuity with least disruption, our employees had access to the latest technological tools.

The Senior Management volunteered to sacrifice a percentage of their salaries and all the employees did not take any increments. Our workers also stood with the Company by forgoing their salary increment as per the wages agreement.

As a responsible corporate citizen, your Company stands united with the nation during this challenging phase of COVID-19. In our endeavor to be support the nation in this crisis, we are extending a helping hand to our local communities in consultation of the respective local authorities.

Tough times bring about the best in a prudently-managed Company and despite the global gloom it is doing its best to restore production levels at all factories and to reach valued customers across the globe. The situation, though still fluid, appears to be better than what we feared in the Month of April and we definitely see rays of faster economic revival than earlier envisaged and sincerely hope to revive our 26-years old competitive journey as India's first and only manufacturer of Insoluble sulphur.

The Company continues to be engaged in the process of streamlining costs, eliminating wastage and reduce consumption of water in order to remain competitive and socially responsible in order to meet the new challenges as they appear post this global event which shall have far reaching and long lasting effects.

The Board of Directors have proposed a final dividend of ₹ 6 per share, subject to the approval of the shareholders at the AGM. Together with the interim dividend of ₹ 4 per share, the total dividend for the financial year ending 31st March 2020 amounts to ₹ 10 per share.

During the year under review, we embarked on capacity expansion at our Dharuhera plant. We obtained environment clearance for an increase in our Insoluble Sulphur and Sulphuric acid plant capacities and started the work on expansion on schedule. However, The Project is now facing delays due to suspension of civil/other work during the shutdown period and availability of labour thereafter. Therefore, the project is now expected to be commissioned in Q1 of 2021-22 instead of Q3 of current year as envisaged earlier.

We remain committed to reducing our environmental footprint. During the year, we took significant steps to further reduce wastages, water consumption, energy usage and CO2 emissions in our factories and offices. During the year our rooftop solar plant at Dharuhera of 405 KW capacity was inaugurated. We also initiated a project of rejuvenation of village ponds around our factory, of which, two became operational and have started delivering benefits to the villagers.

As quality standards at tyre Companies, and therefore, the required quality benchmark from Insoluble Sulphur keeps rising, so has the quality of our product. This is a continuous process which keeps us at the fore front of the competitive benchmark. As the Insoluble Sulphur application in tyre manufacturing is highly critical to its quality, Customers take years to approve vendors for initial engagement; A majority of our revenue of 2019-20 continue to be derived from customers with relationship of several years vindicating our deep commitment to them.

I again re-assure our stakeholders that we are responding adequately to the new challenges posed by the pandemic as well as global slow down and we are in a good position through our various initiatives to tide over the current crisis and come out stronger.

I wish all of you good health. Stay Safe.

Arvind Goenka
Managing Director

Our integrated value-creation report

What goes into our business: The Causes

Our intangible strengths

Brand

OCCL stands for comprehensive dependability across customers (adequate availability of the required product quality), resulting in sales traction and growing wallet share.

Commitment

OCCL proactively expanded its manufacturing capacity based on the growth plans of its marquee customers and global growth forecast.

Systems-driven

OCCL represents a combination of promoter-directed and professional-managed capabilities in a systems-driven environment, an effective combination.

Outperformance

OCCL is driven by a commitment to outperform across market cycles.

Experience

OCCL has been engaged in the manufacture of Insoluble Sulphur for more than two decades, weathering a number of market cycles.

Knowledge

OCCL leveraged its proprietary knowledge to manufacture Insoluble Sulphur, a complex product. Besides, the Company has continuously graduated to the manufacture of superior varieties.

Promoter's holding

OCCL's promoters demonstrated their commitment to the business through a high about 50% equity ownership in the Company.

Flexible

OCCL has demonstrated a high degree of adaptability and flexibility in the face of demanding customer needs.

Responsible

OCCL practices the highest standards of environment compliances that extend beyond the statutory requirements of the day.

OCCL's business moat

Revenue visibility

Nearly 80 per cent of our revenues are derived from customers of five years or more.

Customer credibility

The credibility of our customer is not only reflected in their size and offtake quantum but also in their consistency in payments.

Spread

OCCL's manufacturing operations are located across two Indian locations (Mundra and Dharuhera); India is the fastest growing major global economy.

Scale

OCCL is among the Insoluble Sulphur manufacturers in the world and the only manufacturer in India.

Positioning

OCCL's Mundra manufacturing facility is port-based, making it possible to efficiently service the customers world over.

Technology

OCCL has a deep technology competence in delivering one of the highest performance standards in the customer's end product.

Competitive

OCCL re-invested accruals in capacity expansion and

utilized the available infrastructure to expand at a relatively low capital cost per tonne, making it one of the most competitive global manufacturers.

Approvals

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

Portfolio

Manufacture of various grades to satisfy diverse compounding needs of leading tyre manufacturers as well as the ongoing development of new grades to meet evolving customer requirements.

Key raw material

Sulphur is easily available from various petroleum refineries and coating oil is procured from both domestic as well as international suppliers.

Power cost optimization

The Company utilizes surplus steam produced from Sulphuric acid manufacturing at its Dharuhera plant besides rooftop solar power and benefits from lower power cost in Mundra (located inside SEZ).

Port location

The Mundra port provides a locational advantage of low logistic and freight costs in a business where ~62% of revenues are derived from exports.

OCCL's strategy

Expansion

To engage in capacity expansions in Dharuhera, capitalizing on knowledge, process stability, infrastructure.

Investments

Sustained investments with the objective to grow our proprietary technology knowledge and infrastructure.

Approvals

Seek approvals from all large global tyre companies.

Pricing

The Company intends to pursue its established strategy of stable pricing while endeavoring to carve out a larger market presence.

OCCL: Building value

Market capitalisation

The Company grew its market capitalisation from ₹ 21.31 crores as on 1st April 2009 to ₹ 559.30 crores as on 31st March 2020.

Wealth creation

The Company has been an attractive wealth creator. ₹ 1000 invested in the Company in April 2009 had grown in value to ₹ 27000 as on 31st March 2020.

Value shared with



Investors

The Company enriched investors through dividends and capital appreciation



Suppliers

The Cost of material Consumed ₹8,268 lakhs in 2019-20



Employees

The Company provided remuneration worth ₹4,458 lakhs and provided stable employment in 2019-20



Customers

The Company provided Insoluble Sulphur across grades, generating ₹34,348 lakhs in revenues from customers in 2019-20



Government and regulations

The Company paid ₹1,390 lakhs to the exchequer as direct tax and Foreign Exchange Earned ₹18,110 lakhs in 2019-20; the employment catalyzed the local community through downstream economic benefits



Distributors and suppliers

The Company enhanced value for distributors and retailers through sustained resource offtake

Excellence driver Marketing

Overview

OCCL is the one of the largest global manufacturer of Insoluble Sulphur enjoying about 10 to 12% global market share and about 60% domestic market share.

The Company is a preferred supplier for leading global tyre brands including Continental, Bridgestone, Apollo Tyres, Goodyear, Ceat and Sumitomo, among others.

Over the years, the Company expanded its scale to emerge as one of the most competitive Insoluble Sulphur providers through a combination of timely delivery, consistent quality and customer proximity.

During the year under review, Europe and India were the two major markets of the Company.

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

Strengths

Scale

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

Best practices

The Company follows a defined quality management system; it is certified for IATF 16949, ISO9001, ISO14001 and OHSAS 18001 and periodically audited by statutory authorities and customers.

Entry barrier

The Company's products have been approved by global tyre majors.

Local

Despite an Indian presence, the Company provides prompt delivery to global customers and enduring arrangements with third-party logistics service providers.

Flexible

The Company is among the handful manufacturers with flexible manufacturing facilities, helping deliver to clients required grades.

Value-added

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

The value we deliver to customers

Customised product

- Inventory management
- Timely delivery
- Adequate availability
- Material quality
- Long-term partnerships
- Product co-development
- Business sustainability
- Compelling price-value proposition



Excellence driver Manufacturing

Overview

OCCL addresses the markets of tyres - that is perpetually demanding in its quality requirements, putting a premium on the need to manufacture Insoluble Sulphur with the highest manufacturing discipline. Besides, the Company's various customers possess their own proprietary standard, making it imperative to customize the core product around specific requirements.

During the year under review, the Company addressed diverse challenges comprising the need for enhanced end product quality.

Strengths

The Company's principal manufacturing strengths comprise the following:

Knowledge

The Company possesses proprietary knowledge for manufacturing of Insoluble Sulphur that makes it independent of external dependence

Robust processes

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

Standards


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

Extensive

The culture of manufacturing excellence is the result of a combination of site management and shop floor competencies

Engagement

The Company continues to engage required domain experts globally for deepening its understanding of Insoluble Sulphur and applications.



How is OCCL tackling the Covid -19 pandemic

The whole world is going through a very critical time due to the outbreak of Coronavirus (COVID-19) which has been declared as a pandemic by the World Health Organization. This is probably one of the biggest challenge the human race is facing today. It has engulfed the whole world including both developed and developing countries due to its highly contagious nature. The challenge is much bigger to a country like ours which has a huge population, is densely populated and disparity in income and limited medical resources. Fortunately, proactive and timely implementation of various measures by Central and State Governments have managed to flatten the growth curve of infected people and casualties to a great extent.

The pandemic has inspired the concept of social distancing with the objective to minimize cross-infections. Among the various safeguards, governments across the world imposed lockdowns to protect their citizens; companies responded by asking their employees to work from home. The result was a new way of living for a larger part of the global population.

However, in this hour of crisis, we just cannot look forward to Governments only to take the lead in this fight for survival. It is the duty of every citizen to step up and do their bit to combat this invisible enemy. As a responsible corporate citizen, Oriental Carbon & Chemicals (OCCL) is also trying to help the people in and around the peripheral areas of its plant in Haryana and Mundra.

At OCCL, we responded to this unprecedented reality with a responsible mix of agility, preparedness, caution and safeguards. A cross-function team comprising the Company's Safety, Health and Environment, Manufacturing Excellence, Human Resources, Administration and Information Technology collaborated to create a holistic plan that maximized employee safety on the one hand and facilitated the Company's optimum working on the other.

As per various advisories and notifications from the State Government and Central Government and for ensuring safety of its employees and stakeholders, the Company had temporarily suspended its production activities and operations at all of its plants. After having been permitted to do so, the Mundra Plant was restarted at 50% Capacity on 21st of April and Dharuhera plant on 21st of May. The Corporate and Registered offices were also closed and the Corporate office re opened on 4th of May with 33% attendance. All the people, who were required to do so were /are working from home to ensure that the affairs of the Company are conducted smoothly. The Company has been taking necessary measures as advised by the Government from time to time at all its offices and plants to prevent the spread of Novel Coronavirus (COVID-19).



HR Initiative

OCCL's HR team has undertaken various employee engagement initiatives such as reaching out to employees with work from home tips, mental health guides, stress management articles and introducing "Bright Idea Challenge" inviting ideas to improve quality, cost, delivery, safety in business process during the lockdown period. The HR team cascaded senior management perspectives messages across employees at the manufacturing plants. The company provided protection and support for employees, including essential items for security guards, canteen staffers, workers and their family members. Important phone numbers were shared to enhance emergency access and responsiveness.



Management Initiative

The Company Management also played an important role in boosting morale of employees by their regular engagement with employees through electronic platforms. The management frequently held interactions on employee well-being, business scenario and prospects of the organization.



Austerity measures

OCCL responded with speed to the Lockdown and consequent challenging economic scenario with austerity measures. All unnecessary expenditure was curtailed. Meetings are being conducted digitally, saving travelling costs, the annual expenditure budgets including capital expenditure were reworked. We are working closely with our vendors to help reduce costs and streamline cash flows. Middle and senior Management of the Company sacrificed salaries ranging from 20% to 100% for the Managing Director. The sacrifice shall be reviewed on quarterly basis.



Data Protection

The Company had frequently held discussions and meetings through electronic platforms throughout the lockdown period. The Company also taken precautions with its firewall and upgraded its IT systems to protect company from all kinds of data theft and phishing attacks.



Plant initiatives

OCCL re-arranged seating arrangements at all workplaces to reconcile workplace discipline with the need for social distancing. A disinfecting channel in the plants helped sanitize persons and materials entering the premises. The company created training programmes in pandemic management and safety precautions for workmen and contract workers.



Outlook

OCCL is taking this experience ahead through understanding of emerging business realities, contingency planning for job responsibilities and decision making, fall-back management hierarchy as well as the centralization and digitization of data and documents.

The demand for the Company's product is slowly coming back and we hope for better performance each quarter of the coming year.

Management Discussion and Analysis

The Company is one of the world's leading producers and a global supplier of Insoluble Sulphur which is a vulcanizing agent used in the rubber industry. Vulcanisation is a key step in rubber processing industry especially in Tyre Manufacturing. Consumption of Insoluble Sulphur is higher in radial and high performance tyres. The Company also manufactures Sulphuric Acid and Oleum which is mainly used in fertilizer, detergent and battery industry. Acid is sold in domestic market.



The Insoluble Sulphur industry

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

The global demand of Insoluble Sulphur was estimated at three hundred thousand MTPA as per latest Notch Report. However, the demand for quality Insoluble Sulphur should have been around Two Hundred Fifty Thousand MTPA but the

same should be lower due to COVID impact. Demand in India was expected to be 18000 MT however same will also be impacted by COVID slowdown. The Insoluble Sulphur industry consists of three players who manufacture internationally acceptable Insoluble Sulphur including Your Company. One of the companies is a global Multinational having multi location plants. This player dominates the international Insoluble Sulphur Market. However, Your Company's Geographical footprint is wide and encompasses all continents. Other than above, there is one prominent and few others Chinese manufacturers including one who are also in the business of Insoluble Sulphur.



Global Economic Review and Outlook

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by -3 percent in 2020, much worse than during the 2008-09 financial crisis.

(Source: World economic outlook, IMF).

Further, according to the World Bank's assessment, India economy is expected to shrink by about 3.2 per cent in FY21 because of COVID induced lockdown.



Tires Industry

In Pre-Covid times, the size of the global tyre market was placed at US\$ 233.18 billion in 2017 and was estimated to grow to US\$ 306.44 billion by 2025 at a CAGR of 3.8% between 2017 and 2025. However, after the Covid struck and all automotive production came to a grinding halt, the estimates of the growth have been re-written. There is expected to be negative growth in the current year and it might take couple of year the Tyre production to return to 2018 levels.

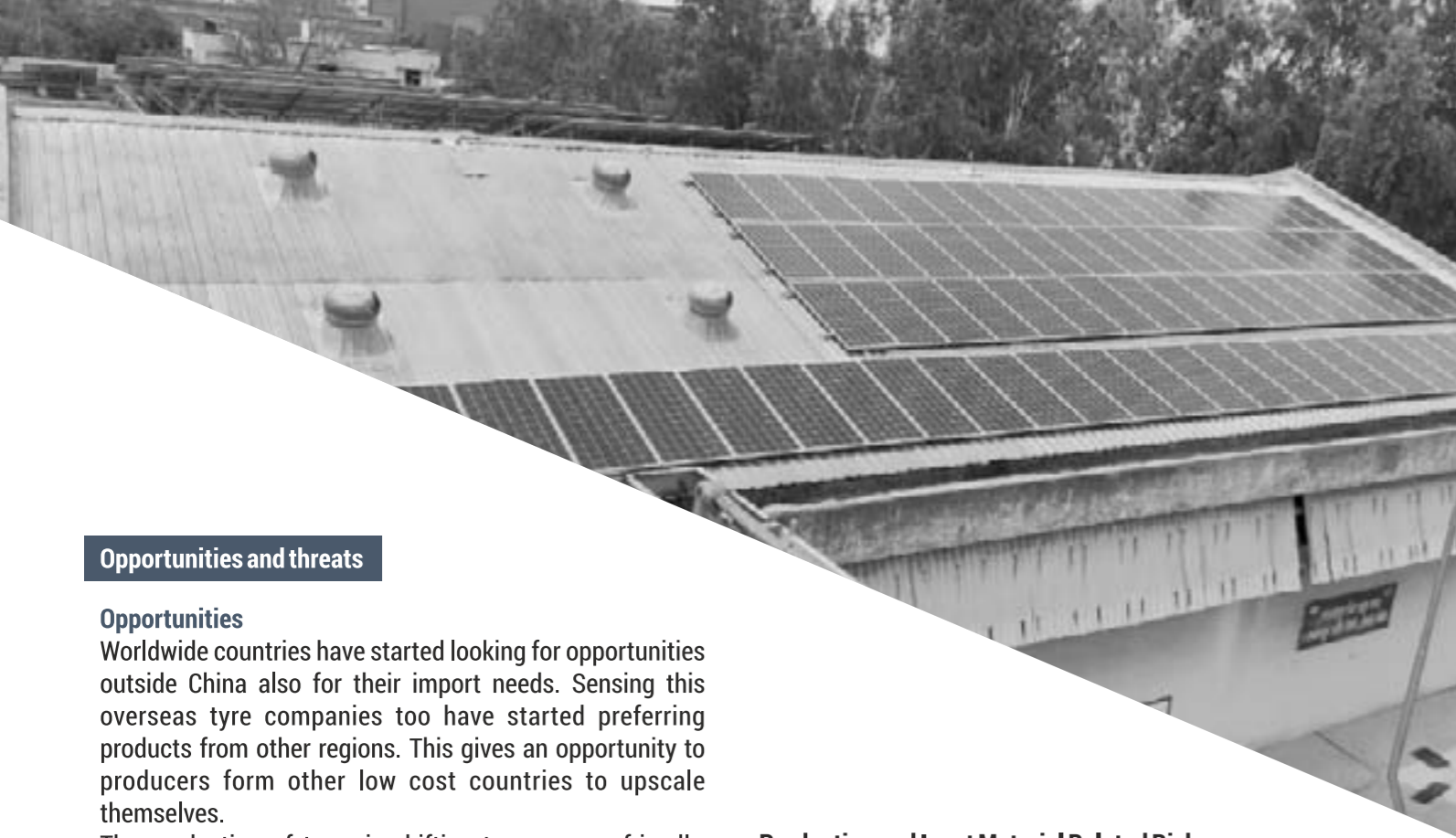
Out of the total Tyre Production more that 60% goes into replacement market and balance is for OEMs. Therefore, the major demand driver for Tyre and hence Insoluble Sulphur is in replacement market.

BCG in its report on impact of Covid-19 on global automotive Sales have conducted an analysis and predicted certain scenarios. In the most optimistic scenario, they have predicted global sales of automotive to be down by 10% in 2020 and about 1% in 2021. In their pessimistic scenario, they have predicted automotive sale to be down by 38% in 2020 and 18% in 2021.

PWC had done a similar analysis for the Indian market and have given projections for the year 20-21. It has predicted 18% fall in sales for 2 wheelers, 12% fall for Passenger Vehicles and 21% fall Commercial Vehicles for this financial year.

The fate of tyre industry is linked with the automobile industry and likewise the tire industry production and sales are also going to be impacted on similar lines.

Indian Tyre industry which struggling in FY 2019-20 and had seen decline in sales would be further impacted in 2020 due to Covid. ATMA had reported in their March report that Truck and Bus tyre production had fallen by 13% in the period April 2019 - January 2020 when compared to the same period last year. For the same period Passenger car tyre sales had also fallen by 5%. This was Pre-Covid period, and in Post-Covid times the sales are expected to be further impacted.



Opportunities and threats

Opportunities

Worldwide countries have started looking for opportunities outside China also for their import needs. Sensing this overseas tyre companies too have started preferring products from other regions. This gives an opportunity to producers from other low cost countries to upscale themselves.

The production of tyres is shifting to more eco-friendly, larger and lighter tyres, which could increase consumption of more Insoluble Sulphur per tyre. The enhanced quality of tyres will result in higher demand of Insoluble Sulphur.

Post Covid, demand in domestic market is expected to grow with increase in radialisation in commercial vehicles.

Opportunities for growth are available in North American and South American markets where the Company has made some inroads.

Threats, Risks, Concerns

The threats and risks to the business of the Company may be in the following areas:

Demand and Sales Realisation: The Demand of Insoluble Sulphur Market is linked with total tyre production globally. Covid-19 has severely impacted the demand of tires. The effect of the same will be there for this year and slightly next year too.

Sales realization may also be affected through exchange rate fluctuation, reduction in demand or overall reduction in raw material and commodity prices. The Company safeguards itself through hedging its Foreign exchange exposure as per its policy in this regard from fluctuations and in the latter case, even though realizations may come down, there should be no impact on contributions and margins.

Quality: Your Company always strives to meet the international quality parameters. With increasing usage of Insoluble Sulphur per tyre, dispersion as a property has become crucial. Your company is well positioned to meet the future challenges in this regard.

Production and Input Material Related Risks:

Raw material supplies are ensured through maintaining multiple vendors and adequate stocks. Sufficient back up of utilities are maintained to ensure continuous supply. Due emphasis is laid on safety and preventive maintenance to avoid unnecessary interruptions.

Other than the above, the Company also engages with its customers closely to understand its requirements, any change therein, or issues, if any, with the product.

Your Company has a motivated and dedicated team of employees and also has in place safety and environmental systems and rigorous preventive and predictive maintenance system. This helps in mitigating production related risks.

Competition: Competition is a risk as well as opportunity. The Risk of competition from new manufacturers, mainly from China, is met through continuous product and process improvement to maintain quality advantage over them and through collaborative efforts with tyre companies to see that their requirements are met. Further, high technology barrier coupled with exhaustive approval processes of tyre manufacturers acts as a deterrent for entry of new manufacturers.

The Company endeavors to be at the forefront of quality and innovation through its R&D, process and collaborative research efforts which also focuses on streamlining and optimizing production process and input costs. Other established players continue to introduce innovative products in the market in effort to garner market share. Your Company is, as before, also working on product innovation and improvement in order to meet the challenges in this regard.



Sulphuric Acid and Oleum

Sulphuric Acid is also known as 'oil of vitriol', a corrosive mineral acid. Sulphuric Acid is used in the production of phosphate fertilizers, detergents and lead batteries. It is used as catalyst and dehydrating agent in petrochemical process and organic chemical manufacturing. India is one of the largest consumers of Sulphuric Acid globally and accounts for 4% of demand and produces around 5% of all Sulphuric Acid consumed.

Risk management

Economy risk:

Economic slowdown could affect Insoluble Sulphur demand.

Mitigation:

The Company's growth strategy hinges on making inroads into new markets. Radialisation in India is expected to enhance the offtake of Insoluble Sulphur.

Debt service risk:

Inability to service debt on time could impact respect and credit rating.

Mitigation:

The Company follows a conservative policy related to leverage, selecting to conservative.

Measure:

OCCL's gearing was 0.18 as on 31st March 2020. Interest coverage ratio is about 10x for FY 19-20.

Employee risk, Labour shortage:

Erratic industrial harmony could affect people retention and shortage of labour could affect productivity.

Mitigation:

The Company has in place a number of policies covering recruitment, training, empowerment, job fulfilment and remuneration that enhances industrial harmony. Taking care of labour by ensuring timely payment by contractor and their safety and hygiene at workplace.

Product acceptance risk:

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

Mitigation:

The Company enjoys approvals from and enduring relationships with Global Tyre Companies.

Measure:

Majority of the revenues of Company were derived from customers with which we have long relationships.

Technology risk:

Slow adoption of new technologies can be detrimental.

Mitigation:

The Company has an inhouse R&D team who works on a continuous basis to improve quality of product and its properties. Also, an inhouse technology team to maintain the technical and quality edge at each production stage.

Geographic risk:

An overt dependence on a particular geography can have an adverse impact on the Company's financial health.

Mitigation:

OCCL is one of the market leaders in the production of Insoluble Sulphur also, the Company enjoys its presence in about 21 countries across the world.



Financial analysis, FY2019-20

Balance sheet

- Net worth increased to ₹46,798 lakhs as on 31st March 2020 compared to ₹41,353 Lakhs as on 31st March 2019.
- Long Term Borrowings including current maturities for FY2019-20 stood at ₹10,941 lakhs compared to ₹9,452 lakhs during FY2018-19. Increase was due to new term loan for Dharuhera Expansion taken during the year.
- Total non-current assets for FY2019-20 stood at ₹42,047 lakhs compared to ₹38,225 lakhs in FY2018-19.
- Current assets as on 31st March 2020 stood at ₹25,861 lakhs compared to ₹22,966 lakhs as on 31st March 2019. Current assets include investments.
- Current liabilities stood at ₹8,580 lakhs as on 31st March 2020 compared to ₹9,603 lakhs as on 31st March 2019.

Profit and loss statement

- Revenues from operations decreased by 11% to ₹34,348 lakhs as compared to Previous Year of ₹38,764 lakhs. This was mainly due to sluggish demand on account of slowdown in Auto Sector.
- Total expenses for FY2019-20 stood at ₹27,374 lakhs as compared to ₹29,447 lakhs in FY2018-19
- Depreciation and amortization stood at ₹2,005 lakhs in FY2019-20 compared to ₹1,859 lakhs in FY2018-19.
- EBITDA decreased to ₹10,851 lakhs in FY2019-20 compared to ₹12,941 lakhs in FY2018-19. This was mainly due to dip in sales from previous year.

Key Financial Ratios

Particulars	2019-20	2018-19
EBIDTA/ Turnover	31.59	33.74
Debtors/ Turnover	5.29	4.82
Inventory/ Turnover	10.3	8.6
Interest Coverage Ratio	9.66	13.44
Debt-equity Ratio	0.18	0.17
Current Ratio	3.01	2.4
Net Profit Margin (%)	20.25	18.57
Book value per share (₹)	468.00	414.00
Earnings per share (₹)	71.58	72.09
Return on Net Worth (%)	15.28	17.83

Note: Return on net worth is lower for the year ended March 31, 2020 due to decline in Revenue.

Human resources

The Company employed 456 officers and workmen as on 31st March 2020. Increase in the value of human capital through the development of individual and collective competencies has helped the Company stay in step with market developments and requirements. The Company implemented programs and projects related to skill development and upgradation of employee competence. Programmes of knowledge sharing were conducted; employees were sent to external programs to enhance their perspective of emerging standards.

A number of innovative ideas received from employees were implemented, resulting in enhance quality, cost optimization and productivity.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable Securities Laws and Regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and

expectations are accurate or will be realised by the Company. Actual results could differ materially from those expressed in the statements or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

ORIENTAL CARBON & CHEMICALS LIMITED

Corporate Identity Number (CIN) – L24297WB1978PLC031539

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

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

NOTICE

NOTICE is hereby given that the Fortieth Annual General Meeting of the Shareholders of Oriental Carbon & Chemicals Limited will be held on Tuesday, the August 18, 2020 at 10.30 a.m. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

- To receive, consider and adopt:
 - the audited financial statements of the Company for the financial year ended March 31, 2020, and Reports of the Directors and Auditors thereon; and
 - the audited consolidated financial statements of the Company for the financial year ended March 31, 2020 and report of the Auditors thereon.
- To confirm the interim dividend paid during the year and to declare a final dividend for the financial year ended March 31, 2020.
- To appoint a Director in place of Mr. Jagdish Prasad Goenka [DIN:00136782], who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the consent of the Company be and is hereby accorded for ratification of remuneration amounting to ₹ 1,40,000/- (Rupees One lakh forty thousand only) to be paid to M/s. J K Kabra & Co., the Cost Auditors appointed by the Board of Directors of the Company ('the Board') for the Financial Year ending March 31, 2021.

RESOLVED FURTHER THAT, the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."
- 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 149, 150, 152, 178 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment there of for the time being in force), approval of Members of the Company be and is hereby accorded to the re-appointment of Mrs. Runa Mukherjee (holding DIN: 02792569), whose present tenure as an Independent Director expires on July 30, 2020, for her second term of 5 (five) consecutive years with effect from July 31, 2020.

RESOLVED FURTHER THAT pursuant to the provisions of Section 149, 197 and any other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment there of for the time being in force), Mrs. Runa Mukherjee be paid such fees and commission as the Board may approve from time to time and subject to such limits prescribed or as may be prescribed from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director(s) or any other Key Managerial Personnel or any other officer(s) of the Company."

Registered Office:
31, Netaji Subhas Road
Kolkata - 700 001

Kolkata
June 18, 2020

By order of the Board

Pranab Kumar Maity
Company Secretary

Notes:

- In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue.
- In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 40th Annual General Meeting (AGM) of the Company is being held through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting.
- Notice of 40th AGM and financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) for FY 2019-20, are being sent only through email to all members as on July 17, 2020 on their registered email id with the Company and no physical copy of the same would be dispatched. 40th Integrated Annual Report containing Notice, financial statements and other documents are available on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the Company's shares are listed and is also available on the website of the Company (www.occlindia.com).
- The Company has engaged the services of Link Intime India Private Limited ("LIPL") for providing facility for voting through remote e-voting, participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at Note No.22 below.
- Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company. The registered office of the company shall be deemed to be the place of meeting for the purpose of recording of the minutes of the proceedings of this AGM.
- Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- Procedure for Registration of email ids and Bank Account details:**

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

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

 - For shares held in physical mode:**
 - Advise any change in their address or bank mandates to the Company/Company's Registrar and Transfer Agent, Link Intime India Private Limited. The notification of change of address should be accompanied by the address proof, i.e., voter's identity card, electric/telephone bill, driving licence or a copy of the passport or bank statement of the member. OR
 - Log into the website of our RTA, Link Intime India Private Ltd., at www.linkintime.co.in under Investor Services > Email/Bank detail Registration. Fill in the details and upload the required documents and submit.
 - For Shares held in Demat mode:**

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
- An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to Special Business to be transacted at Annual General Meeting is annexed hereto.
- In terms of Section 152 of the Companies Act, 2013, Mr. Jagdish Prasad [DIN: 00136782], shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standard 2 (SS-2), the details of Mr. Jagdish Prasad Goenka seeking re-appointment at the ensuing Annual General Meeting are provided in the 'Corporate Governance Report' section of the Annual Report. The Directors have furnished the requisite declaration for their appointment/re-appointment.
- Any member desirous of receiving any information of Financial Statements or operations of the Company is requested to forward his/her queries to the Share Department of the Company at the Registered Office at least 10 working days prior to AGM, so that required information can be made available at the AGM.
- The Register of Members and the Share Transfer Books of the Company will remain closed from August 13, 2020 to August 18, 2020 (both days inclusive).
- As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Pvt. Limited for assistance in this regard.
- An Interim dividend @40% (i.e. ₹ 4/- per equity shares) was declared at the meeting of the Board of Directors of the Company held on October 24, 2019 to those members whose names appeared on the Company's Register of Members, or appeared as beneficial owners at the close of business on November 07, 2019 (Record Date) and same was paid on and from November 11, 2019.

The Final Dividend as recommended by the Board of Directors, if approved at the meeting shall be credited/ dispatched on or before August 25, 2020 to those members whose names appear on the Company's register of members on August 11, 2020 or their mandatees. In respect of the shares in electric form, the dividend will be payable on the basis of ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Ltd. for this purpose.
- Members holding shares in dematerialized form should intimate to the concerned Depository Participant(s), the necessary bank account details. Members holding shares in physical form may intimate the Registrar and Share Transfer Agents, the necessary bank details for ECS credit directly to their bank accounts wherever ECS facility is available or for printing of their bank account details on the dividend warrants to prevent possibilities of fraud in encashing the warrants. In case of any change in the bank particulars, the change should be intimated to the Depository Participant(s), (in case of dematerialized shares) and the Registrar and Share Transfer Agents (in case of physical shares), immediately so that the changed particulars may be used for dividend payment.
- Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto ("IEPF Rules") the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education Protection Fund (IEPF), constituted by the Central Government. During 2019-20, the unclaimed dividend amount of ₹ 6,76,281/- and ₹ 5,00,892/- towards the unpaid dividend account of the Company for the financial year 2011-12 (Final Dividend) and 2012-13 (Interim Dividend) was transferred to Investor Education and Protection Fund. The said amount had remained unclaimed for seven years, despite reminder letters having been sent to each of the members concerned.
- The Final Dividend for the financial year ended March 31, 2013 and Interim Dividend for the financial year ended March 31, 2014, which remains unpaid or unclaimed, will be due for transfer to IEPF on August 31, 2020 and December 17, 2020 respectively.

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

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

Members, who have not encashed their dividend warrants for the above mention dividends are requested to lodge their claims with the Company.
- To support the 'Green Initiative', the Members are requested to register their email addresses with the Company or Registrar and Share Transfer Agents of the Company to investorfeedback@occlindia.com or kolkata@linkintime.co.in or with the Depositories for receiving all communication, including Annual Report, Notices and Documents through e-mail instead of physical copy.
- Members holding shares in physical form are requested to consider converting their holding to dematerialized form. Members can contact the Company or Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Limited for the same.
- Non-resident Indian Members are requested to inform Company's Registrar and Share Transfer Agent, Link Intime India Pvt. Limited, immediately of:

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

21. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ LIPL (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

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

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

The aforesaid declarations and documents need to be submitted by the shareholders by 11.59 p.m. IST on August 11, 2020.

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

In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to exercise

their right to vote at the 40th Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote e-Voting Services provided by Link Intime India Private Limited (LIPL).

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

During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Tuesday, August 11, 2020, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.

The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, August 15, 2020 and ends at 5:00 p.m. (IST) on Monday, August 17, 2020. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

A. PROCEDURE FOR REMOTE E-VOTING:

Instructions for members for remote e-voting are as under:

Log-in to the e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:

- a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
- b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
- c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is the Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "SignUp" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number (last four digits) as recorded in your demat account or in the company records for the said demat account or folio number. • Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction 4, a-c.

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten the password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case a shareholder is having a valid email address, the Password will be sent to the shareholder's registered e-mail address. Else, the shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer to the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

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

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

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

Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting.

Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs,

Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc., may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and the window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet<<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click "Go to Meeting"

Note:

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

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

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

In case the shareholders/members have any queries or issues regarding e-voting, they can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".

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

Note: Shareholders/ Members, who will be present at the Annual General Meeting through InstaMeet facility and who have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the Meeting.

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

In case the shareholders/members have any queries or issues regarding e-voting, they may write an email to instameet@linkintime.co.in or Call us: Tel : (022-49186175)

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

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

Shareholders/ Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at investorfeedback@occlindia.com from August 14, 2020 (9.00 a.m. IST) to August 16, 2020 (5.00 p.m. IST).

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

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

Note:

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

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

23. The Board has appointed Mr. Pawan Kumar Sarawagi (Membership No. FCS 3381), of M/s. P Sarawagi & Associates, Company Secretaries, Kolkata as the Scrutinizer to scrutinize the remote e-voting process and voting process at AGM in a fair and transparent manner.
24. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
25. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.occlindia.com and on the website of LIPL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
26. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, Relevant documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
27. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

As required under Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the Special Businesses relating to Item Nos. 4 to 5 of the accompanying Notice dated June 18, 2020.

Item No. 4

The Board, on recommendation of the Audit Committee, has approved the appointment of the Cost Auditor to conduct the audit of cost records relating to the chemicals manufacture at Dharuhera for the financial year ending March 31, 2021 at a remuneration of ₹ 1,40,000/- plus applicable tax and reimbursement of actual out of pocket expenses. In accordance with the provisions of the Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company. The Board recommends the resolution set out at Item No. 4 for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No. 5

Based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Sections 149, 150, 152, 178 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder [including any statutory modification(s) or re-enactment thereof for the time being in force] read with Schedule IV to the Companies Act, 2013, the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has proposed the re-appointment of Mrs. Runa Mukherjee, who was appointed as an Independent Director of the Company, to hold office for a second term of 5 (five) consecutive years with effect from July 31, 2020.

Mrs. Runa Mukherjee aged about 67 years is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company in March, 2015. Mrs. Mukherjee is a member of Risk Management Committee of the Board of Directors of the Company.

Mrs. Mukherjee is Post Graduate in English from Delhi University and Post Graduate Diploma in Public Administration from Indian Institute of Public Administration, New Delhi. Mrs. Mukherjee is a prominent professional who served as Financial Advisor and Chief Accounts Officer with Indian Railways and

subsequently as Executive Director (Finance) with Container Corporation of India besides other senior assignment.

Presently, Mrs. Runa Mukherjee is a member of Audit Committee and Board of Directors of Alstrom Transport India Limited. Mrs. Mukherjee does not hold by herself or for any other person on a beneficial basis, any shares in the Company. She is not related to any other Director of the Company. In the opinion of the Board, Mrs. Runa Mukherjee fulfills the conditions specified in the Companies Act, 2013 as amended and rules made thereunder and Regulation 16(1) (b) of the Listing Regulations, for her re-appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for re-appointment of Mrs. Runa Mukherjee as an Independent Director of the Company setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

Mrs. Runa Mukherjee has given a declaration to this effect that she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Mukherjee as an Independent Director. Accordingly, the Board recommends the resolution in relation to the re-appointment of Mrs. Runa Mukherjee as an Independent Director, for the approval by the shareholders of the Company by way of Special Resolution.

Except Mrs. Mukherjee, being an appointee and her relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

This Explanatory Statement may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

Registered Office:
31, Netaji Subhas Road
Kolkata - 700 001

Kolkata
June 18, 2020

By order of the Board

Pranab Kumar Maity
Company Secretary

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the 40th Annual Report along with the Audited Annual Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2020.

SUMMARY OF FINANCIAL RESULTS

(₹ Lakhs)

Particulars	For the Year ended 31.3.2020	For the Year ended 31.3.2019
Net Sales/Income from Operations	3,43,47.90	3,87,63.86
Other Income	9,56.58	9,40.12
Total Revenue	3,53,04.48	3,97,03.98
Profit/(Loss) Before Taxation	79,30.00	1,02,57.48
Provision for Taxation *	(7,79.49)	(28,83.34)
Profit/(Loss) after Taxation	71,50.55	73,74.14
Other Comprehensive Income/(loss)(Net of Tax)	(2,60.84)	90.92
Amount Available for Appropriation	4,40,80.21	3,83,40.24
Appropriation:		
Interim Dividend on Equity Shares	3,99.60	4,11.15
Tax on Interim Dividend	82.14	84.66
Final Dividend for Previous Year	7,99.21	7,20.72
Tax on Final Dividend	164.28	1,48.15
Balance Carried to Balance Sheet	4,26,34.98	3,69,75.56

* Including ₹ 6,11.10 Lakhs Deferred Tax (Previous year ₹ (8,07.53) Lakhs).

DIVIDEND

Your Directors are pleased to recommend Final Dividend of 60% on 9990092 Equity Shares (₹ 6/- per share of ₹ 10 each) which is subject to the approval of Shareholders in the ensuing Annual General Meeting. With this, the total dividend for the year including interim dividend of 40% comes to 100%. There was no transfer to General Reserves during the year under review.

OPERATIONS

Insoluble Sulphur

Sales during the year were impacted by sluggish demand in domestic as well as global market. The auto sector was in the grip of slow down during the year and last month sales were also muted on account of COVID-19. On account of this Insoluble Sulphur sales was 9% less as compared to previous year. Margins were stable during the year.

The work on Phase-1 of expansion project of IS along with acid is progressing on at Dharuhera Haryana. The civil work

was stalled in whole of NCR due to NGT order because of severe pollution in the month of November 2019 and due to COVID-19 from March 20, 2020.

Sulphuric Acid & Oleum

FY 18-19 was exceptional for Acid business in term of realisation and margin. However, the performance was normalized during the year FY19-20. Though the sales prices were down by about 28%, the margins were down by only about 17%.

FUTURE PROSPECTS

Impact of COVID-19

After the nationwide lockdown declared by the Government, the plants of the Company at Dharuhera and Mundra were in shutdown consequent to Government Directives in this regard on March 23, 2020.

After having been permitted to do so, the Mundra Plant was restarted on April 21, 2020 and Dharuhera plant on May 21, 2020 at about 50% Capacity. The Corporate and Registered

offices were also closed and reopened in the month of May as per Govt. guidelines. During the period of Lockdown and thereafter all the employees, who were required to do so were working from home to ensure that the affairs of the Company are conducted smoothly.

During the first quarter of FY20-21, the middle and senior management of the Company had volunteered to forgo their salaries between 20 to 30%, Joint Managing Director 35% cut and the Managing Director has decided not to draw salary. These sacrifices will be reviewed on quarterly basis.

Also the Company has decided that there would be no increment in FY20-21 and our workers have also decided to forgo the agreed wage increase for FY-20-21 as per the three yearly wage settlement agreement.

We are seeing some delays in receivables, which are temporary in nature. The Company is adequately capitalized and have sufficient reserves to maintain requisite liquidity and to service its debt and financial obligations.

Insoluble Sulphur

The pandemic COVID-19 has caused an unprecedented collapse in economic activities worldwide and outlook for FY20-21 is very unpredictable in terms of normalization of business activities in India as well as globally. The demand in auto sector is still muted with consequent reduction in tyre demand. The recovery to normalcy of demand is expected to be slow.

On account of above the Company is also expecting a degrowth in sales and profitability as well. We expect the hit on turnover to be in the range of 25 to 30% and on profitability about 50% at PBT level over last year. However, the spread of pandemic has reduced in some region of the globe and lockdown are being lifted by many governments. If the situation improves there is fair chance of revival of the economic activities in the later part of the year.

The Project (Phase 1 of expansion at Dharuhera) is also facing delays due to suspension of civil work during the shutdown period of COVID-19 and shortage of labour thereafter. Therefore, the project is now expected to be commissioned in Q1 of 2021-22 instead of Q3 of current year as envisaged earlier. However, no significant impact on the cost is anticipated as of now.

Sulphuric Acid & Oleum

As the Pandemic COVID-19 has an impact on all the business segments and acid is likely to be muted. Contributions are expected to be under pressure going forward as two more plants of Sulphuric Acid (with combined capacity of about 250 MTPD) have been commissioned during the year in North India.

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

CREDIT RATING

The Company's Credit Rating has been done by ICRA for Long Term and Short term borrowing including Public Deposit. The current upgraded Credit rating, received from ICRA on July 22, 2019, for fund based limits (Rs 210 Crore) is (ICRA) AA- (pronounced ICRA double A minus) (Outlook revised to Stable from Positive) and for non-fund based limits (Rs 14 Crore) is reaffirmed at (ICRA) A1+ (pronounced ICRA A one plus). The Credit Rating for Public Deposits (Rs 5 Crore) is MAA (pronounced M Double A) (Outlook revised to Stable from Positive).

SUBSIDIARY

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

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

The Company's subsidiary registered a gross turnover of ₹ 44,38.97 lakhs during the current Financial Year against ₹ 45,12.24 lakhs during FY 2018-19. The Subsidiary reported a profit of ₹ 3,26.30 lakhs (Previous Year Profit ₹ 277.93 lakhs).

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

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

companies to formulate a policy for determining 'material' subsidiaries. Accordingly, a policy on 'material' subsidiaries was formulated by the Audit Committee of the Board of Directors and same is also posted on the website of the Company and may be accessed at www.occlindia.com

CONSOLIDATED FINANCIAL STATEMENTS

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

DIRECTORS

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

The current tenure of Mrs. Runa Mukherjee, Independent Director of the Company is expiring on July 30, 2020. The Nomination and Remuneration Committee and the Board of your Company recommended the re-appointment of Mrs. Runa Mukherjee as Independent Director of the Company for her 2nd term of 5 (five) consecutive years with effect from July 31, 2020. The brief profile and other information of the Directors seeking re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given in the Notice convening the ensuing Annual General Meeting of the Company. None of Directors of the Company are disqualified as per applicable provision of the Act.

During the financial year 2019-20, Mr. H S Shashikumar, Nominee Director (LIC of India) has resigned from the Board of Directors of the Company w.e.f. December 02, 2019. The resignation was in line with guidelines of LIC of India, as he completed 2 terms of 3 years each on Board of Directors of the Company. As per the representation received from LIC of India, the Company has appointed Mrs. Kiran Sahdev as Nominee Director w.e.f. January 30, 2020.

None of the Directors of your Company is disqualified under the provisions of Section 164(2)(a)&(b) of the Companies Act, 2013 and a certificate dated June 18, 2020 received from Company Secretary in Practice certifying that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of the Companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed to the Corporate Governance Report.

Declaration by Independent Directors

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

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

Separate Meeting of Independent Directors

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

SHARE CAPITAL

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

KEY MANAGERIAL PERSONNEL (KMP)

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

- a) Mr. Arvind Goenka, Managing Director
- b) Mr. Akshat Goenka, Jt. Managing Director
- c) Mr. Anurag Jain, Chief Financial Officer
- d) Mr. Pranab Kumar Maity, Company Secretary

During the financial year 2019-20, there was no change in the Key Managerial Personnel of the Company.

Mr. Akshat Goenka, Joint Managing Director of the Company who is also serving as Managing Director of the Duncan Engineering Limited, the Subsidiary of the Company received a remuneration of ₹ 12,000/- and ₹ 16.70 lakhs as commission from the Subsidiary Company during the year 2019-20.

MEETINGS OF THE BOARD

During the year four Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The details of Board Meetings with regard to dates and attendance of each Directors have been provided in the Corporate Governance Report.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25(3) & (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent

Directors in their meeting held on January 30, 2020 have evaluated the Performance of Non-Independent Directors, Chairperson of the Company after considering the views of the Executive and Non-Executive Directors, Board as a whole and assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board. The Nomination and Remuneration Committee has also carried out evaluation of performance of every Director of the Company. On the basis of evaluation made by the Independent Directors and the Nomination and Remuneration Committee and by way of individual and collective feedback from the Non-Independent Directors, the Board has carried out the Annual Performance Evaluation of the Directors individually as well as evaluation of the working of the Board as a whole and Committees of the Board. The manner in which the evaluation has been carried out is explained in the Corporate Governance Report.

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

AUDIT COMMITTEE

As on March 31, 2020, the Audit Committee of the Board of Directors of the Company consists of three Independent Directors with Mr. O. P. Dubey as Chairman and Mr. B. B. Tandon, Mr. S. J. Khaitan, as members and one promoter Director Mr. Akshat Goenka, Joint Managing Director as Member. The Company Secretary is the Secretary of the Committee. The Managing Director, Chief Financial Officer and Auditors are permanent invitees to the committee meetings.

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

NOMINATION AND REMUNERATION COMMITTEE

As on March 31, 2020, the Nomination and Remuneration Committee consists of three Independent Directors with Mr. O. P. Dubey as Chairman, Mr. B. B. Tandon and Mr. K. Raghuraman as members. The Committee, inter alia, identifies persons who are qualified to become directors and who may be appointed in senior management. The brief terms of

reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

STAKE HOLDER'S RELATIONSHIP COMMITTEE

As on March 31, 2020, the Stakeholders' Relationship Committee comprises of one Non-Executive Director Mr. J P Goenka as Chairman, one Independent Director Mr. S J Khaitan as member and one Executive Director Mr. Arvind Goenka as member. The Committee, inter alia, reviews the grievance of the security holders of the Company and redressal thereof. The brief terms of reference of the Committee and the details of the Committee meetings are provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

As on March 31, 2020, the Corporate Social Responsibility Committee has consists two Independent Directors with Mr. S. J. Khaitan as Chairman and Mr. K. Raghuraman, Members and one Executive Director Mr. Arvind Goenka as member. The detail of terms of reference, number and dates of meetings held, attendance of the Directors and remunerations paid to them are given separately in the Corporate Governance Report.

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

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

The Average Net Profits of the Company for the last three financial years is ₹ 8563.96 lakhs and accordingly the prescribed CSR expenditure during the year under review shall not be less than ₹ 171.28 lakhs (i.e. 2% of the Average Net Profits of the Company for the last three financial years). ₹ 171.29 lakhs were spent on CSR activities and projects undertaken during the year. The Annual Report on CSR activities is annexed as "Annexure A" to this Report.

VIGIL MECHANISM

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

RISK MANAGEMENT

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

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

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

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

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

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

A Risk Management committee has been formed for the purpose of evaluation of Risks.

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

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place an established internal control system including internal financial Controls designed to ensure proper recording of financial and operational information, compliance of various internal controls and other regulatory and statutory compliances. Self-certification exercise is also conducted by which senior management certifies effectiveness of the internal control system of the Company.

Internal Audit is conducted throughout the organization by qualified outside Internal Auditors. Findings of the internal Audit Report are reviewed by the top Management and by the Audit Committee of the Board and proper follow up action are ensured wherever required. The Statutory Auditors have evaluated the system of internal controls including internal financial control of the Company and have reported that the same are adequate and commensurate with the size of the Company and nature of its business. The Audit Committee of the Board, from time to time, evaluated the adequacy and effectiveness of internal financial control of the Company with respect to:-

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

POLICY ON NOMINATION AND REMUNERATION

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

POLICY ON DIRECTORS' APPOINTMENT

The Nomination and Remuneration Committee works with the Board to determine the appropriate characteristics, skill and experience that are required of the members of the Board.

The members of the Board should possess the expertise, skills and experience needed to manage and guide the Company in the right direction and to create value for all stakeholders. The members of the Board will need to consist of eminent persons of proven competency and integrity with an established track record. Besides having financial literacy, experience, leadership qualities and the ability to think strategically, the members are required to have a significant degree of commitment to the Company and should devote adequate time in preparing for the Board meeting and attending the same. The members of the Board of Directors are required to possess the education, expertise, skills and experience in various sectors and industries needed to manage and guide the Company. The members are also required to look at strategic planning and policy formulations.

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

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

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arms' length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of Company at large. All related party transactions are placed before the Audit Committee and given in the notes annexed to and forming part of this Financial Statement. The approved policy on Related Party Transactions as required under the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 is also available on the website of the Company www.occlindia.com.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In preparation of the annual accounts for the financial year ended March 31, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;
- The Directors have selected such Accounting Policies as listed in the Financial Statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2020 and of the profits of the Company for that period;
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CHANGE IN THE NATURE OF BUSINESS

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

INSURANCE

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

PUBLIC DEPOSITS

Fixed Deposits from public outstanding with your Company at the end of the financial year stood at ₹ 1,43,30,000/-. Out of this, deposits aggregating to ₹ 4,88,000/- due for repayment on

or before March 31, 2020 were not claimed by the depositors by the said date. The Company has stopped accepting new deposits and no deposits were accepted during the year.

LISTING OF SHARES

The Equity Shares of the Company are listed on the BSE Limited (BSE) with scrip code No. 506579 and on National Stock Exchange of India Limited (NSE) with scrip symbol OCCL. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2020-21 have been duly paid.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

AUDITORS AND THEIR REPORT

a. Statutory Auditors:

Messrs S S Kothari Mehta & Co., Chartered Accountants, were appointed as Auditors of the Company for tenure of five years i.e. from the conclusion of 37th Annual General Meeting till the conclusion of the 42nd Annual General Meeting of the Company. The Auditors have confirmed their eligibility and qualification under Section 141 of Companies Act 2013. The Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 form part of this Annual Report.

b. Secretarial Auditors:

The Board of Directors of the Company at their meeting held on January 30, 2020 appointed Mr. Pawan Kumar Sarawagi, Practising Company Secretary of M/s. P Sarawagi & Associates having office at Narayani Building, Room No.107, First Floor, Brabourne Road, Kolkata -700001 for conducting the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report in Form MR-3 for the financial year ended March 31, 2020, is annexed herewith as "Annexure B".

c. Cost Auditors:

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company relating to insoluble Sulphur plants located at Dharuhera, Haryana is required to be audited. Your Board had, on recommendation of the Audit Committee, appointed Messrs J K Kabra & Co., Cost Accountants to audit the cost accounts of the Company for the financial year 2019-20. The Cost Audit Report for the year ended

March 31, 2019 has been submitted to the Ministry of Corporate Affairs within stipulated time period.

Messrs J K Kabra & Co., Cost Accountants has been appointed as Cost Auditor of the Company by the Board on recommendation of the Audit Committee to carry out the requisite cost audit for the financial year 2020-21 on a remuneration of ₹ 1.4 lakhs. As required under the Companies Act, 2013, the remuneration payable to Cost Auditors is required to be placed before the members in a General Meeting for their ratification. Accordingly, a Resolution seeking member's ratification for remuneration payable to Messrs J K Kabra & Co., Cost Auditors is included at item no. 4 of the Notice convening the Annual General Meeting.

Response to Auditors' Remarks

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors.

Regarding comments of the Secretarial Auditor in the Secretarial Audit Report, the Company has since initiated the process and shall transfer the requisite equity shares to IEPF Authority shortly.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013 read with Section 92(3), an extract of Annual Return in the prescribed format i.e. Form MGT-9 is annexed as "Annexure C" which forms an integral part of this Report and is also available on the website of the Company viz. www.occlindia.com.

CORPORATE GOVERNANCE

A detailed Report on Corporate Governance for the financial year 2019-20, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with an Auditors' Certificate on compliance with the conditions of Corporate Governance is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the financial year 2019-20, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given as a separate statement in the Annual Report.

BUSINESS RESPONSIBILITY REPORT

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

CEO AND CFO CERTIFICATION

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

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Code of Conduct for Directors and Senior Management Personnel is posted on the Company's website. The Managing Director of the Company has given a declaration that all Directors and Senior Management Personnel concerned affirmed compliance with the code of conduct with reference to the financial year ended on March 31, 2020. The declaration is annexed to the Corporate Governance Report.

COMPLIANCE OF SECRETARIAL STANDARDS

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

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

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

RESEARCH & DEVELOPMENT

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

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

The R&D lab is regularly augmented by acquiring state of the

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

POLLUTION CONTROL

Your Company's Plants have all the requisite Pollution Control Equipment and meets all the desired and statutory norms in this regard. The Insoluble Sulphur Units of the Company enjoys ISO-TS 16949:2009, EMS14001-2004 and OHSAS18001:2007 Certification. The Company has started using Natural Gas in place of Furnace Oil and other liquid fuels at its Dharuhera Plant thus helping in reduction of pollution.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, particulars of the employees concerned forms a part of the Boards' Report. Having regard to the provisions of Section 136 of the Act, the Annual Report and Accounts, excluding the aforesaid information are being sent to the Members of the Company by e-mail. Any Member interested in obtaining such particulars may write to the Company Secretary of the Company.

DETAILS RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as 'Annexure E', which is annexed hereto and forms a part of the Boards' Report.

FRAUD REPORTING

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

INSIDER TRADING REGULATIONS

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

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

During 2019-20, the unclaimed dividend amount of ₹ 676281/- and ₹ 500892/- towards the unpaid dividend account of the Company for the financial year 2011-12 (Final Dividend) and 2012-13 (Interim Dividend) was transferred to Investor Education and Protection Fund. The said amount had remained unclaimed for seven years, despite reminder letters having been sent to each of the members concerned.

Pursuant to Section 124(6) of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and its amendments, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the demat account of Investor Education and Protection Fund ("IEPF") Authority (the "Authority") as per the procedure mentioned in the said Rules. Accordingly, your Company is in process of transfer of the required equity shares to the demat account of the Authority and in terms of the said Rules. All benefits accruing on such shares viz. bonus shares, split, consolidation, fraction shares etc. except the right issue shall also be credited to such demat account.

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

Place: Noida
Date: June 18, 2020

CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE

Pursuant to the requirement under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Complaints Committee has been duly constituted by the Company and the composition of the same is disclosed in the Anti-Sexual Harassment Policy which is posted on the website of the Company www.occlindia.com.

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

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

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

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

ACKNOWLEDGMENTS

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

On behalf of the Board of Directors

Mr. Arvind Goenka
Managing Director
DIN-00135653

Mr. O P Dubey
Director
DIN-00228441

Annexure A to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

In compliance with the provisions of the Companies Act, 2013 and the rules made thereunder, the Company has framed its CSR Policy to carry out its CSR activities in accordance with Schedule VII of the Act. The Company's focus areas are concentrated on increasing access to health, education, environment sustainability, community development and holistic development with a focus on underprivileged people living around its manufacturing units and other establishments. The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for the Company to undertake and fulfill its Corporate Social Responsibility. The Policy functions as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms. This Policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different sections of the society. The Company's CSR policy is placed on its website and the web-link for the same is [https://www.occlindia.com/investor's relations/policies & procedure](https://www.occlindia.com/investor's%20relations/policies%20and%20procedure).

2. THE COMPOSITION OF THE CSR COMMITTEE:

The Composition of the CSR Committee of the Board is as follows:-

Mr. Suman Jyoti Khaitan	Chairman
Mr. Arvind Goenka	Member
Mr. Kailasam Raghuraman	Member

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS:

The average net profit of the Company for the last three financial years is ₹ 8563.96 Lakhs.

4. PRESCRIBED CSR EXPENDITURE (TWO PERCENT OF THE AMOUNT AS IN ITEM 3 ABOVE):

The prescribed CSR expenditure @ 2% of the average net profit for the last three financial years, as mentioned above, is ₹ 171.28 Lakhs.

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR:

- (a) Total amount to be spent for the financial year 2019-2020 – ₹ 171.28 Lakhs
- (b) Amount unspent, if any: Nil
- (c) Manner in which the amount spent during the financial year is detailed below:

1 Sr. No.	2 CSR project/ Activity Identified	3 Sector in which the Project is covered	4 Projects/ Programmes 1. Local area/ other - 2. specify the state/district (Name of the District/s, State/s where project/ programme was undertaken)	5	6	7	8
				Amount outlay (budget) project/ programme wise	Amount spent on the project/ programme Sub-heads: 1. Direct expenditure on project/ programme. 2. Overheads	Cumulative spend upto to the reporting period	Amount spent: Direct/through implementing agency*
				(in ₹ lakhs)	(in ₹ lakhs)		
1	Expenses on School Adopted	Promoting Education/ Sanitation/ Health Care	Haryana, Delhi , Rajasthan		4.84	4.84	Oriental CSR Trust
2	Financial Assistance for Poor and Needy for Education, Health Care and construction of houses etc	Promoting Education/ Sanitation/ Health Care, Community Development	Haryana, Rajasthan, West Bengal, Gujarat, U.P and Delhi		10.73	15.57	Oriental CSR Trust
3	Donation for Promoting Educaion	Promoting Education	Delhi		5.00	20.57	Direct

4	Solar Light and Shelter Provision in Village Areas	Community Development	Mundra, Gujarat		4.73	25.30	Oriental CSR Trust
5	Payment for Dist Council Child Welfare , Rewari	Promoting Education	Haryana		0.25	25.55	Direct
6	Mid day meal at Schools and Food Distribution to poor and needy.	Promoting Education/ Community Development	Haryana, Delhi , Rajasthan		7.95	33.50	Oriental CSR Trust
7	Construction and renovation of School/ College Building/ Provision of Safe Drinking water/ Health Care for students	Promoting Education/ Sanitation/ Health Care	Programme run by Ramchandra Geonka Charitable Trust in the state of Rajasthan		15.00	48.50	Ramchandra Goenka Charitable Trust, Kolkata
8	Water resource development program	Community Development	Haryana Dist Rewari		117.79	166.29	Direct
9	Administrative cost				5.00	171.29	OCCL CSR Trust

6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PER CENT, OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD'S REPORT:

Not Applicable.

7. A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE THAT THE IMPLEMENTATION AND MONITORING OF CSR POLICY, IS IN COMPLIANCE WITH CSR OBJECTIVES AND POLICY OF THE COMPANY:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Objectives and Policy of the Company.

On Behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN: 00135653

O. P. Dubey
Director
DIN: 00228441

Place: Noida
Date: 18th June, 2020

Annexure B to the Directors' Report

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit and considering the various relaxations granted by the Securities and Exchange Board of India, the Ministry of Corporate Affairs and other government authorities due to COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, generally complied with the statutory provisions listed hereunder, as amended from time to time and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020, to the extent, applicable, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- (iv) The Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECBs);
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) Other laws specifically applicable to the Company : The Management has identified and confirmed the following Laws as being specifically applicable to the Company :
 - (a) The Arms Act, 1959 and the rules framed thereunder
 - (b) The Explosives Act, 1884 and the rules framed thereunder

- (c) The Environment (Protection) Act, 1986 and the rules framed thereunder particularly:
- (i) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;
- (ii) The Hazardous Waste (Management & Handling) Rules 1989;
- (iii) The Manufacture, Storage and Import of Hazardous Chemical (Amendment) Rules, 1989; and
- (iv) The Chemicals Accident (Emergency Planning, Preparedness & Response) Rules, 1996

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

- (i) Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the year under review, the Company has generally complied with the applicable provisions of the Acts, Rules, Regulations, Standards, etc., mentioned above, except Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

It is observed that the provisions of the FEMA and the Rules and Regulations made thereunder to the extent applicable for FDI, ODI and ECBs as mentioned in item no. (iv) of para 3; and the provisions of Regulations mentioned in (c), (d), (e), (g) and (h) under item no. (v) of para 3 above, were not applicable to the Company during the year under review.

We further report that:

- I. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes that took place during the year under review in the composition of the Board of Directors were carried out in compliance with the provisions of the Act.

- II. Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.
- III. During the year under review, all the decisions at the meetings of the Board and Committees thereof, were carried out unanimously as the Minutes of these Meetings did not reveal any dissenting member's view.

We further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance with applicable Laws, Rules, Regulations, Standards, etc.

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

For P. SARAWAGI & ASSOCIATES
Company Secretaries

P. K. Sarawagi
Proprietor

Membership No. : FCS-3381
Certificate of Practice No. : 4882
ICSI UDIN : F003381B000353720

Place : Kolkata
Date : June 18, 2020

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

Annexure - A

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

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

1. Maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the Financial Records and the Books of Accounts of the Company.

4. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards, etc., is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
5. Wherever required, we have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Standards, etc., and happening of events.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
7. In view of the restricted movement and other constraints due to COVID-19 pandemic, various information, documents and records were provided by the Company through electronic modes.

For P. SARAWAGI & ASSOCIATES
Company Secretaries

P. K. Sarawagi
Proprietor
Membership No. : FCS-3381
Certificate of Practice No. : 4882
ICSI UDIN : F003381B000353720

Place : Kolkata
Date : June 18, 2020

Annexure C to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L24297WB1978PLC031539
2.	Registration Date	June 19, 1978
3.	Name of the Company	ORIENTAL CARBON & CHEMICALS LIMITED
4.	Category/Sub-category of the Company	Company limited by shares/Indian Non-Government Company
5.	Address of the Registered office & contact details	31, Netaji Subhas Road, Kolkata – 700 001 Phone: +91 33 22306831-34; Fax: +91 33 22434772 Email: investorfeedback@occlindia.com; Website: www.occlindia.com
6.	Whether listed company	Yes. Listed on National Stock Exchange of India Ltd and BSE Ltd.
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Room No. 502 & 503, 5th Floor, Vaishno Chamber, 6, Brabourne Road, Kolkata – 700 001 Phone - 033-4004 9728; Telefax- 033-4073 1698 Email: Kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Insoluble Sulphur	20119	93.32%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GIN	Holding/ Subsidiary/ Associate	% of share held	Applicable Section
1	Duncan Engineering Ltd.	L28991PN1961PLC139151	Subsidiary	50.01%	2(87)(ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	Shareholding at the beginning of the year – 2019				Shareholding at the end of the year – 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals / Hindu Undivided Family	407500	-	407500	4.0790	409500	-	409500	4.0991	0.0201
(b) Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c) Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d) Any Other (Specify)									
Bodies Corporate(Note)	4743175	-	4743175	47.4788	4754275	-	4754275	47.5899	0.1111
Sub Total (A)(1)	5150675	-	5150675	51.5578	5163775	-	5163775	51.6890	0.1312
[2] Foreign									
(a) Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Government	-	-	-	-	-	-	-	-	-
(c) Institutions	-	-	-	-	-	-	-	-	-
(d) Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e) Any Other (Specify)									
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	5150675	-	5150675	51.5578	5163775	-	5163775	51.6890	0.1312
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	1553963	-	1553963	15.5550	1516966	-	1516966	15.1847	(0.3703)
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c) Alternate Investment Funds	45620	-	45620	0.4567	43920	-	43920	0.4396	(0.0171)
(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e) Foreign Portfolio Investor	159432	-	159432	1.5959	137411	-	137411	1.3755	(0.2204)
(f) Financial Institutions / Banks	7960	2430	10390	0.1040	7468	2430	9898	0.0991	(0.0049)
(g) Insurance Companies	628291	-	628291	6.2891	514995	-	514995	5.1551	(1.1340)
(h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i) Any Other (Specify)									
Sub Total (B)(1)	2395266	2430	2397696	24.0007	2220760	2430	2223190	22.2539	(1.7468)
[2] Central Government/ State Government(s)/ President of India									
Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
Sub Total (B)(2)	-	-	-	-	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

Category of Shareholders	Shareholding at the beginning of the year – 2019				Shareholding at the end of the year – 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1385211	368314	1753525	17.5526	1500214	333333	1833547	18.3537	0.8011
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	270114	-	270114	2.7038	275336	-	275336	2.7561	0.0523
(b) NBFCs registered with RBI	9884	-	9884	0.0989	-	-	-	-	(0.0989)
(c) Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(d) Any Other (Specify)									
IEPF	41969	-	41969	0.4201	41695	-	41695	0.4174	(0.0027)
Trusts	150	-	150	0.0015	150	-	150	0.0015	0.0000
Hindu Undivided Family	62389	-	62389	0.6245	67243	-	67243	0.6731	0.0486
Non Resident Indians (Non Repat)	25813	-	25813	0.2584	51200	-	51200	0.5125	0.2541
Non Resident Indians (Repat)	92852	28539	121391	1.2151	127589	28089	155678	1.5583	0.3432
Foreign Portfolio Investor (Individual)	-	-	-	-	350	-	350	0.0035	0.0035
Clearing Member	10872	-	10872	0.1088	17583	-	17583	0.1760	0.0672
Market Maker	48	-	48	0.0005	-	-	-	0.0000	(0.0005)
Bodies Corporate	143154	2412	145566	1.4571	157933	2412	160345	1.6050	0.1479
Sub Total (B)(3)	2042456	399265	2441721	24.4414	2239293	363834	2603127	26.0571	1.6157
Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	4437722	401695	4839417	48.4422	4460053	366264	4826317	48.3110	(0.1312)
Total (A)+(B)	9588397	401695	9990092	100.0000	9623828	366264	9990092	100.0000	-
(C) Non Promoter - Non Public									
[1] Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
Total (A)+(B)+(C)	9588397	401695	9990092	100.0000	9623828	366264	9990092	100.0000	-

Note: On 31.03.2020, Haldia Investment Co. Ltd. And New India Investment Corporation Ltd had purchased 5349 and 2000 Equity Shares of the Company, through Stock Market, respectively, the shares were credited to demat account on 07.04.2020. Hence not included above.

B) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Aparna Goenka	200000	2.0020	-	202000	2.0220	-	0.0201
2	Arvind Goenka	107500	1.0761	-	107500	1.0761	-	-
3	Akshat Goenka	100000	1.0010	-	100000	1.0010	-	-
4	Cosmopolitan Investments Ltd.	1907528	19.0942	-	1907528	19.0942	-	-
5	New India Investment Corporation Ltd. (Note)	1212136	12.1334	-	1212136	12.1334	-	-
6	Haldia Investment Company Ltd. (Note)	598895	5.9949	-	609995	6.1060	-	0.1111
7	Duncan International (India) Ltd.	994616	9.9560	-	994616	9.9560	-	-
8	Disciplined Investments Ltd.	30000	0.3003	-	30000	0.3003	-	-
	TOTAL	5150675	51.5578	-	5163775	51.6890	-	0.1312

Note: On 31.03.2020, Haldia Investment Co. Ltd. And New India Investment Corporation Ltd had purchased 5349 and 2000 Equity Shares of the Company, through Stock Market, respectively, the shares were credited to demat account on 07.04.2020. Hence not included above.

C) Change in Promoters' Shareholding (please specify, if there is no change)

Name & Type of Transaction	Shareholding at the beginning of the year 2019		Transactions during the year		Cumulative Shareholding at the end of the year-2020	
	No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1 Cosmopolitan investments ltd	1907528	19.0942			1907528	19.0942
At the end of the year					1907528	19.0942
2 New india investment corporation ltd (note)	1212136	12.1334			1212136	12.1334
At the end of the year					1212136	12.1334
3 Duncan international (india) ltd	994616	9.9560			994616	9.9560
At the end of the year					994616	9.9560
4 Haldia investment co ltd (note)	598895	5.9949			598895	5.9949
Transfer			27 Mar2020	7300	606195	6.0680
Transfer			31 Mar2020	3800	609995	6.1060
At the end of the year					609995	6.1060
5 Aparna goenka	200000	2.0020			200000	2.0020
Transfer			31 Mar2020	2000	202000	2.0220
At the end of the year					202000	2.0220
6 Arvind goenka	107500	1.0761			107500	1.0761
At the end of the year					107500	1.0761
7 Akshat goenka	100000	1.0010			100000	1.0010
At the end of the year					100000	1.0010
8 Disciplined investments limited	30000	0.3003			30000	0.3003
At the end of the year					30000	0.3003

Note: On 31.03.2020, Haldia Investment Co. Ltd. And New India Investment Corporation Ltd had purchased 5349 and 2000 Equity Shares of the Company, through Stock Market, respectively, the shares were credited to demat account on 02.04.2020. Hence not included above.

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
1	HDFC Small Cap fund	926250	9.2717			926250	9.2717
	At the end of the year					926250	9.2717
2	L&T Mutual Fund Trustee Limited- L&T Emerging businesses fund	433930	4.3436			433930	4.3436
	Transfer			05 Apr 2019	(26292)	407638	4.0804
	Transfer			12 Apr 2019	(8157)	399481	3.9988
	Transfer			19 Apr 2019	(250)	399231	3.9963
	Transfer			26 Apr 2019	(2298)	396933	3.9733
	Transfer			30 Aug 2019	759	397692	3.9809
	Transfer			06 Sep 2019	1007	398699	3.9909
	Transfer			13 Sep 2019	3234	401933	4.0233
	At the end of the year					401933	4.0233
3	Life Insurance Corporation of India	368668	3.6903			368668	3.6903
	Transfer			13 Sep 2019	(4198)	364470	3.6483
	Transfer			20 Sep 2019	(4015)	360455	3.6081
	Transfer			27 Sep 2019	(5911)	354544	3.5490
	Transfer			04 Oct 2019	(1783)	352761	3.5311
	Transfer			11 Oct 2019	(316)	352445	3.5279
	Transfer			18 Oct 2019	(6621)	345824	3.4617
	Transfer			25 Oct 2019	(8827)	336997	3.3733
	Transfer			01 Nov 2019	(1206)	335791	3.3612
	Transfer			08 Nov 2019	(1926)	333865	3.3420
	Transfer			15 Nov 2019	(1931)	331934	3.3226
	Transfer			22 Nov 2019	(2330)	329604	3.2993
	Transfer			29 Nov 2019	(2735)	326869	3.2719
	Transfer			06 Dec 2019	(294)	326575	3.2690
	Transfer			07 Feb 2020	(6750)	319825	3.2014
	Transfer			14 Feb 2020	(4778)	315047	3.1536
	Transfer			21 Feb 2020	(52)	314995	3.1531
	At the end of the year					314995	3.1531
4	General Insurance Corporation of India	259623	2.5988			259623	2.5988
	Transfer			07 Jun 2019	(68)	259555	2.5981
	Transfer			14 Jun 2019	(1575)	257980	2.5824
	Transfer			21 Jun 2019	(854)	257126	2.5738
	Transfer			20 Sep 2019	(883)	256243	2.5650
	Transfer			27 Sep 2019	(22267)	233976	2.3421
	Transfer			30 Sep 2019	(2043)	231933	2.3216
	Transfer			11 Oct 2019	(2094)	229839	2.3007
	Transfer			18 Oct 2019	(2803)	227036	2.2726
	Transfer			25 Oct 2019	(4528)	222508	2.2273
	Transfer			01 Nov 2019	(5786)	216722	2.1694
	Transfer			10 Jan 2020	(5269)	211453	2.1166

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			17 Jan 2020	(7847)	203606	2.0381
	Transfer			24 Jan 2020	(3606)	200000	2.0020
	At the end of the year					200000	2.0020
5	DSP Small Cap Fund	109183	1.0929			109183	1.0929
	At the end of the year					109183	1.0929
6	Standard Life Investments GS Mauritius Holdings Limited	102699	1.0280			102699	1.0280
	Transfer			05 Apr 2019	28557	131256	1.3139
	Transfer			16 Aug 2019	(1700)	129556	1.2968
	Transfer			23 Aug 2019	(5250)	124306	1.2443
	Transfer			30 Aug 2019	(1921)	122385	1.2251
	Transfer			07 Feb 2020	(1905)	120480	1.2060
	Transfer			13 Mar 2020	(1700)	118780	1.1890
	Transfer			20 Mar 2020	(11660)	107120	1.0723
	Transfer			27 Mar 2020	(13390)	93730	0.9382
	Transfer			31 Mar 2020	(13593)	80137	0.8022
	At the end of the year					80137	0.8022
7	HSBC Small Cap Equity Fund	80000	0.8008			80000	0.8008
	Transfer			08 Nov 2019	(429)	79571	0.7965
	Transfer			13 Dec 2019	(2320)	77251	0.7733
	Transfer			20 Dec 2019	(2251)	75000	0.7507
	At the end of the year					75000	0.7507
8	Sangeetha S	0	0.0000			0	0.0000
	Transfer			08 Nov 2019	75490	75490	0.7556
	Transfer			15 Nov 2019	(900)	74590	0.7466
	Transfer			22 Nov 2019	(900)	73690	0.7376
	Transfer			13 Dec 2019	(10)	73680	0.7375
	Transfer			20 Dec 2019	(350)	73330	0.7340
	Transfer			27 Dec 2019	(270)	73060	0.7313
	Transfer			31 Dec 2019	(270)	72790	0.7286
	Transfer			10 Jan 2020	(450)	72340	0.7241
	Transfer			17 Jan 2020	(270)	72070	0.7214
	Transfer			24 Jan 2020	(720)	71350	0.7142
	Transfer			31 Jan 2020	(360)	70990	0.7106
	Transfer			14 Feb 2020	(900)	70090	0.7016
	Transfer			21 Feb 2020	(58)	70032	0.7010
	Transfer			28 Feb 2020	(32)	70000	0.7007
	At the end of the year					70000	0.7007
9	Spark Alpha Fund 1	35495	0.3553			35495	0.3553
	At the end of the year					35495	0.3553
10	Subramanian P	83230	0.8331			83230	0.8331
	Transfer			05 Apr 2019	(540)	82690	0.8277
	Transfer			12 Apr 2019	(900)	81790	0.8187
	Transfer			19 Apr 2019	(90)	81700	0.8178

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the company	Date of transaction	No. of shares	No of shares held	% of total shares of the company
	Transfer			26 Apr 2019	(1002)	80698	0.8078
	Transfer			03 May 2019	(29)	80669	0.8075
	Transfer			10 May 2019	(319)	80350	0.8043
	Transfer			21 Jun 2019	(900)	79450	0.7953
	Transfer			05 Jul 2019	(18)	79432	0.7951
	Transfer			09 Aug 2019	(432)	79000	0.7908
	Transfer			23 Aug 2019	(630)	78370	0.7845
	Transfer			06 Sep 2019	(180)	78190	0.7827
	Transfer			13 Sep 2019	(314)	77876	0.7795
	Transfer			20 Sep 2019	(676)	77200	0.7728
	Transfer			04 Oct 2019	(180)	77020	0.7710
	Transfer			11 Oct 2019	(630)	76390	0.7647
	Transfer			18 Oct 2019	(675)	75715	0.7579
	Transfer			25 Oct 2019	(225)	75490	0.7556
	Transfer			08 Nov 2019	(75490)	0	0.0000
	At the end of the year					0	0.0000
11.	Vivog Commercial Ltd.	32595	0.3263			32595	0.3263
	At the end of the year			-	-	32595	0.3263

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Arvind Goenka, Managing Director				
	At the beginning of the year	107500	1.0761		
	Changes during the year				No Change
	At the end of the year			107500	1.0761
2.	Mr. Akshat Goenka, Jnt. Managing Director				
	At the beginning of the year	100000	1.0010		
	Changes during the year				No Change
	At the end of the year			100000	1.0010
3.	Mr. Anurag Jain, CFO				
	At the beginning of the year	2675	0.0267		
	Changes during the year				No Change
	At the end of the year			2675	0.0267
4.	Mr. Pranab Kumar Maity, Company Secretary				
	At the beginning of the year	Nil	Nil		
	Changes during the year				No Change
	At the end of the year			Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Unsecured Public Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,05,22,08,458	-	2,71,05,000	1,07,93,13,458
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	74,33,277	-	20,44,872	97,48,149
Total (i+ii+iii)	1,05,96,41,735	-	2,91,49,872	1,08,87,91,607
Change in Indebtedness during the financial year				
* Addition (PRINCIPAL)	36,02,95,573	-	-	36,02,95,573
* Reduction (PRINCIPAL)	-	-	(1,27,75,000)	(1,27,75,000)
Net Change	36,02,95,573	-	(1,27,75,000)	34,75,20,573
Indebtedness at the end of the financial year				
i) Principal Amount	1,41,25,04,031		1,43,30,000	1,42,68,34,031
ii) Interest due but not paid				
iii) Interest accrued but not due	78,96,203		18,16,613	97,12,816
Total (i+ii+iii)	1,42,04,00,234		1,61,46,613	1,43,65,46,847

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of Managing Director	Name of the WTD (Jt Managing Director)	Total Amount (₹)
		Mr. Arvind Goenka	Mr. Akshat Goenka	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,64,99,042	1,48,98,821	3,13,97,863
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	39,600	79,200
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as 1% of Consolidated profit before tax	84,32,000	84,32,000	1,68,64,000
5	Others, please specify	-	-	-
	Total (A)	2,49,70,642	2,33,70,421	4,83,41,063
	Ceiling as per the Act			846.19 lakhs

B. Remuneration to Other Directors

Sr. No.	Particulars of Remuneration	Name of Directors								Total Amount (₹)
		Mr. J P Goenka	Mr. B B Tandon	Mr. K Raghuraman	Mr. S J Khaitan	Mr. O P Dubey	Mrs. Runa Mukherjee	Mr. H Shashi kumar (LIC Nominee)*	Mrs. Kiran Sahdev (LIC Nominee)*	
1.	Independent Directors									
	Fee for attending board & committee meetings		3,80,000	3,70,000	5,98,000	4,80,000	2,80,000			21,08,000
	Commission		7,60,000	7,40,000	11,96,000	9,60,000	5,60,000			42,16,000
	Others, please specify									
	Total (1)		11,40,000	11,10,000	17,94,000	14,40,000	8,40,000			63,24,000
2.	Other Non-Executive Directors									
	Fee for attending board & committee meetings	1,30,000						1,50,000 (Paid to LIC)	50,000	3,30,000
	Commission	2,60,000						3,00,000 (Paid to LIC)	1,00,000 (Paid to LIC)	6,60,000
	Others, please specify									
	Total (2)	3,90,000						4,50,000	1,50,000	9,90,000
	Total (B)=(1+2)	3,90,000	11,40,000	11,10,000	17,94,000	14,40,000	8,40,000	4,50,000	1,50,000	73,14,000
	Total Managerial Remuneration (A) + (B)									5,56,55,063
	Overall Ceiling as per the Act									930.81 lakhs

Note: Mr. H. S Shashikumar resigned on 02.12.2019 and Mrs. Kiran Sahdev appointed on 30.01.2020.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	21,56,313	1,59,21,967	1,80,78,280
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NA	38,863	70,785	1,09,648
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NA			
2	Stock Option	NA			
3	Sweat Equity	NA			
4	Commission - as % of profit				
	others, specify...				
5	Others, please specify				
	Total		21,95,176	1,59,92,752	1,81,87,928

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

NONE

On behalf of the Board of Directors

Place: Noida
Date: June 18, 2020

Arvind Goenka
Managing Director
DIN-00135653

O P Dubey
Director
DIN-00228441

Annexure D to the Directors' Report

ANNEXURE TO DIRECTORS' REPORT

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

I. CONSERVATION OF ENERGY

(a) Energy Conservation Measures taken:

- 100% steam requirement of Insoluble Sulphur plants at Dharuhera is met through utilisation of excess steam generated in Sulphuric Acid Plant by installing High Pressure Waste Heat Boiler.
- Heat Recovery System in Refiners in Mundra
- Optimisation of Chilling units Running at Mundra.
- Optimisation of vacuum pumps

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

- Set up roof top Solar Power at Dharuhera.
- Utilisation of Waste hot air

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

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

II. TECHNOLOGY ABSORPTION

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

1. Research & Development

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

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

- (iii) Future plan of action :
1. Development of New Grades specific to customer requirements
 2. Process research to improve cost effectiveness and quality improvement.
 3. Upgradation of R&D equipments and addition of new material research capabilities

The Company has a in-house R&D unit which has been recognised by Ministry of Science & Technology, Department of Scientific & Industrial Research. The R&D Unit is being augmented through acquisition of state of art analytical and process equipments.

(iv) Expenditure on R&D (₹ in Lakhs)

(a) Capital	:	6.84
(b) Recurring	:	242.94
(c) Total	:	249.78
(d) Total R&D expenditure as a percentage of Net turnover.	:	0.74%

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

III. FOREIGN EXCHANGE EARNING AND OUTGO.

- (a) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. : The Company faced a downfall of 11.90% by value in exports. Exports Constituted 62.04% of total Insoluble Sulphur sales during the year by value.
- (b) Total foreign exchange used and earned (₹ in Lakhs)
- | | | |
|------------|---|----------|
| (i) Earned | : | 18110.71 |
| (ii) Used | : | 861.19 |

On behalf of the Board of Directors

Place: Noida
Date: June18, 2020

Arvind Goenka
Managing Director
DIN-00135653

O P Dubey
Director
DIN-00228441

Annexure E to the Directors' Report

PARTICULARS OF EMPLOYEES PERSUANT TO SECTION 134(3)(q) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

I.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ;	Mr. J.P. Goenka- 6:10 Mr. Arvind Goenka- 353:10 Mr. B.B. Tandon- 16:10 Mr. K Raghuraman- 16:10 Mr. O.P. Dubey- 20:10 Mr. S.J. Khaitan- 25:10 Mr. H. S. Shashikumar*- 6:10 Mr Akshat Goenka- 331:10 Mrs. Runa Mukherjee- 12:10 Ms. Kiran Sahdev* - 2:10
II.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the financial year ;	Directors: Mr. J.P. Goenka: (22%) Mr. Arvind Goenka: (-5%) Mr. B.B. Tandon: (-34%) Mr. K. Raghuraman: (-16%) Mr. O.P. Dubey: (-16%) Mr. S. J. Khaitan: (-19%) Mr. H. S. Shashikumar: (-19%) Mr. Akshat Goenka: (-5%) Mrs. Runa Mukherjee (-19%) Ms. Kiran Sahdev (NA) Key Managerial Personnel Mr. Arvind Goenka: (-5%) Mr. Akshat Goenka :(-5%) Mr. Anurag Jain: (-8%) Mr. Pranab Kumar Maity: (5%)
III.	The percentage increase in the median remuneration of employees in the financial year;	14%
IV.	The number of permanent employees on the rolls of company;	456 employees as on 31/03/2020
V.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average Salary increase of non managerial employees was 8% The total Increase in managerial remuneration was (-5%).
VI.	The key parameters for any variable component of remuneration availed by the directors;	Managing Director and Jt Managing Director are entitled to Commission. All other directors are also entitled to Commission based on the performance of the Company in addition to the sitting fees. Ms Kiran Sahdev has been appointed as LIC Nominee Director in place of Mr. HS Shashikumar during the year.
VII.	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year ended March 31, 2020 is as per the remuneration policy of the Company.

On behalf of the Board of Directors

Place: Noida
Date: June 18, 2020

Arvind Goenka
Managing Director
DIN-00135653

O P Dubey
Director
DIN-00228441

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

II. BOARD OF DIRECTORS

A. Composition and Category of the Board

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. The Chairman of the Board of Directors is a Non-Executive Director and as at March 31, 2020, the Board comprises of 9 Directors out of which 5, comprising of more than one half of the Board strength, are Independent Directors including one woman director and 4 are Non-Independent including 1 Nominee Director representing LIC of India as equity investor. All the Directors are eminent professionals with experience in Business, Industry, Finance and Law.

The necessary disclosures regarding other Directorships and committee memberships have been made by all the Directors.

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

B. Number of Meetings held and Attendance of Directors during the Financial Year 2019-20

During the financial year ended March 31, 2020, four (4) Board Meetings were held on May 10, 2019, July 26, 2019, October 24, 2019 and January 30, 2020. The gap between two meetings is within 120 days.

The names and categories of the Directors on the Board, their attendance at Board Meetings and the Annual General Meeting held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies as on March 31, 2020 are given below:

Name of Directors and Director Identification Number (DIN)	Category of directorship	No. of Board Meetings		Attendance at Last AGM held on July 26, 2019	No. of Directorships held (excluding**)	Committee Memberships# (excluding**)		Directorship in other listed entity (category of Directorship)
		Held	Attended			Chairman	Member@	
Mr. J P Goenka (DIN:00136782)	Non-Executive Chairman-Promoter Director	4	2	No	3	2	2	Duncan Engineering Limited (Non-Independent, Non-Executive)
Mr. Arvind Goenka (DIN:00135653)	Managing Director – Promoter Director	4	4	Yes	3	-	1	1. Duncan Engineering Limited (Non-Independent, Non-Executive) 2. Asahi Songwon Colors Limited (Independent, Non-Executive)
Mr. Akshat Goenka (DIN:07131982)	Jt. Managing Director – Promoter Director	4	4	Yes	2	-	1	Duncan Engineering Limited (Non-Independent, Executive)
Mr. O P Dubey (DIN:00228441)	Non-Executive-Independent Director	4	4	Yes	2	2	3	Duncan Engineering Limited (Independent, Non-Executive)
Mr. S J Khaitan (DIN:00023370)	Non-Executive-Independent Director	4	4	Yes	3	2	5	1. Indo Rama Synthetics (India) Limited (Independent, Non-Executive) 2. Jindal Stainless Limited (Independent, Non-Executive)

Name of Directors and Director Identification Number (DIN)	Category of directorship	No. of Board Meetings		Attendance at Last AGM held on July 26, 2019	No. of Directorships held (excluding**)	Committee Memberships# (excluding**)		Directorship in other listed entity (category of Directorship)
		Held	Attended			Chairman	Member@	
Mr. B B Tandon (DIN:00740511)	Non-Executive-Independent Director	4	3	No	5	-	5	1. Birla Corporation Limited (Independent, Non-Executive) 2. Filatex India Limited (Independent, Non-Executive) 3. Duncan Engineering Limited (Independent, Non-Executive)
Mr. K Raghuraman (DIN:00320507)	Non-Executive-Independent Director	4	4	Yes	3	1	2	1. Rama Phosphates Limited (Independent, Non-Executive) 2. Birla Cable Ltd. (Independent, Non-Executive)
Mr. H S Shashikumar (DIN:06674954)	Non-Executive-Nominee Director	3	3	Yes	1	-	-	-
Mrs. Runa Mukherjee (DIN:02792569)	Non-Executive-Independent Director	4	4	Yes	2	-	1	-
Mrs. Kiran Sahdev (DIN: 06718968)	Non-Executive- Nominee Director	1	1	No	1	0	0	-

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

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

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

Mr. H S Shashikumar, Nominee Director, representative of the LIC of India had resigned from his Directorship on December 02, 2019 and Mrs. Kiran Sahdev as nominated by LIC was appointed in his place as a Non-Executive Nominee Director at the Board Meeting of the Company held on January 30, 2020.

None of the Directors held Directorship in more than 8 (eight) Public Limited Companies and/or were members of more than 10 (ten) committees or acted as Chairperson of more than 5 (five) committees across all Public Limited Companies in which they were Directors.

Information to the Board

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

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

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

Mr. J P Goenka retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The brief resume of Mr. J P Goenka is given below:

Mr. J. P. Goenka aged about 83 years, an Honours Graduate from the University of Calcutta, is an Industrialist hailing from the Goenka family headed by (Late) Sir Badridas Goenka of the Industrial Group popularly known as House of Duncans. He has held various illustrious positions viz. Chairman of Indian Woollen Mills Federation (1969-70), Chairman of Calcutta Jute Fabrics Shippers' Association (1969-71), President of Bengal Mills Owners Association (1972-73), Chairman of Indian Jute Mills Association (1973-74), Chairman of Indian Cotton Mills Federation (1978- 80), Chairman of Jute Manufactures Development Council and Chairman of Textile Export Promotion Council. Mr. Goenka commands rich experience of over 60 years in managing and/or looking after the industries of diverse business interests such as jute and cotton textiles, wool-tops, industrial explosives, rubber chemicals and sophisticated engineering products.

b. Re-appointment of Mrs. Runa Mukherjee, Independent Director of the Company for 2nd term of 5 (five) consecutive years.

The current tenure of Mrs. Runa Mukherjee, Independent Directors of the Company are expiring on July 30, 2020. The Nomination and Remuneration Committee and the Board of your Company recommended the appointment of Mrs. Runa Mukherjee as Independent Directors of

the Company for their 2nd term of 5 (five) consecutive years with effect from July 31, 2020 with the approval of Members in the ensuing Annual General Meeting of the Company. The brief profile and other information of the Directors seeking re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given in the Explanatory Statement to the Notice convening the ensuing Annual General Meeting of the Company.

None of Directors of the Company are disqualified as per applicable provision of the Act and none of the Directors hold any shares of the Company.

Independent Directors

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

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

The Independent Directors are apprised at the Board Meetings and Committee Meetings on the Company operations, market shares, governance, internal control process and other

Disclosure of Relationships between Directors inter-se

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

Shareholding of Non-Executive Director(s)

As on March 31, 2020, none of the Non-executive directors was holding any shares or convertible instruments in the Company

Code of Conduct

A Code of Conduct has been formulated for the Directors

relevant matters inclusive of presentations and programmes with regard to strategy, operations and functions of the Company including important developments in various business divisions and new initiatives undertaken by the Company. The familiarisation programme for Independent Directors is available on the Company's website (<http://www.occlindia.com>).

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

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2020-21, the Board hereby certify that all the Independent Directors appointed by the Company fulfill the conditions specified in these Regulations and are independent of the management.

Separate Meeting of the Independent Directors

As per the requirement of Schedule IV of the Act, 2013 and the Regulation 25(3) of SEBI Listing Regulations, 1 (one) separate meeting of Independent Directors was held on January 30, 2020 without attendance of Non-Independent Directors and the members of the management. This meeting was conducted in a manner so as to enable the Independent Directors to discuss and review the performance of Non-Independent Directors and the Board as a whole, performance of the Chairman of the Company after taking into account the views of Executive Directors and Non-Executive Directors and for assessing the quality, quantity and timelines of flow of information between the Company management and the Board.

and senior management personnel of the Company and the same is available on the Company's website www.occlindia.com. All Board Members and senior management personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2020. Annual declaration signed by the Managing Director of the Company pursuant to Regulation 26(3) read with Schedule

V (Part D) of the SEBI Listing Regulations is annexed to this Report as "Annexure A".

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

Skills/Expertise/Competencies of the Board of Directors

The Board of Directors of the Company consist of eminent qualified professional members from the diverse field, who

have significant amount of skills/expertise/competencies and thus make valuable contributions to the Board. The collective contribution of the Board members reflects in the performance of the Company.

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

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

Managing Director & CEO Certificate

The certificate pursuant to Regulation 17(8) of SEBI Listing Regulations duly signed by the Managing Director and CFO in respect of the financial year ended March 31, 2020 has been placed before the Board.

III. COMMITTEES OF THE BOARD

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

A. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee. All members of the Committees are financially

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

a. Composition, meetings and attendance:

As on March 31, 2020, the Audit Committee of the Company comprises of three Non-Executive Independent Directors and one Executive Director. The Company Secretary acts as the Secretary to the Audit Committee. The Committee met 4 (four) times during the year i.e. on May 10, 2019, July 26, 2019, October 24, 2019 and January 30, 2020. The intervening gap between the Meetings was within the prescribed period of 120 days. The composition of the committee and details of meetings attended by each of the members is as under:

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

The Chairman of the Audit Committees was present at the 39th Annual General Meeting of the Company.

b. Terms of Reference:

Powers and role of the Audit Committee:

The powers of Audit Committee include the following:

i) Powers:

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

ii) Role:

The role of the Audit Committee includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company including remuneration for any other services rendered by them;
- Reviewing, with the management, and examination of the financial statements and auditor's report there on before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same. Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial

statements arising out of audit findings.

- Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus /notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - Review and monitor the auditor's independence and performance and effectiveness of audit process;
 - Approval or any subsequent modification of transactions of the Company with related parties;
 - Scrutiny of inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Reviewing the adequacy of internal audit function;
 - Reviewing the findings of the internal auditors including matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

15. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
16. To review the functioning of the Whistle Blower mechanism;
17. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
18. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

iii) Review of information by the Audit Committee:

The Audit Committee reviews the following information:

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

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

- Overall health of organization.
- New initiatives taken and diversification by the organization.
- Optimum utilization of resources of the organization.
- Long term goal setting of the organization.
- Industry Pattern.
- Risk Mitigation.
- Remuneration should be reasonable and sufficient to attract and retain directors of quality.

Remuneration to Independent Directors:-

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

Remuneration to KMP is linked with the following:-

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

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

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

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

B. NOMINATION & REMUNERATION COMMITTEE

a. Composition, meetings and attendance:

As on March 31, 2020, the Nomination & Remuneration Committee of the Company comprises of three Non-Executive Independent Directors. The Committee met once during the year under review on May 10, 2019. The composition of the committee and details of meetings attended by each of the members is as under:

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

b. Terms of Reference

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

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

c. Board Evaluation

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

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

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

2. Executive Directors:

The details of remuneration including commission to all Executive Directors for the financial year ended March 31, 2020 is as follows and same is within the ceiling prescribe under applicable provisions of the Act, 2013.

Name and Designation	Service Contact/ Notice Period*	Salary (₹)	Commission (₹)	Contribution to Provident Fund & SAF (₹)	Perquisites and other allowances (₹)	Total (₹)
Mr. Arvind Goenka	Appointed as Managing Director for five years w.e.f. October 01, 2018	72,84,000/-	84,32,000/-	19,66,680/-	72,87,962/-	2,49,70,642/-
Mr. Akshat Goenka	Appointed as Jt. Managing Director for five years w.e.f. June 01, 2018, retire by rotation	66,00,000/-	84,32,000/-	17,82,000/-	65,56,421/-	2,33,70,421/-

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

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

3. Non-Executive Directors:

The details of sitting fees and annual commission to Non-Executive Directors for the Financial Year 2019-20 are as follows:

Name	Service Contact/Notice Period	Sitting Fees* (₹)	Commission* (₹)	Number of shares and convertible instruments held in the Company
Mr. J P Goenka	Retire by Rotation	130,000	2,60,000	Nil
Mr. H S Shashi Kumar	Retire by Rotation	150,000 (paid to LIC of India)	3,00,000 (paid to LIC of India)	Nil
Mr. O P Dubey	Re-appointed for 5 years as Independent Director at the Annual General Meeting of the Company held on July 26, 2019	4,80,000	9,60,000	Nil
Mr. B B Tandon	-do-	3,80,000	7,60,000	Nil
Mr. S J Khaitan	-do-	5,98,000	11,96,000	Nil
Mr. K Raghuraman	-do-	3,70,000	7,40,000	Nil
Mrs. Runa Mukherjee	Appointed for 5 years as Independent Director at the Annual General Meeting of the Company held on July 31, 2015	2,80,000	5,60,000	Nil
Mrs. Kiran Sahdev	Retire by Rotation	50,000	1,00,000 (paid to LIC of India)	Nil

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

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. Composition, meetings and attendance:

As on March 31, 2020, the Stakeholders' Relationship Committee of the Company comprises of three Non-Executive Independent Directors and one Executive Director. Mr. Pranab Kumar Maity, Company Secretary, acts as the Secretary to

the Committee and Compliance officer of the Company. The Committee met 4 (four) times during the year on May 10, 2019, July 26, 2019, October 24, 2019 and January 30, 2020. The composition of the committee and details of meetings attended by each of the members is as under:

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

b. Terms of Reference:

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

c. Investors' Complaints and its redressal :

Shareholders' Complaints and Redressal as on March 31, 2020:

Type of Grievances and Category	Dividend Warrant not received	Shares not Dematerialised	Non-Receipt of Share Certificates	Non-Receipt of Annual Report	Total
Complaint received during the year	3	0	6	0	9
Complaint Resolved during the year	3	0	6	0	9

No Share Transfer/Transmissions/issue of Duplicate share certificates was pending as on March 31, 2020.

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

a. Composition, meetings and attendance:

As on March 31, 2020, the Corporate Social Responsibility Committee of the Company comprises of two Non-Executive Independent Directors and one Executive Director. The Committee met twice during the year on May 10, 2019 and January 30, 2020. The composition of the committee and details of meetings attended by each of the members is as under:

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

b. Terms of reference:

The terms of reference of CSR Committee are as follows:

- To formulate, monitor and recommend to the Board the CSR Policy including the activities to be undertaken by the Company;
- To recommend the amount of expenditure to be incurred on the activities undertaken;
- To monitor the implementation of the framework of Corporate Social Responsibility Policy;
- To review the Company's disclosure of CSR matters;
- To submit a report on CSR matters to the Board at such intervals and in such format as may be prescribed;

6. To consider other functions, as defined by the Board or as may be stipulated under any law, rule or regulation, Corporate Social Responsibility Voluntary Guidelines 2009 and the Companies Act, 2013.

E. RISK MANAGEMENT COMMITTEE

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

As per the provision of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has a Risk Management Committee of the Board of Directors, which comprises of two Non-Executive Independent Directors and one Executive Director and two senior employees of the Company under the Chairmanship of a Non-Executive Independent Director. The Committee met once during the year under review i.e. on January 30, 2020. The composition of the committee and details of meetings attended by each of the members is as under:

The details of the Members and their attendance are as follows:

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

F. OPERATIONAL AND FINANCE COMMITTEE

As on March 31, 2020, the Operational and Finance Committee of the Company comprises of one Non-Executive Independent Directors and two Executive Director. The Committee met 5 (Five) times during the year i.e. on April, 30, 2019, June 26, 2019, August 21, 2019, October 24, 2019 and December 16, 2019. The composition of the committee and details of meetings attended by each of the members is as under:

Sl No	Name of the Members	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. S J Khaitan	Non Executive- Independent Director	Chairman	5	4
2.	Mr. Arvind Goenka	Executive Director	Member	5	5
3.	Mr. Akshat Goenka	Executive Director	Member	5	5

IV. SUBSIDIARY

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

V. GENERAL BODY MEETINGS

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

Financial Year	Date of AGMs	Location	Time	Special Resolutions passed
2018-19	26.07.2019	Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001	10.30 a.m.	Yes (Five)
2017-18	27.07.2018	Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001	10.30 a.m.	Yes (Four)
2016-17	28.07.2017	Williamson Magor Hall (1st Floor), The Bengal Chamber of Commerce & Industry, 6, Netaji Subhas Road, Kolkata – 700 001	10.30 a.m.	Yes (one)

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

b) Special Resolution passed through Postal Ballot:

During the year 2019-20, two Special Resolutions have been passed through Postal Ballot, details of which are given under:

Date of Postal Ballot Notice:		Voting Period: 30.01.2020			
Date of declaration of result:		Date of Approval: 30.03.2020			
Description of the Resolution	No. of vote polled	Votes cast in favour	% of Votes in Favour on votes polled	Vote cast against	% of Votes against on votes polled
Increase in Borrowing Limits of the Board of Directors of the Company	6994823	6994734	99.9987	89	0.0013
Creation/Modification of charges on the movable and immovable properties of the Company both present and future in respect of borrowings	6994823	6994746	99.9989	77	0.0011

Mr. Pawan Kumar Sarawagi (Membership No. FCS 3381), of M/s. P Sarawagi & Associates, Company Secretaries, Kolkata, was appointed as the Scrutinizer to conduct the Postal Ballot and e-voting process in a fair and transparent manner.

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

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

Procedure for postal ballot

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, Company has engaged M/s. Link Intime India Pvt. Ltd. (LIPL) as the Agency to provide e-voting facility so as to enable the members to exercise their right to vote on proposed resolution by electronic means i.e., remote e-Voting Services.

Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website, www.occlindia.com, besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority

Remote e-voting and e-voting during AGM

To allow the shareholders to vote on the resolutions proposed at the AGM, the Company has arranged for a remote e-voting facility. The Company has engaged Link Intime (India) Pvt. Ltd. to provide e-voting and e-voting during AGM facility to all the members. Members whose names appear on the register of members as on August 12, 2020 shall be eligible to participate in the e-voting.

In the Notice of the forthcoming 40th Annual General Meeting there was no items of business (Special Resolutions) which require to be conducted through postal ballot.

VI. MEANS OF COMMUNICATION

Financial Results

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

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

Other Information

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

VII. GENERAL SHAREHOLDERS' INFORMATION

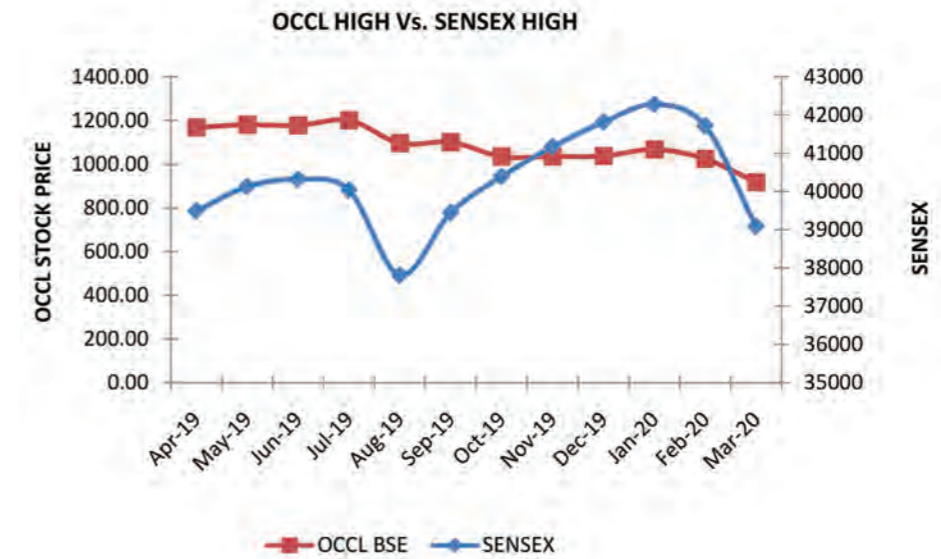
i.	Date, time and venue of Annual General Meeting	Tuesday, August 18, 2020, 10.30 A.M. Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 05th May, 2020 read with General Circular No. 14/2020 dated 08th April, 2020, and also General Circular No. 17/2020 dated 13th April, 2020.
ii.	Financial Year	Financial year of the Company is from April 01 to March 31. Publication of results for the Financial Year 2020-21 (tentative and subject to change) a) First quarter results : On or before August 14, 2020 b) Second quarter and half year results: On or before November 14, 2020 c) Third quarter results: On or before February 14, 2021 d) Fourth quarter results and results for the year ending March 31, 2021: On or before May 30, 2021.
iii.	Dates of book closure	August 13, 2020 to August 18, 2020
iv.	Dividend payment date	on or before August 25, 2020
v.	Listing of Equity Shares at Stock Exchanges	BSE Limited (BSE) PhirozeJeejeebhoy Towers Dalal Street, Mumbai - 400 001 National Stock Exchange of India Ltd. (NSE) Exchange Plaza, BandraKurla Complex Bandra (E), Mumbai - 400 051
vi.	Payment of Listing Fees	Annual Listing Fees for the Stock Exchanges for the Financial Year 2020-21 has been duly paid by the Company.
vii.	Stock Code/Symbol	BSE Scrip Code: 506579, NSE Symbol: OCCL

Stock Market Price Data

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

Month	At BSE		At NSE	
	High	Low	High	Low
April 2019	1168.00	1106.10	1151.00	1104.00
May 2019	1180.00	1012.00	1180.00	1115.00
June 2019	1177.00	1130.00	1175.00	1125.00
July 2019	1200.00	1001.55	1200.00	1020.65
August 2019	1096.00	950.00	1122.00	950.00
September 2019	1100.00	1005.00	1107.75	999.00
October 2019	1035.00	968.10	1038.15	968.70
November 2019	1034.90	941.35	1021.95	941.35
December 2019	1037.00	960.00	1044.00	952.25
January 2020	1066.85	992.10	1069.00	990.00
February 2020	1024.00	860.00	1016.00	850.00
March 2020	918.00	470.00	909.95	475.35

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



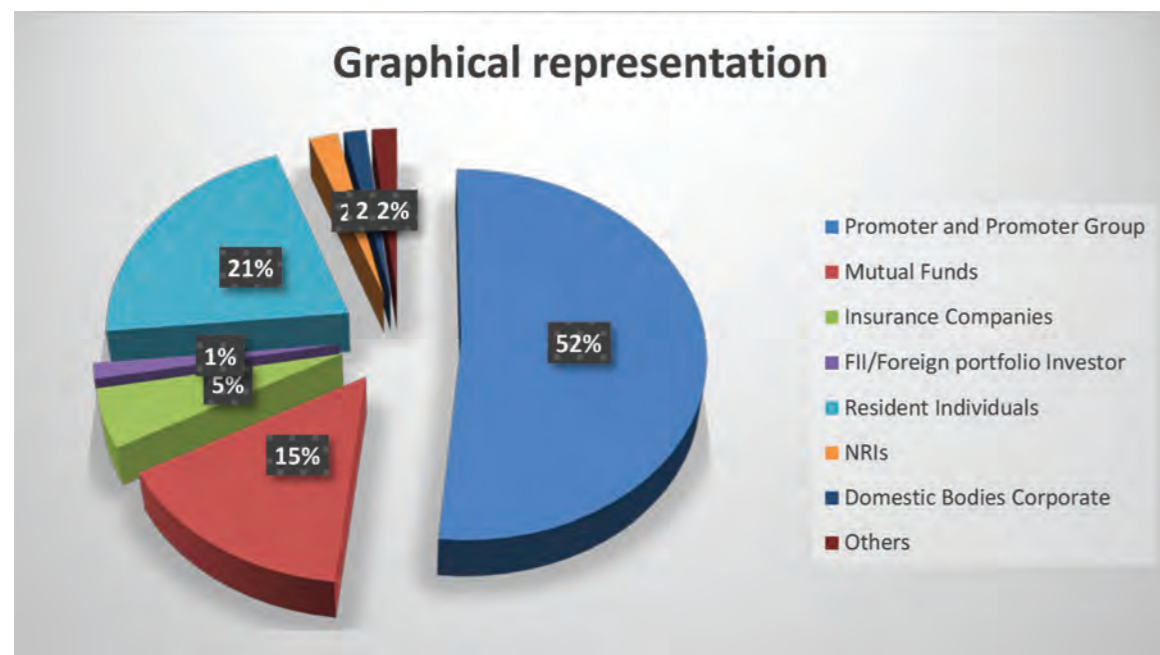
Distribution of Shareholding as on March 31, 2020

a. Distribution of shareholding by category:

Sl No.	Category	Numbers of Shares Held	% of Shareholding
1.	Promoter and Promoter Group	5163775	51.69
2.	Mutual Funds	1516966	15.18
3.	Insurance Companies	514995	5.16
4.	FII/Foreign portfolio Investor	137761	1.38
5.	Resident Individuals	2108883	21.11
6.	NRIs	206878	2.07
7.	Domestic Bodies Corporate	160345	1.61
8.	Others	180489	1.80
	Total	9990092	100.00

b. Distribution of shareholding by size:

Range in number of shares held	No. of Shareholders	% of shareholders	No. of shares held	Value of Shares	% of shareholding
1 to 500	15305	95.2337	1152635	11526350	11.5378
501 to 1000	401	2.4952	296466	2964660	2.9676
1001 to 2000	208	1.2943	305047	3050470	3.0535
2001 to 3000	47	0.2925	114467	1144670	1.1458
3001 to 4000	21	0.1307	72718	727180	0.7279
4001 to 5000	19	0.1182	87277	872770	0.8736
5001 to 10000	26	0.1618	192689	1926890	1.9288
10001 and above	44	0.2738	7768793	77687930	77.765
Total	16071	100	9990092	99900920	100



Registrar and Transfer Agent

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

Link Intime India Private Limited

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

Share Transfer System

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. The Company has a Committee of the Board of Directors called Stakeholders' Relationship Committee, which meets as and when required. The formalities for transmission/transposition of shares in the physical form are completed and share certificates are dispatched to the transferee within 15 days of receipt of the documents, provided the documents are complete. The half year Compliance Certificate pursuant to Regulation 40(9) of the SEBI Listing Regulations for the half year ending September 30, 2019 and March 31, 2020 issued by Mr. Pawan Kumar Sarawagi of M/s. P Sarawagi & Associates, Company secretaries, have been duly submitted to stock exchanges.

Dematerialisation of shares

The Company's Equity Shares are tradable compulsorily in

electronic form and are available for trading in depository systems both National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL). The ISIN of the Company, as allotted by NSDL and CDSL, is INE321D01016. Nearly 96.01% of total Subscribed & Paid-up Equity Shares are held in dematerialised form with NSDL and CDSL as at March 31, 2020.

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

Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal in Commodity.

The Company sales revenue comprises of Export sales and Domestic sales and the Company also imports some of its raw materials. The Company has also availed Foreign Currency Term Loan. On account of the foregoing, the Company is exposed to Foreign Exchange Risk. To mitigate the Foreign Exchange Risk, the Company has a policy of hedging 60% to 90% of its Net Foreign currency Exposure through forward covers. The details of Foreign Currency Exposure and Risk with respect to above has also been explained in Note No 33 to Financial Statement of the Company for the year ended March 31, 2020.

Credit Rating

The Company's Credit Rating has been done by ICRA for Fixed Deposit Programme of Rs. 5 Crores. The Rating Committee of ICRA has revised the rating for Fixed Deposit Programme from MAA- (pronounced M double A minus) to MAA (pronounced M double A). (Outlook revised to Stable from Positive).

Unclaimed Equity Dividend

Dividends that are not encashed or claimed, within seven years from the date of its transfer to the unpaid dividend account will, in terms of the provisions of Section 125 the Act, 2013, be transferred to the Investor Education and Protection Fund (IEPF) established by the Government. The details of unclaimed dividend as on March 31, 2020 are as follows:

Sl. No.	Financial year	Date of Declaration	Dividend per Share (₹)	Date of transfer to Unpaid Dividend Account	Amount outstanding as on 31.03.2020 (₹)	Due date for transfer to IEPF
1	2012-13	26.07.2013	3.00	31.08.2013	714879.00	31.08.2020
2	2013-14	11.11.2013	2.00	17.12.2013	504962.00	17.12.2020
3	2013-14	30.07.2014	5.00	04.09.2014	1227580.00	04.09.2021
4	2014-15	31.10.2014	3.00	06.12.2014	780030.00	06.12.2021
5	2014-15	31.07.2015	5.50	05.09.2015	1663150.50	05.09.2022
6	2015-16	09.11.2015	3.00	15.12.2015	787659.00	15.12.2022
7	2015-16	22.07.2016	5.50	27.08.2016	1247345.00	27.08.2023
8	2016-17	09.11.2016	3.00	15.12.2016	793941.00	15.12.2023
9	2016-17	28.07.2017	7.00	02.09.2017	1619618.00	02.09.2024
10	2017-18	25.11.2017	3.00	31.12.2017	745062.00	31.12.2024
11	2017-18	27.07.2018	7.00	01.09.2018	1479065.00	01.09.2025
12	2018-19	01.11.2018	4.00	07.12.2018	911300.00	07.12.2025
13	2018-19	26.07.2019	8.00	31.08.2019	1530872.00	31.08.2026
14	2019-20	24.10.2019	4.00	29.11.2019	822348.00	29.11.2026

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

Plants Location

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

Address for Correspondence for Share transfer and related matters:

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

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

E-mail of Compliance Officer of the Company which is designated exclusively for the purpose of registering complaints by investors: investorfeedback@occlindia.com

VIII. OTHER DISCLOSURES

- a. The Company did not have any materially significant related party transaction, which have potential conflict with the interest of the Company at large. The Board has approved a policy on dealing with related party transaction and same has been uploaded and available on the Company's website (http://www.occlindia.com/policies/Related_Party_Transactions_Policy_OCCL.pdf). Further, the statutory disclosure requirements relating to related party transactions have been complied in the Financial Statement.
- b. The Senior Management of the Company has confirmed to the Board of Directors that they do not have any personal interest relating to material, financial and commercial transactions entered into with the Company that may have a potential conflict with the interests of the Company at large.
- c. There is no case of non-compliance of any statutory compliance for the Company and no penalties or strictures have been imposed on the Company by the Stock Exchanges i.e. BSE & NSE or Securities and Exchange Board of India or any statutory authority on any matter related to the capital market during the last three years.
- d. The Company has in place Vigil Mechanism / Whistle Blower Policy as required and it is affirmed that no personnel has been denied access to the Audit Committee.
- e. The Company has complied with all the mandatory requirements as prescribed in the SEBI Listing Regulations and the Act, 2013.
- f. Discretionary requirements as specified in Part E of Schedule II of the SEBI Listing Regulations:
The Company has also complied with the discretionary requirements with regard to:
 - (i) reporting of Internal Auditor directly to Audit Committee,
 - (ii) moving towards regime of unqualified financial statements,
 - (iii) separating the post of Chairman and Managing Director / Chief Executive Officer and
 - (iv) formation of Risk Management Committee.
- g. There are no material listed/unlisted subsidiary companies as defined in Regulation 16(1)(c) of the SEBI Listing Regulations. The Board has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of Regulation 16(1)(c) of the SEBI Listing Regulations.
- h. The Disclosure of Commodity Price Risks and Commodity Hedging Activities:

The Company does not deal in any Commodity, which can be hedged.

- i. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A):

The Company has not raised any funds through preferential allotment or qualified institutions placement.

- j. The Company has adopted a Code of Conduct to regulate, monitor and report trading by Insiders as per SEBI (Prohibition of Insider Trading) Regulations, 2015, as approved by the Board of Directors, with a view to regulate trading in securities by the Director, Key Managerial Persons and other designated persons.

Mr. Pranab Kumar Maity, Company Secretary & DGM Legal, is the Compliance Officer who also acts as the Chief Investor Relations Officer.

- k. Certificate from a Company Secretary in Practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is annexed to this report as "Annexure B".
- l. During the financial year 2019-20, there was no recommendation of any committee of the Board of the Company which is mandatorily required and is not accepted by the Board of the Company.
- m. During the financial year 2019-20, total fees for all services paid by the Company on a consolidated basis, to the statutory auditor of the Company is detailed below:

(₹ in Lakhs)

Particulars	Amount
Audit Fees	22.50
Certificates & other matters	3.65
For Tax Audit	3.50
Reimbursement of expenses	0.71
Total	30.36

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

The Company is committed to provide an attractive working environment for its employees and to provide safe and healthy working conditions. The Company has also adopted a 'Anti- Sexual Harassment Policy' to prohibit, prevent or deter any acts of sexual harassment at workplace and to provide the procedure for the redressal of complaints pertaining to sexual harassment, thereby providing a safe and healthy work environment, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

and the rules made thereunder. Details of Complaints received and redressed during the Financial Year 2019-20:

- (i) number of complaints filed during the financial year: None
- (ii) number of complaints disposed of during the financial year: None
- (iii) number of complaints pending as on end of the financial year: None

Place: Noida

Date: June 18, 2020

IX. The Company has complied with all applicable requirement specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

X. COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations and the same is annexed to this report as "Annexure C".

On behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-00135653

O P Dubey
Director
DIN-00228441

ANNEXURE A to the Report on Corporate Governance

DECLARATION BY MANAGING DIRECTOR UNDER REGULATION 26(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE OF CODE OF CONDUCT

To
The Board of Directors
Oriental Carbon & Chemicals Limited

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the financial year ended March 31, 2020.

Place: Noida
Date: June 18, 2020

Arvind Goenka
Managing Director
DIN: 00135653

ANNEXURE B to the Report on Corporate Governance

CERTIFICATE CONFIRMING NON-DISQUALIFICATION OF DIRECTORS For the Financial Year ended March 31, 2020

[Pursuant to Regulation 34(3) and Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Oriental Carbon & Chemicals Limited
CIN: L24297WB1978PLC031539

We have examined the relevant registers, records, forms, returns and disclosures from Directors of Oriental Carbon & Chemicals Limited having CIN: L24297WB1978PLC031539 and having its Registered Office at 31, Netaji Subhas Road, Kolkata - 700001 (hereinafter referred to as 'the Company'), produced before us by the Company, for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Clause 10(i) of Para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification, as considered necessary (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company, as detailed below, for the financial year ended March 31, 2020, have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

Sr. No.	Name of Director	DIN	Designation	Date of Appointment*
1.	Mr. Jagdish Prasad Goenka	00136782	Non-executive Chairman & Promoter Director	20/03/1985
2.	Mr. Arvind Goenka	00135653	Managing Director & CEO (Promoter)	21/05/1986
3.	Mr. Akshat Goenka	07131982	Joint Managing Director (WTD) (Promoter)	14/05/2015
4.	Mr. Suman Jyoti Khaitan	00023370	Independent Director	29/05/1998
5.	Mr. Om Prakash Dubey	00228441	Independent Director	24/07/2009
6.	Mr. Brij Behari Tondon	00740511	Independent Director	27/07/2007
7.	Mr. Kailasam Raghuraman	00320507	Independent Director	28/01/2009
8.	Mrs. Runa Mukherjee	02792569	Independent Director	16/03/2015
9.	Mr. Holalkere Shankar Shashikumar**	06674954	Nominee Director (LIC)	11/11/2013
10.	Mr. Kiran Sahdev	06718968	Nominee Director (LIC)	30/01/2020

* As per MCA Portal www.mca.gov.in

** Resigned with effect from December 2, 2019.

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

For **P. SARAWAGI & ASSOCIATES**
Company Secretaries

P. K. Sarawagi
Proprietor

Membership No. : FCS-3381
Certificate of Practice No. : 4882
ICSI UDIN : F003381B000353687

Place : Kolkata
Date : June 18, 2020

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Oriental Carbon & Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by **Oriental Carbon & Chemicals Limited ("the Company")** for the year ended 31st March, 2020, as stipulated in Regulations 17-27 and clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility

The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and para C, D and E of schedule v of the Listing Regulations during the year ended 31st March, 2020.

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

Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **S S Kothari Mehta & Co.**
Chartered Accountants
Firm Registration Number: 000756N

Naveen Aggarwal
Partner
Membership No.: 094380
UDIN 20094380AAAADJ6800

Place: Noida
Date: 18th June 2020

for the Financial Year 2019-20

[Pursuant to Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Introduction

Oriental Carbon & Chemicals Limited, incorporated in 1978, belongs to the JP Goenka Group of Companies. The Company is a globally respected manufacturer of Insoluble Sulphur. We possess more than 25 years of experience in manufacturing this product. Over the years, our knowledge has translated into the ability to manufacture customised and value added grades for our customers. These grades have helped us address the demanding requirements of some of the largest global quality-driven tyre manufacturers.

The Company is driven by a profound sense of customer service. Our service mindset reflects in proactive investments in people, plant & processes, to deliver quality product. We are focused on Interactive technical services with our clients. This capability has enabled us to provide holistic solutions to our customers.

General Information about the Company

- Corporate Identity Number (CIN) of the Company:** L24297WB1978PLC031539
- Name of the Company:** Oriental Carbon & Chemicals Ltd
- Registered address:** 31, Netaji Subhas Road, Kolkata – 700001, West Bengal
- Website:** www.occlindia.com
- E-mail id:** investorfeedback@occlindia.com
- Financial Year reported:** 2019-20
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

The Company is engaged in Manufacturing rubber chemicals /chemicals. The key products are as follows.

Product	NIC Code (2008) of product/service
Manufacture of Organic and Inorganic chemical compounds n.e.c.	20119

8. Number of national locations where business activity is undertaken by the Company:

The Company's manufacturing plants are situated at Dharuhera, Haryana and Mundra, Gujarat.

The Company has onedistribution warehouse in Chennai.

The Company's Registered Office is situated at Duncan House, 31, Netaji Subhas Road, Kolkata – 700 001 and Corporate Office is situated at Noida, U.P.

9. Markets served by the Company:

- Domestic:
 - Insoluble Sulphur: Nearly 40% of the sales are in the domestic market
 - Sulphuric Acid: all the sales are in Northern India.
- Global :
 - Insoluble Sulphur: Market served are Europe, Asia, North America, South America and Africa.

FINANCIAL DETAILS OF THE COMPANY:

- Paid-up capital (₹ in lakhs): 999.01
- Total Turnover (₹ in lakhs): 34,347.90
- Total profit after taxes (₹ in lakhs): 7,150.55
- Total spending on CSR activities undertaken by the Company as percentage of profit after tax (%): 2.40
- List of activities in which CSR Expenditure done: Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2019- 20.

OTHER DETAILS:

- Structure of the Company - Group / Joint ventures / Associates / Holding / Subsidiaries

There is no group, associates and Joint ventures. The Company has a listed subsidiary, Duncan Engineering Ltd (formerly known as Schrader Duncan Limited) as at March 31, 2020.

- Details of business of the subsidiaries

The Company's subsidiary Duncan Engineering Ltd (DEL) is India's pioneer in the field of Industrial Pneumatics and Off-Highway Tyre (OTR) accessories. Catering to the Indian industry for over four decades, the Company is ISO 9001 / TS 16949 certified and listed on BSE. DEL has a strong presence in the Indian OEM and Aftermarket segments across all regions through a penetrating network of sales offices and channel partners/distributors. Fluid Power & Automation (FPA) portfolio includes Pneumatics, Hydraulics and Valve Automation Systems (standard catalogue, bespoke products and customized solutions) for diverse applications in segments like Metals, Energy & Environment, Cement, Printing & Packaging, Pharma, Machine Tools, Material Handling, Process, Construction Machinery and other general engineering industries. It has integrated state-of-the-art manufacturing facility at Ranjangaon.

3. Participation of subsidiary companies in the Business Responsibility (BR) initiatives of the Parent Company:

No participation from Subsidiary Company.

4. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?

No participation from other entity.

BUSINESS RESPONSIBILITY INFORMATION

1. Details of Director/Officers responsible for Business Responsibility (BR):

a. Details of Director responsible for overseeing the implementation of BR Policy:

i) DIN: 00135653

ii) Name: Mr. Arvind Goenka

iii) Designation: Managing Director

b. Details of the BR Head:

i) DIN: Not Applicable

ii) Name: Anurag Jain

iii) Designation: Chief Financial Officer

iv) Telephone number: +91-0120-2446850

v) E-mail id: anuragjain@occlindia.com

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	The Policy have been approved by the Board of Directors and the policies have been framed considering the best interests of the stakeholders.								
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the policies are based on 'National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business'								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, the Policies have been approved by the Board of Directors and signed by the Managing Director on behalf of the Board of Directors of the Company.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the Company's Official(s) are authorised to oversee the implementation of the Policy.								
6	Indicate the link for the policy to be viewed online?	www.occlindia.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the Company's website and communicated to all internal stakeholders.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company intends to do the same in due course.								

2. Principle-wise (as per NVGs) BR Policy/policies:

- Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]
- Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]
- Principle 3: Businesses should promote the well being of all employees [P3]
- Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. [P4]
- Principle 5: Businesses should respect and promote human rights [P5]
- Principle 6: Business should respect, protect, and make efforts to restore the environment [P6]
- Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]
- Principle 8: Businesses should support inclusive growth and equitable development [P8]
- Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner [P9]

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Management of the Company assesses the BR performance during last quarter of the financial year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company will publish its first Business Responsibility Report which shall form part of the Company's Annual Report for the financial year 2019-20. The same can be accessed at: [https://www.occlindia.com/investor's relations/ annual-report.html](https://www.occlindia.com/investor's%20relations/annual-report.html).

It will be published as and when the same is disclosed to the stock exchanges pursuant to the requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company?

The Company has a 'Code of Conduct for Board Members and Senior Management' to protect our core values in the conduct of Business. The policy was approved by the Board of Directors of the Company to maintain transparency in dealings with suppliers, contractors and other stakeholders.

The core values of the Company imbibe high standards of Ethical & Moral Behaviour and our employees who directly deal with third parties, ensure that all such dealings are conducted ethically, morally and with personal and professional integrity.

2. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

No. However, the Company encourages its stakeholders to follow the code.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

There was neither any complaint pending as on April 01, 2019 nor any such complaint was received during the financial year 2019-20.

Principle 2: Safety and Sustainability of Goods

1. Are there any products or services of the Company whose design has incorporated social or environmental concerns, risks and/ or opportunities?

Our Insoluble Sulphur is REACH compliant and confirms

to all environmental parameters applicable in India.

It is Oil coated to reduce the risk of combustion or contamination through spillage.

Use of Insoluble Sulphur instead of sulphur helps towards making more environment friendly tyres.

The Company has also introduced Predispersed Insoluble Sulphur to eliminate spillages and dust at the time of usage.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

The company achieved a reduction of about 300 KL per day in water consumption at its plant.

Rooftop solar power plant with installed capacity of 405 KW was commissioned during the year.

Procurement of molten Sulphur has reduced process of palletisation at the refinery.

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

No data available.

However, the Company has started offering predispersed IS which has potential to for considerable saving in energy and process time.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company has well established system of sustainable sourcing of inputs including transportation. The Company has been able to maintain a very good relationship with its suppliers and most of them have been associated with the Company since long. The Company always places orders with its suppliers well in advance to ensure timely receipt of raw materials. Further, the Company has a long-term arrangement with all the transporters directly engaged by it. The Company always strive to focus on alternative and environment friendly sourcing of its inputs. At Dharuhara Plant, the Company has shifted to use of Steam produced in Acid Plant instead of Gas for producing Insoluble Sulphur. Further, the Company has installed Rooftop solar power plant with installed capacity of 405 KW during the year.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is procuring goods like packing materials, consumables and spares etc. and services from more than 70 (Seventy) Micro, Small and Medium Enterprises (MSME) suppliers on regular basis.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste?

The Company as a policy endeavours to recycle all waste and by-products and is generally a zero discharge Company.

Principle 3: Well Being of all employees

1. Human Resource

Kind of Human Resources	Total number in the Company
Permanent Employees	456
Hired Employees	
• Temporary	4
• Contractual	60
• Casual	0
Permanent Woman Employees	5
Permanent employees with disabilities	5
Child Labour	0

2. Do you have an employee association that is recognized by management?

Yes, At Dharuhera Plant of the Company, there is an employee association that is recognized by the management.

3. What percentage of permanent employees are members of such employee association?

53.5% (129 permanent employees out of 241 employees)

4. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

- a. Child Labour: Nil
- b. Forced Labour: Nil
- c. Involuntary Labour: Nil
- d. Discriminatory Employment: Nil
- e. Sexual Harassment complaints pending: Nil

The Company has Policy on Prevention of Sexual Harassment.

5. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

- (a) Permanent Employees: 87%
- (b) Permanent Women Employees: 100%
- (c) Casual/Temporary/Contractual Employees: 100%
- (d) Employees with Disabilities: 100%

Principle 4: Protection of Stakeholders' Interest

1. Has the company mapped its internal and external stakeholders?

Yes

2. Has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

The Company has identified the disadvantaged, vulnerable and marginalized stakeholders around its manufacturing units and strives to assist them through its CSR initiatives.

3. What are the steps taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

The Company has taken several CSR initiatives to engage with the marginalised stakeholders. The Company has been providing financial assistance for education of the poor and needy children and construction of houses, medical infrastructures and provision of solar lights etc.

Principle 5: Respecting and Promoting Human Rights

1. Does the Company have any policy on human rights?

Yes, the Company continuously strives to promote human rights for all and to treat people with dignity and respect in the course of conduct of its business. The Company abides by the spirit of the Constitution of India and International guidelines on Human Rights and encourages its business partners to respect human rights.

2. Does this policy on human rights cover only the Company or extend to the JV/ Suppliers /Contractors / NGOs / Others?

OCCL's Human Rights policy applies to all OCCL Employees, others acting on behalf of OCCL and all personnel of contractor /suppliers working at OCCL premises. This applies to all location where OCCL conducts business.

No complaint was pending in the past and further, no complaint was received pertaining to human rights violation during the financial year 2019-20.

Principle 6: Respecting, Protecting and Restoring the Environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has in place an 'Environmental Policy' for environment protection. The subsidiary/Group follow the environmental norms as applicable to them.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.

The Company is continuously reducing its carbon footprint by shifting to cleaner fuels and Green sources of Energy. OCCL practices the highest standards of environment compliances that extend beyond the statutory requirements of the day. The result is that the Company's operations are safe for the environment, employees, customers, end consumers and communities.

The Company has installed rooftop solar power plant with capacity of 405KW and is taking initiatives to increase the share of renewable energy in its power consumption.

The Company has started using gas instead of fuel oil in some applications thus reducing emission of harmful gases.

Surplus heat from Sulphuric Acid plant is used to produce steam for Insoluble sulphur plant.

Continuous initiatives are being taken to reduce Fuel and power consumption.

3. Does the company identify and assess potential environmental risks?

The Company has a mechanism to identify and assess potential environmental risks at the plant level.

4. Does the company have any project related to Clean Development Mechanism?

There is no Clean Development Mechanism (CDM) program taken up by the Company.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

Yes, The Company has undertaken several initiatives on clean technology, energy efficiency and renewable energy. It can be accessed through the following link: <http://www.occlindia.com/our-background/#environment-responsibility>

The Company has installed rooftop solar power plant with capacity of 405KW and is taking initiatives to increase the share of renewable energy in its power consumption.

Initiatives to increase share of solar power in electricity consumption.

Initiatives to shift to gas from liquid fuel.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Company for financial year 2019-20 are within permissible limits given by CPCB/SPCB(s) of the respective units.

The manufacturing locations of the Company have obtained the respective state government consents to operate. The emissions of air, water and solids are covered in this consent. Necessary authorizations have also been obtained for storage, transportation and disposal of hazardous wastes at recognized landfills of Pollution Control Boards.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

As on 31 March, 2020, there is no show cause notice or legal notice received from CPCB/SPCB are pending.

Principle 7: Responsibility Towards Public and Regulatory Policy

1. Whether the Company is a member of any trade/chamber association?

The Company is the member of CHEMEXCIL (Chemicals Export Promotion Council), FIEO, EOU and SEZ Export Promotion Council, CII, FICCI, PHD Chamber of Commerce.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?

No. However, the Company shall utilize the opportunities available as appropriate.

Principle 8: Inclusive Growth and Equitable Development

1. Does the Company have specified programmes / initiatives / projects in pursuit of the inclusive growth and equitable development? If yes details thereof.

The Company undertakes the initiatives through the Corporate Social Responsibility (CSR) Committee of the Board as per the CSR Policy of the Company. For details of initiatives taken up the Company during the financial year 2019-20, please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2019-20.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

The CSR projects of the Company are undertaken both in-house as well as through Charitable Trust formed by the company for the purpose of CSR and third parties.

3. Have you done any impact assessment of the initiative indicated above?

The CSR Committee consciously reviews the CSR projects periodically.

4. What is your Company's direct contribution to Community Development Projects (CDP)? – Amount in and the details of the projects undertaken.

Rejuvenation of Ponds in three villages for ground water recharging and improvement in quality of water.

Solar Lighting provided in a village.

Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2019-20 containing the details on CSR spending.

5. Have you taken steps to ensure that this CDP is successfully adopted by the community? Please explain.

The water recharge and efficacy of ponds is being monitored and report being generated on periodic basis.

The projects have been implemented with the cooperation of the respective Panchayat.

Principle 9: Engaging and Enriching Customer Value

1. What percentage of customer complaints /consumer cases are pending as on the end of financial year?

Three complaints from the customer were under resolution as at the end of financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

In case of packaged products all the labeling requirements mandated by local laws and laws of the destination countries are complied with. Further, each product also carries additional information on handling, safety and traceability is also ensured through batch numbers.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, Irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Customers are engaged on a continuous basis to understand their satisfaction trends and expectations form our products.

On behalf of the Board of Directors

Arvind Goenka
Managing Director
DIN-00135653

O P Dubey
Director
DIN-00228441

Place: Noida
Date: 18.06.2020

Standalone Financial Statements

Independent Auditors' Report

To
The Members
Oriental Carbon & Chemicals Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Oriental Carbon & Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to

our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to note no. 33(C) on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Company's operations and results as assessed by the management. Due to Covid-19 related lock-down restrictions, management could not perform year-end physical verification of inventories at various locations. Further, our attendance at the physical Inventory verification done by the management subsequently was impracticable under the lock-down restrictions imposed by the government. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion on these standalone financials is not modified in respect of the matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	The Company recognizes revenue on satisfaction of performance obligations upon transfer of control of promised products to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer. At 31st March 2020, the Company's statement of profit and loss included Sales of ₹ 33,981.21 lakhs. The nature of rebates and sales returns, if any, involve judgment in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognised in the correct period or that revenue and associated profit is misstated. Refer to Accounting policies Note 1(III)(h) and Note No. 15 of the standalone Financial Statements.	<ol style="list-style-type: none"> We performed walkthroughs to understand the adequacy and the design of the revenue cycle for all significant components. We tested controls in the revenue and trade account receivables cycles over the accuracy and timing of revenue accounted in the financial statements. We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements. In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions. We validated the appropriateness and completeness of the related disclosures in Note No. 15 of the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in

aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive loss), the Statement of Cash Flow and Statement of Change in Equity dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.

(e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of sub-section 2 of section 164 of the Act.

(f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(g) With respect to the adequacy of the internal financial controls with reference to the financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". and

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 29 to the standalone financial statements.
- ii. The company has made adequate provision, as required under the law or accounting standards for material foreseeable losses, if any on long term contracts including derivative contracts.
- iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner

Place: Noida
Date: June 18, 2020

Membership Number: 094380
UDIN 20094380AAAADF4763

“Annexure A” to the Independent Auditors’ Report

The Annexure as referred in paragraph (1) ‘Report on Other Legal and Regulatory Requirements’ of our Independent Auditors’ Report to the members of **Oriental Carbon & Chemicals Limited** on the standalone financial statements for the year ended March 31, 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Management has made a programme of periodical verification of fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its Fixed Assets. However, management has explained that due to the Covid-19 related lock-down restrictions imposed by the government, year-end activity with respect to physical verification of fixed assets as per such phased program was not carried out. We were represented that the same will be carried out immediately on easing of such restrictions.
- (c) The title deeds of immovable properties are held in the name of the Company, except in the following case:

Particular	No. of Cases	Gross Book Value (₹ In Lakh)	Net Book Value (₹ In Lakh)
Building *	1	3501.99	3320.55

*Also refer Note No. 2(ii)

- ii. We have been explained by the management that the inventory (except stock lying with the third parties and in transit, for which confirmations have been received/ material received) has been physically verified at reasonable intervals and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. However, due to Covid-19 related lock-down restrictions imposed by the government, our attendance at the physical Inventory verification done by the management near to year end, was impracticable considering such lock-down restrictions. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 “Audit Evidence – Specific Considerations for Selected Items” and have obtained sufficient audit evidence. As far as we could ascertain and accordingly to the information and explanations given to us, no material discrepancies were noticed between the physical stock and book records.

- iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership Firms or other parties covered in the registered maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, the provisions of clause 3(iii)(a) to (c) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees and security provided.
- v. The company has complied with the directives issued by the Reserve Bank of India and the provisions of the section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder as applicable. We are informed by the management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other authority.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013, in respect of the manufacture of Insoluble Sulphur and chemicals and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However, we have not carried out a detailed examination of such records with a view to determining whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income tax, Goods and Service Tax, custom duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at March 31, 2020.
- (b) According to the records and information and explanations given to us, there are no dues in respect of income tax, sales tax, service tax, duty of excise, duty of custom, value added tax or Goods and Service Tax which have not been deposited on account of any dispute except as given below:

Name of Statute	Nature of Dues	Period (Assessment Year)	Amount (₹ in lakhs)	Forum where dispute pending
Income Tax Act, 1961	Income Tax	2011-12	32.30	ITAT Kolkata

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks or Financial Institutions. The Company has not obtained any loans from government and no dues is outstanding to debenture holders.
- ix. According to the information and explanation given to us, the company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments) during the year. The term loans were applied for the purposes for which they are raised.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the record of the Company, transactions with the related parties are in compliance with provision of section 177 & 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

For S S KOTHARI MEHTA & COMPANY
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner

Place: Noida
Date: June 18, 2020

Membership Number: 094380
UDIN 20094380AAAADF4763

“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Oriental Carbon & Chemicals Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’

We have audited the internal financial controls with reference to financial statements of Oriental Carbon & Chemicals Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that

a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A Company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

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

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner

Place: Noida
Date: June 18, 2020

Membership Number: 094380
UDIN 20094380AAAADF4763

Standalone Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1. Non Current Assets			
a. Property, Plant & Equipment	2	33,791.29	34,386.74
b. Capital work in Progress		2,529.46	332.99
c. Other Intangible Assets	3	41.11	47.82
d. Intangible Assets under Development		2.66	-
e. Financial Assets			
i. Investments	4a	2,958.91	2,628.01
ii. Loans and Advances	4c	49.19	29.51
iii. Other Financial Assets	4g	715.06	686.07
f. Other Non Current Assets	6	1,959.75	114.14
TOTAL NON CURRENT ASSETS		42,047.43	38,225.28
2. Current Assets			
a. Inventories	5	3,417.65	4,630.66
b. Financial Assets			
i. Investments	4b	235.14	8,152.83
ii. Trade Receivables	4d	6,666.95	8,366.01
iii. Cash and cash Equivalents	4e	2,332.75	176.08
iv. Bank Balances other than iii) above	4f	11,727.78	193.08
v. Loans and Advances	4c	57.15	54.33
vi. Other Financial Assets	4g	297.24	211.83
c. Current Tax Assets (Net)	7	113.94	-
d. Other Current Assets	6	1,012.26	1,180.76
TOTAL CURRENT ASSETS		25,860.86	22,965.58
TOTAL ASSETS		67,908.29	61,190.86
II. EQUITY AND LIABILITIES			
A Equity			
a. Equity Share Capital	8	1,000.53	1,000.53
b. Other Equity	9	45,797.43	40,352.95
TOTAL EQUITY		46,797.96	41,353.48
B Liabilities			
1. Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10a	9,608.37	7,168.28
ii. Lease Liability	10c	581.72	-
iii. Other Financial Liabilities	10e	18.16	20.45
b. Provisions	12	249.49	278.01
c. Deferred Tax Liabilities (Net)	13	2,072.72	2,767.31
TOTAL NON CURRENT LIABILITIES		12,530.46	10,234.05
2. Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10b	3,834.93	3,059.38
ii. Lease Liability	10c	4.03	-
iii. Trade Payables	10d	-	-
Dues of Micro Enterprises and Small Enterprises		16.53	-
Dues of Creditors Other than Micro Enterprises and Small Enterprises		1,423.73	1,769.71
iv. Other Financial Liabilities	10	2,449.32	3,989.78
b. Other Current Liabilities	14	689.79	616.07
c. Income Tax Liability (Net)	11	-	92.96
d. Provisions	12	161.54	75.43
TOTAL CURRENT LIABILITIES		8,579.87	9,603.33
TOTAL EQUITY AND LIABILITIES		67,908.29	61,190.86
Notes to Accounts	1 - 36		

The accompanying notes referred to above form an integral part of the standalone financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

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

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from Operations	15	34,347.90	38,763.86
II. Other Income	16	956.58	940.12
III. Total Revenue (I+II)		35,304.48	39,703.98
IV. Expenses:			
Cost of materials consumed	17	8,268.53	10,738.39
Changes in Inventories of finished goods, work in progress and stock in trade	18	743.61	(430.62)
Employee benefit expenses	19	4,458.49	4,541.92
Finance costs	20	915.59	824.68
Depreciation and amortisation expenses	21	2,005.02	1,859.37
Other expenses	22	10,983.24	11,912.76
Total Expenses (IV)		27,374.48	29,446.50
V Profit before tax (III-IV)		7,930.00	10,257.48
VI. Tax expense	24		
Current tax		1,390.55	2,075.81
Deferred Tax (Net)		(611.10)	807.53
VII. Profit for the period (V-VI)		7,150.55	7,374.14
VIII. Other Comprehensive Income (Net of Tax)			
Items that will not be reclassified to Profit or Loss			
Remeasurement Gain or (Loss) on Defined Benefit Plans		(64.76)	(8.68)
Income Tax on the above item		18.86	3.03
Net Gain or (Loss) on FVTOCI on Equity & AIF Investments		(280.22)	125.90
Income Tax on the above item		65.28	(29.33)
Total Other Comprehensive Income/(loss)(Net of Tax)		(260.84)	90.92
IX. Total Comprehensive income for the period (VII+VIII) (Comprising profit/(Loss) and Other Comprehensive Income/(Loss) for the period)		6,889.71	7,465.06
X. Earnings per equity shares :			
Basic & Diluted (₹)	26	71.58	72.09
Notes to Accounts	1 - 36		

The accompanying notes referred to above form an integral part of the standalone financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

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

(₹ in Lakhs)

Particulars	Current Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit before tax	7,930.00	10,257.48
Adjustments for:		
Depreciation & Amortisation Expense	2,005.02	1,859.37
(Gain)/Loss on Sale / Discard of Property, Plant & Equipment (Net)	(41.66)	259.61
Finance Costs	915.59	824.68
Interest Income	(430.36)	(196.04)
Effect of Exchange Rate Change on Borrowings	241.31	201.14
Debts earlier written off, now recovered	-	(0.05)
(Gain) / Loss on Redemption / Sale of Current Investments	(290.19)	(117.75)
Bad Advances / Debts	11.21	53.09
Remeasurement Gain / (Loss) on Defined Benefit Plans	(64.76)	(8.68)
(Gain) / Loss on financial assets measured at fair value through Profit or loss (Net)	(20.47)	(187.07)
Dividend on Current Investments	-	(30.69)
Operating Profit before Working Capital Changes	10,255.69	12,915.09
Adjustments for :		
Trade and Other Receivables	1,832.29	(1,366.92)
Inventories	1,213.01	(774.03)
Trade and Other Payables	(925.57)	92.15
Cash generated from Operations before tax	12,375.42	10,866.29
Direct Tax Paid (Net)	(1,596.81)	(2,015.14)
Net Cash from Operating Activities	10,778.61	8,851.15
B. Cash Flow From Investing Activities		
Payments for purchase of Property, Plant & Equipment including Capital work in progress, Intangible Assets and Capital Advances	(4,985.03)	(2,249.97)
Proceeds from sale of Property, Plant & Equipment	285.08	11.80
Loans and Advances to Subsidiary / Other Companies (Net)	0.19	449.47
Purchase and Sale of Non Current Investments (Net)	(611.11)	(200.00)
Purchase and Sale of Current Investments (Net)	8,228.35	(2,568.67)
Movement in Fixed deposits with Banks	(11,548.57)	(24.24)
Dividend on Current Investments	-	30.69
Interest Received	348.27	51.06
Net Cash (used in)/investing activities	(8,282.82)	(4,499.86)
C. Cash Flow From Financing Activities		
Dividend Paid	(1,198.81)	(1,131.87)
Tax on Dividend Paid	(246.42)	(232.81)
Payment for Buyback of Equity Shares & Cost (Gross)	-	(3,540.86)
Proceeds from Borrowing - Non Current	2,781.01	2,424.89
Repayment of Borrowing - Non Current	(1,590.48)	(1,960.71)
Borrowing - Current (Net)	832.53	113.99
Repayment of Lease Liability	(3.70)	-
Interest and Financial Costs paid (excluding Transfer to Capital Work-in-Progress)	(913.25)	(810.05)
Net Cash (Used in)/Financing Activities	(339.12)	(5,137.42)

Standalone Cash Flow Statement (contd.) for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	2,156.67	(786.13)
Add : Opening Balance of Cash and Cash Equivalents	176.08	962.21
Closing Balance of Cash and Cash Equivalents	2,332.75	176.08
Cash & Cash Equivalents Comprise		
Cash on Hand	2.16	1.39
Balance with Scheduled Banks in Current Accounts and fixed deposits maturing within 3 months	2,330.59	174.69
	2,332.75	176.08

Notes (i) Figures in bracket represent outflows.

(ii) Cash & cash equivalents excludes ₹ 148.28 Lakhs (Previous Year ₹ 137.58 Lakhs) lying in designated account with scheduled banks on account of unclaimed dividend and ₹ 11,579.50 Lakhs (Previous Year ₹ 55.50 Lakhs) in fixed deposits with banks & financial institutions and Margin Money maturing beyond three months. These are shown under investing activities.

(iii) Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

Change in Liability arising from financing activities

(₹ in Lakhs)

Particulars	April 01, 2019	Cash Flow	Foreign Exchange Movement	March 31, 2020
Borrowings - Non Current (Current & Non-Current Maturities) (Refer Note 10(a))	9,452.20	1,190.53	298.29	10,941.02
Borrowings - Current (Refer Note 10(b))	3,059.38	832.53	(56.98)	3,834.93
	12,511.58	2,023.06	241.31	14,775.95

As per our Report of even date attached

For S S Kothari Mehta & Company

Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal

Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

Standalone Statement of Changes In Equity for the year ended March 31, 2020

a) Equity Share Capital (₹ in Lakhs)

Balance as at March 31, 2019	1,000.53
Add/(Less): Changes in Equity Shares Capital during the period	-
Balance as at March 31, 2020	1,000.53

b) Other Equity (₹ in Lakhs)

Particulars	Reserves				Retained Earnings		Other Comprehensive Income (OCI) Equity Instruments through OCI (Net of Tax)	Total Other Equity
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement Gain / (Loss) of the defined benefit plans (Net of Tax)		
Balance as at March 31, 2018	1,732.18	1,792.64	0.25	2,613.88	31,034.78	(63.03)	639.72	37,750.42
Profit/(Loss) for the year ended March 31, 2019	-	-	-	-	7,374.14	-	-	7,374.14
Amount paid upon Buyback	-	(1,769.54)	-	(1,705.21)	-	-	-	(3,474.75)
Amount Transferred to Capital Redemption Reserve upon Buyback	-	-	30.60	(30.60)	-	-	-	-
Transaction costs related to Buyback (net of tax)	-	(23.10)	-	-	-	-	-	(23.10)
Other comprehensive (loss)/income (net of tax) for the year ended March 31, 2019	-	-	-	-	-	(5.65)	96.57	90.92
Dividend including Corporate Dividend Tax	-	-	-	-	(1,364.68)	-	-	(1,364.68)
Balance as at March 31, 2019	1,732.18	-	30.85	878.07	37,044.24	(68.68)	736.29	40,352.95
Profit/(Loss) for the year ended March 31, 2020	-	-	-	-	7,150.55	-	-	7,150.55
Other comprehensive loss (net of tax) for the year ended March 31, 2020	-	-	-	-	-	(45.90)	(214.94)	(260.84)
Dividend including Corporate Dividend Tax	-	-	-	-	(1,445.23)	-	-	(1,445.23)
Balance as at March 31, 2020	1,732.18	-	30.85	878.07	42,749.56	(114.58)	521.35	45,797.43

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

Notes to Financial Statement for the year ended March 31, 2020

1. Company Overview, Basis of Preparation and Significant Accounting Policies

I CORPORATE INFORMATION

Oriental Carbon & Chemicals Limited ("OCCL" or "the Company") is a public limited company domiciled in India and has its registered office at Kolkata. The shares of the Company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Company's core business is manufacturing and sales of Insoluble Sulphur. The Company is a global supplier of Insoluble Sulphur of which about two-third of the turnover is from Exports. It has two manufacturing facilities, one in Haryana and other one in Gujarat.

II BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 (As amended) notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors on June 18, 2020

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) measured at Fair Value / Amortised Cost;
- Defined benefit plan assets measured at Fair Value;

c) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to two decimal points of lakhs, unless otherwise indicated.

d) Current or Non current classification

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of the business of the Company and its business time cycle from inception of an order and its completion on realization in cash and cash equivalents, the Company has ascertained the operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

e) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets as at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the financial statements are:

- Measurement of defined benefit obligations;
- Recognition of deferred tax assets & MAT credit entitlement;
- Useful life and residual value of Property, plant and equipment and intangible assets;
- Measurement of Fair Value of Current Investments;
- Measurement of fair value of Equity Investments.

III SIGNIFICANT ACCOUNTING POLICY

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

Notes to Financial Statement for the year ended March 31, 2020

a) Property, plant and equipment

i) Recognition and measurement

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

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

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

Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognised in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other noncurrent assets.

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Depreciation

Depreciation on property, plant and equipment is provided on the Straight Line Method based on the useful life of assets as prescribed under Schedule II of the Companies Act, 2013, which are as follows:

Buildings including Factory Buildings and Roads	:	5 - 60 years
Plant & Equipment (Including Continuous Process Plant, Components & Laboratory Equipment)	:	5 - 25 years
Electrical Installations	:	10 years
Furniture and Fixtures	:	10 years
Air Conditioners and coolers	:	5 years
Office Equipment	:	5 - 10 years
Motor Vehicles	:	5 years
Computer and Servers & Networks	:	3 - 6 years

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. Buildings constructed on Right-of-use assets are depreciated based on the useful life prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b) Intangible assets

i) Recognition and measurement

Intangible Assets Acquired Separately

Intangible assets that are acquired by the Company are measured at cost. Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Notes to Financial Statement for the year ended March 31, 2020

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

All intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Impairment losses, if any, are recognised immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

ii) Amortisation

Amortization is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software : 5 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use or fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in Statement of Profit and Loss

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

d) Financial Instruments

i) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent measurement

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) Method to gross carrying amount of the financial asset, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(b) Financial assets at fair value through other comprehensive income

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

Notes to Financial Statement for the year ended March 31, 2020

(c) Financial assets at fair value through profit or loss

Financial assets which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Reclassification of Financial Assets and Financial Liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(f) Investment in subsidiary

Investment in subsidiary is carried at cost.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

With regard to trade receivable, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

iv) Derecognition

Financial Assets

Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

v) Derivative financial instruments

The Company is exposed to exchange rate risk which arises from its foreign exchange revenues, primarily in Euro and US Dollars. The Company uses foreign exchange forward contracts (derivative financial instruments), to hedge foreign currency risk associated with highly probable forecasted transactions and classifies them as cash flow hedges.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are taken directly to profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Company makes an assessment, on an on-going basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk.

Notes to Financial Statement for the year ended March 31, 2020

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instrument that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

f) Inventories

Inventories are valued at lower of Cost and Net Realisable value. The cost of finished goods is determined by taking material, labour and related factory overheads including depreciation. Cost of material is determined on weighted average cost basis. Further the cost for Work-in-Progress includes material cost, stage wise direct cost and other related manufacturing overheads including depreciation. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and making the sale.

Cost of raw materials, packing materials, stores and spares are determined on weighted average basis.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, the same are written off or provision is made for such inventories.

g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h) Revenue from contracts with customers

The Company derives revenue from sale of Insoluble Sulphur, Sulphuric Acid and Oleum.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;

Notes to Financial Statement for the year ended March 31, 2020

- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note No.15.

Sale of goods

For sale of goods, revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers at an amount that reflects the consideration the Company expects to receive in exchange for those products.

i) Other Revenue Streams

Export Benefits

In case of direct exports made by the Company, export benefits arising from Duty Drawback, Merchandise Export Incentive Scheme are recognised on shipment of direct exports.

Revenue from exports benefits are measured at the fair value of consideration received or receivable net of returns.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

j) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Company recognises contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Company contributes to the gratuity fund, which are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet.

Notes to Financial Statement for the year ended March 31, 2020

When the calculation results in a potential asset for the company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

k) Foreign currency transactions

Initial recognition:

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rates at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange difference:

Exchange differences are recognised in Statement of profit & loss. In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the Company has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long term foreign currency monetary items relating to acquisition of depreciable fixed assets taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

l) Research and Development Expenses

Revenue Expenditure on Research and Development is charged to Statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Property, Plant & Equipment.

m) Borrowing costs

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

n) Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in Other Comprehensive Income

Notes to Financial Statement for the year ended March 31, 2020

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiary to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For operations carried out in tax free units, deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset only if:

- a) The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Company will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet.

o) Segment Reporting

The Company's business activity falls within a single segment viz., Manufacturing and Sales of Chemicals. The segment has been identified by taking into account the nature of product, the differing risks, the returns, the organisation structure and the internal reporting systems and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to Financial Statement for the year ended March 31, 2020

q) Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Company are segregated.

r) Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as lessee

The Company's lease asset classes primarily comprise of lease for land and building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non financial assets'.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in other current and non-current financial liabilities (see Note 10c).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to Financial Statement for the year ended March 31, 2020

“Lease liability” and “Right of Use” asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

s) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

t) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor. The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Company recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

Refer note no. 35 for detailed impact on adoption of Ind AS 116 “Leases” on the financial statements of the Company.

Notes to Financial Statement for the year ended March 31, 2020

2. Property, Plant & Equipment

(₹ in Lakhs)

Description	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value			
	As at April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2019	As at April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Land - Freehold	162.59	-	-	162.59	-	-	-	162.59	162.59	162.59
- Leasehold	828.41	-	-	828.41	185.20	28.81	-	214.01	614.40	643.21
Building	14,739.18	642.35	-	15,381.53	2,142.85	357.29	-	2,500.14	12,881.39	12,596.33
Plant & Equipment	23,933.84	4,459.05	477.95	27,914.94	8,258.04	1,082.79	207.98	9,132.85	18,782.09	15,675.80
Electrical Installations	2,326.90	369.28	1.37	2,694.81	1,268.87	199.61	1.37	1,467.11	1,227.70	1,058.03
Furniture and Fixture	396.49	33.53	4.78	425.24	174.90	32.80	4.01	203.69	221.55	221.59
Vehicles	501.65	172.07	21.88	651.84	292.02	74.52	20.79	345.75	306.09	209.63
Air Conditioners and coolers	170.39	16.71	9.00	178.10	81.79	25.62	8.01	99.40	78.70	88.60
Office Equipment	364.68	37.18	72.12	329.74	247.76	35.91	66.16	217.51	112.23	116.92
Total	43,424.13	5,730.17	587.10	48,567.20	12,651.43	1,837.35	308.32	14,180.46	34,386.74	30,772.70

(₹ in Lakhs)

Description	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value			
	As at April 01, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 01, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
i) Property Plant & Equipment :										
Land - Freehold	162.59	-	-	162.59	-	-	-	162.59	162.59	162.59
- Leasehold	828.41	-	828.41	-	214.01	-	214.01	-	-	614.40
Right of Use Assets - Land: (*)										
-Reclassified on account of adoption of Ind AS 116 “Leases”	-	828.41	-	828.41	-	242.91	-	242.91	585.50	-
- Transitional effect of Ind AS-116	-	589.45	-	589.45	-	27.66	-	27.66	561.79	-
Building	15,381.53	328.78	139.22	15,571.09	2,500.14	368.07	5.17	2,863.04	12,708.05	12,881.39
Plant & Equipment	27,914.94	313.35	180.62	28,047.67	9,132.85	1,154.99	95.59	10,192.25	17,855.42	18,782.09
Electrical Installations	2,694.81	199.87	8.88	2,885.80	1,467.11	211.52	6.03	1,672.60	1,213.20	1,227.70
Furniture and Fixture	425.24	18.55	2.59	441.20	203.69	35.42	2.11	237.00	204.20	221.55
Vehicles	651.84	142.95	151.93	642.86	345.75	95.70	125.80	315.65	327.21	306.09
Air Conditioners and coolers	178.10	7.66	3.71	182.05	99.40	26.06	3.19	122.27	59.78	78.70
Office Equipment	329.74	38.74	18.27	350.21	217.51	36.39	17.24	236.66	113.55	112.23
Total	48,567.20	2,467.76	1,333.63	49,701.33	14,180.46	2,198.72	469.14	15,910.04	33,791.29	34,386.74

(*) Refer Note 1 (III) (t)

Notes:

- Gross Block of vehicles includes ₹ 216.21 Lakhs (Previous year ₹ 158.57 Lakhs) purchased under Car Finance Scheme.
- Building includes properties of ₹ 3,501.99 Lakhs pending for registration (Previous year ₹ 3,501.99 Lakhs).
- In accordance with Ind AS-101 the exchange differences arising on translation of long term foreign currency loans taken for acquisition of depreciable assets before the transition date are being capitalised and accordingly the net exchange difference for the year amounting to ₹ 30.96 Lakhs (Previous year ₹ 52.12 Lakhs) have been capitalised.
- The Gross block of Leasehold land of ₹ 828.41 Lakhs and Accumulated Depreciation of ₹ 214.01 Lakhs has been reclassified to “Right of Use” assets on account of adoption of Ind AS 116 “Leases”.
- Transition impact on account of adoption of Ind AS 116 “Leases” is ₹ 589.45 Lakhs.

Notes to Financial Statement for the year ended March 31, 2020

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Description	Gross Carrying Value			Amortisation			Net Carrying Value			
	As at April 1, 2018	Additions/ adjustments	Sales/ adjustments	As at March 31, 2019	As at April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	280.78	8.60	-	289.38	219.54	22.02	-	241.56	47.82	61.24
Total	280.78	8.60	-	289.38	219.54	22.02	-	241.56	47.82	61.24

(₹ in Lakhs)

Description	Gross Carrying Value			Amortisation			Net Carrying Value			
	As at April 1, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 01, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	289.38	13.60	-	302.98	241.56	20.31	-	261.87	41.11	47.82
Total	289.38	13.60	-	302.98	241.56	20.31	-	261.87	41.11	47.82

4. FINANCIAL ASSETS

4(a) NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face Value/ Share	As at March 31, 2020		As at March 31, 2019	
		No. of Shares	Value	No. of Shares	Value
(i) Quoted, Equity shares fully paid up					
Investments Carried at Cost					
Investment in Equity instruments (Subsidiary)					
Duncan Engineering Limited (Formerly known as Schrader Duncan Ltd.)	10/-	1848500	1,453.65	1848500	1,453.65
(ii) Unquoted, Equity shares fully paid up					
Investments Carried at Fair Value Through OCI					
a) Investment in Equity instruments (Others)					
Duncan International (India) Limited	100/-	8351	207.84	8351	367.63
New India Investment Corporation Limited	75/-	3353	334.07	3353	606.73
b) Investment in AIF Funds					
Grand Anicut Fund - II			100.00		-
Xponentia Opportunities Fund			340.30		200.00
JM Financial India Fund (AIF-II)			127.66		-
Paragon Partments Growth Fund AIF-II			31.90		-
Fireside Ventures Fund AIF-II			125.00		-
IQ Start-up Fund IQ AlphaIII (AIF-I)			204.49		-
Grand Anicut Angel Fund			9.00		-
(iii) Unquoted, Convertible Note					
Investments Carried at fair Value through P&L					
Startup Health Just Matters Pvt Ltd			25.00		-
TOTAL			2,958.91		2,628.01
Aggregate Market Value of Quoted Investments			1,626.68		1,323.53
Aggregate Fair Value of Unquoted Investments			1,505.26		1,174.36

Notes to Financial Statement for the year ended March 31, 2020

4. FINANCIAL ASSETS (Contd.)

4(b) CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Mutual Funds at FVTPL		
Quoted		
a. Edelweiss Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 1531570.887 Units)	-	215.62
b. ICICI Prudential Credit Risk Fund Growth (Erstwhile ICICI Prudential Regular Saving Fund Growth) (March 31, 2020 1081209.657 Units; March 31, 2019 1081209.657 Units)	235.14	214.67
c. ICICI Prudential Equity Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 1279640.337 Units)	-	323.06
d. Kotak Equity Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 1585094.012 Units)	-	431.19
e. Reliance Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 2215922.753 Units)	-	433.68
f. SBI Magnum Ultra SDF Direct Growth (March 31, 2020 Nil Units; March 31, 2019 12607.576 Units)	-	525.67
g. SBI Liquid Fund Direct Growth (March 31, 2020 Nil Units; March 31, 2019 17829.121 Units)	-	521.14
h. Aditya Birla Sun Life Liquid Fund- Growth (March 31, 2020 Nil Units; March 31, 2019 302819.143 Units)	-	905.45
i. HDFC Liquid Fund Regular Plan Growth (March 31, 2020 Nil Units; March 31, 2019 27458.992 Units)	-	1,005.08
j. Avendus Enhanced Return Fund - Class A1 (Alternate) (March 31, 2020 Nil Units; March 31, 2019 Nil Units)	-	573.94
Investment in Bonds at Cost		
Quoted		
a. 7.8125 % LIC Housing Finance Limited Face Value ₹ 10,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 50 Bonds)	-	497.74
b. 9.45 % HDFC Limited Face Value ₹ 10,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 50 Bonds)	-	502.37
c. 7.00 % HDFC Limited Face Value ₹ 1,00,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 5 Bonds)	-	495.33
d. 8.45 % HDFC Limited Face Value ₹ 1,00,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 5 Bonds)	-	501.25
e. 9.22 % LIC Housing Finance Limited Face Value ₹ 10,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 100 Bonds)	-	1,006.64
TOTAL	235.14	8,152.83
Aggregate Market Value of Quoted Investments	235.14	8,152.83

Notes to Financial Statement for the year ended March 31, 2020

4. FINANCIAL ASSETS (Contd.)

4(c) LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Unsecured, considered good				
Loans and advances to Subsidiary	-	-	1.76	1.95
Other Loans and advances				
Employee Advances	49.19	29.51	55.39	52.38
TOTAL	49.19	29.51	57.15	54.33

4(d) TRADE RECEIVABLE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, Considered Good	-	-
Unsecured, Considered Good	6,666.95	8,366.01
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
TOTAL	6,666.95	8,366.01

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

Trade receivables are non-interest bearing and are generally on terms of 30 to 150 days.

Impairment of Trade Receivables has been considered Nil based on the Expected Credit Loss Method and in other cases based on the management judgement.

4(e) CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks		
In Current Accounts	130.59	174.69
Cash on hand	2.16	1.39
Fixed Deposit with Maturity less than 3 Months	2,200.00	-
TOTAL	2,332.75	176.08

4(f) OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Term Deposits with less than 12 months maturity	11,550.00	-
Deposit Repayment reserve Account	29.50	55.50
Unpaid Dividend Accounts	148.28	137.58
TOTAL	11,727.78	193.08

Notes to Financial Statement for the year ended March 31, 2020

4. FINANCIAL ASSETS (Contd.)

4(g) OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Considered good unless stated otherwise				
Measured at Amortised Cost				
Other Bank Deposits with more than 12 months maturity @	466.75	442.18	-	-
Security Deposits	248.31	243.89	53.11	49.79
Accrued Interest Income	-	-	244.13	162.04
TOTAL	715.06	686.07	297.24	211.83

@ Includes Margin Money for Bank Guarantees ₹ 1.54 Lakhs (Previous year ₹ 1.54 Lakhs)

5. INVENTORIES (Lower of Cost or Net Realisable Value)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials (Includes Stock-in-transit ₹ 92.19 Lakhs; Previous year ₹ 120.99 Lakhs)	914.57	1,249.55
Work in Progress	33.23	57.44
Finished Goods	1,858.02	2,577.42
Stores & Spares (Includes Stock-in-transit ₹ Nil Lakhs; Previous year ₹ 0.89 Lakhs)	573.69	674.11
Fuel	38.14	72.14
TOTAL	3,417.65	4,630.66

6. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Considered good unless stated otherwise				
Export incentive Receivable	-	-	223.30	379.18
Capital Advances *	1,959.75	114.14	-	-
Assets held for sale (At lower of Book Value and Net Realisable Value)	-	-	11.80	18.50
Receivable on Foreign Currency Forward Contracts	-	-	120.97	355.14
Other Receivables	-	-	192.59	84.56
Insurance Claim Receivable	-	-	13.07	-
Prepaid Expenses	-	-	309.58	227.92
Other Advances	-	-	140.95	115.46
TOTAL	1,959.75	114.14	1,012.26	1,180.76

* Includes ₹ 75.00 Lakhs (Previous year ₹ 75.00 Lakhs) to a company under liquidation against the use of an office premises which is pending transfer in favour of the Company.

7. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Assets (Net of Provisions for Income Tax)	113.94	-
TOTAL	113.94	-

8. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Shares		
1,49,90,000 (Previous year 1,49,90,000) Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	1,499.00	1,499.00
1,000 (Previous year 1,000) Redeemable Cumulative Preference Shares of ₹ 100 each (Previous year ₹ 100 each)	1.00	1.00
	1,500.00	1,500.00
Issued Shares		
1,00,23,844 (Previous year 1,00,23,844) Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	1,002.38	1,002.38
	1,002.38	1,002.38
Subscribed & Fully Paid up Shares		
99,90,092 (Previous year 99,90,092) Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	999.01	999.01
Add: Forfeited Shares (Amount Originally paid up)	1.52	1.52
Total subscribed and fully paid up share capital	1,000.53	1,000.53

a. Terms / rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same except interim dividend is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period**Issued Share Capital**

Equity Shares (₹ in Lakhs, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Share outstanding at beginning of period	10023844	10329814	1,002.38	1,032.98
Less: Buyback of Nil (Previous year 305970) Equity Shares of ₹ 10 each under the Open Market Route through Stock Exchange (refer Note 8(d))	-	305970	-	30.60
Share outstanding at end of period	10023844	10023844	1,002.38	1,002.38

8. EQUITY SHARE CAPITAL (Contd.)**Subscribed & Paid up****Equity Shares**

(₹ in Lakhs, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Share outstanding at beginning of period	9990092	10296062	999.01	1,029.61
Less: Buyback of Nil (Previous year 305970) Equity Shares of ₹ 10 each under the Open Market Route through Stock Exchange (refer Note 8(d))	-	305970	-	30.60
Share outstanding at end of period	9990092	9990092	999.01	999.01

c. Details of shareholders holding more than 5% shares in the Company**Equity Shares**

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
Cosmopolitan Investments Ltd.	1907528	19.09%	1907528	19.09%
New India Investment corporation Ltd.	1212136	12.13%	1212136	12.13%
Duncan International (India) Ltd.	994616	9.96%	994616	9.96%
HDFC Small Cap Fund (Earlier Known as HDFC Trustee Company Ltd.)	926250	9.27%	926250	9.27%
Haldia Investment Company Ltd.	609995	6.11%	598895	5.99%

Note: On March 31, 2020, Haldia Investment Company Limited and New India Investment Corporation Limited had purchased 5349 and 2000 Equity Shares of the Company, respectively through the stock market, the shares were credited to demat account on April 07, 2020. Hence not included above.

d. Note on Buyback of Equity Shares

The Board of Directors of the Company, at its meeting held on November 01, 2018, has approved a proposal to buy back the Company's fully paid-up equity shares of the face value of ₹ 10/- each at a maximum price of ₹ 1150/- per equity share up to total amount of buy back of ₹ 3500.00 Lakhs from its members / beneficial owners / other than those who are promoters or persons in control of the Company and the promoter group, under the open market route through stock exchange. The buy back process commenced on November 14, 2018 and closed on March 02, 2019. During the period, the Company has bought back 3,05,970 equity shares and extinguished the same on March 02, 2019.

Notes to Financial Statement for the year ended March 31, 2020

9. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Reserves		
a. Capital Reserve		
Balance at the beginning of the Financial year	1,732.18	1,732.18
Balance at the end of the Financial year	1,732.18	1,732.18
b. Securities Premium		
Balance at the beginning of the Financial year	-	1,792.64
Less: Amount paid upon Buyback	-	1,769.54
Less: Transaction costs related to Buyback (net of tax)	-	23.10
Balance at the end of the Financial year	-	-
c. Capital Redemption Reserve		
Balance at the beginning of the Financial year	30.85	0.25
Add: Amount Transferred from General Reserve upon Buyback	-	30.60
Balance at the end of the Financial year	30.85	30.85
d. General Reserve		
Balance at the beginning of the Financial year	878.07	2,613.88
Less: Amount paid upon Buyback	-	1,705.21
Less: Amount Transferred to Capital Redemption Reserve upon Buyback	-	30.60
Balance at the end of the Financial year	878.07	878.07
e. Retained Earnings		
Balance at the beginning of the Financial year	36,975.56	30,971.75
Addition during the Financial year	7,150.55	7,374.14
Items of Other Comprehensive Income recognised directly in retained earnings		
- Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)	(45.90)	(5.65)
	44,080.21	38,340.24
Less: Appropriations		
Interim Dividend	399.60	411.15
Tax on Interim Dividend	82.14	84.66
Dividend paid during the year	799.21	720.72
Tax on Dividend paid during the year	164.28	148.15
	42,634.98	36,975.56
TOTAL (I)	45,276.08	39,616.66
(II) Items of Other Comprehensive Income		
Balance at the beginning of the Financial year	736.29	639.72
Add: Other Comprehensive Income for the Financial period		
Net Gain or (Loss) on FVOCI Non Current Investments (Net of Tax)	(214.94)	96.57
TOTAL (II)	521.35	736.29
TOTAL OTHER EQUITY (I + II)	45,797.43	40,352.95

Notes:

(i) Capital Reserve:

The Company had recognised Surplus arising out of transfer of Assets and Liabilities of erstwhile Carbon Black Division to Capital Reserve.

(ii) Securities Premium:

In the earlier years, the Company has received Share Premium on conversion of fully convertible debentures into equity shares and also on allotment of equity shares issued on rights basis.

Notes to Financial Statement for the year ended March 31, 2020

9. OTHER EQUITY (Contd.)

(iii) Capital Redemption Reserve:

An amount of ₹ 30.60 Lakhs (equivalent to nominal value of the equity shares bought back and cancelled by the Company in the year ended March 2019) has been transferred to Capital Redemption Reserve from General Reserve pursuant to the provisions of Section 69 of the Companies Act, 2013 and article 8 of the Article of Association of the Company. (Refer Note No. 8(d)).

(iv) Items of Other Comprehensive Income

The Company recognises the gain or loss on fair value of non-current investments under Items of Other Comprehensive Income.

(v) During the year, the Company has paid Interim dividend of ₹ 4.00; (Previous year ₹ 4.00) per equity share.

Now, final dividend of ₹ 6.00 (Previous year ₹ 8.00) per equity share for financial year 2019-20 is recommended by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

10. FINANCIAL LIABILITIES

a) Borrowings (Non-Current)

(₹ in Lakhs)

Particulars	Non - Current Maturities		Current Maturities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Term Loans - From Banks (i)	9,513.41	6,940.35	1,147.90	2,124.63
Vehicle Loans from Banks (ii)	92.01	89.51	49.28	29.54
Public Deposits (iii)	2.95	138.42	135.47	129.75
Less : Current Maturities of Long Term Borrowings	-	-	(1,332.65)	(2,283.92)
TOTAL	9,608.37	7,168.28	-	-

Notes:

(i) (a) Securities:

Secured by (i) ₹ 3731.93 Lakhs, First pari-passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit; First exclusive charge on fixed assets including equitable mortgage of factory land and building at Dharuhera; Second pari-passu charge on entire current assets of the Company; (ii) ₹ 1768.57 Lakhs, First pari-passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit; Second pari-passu charge on entire fixed assets of Dharuhera Unit including equitable mortgage of factory land and building of Dharuhera Unit; Second pari-passu charge on entire current assets of the Company; (iii) ₹ 1260.94 Lakhs, First pari-passu charge on entire fixed assets including equitable mortgage of factory land and building of SEZ Mundra Unit; (iv) ₹ 2751.97 Lakhs First pari-passu charge on entire fixed assets including equitable mortgage of factory land and building at Dharuhera and SEZ Mundra Unit; Second pari-passu charge on entire current assets of the Company.

Notes to Financial Statement for the year ended March 31, 2020

10. FINANCIAL LIABILITIES (Contd.)

(i) (b) Terms of Repayments of Non-Current portion of Term Loans from Banks

(₹ in Lakhs, unless otherwise stated)

As at March 31, 2020		
Outstanding Amount	Repayments	
	No. of outstanding Instalments	Periodicity
1,123.86	10	Quarterly Equal
644.71	15	Quarterly Equal
628.85	20	Quarterly Equal @
2,330.34	10	Quarterly Graded
499.66	10	Quarterly Equal
1,401.59	15	Quarterly Equal
761.28	18	Quarterly Equal
1,132.00	20	Quarterly Equal @
991.12	20	Quarterly Equal @
9,513.41		

(₹ in Lakhs, unless otherwise stated)

As at March 31, 2019		
Outstanding Amount	Repayments	
	No. of outstanding Instalments	Periodicity
1,236.66	12	Quarterly Equal
669.10	17	Quarterly Equal
-	-	-
2,117.20	12	Quarterly Graded
599.21	12	Quarterly Equal
1,473.13	17	Quarterly Equal
845.05	20	Quarterly Equal
-	-	-
-	-	-
6,940.35		

@ Repayment of Term Loans will start after 1 year Moratorium period beginning from successful start of Commercial Production.

(ii) Secured by hypothecation of vehicles purchased under the scheme and non-current portion of ₹ 92.01 Lakhs (Previous year ₹ 89.51 Lakhs) is repayable in 3 to 39 (Previous year 15 to 49) equated monthly instalments in 2020-21 onwards as per the repayment schedule.

(iii) Deposits from public carries rate of interest @ 7.75% to 9.50% (Previous year 7.75% to 10%) p.a. and non-current portion of ₹ 2.95 Lakhs (Previous year ₹ 138.42 Lakhs) is repayable between 1 to 2 years (Previous year 1 to 3 years).

(b) Borrowings (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans Repayable on Demand		
Working Capital Loans from Bank (secured)		
Cash Credit and Packing Credit	3,247.88	1,302.80
Bill Discounting	587.05	1,756.58
TOTAL	3,834.93	3,059.38

Security:

Cash Credit, Packing Credit and Bill Discounting are secured by first pari-passu charge on entire current assets of the Company and second pari-passu charge over the entire fixed assets at Mundra SEZ Unit and first pari-passu charge on entire fixed assets of the Company at Dharuhera unit.

(c) Lease Liability

(₹ in Lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Lease Liability (Refer Note No. 35)	581.72	-	4.03	-
TOTAL	581.72	-	4.03	-

Notes to Financial Statement for the year ended March 31, 2020

10. FINANCIAL LIABILITIES (Contd.)

(d) Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Dues of Micro Enterprises and Small Enterprises (Refer Note No. 34)	16.53	-
Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,423.73	1,769.71
TOTAL	1,440.26	1,769.71

(e) Other Financial Liabilities (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued but not due on deposits	18.16	20.45
TOTAL	18.16	20.45

(f) Other Financial Liabilities (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of Long-Term Borrowings	1,147.90	2,124.63
Current maturities of Vehicle Loans	49.28	29.54
Current maturities of Deposits	135.47	129.75
Interest accrued but not due on Borrowings	78.96	74.33
Unpaid Dividend	148.28	137.58
Unpaid and Unclaimed Matured Deposits & Interest accrued thereon	5.49	3.46
Creditors for Capital Goods	342.98	220.07
Employees liabilities @	489.34	1,181.10
Directors' Commission	43.88	81.58
Security Deposits	7.74	7.74
TOTAL	2,449.32	3,989.78

@ Includes dues to Executive Directors ₹ 168.64 Lakhs (Previous year ₹ 233.87 Lakhs).

11. INCOME TAX LIABILITY (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Liability (Net of Advance Tax and Tax Deducted at Source)	-	92.96
TOTAL	-	92.96

12. PROVISIONS

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Provision for Employee Benefits (Refer Note No. 27)				
Compensated Absences & Gratuity	249.49	278.01	161.54	75.43
TOTAL	249.49	278.01	161.54	75.43

Notes to Financial Statement for the year ended March 31, 2020

13. DEFERRED TAX LIABILITIES (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities		
Property, Plant & Equipment and Intangible Assets	3,875.32	4,321.19
Deferred Tax Liability on FVOCI on Equity Investments	155.91	221.19
Deferred Tax Liability on Current Investment at Fair Value	5.96	65.37
Deferred Tax Liability on Amortised Value of Upfront Fees of Long Term Loans	0.86	2.72
Deferred Tax Liability on Exchange Difference on Forward Contracts	-	53.40
	A	4,663.87
Deferred Tax Assets		
Provision for employee benefits & others	132.80	99.11
MAT credit entitlement	1,832.53	1,797.45
	B	1,896.56
Net	A-B	2,767.31

14. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Advance received from and Credit balance of Customers	-	-	41.74	14.31
Statutory dues payable	-	-	227.33	272.66
Payable on Foreign Currency Forward Contracts	-	-	294.46	93.16
Other payable	-	-	126.26	235.94
TOTAL	-	-	689.79	616.07

Notes to Financial Statement for the year ended March 31, 2020

15. REVENUE FROM OPERATIONS

Revenue from Contracts with Customers

(i) Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers: (₹ in Lakhs)

Segment	Year Ended March 31, 2020			Year Ended March 31, 2019		
	Domestic	Export	Total	Domestic	Export	Total
a) Sale of Manufactures Products						
Insoluble Sulphur	12,029.50	19,656.27	31,685.77	12,391.53	22,310.68	34,702.21
Sulphuric Acid and Oleum	2,295.44	-	2,295.44	3,651.34	-	3,651.34
Total Sale of Manufactures Products	14,324.94	19,656.27	33,981.21	16,042.87	22,310.68	38,353.55
b) Export Benefits						
	-	366.69	366.69	-	410.31	410.31
Total Revenue from Contracts with Customers (a+b)	14,324.94	20,022.96	34,347.90	16,042.87	22,720.99	38,763.86
Timing of Revenue Recognition						
Goods Transferred at a point of time	14,324.94	20,022.96	34,347.90	16,042.87	22,720.99	38,763.86
Total Revenue from Contracts with Customers	14,324.94	20,022.96	34,347.90	16,042.87	22,720.99	38,763.86

(ii) Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Trade Receivables *	6,666.95	8,366.01
Contract Liabilities		
Advance from customers (Refer Note No. 14)	41.74	14.31

* Trade Receivables are non-interest bearing and are generally on terms of 30 to 150 days.

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue as per Contracted Price	34,487.51	38,876.50
Adjustments		
Rebate	(122.03)	(101.77)
Discount	(17.58)	(10.87)
Revenue from Contracts with Customers	34,347.90	38,763.86

(iv) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2020 are, as follows:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Advance from customers (Refer Note No. 14)	41.74	14.31

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

Notes to Financial Statement for the year ended March 31, 2020

16. OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Dividend on Current Investment	-	30.69
Profit On Redemption / Maturity of Current Investment (Net)	290.19	117.75
Interest Income		
On Deposit	288.59	40.22
On Bonds	134.94	126.01
On Loans	2.15	27.61
Others	4.68	2.20
Loans and Debts earlier Written off, now recovered	-	0.05
Net Gain on Foreign Currency Forward Contracts	-	261.98
Rent received	1.08	1.80
Provision no longer Required written back	63.58	67.23
Scrap Sales	101.90	63.34
Net Gain on Fair Value of Current Investments	20.47	187.07
Profit on sale/discard of Property, Plant & Equipment (Net)	41.66	-
Miscellaneous Income	7.34	14.17
TOTAL	956.58	940.12

17. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Cost of Materials Consumed	8,268.53	10,867.42
Less: Consumption for Trial Run Production	-	129.03
TOTAL	8,268.53	10,738.39

18. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the beginning of the Financial year		
Finished Goods	2,577.42	1,921.38
Work-in-Progress	57.44	43.35
	2,634.86	1,964.73
Add: Transferred from Trial Run Production		
Finished Goods	-	231.02
Work-in-Progress	-	8.49
	-	239.51
	2,634.86	2,204.24
Inventories at the end of the Financial year		
Finished Goods	1,858.02	2,577.42
Work-in-Progress	33.23	57.44
	1,891.25	2,634.86
Change in Inventories	743.61	(430.62)

Notes to Financial Statement for the year ended March 31, 2020

19. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages and Bonus	3,873.65	4,021.67
Contribution to Provident & other funds (Refer Note No. 27)	216.25	196.33
Gratuity (Refer Note No. 27)	53.81	46.61
Long term compensated absences (Refer Note No. 27)	74.18	64.47
Employees Welfare Expenses	336.02	321.65
	4,553.91	4,650.73
Less: Transfer to Capital Work-in-Progress / Capitalised	95.42	108.81
TOTAL	4,458.49	4,541.92

20. FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on financial liabilities measured at amortised cost	895.15	780.15
Other Borrowing Costs	76.29	88.85
	971.44	869.00
Less: Transfer to Capital Work-in-Progress / Capitalised	55.85	44.32
TOTAL	915.59	824.68

21. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, Plant and Equipment (Refer Note No. 2)	1,928.15	1,837.35
Depreciation of Right of use assets (Refer Note No. 2)	56.56	-
Amortisation of Intangible Assets (Refer Note No. 3)	20.31	22.02
TOTAL	2,005.02	1,859.37

Notes to Financial Statement for the year ended March 31, 2020

22. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Stores Consumed	110.63	82.53
Packing cost	830.53	976.30
Power and Fuel	3,348.38	4,157.12
Water Charges	113.73	108.06
Rent	106.39	126.39
Rates and Taxes	157.26	145.22
Insurance	257.26	152.93
Repairs to Buildings	151.35	124.78
Repairs to Machinery	934.33	994.04
Repairs to Others	195.17	218.73
Job & Hiring Charges	149.70	139.04
Freight & Forwarding	2,206.31	2,142.90
Commission and Discount	357.52	435.01
Travelling	273.85	272.00
Legal & Professional	231.14	348.06
Service Charges	229.98	215.19
Loss on sale/discard of Property, Plant & Equipment (Net)	-	259.61
Net Loss on Foreign Currency Translations and Transactions	218.46	131.82
Net Loss on Foreign Currency Forward Contracts	173.49	-
Bad Advances / Debts	11.21	53.09
Corporate Social Responsibility Expenditure (Refer Note No. 23)	171.29	148.53
Directors' Commission & Fees	73.14	90.64
Auditor's Remuneration (Refer Note No. 22(a))	30.36	28.88
Cost Auditor Fees	1.40	1.30
Miscellaneous	699.91	749.08
	11,032.79	12,101.25
Less: Transfer to Capital Work-in-Progress / Capitalised	49.55	188.49
TOTAL	10,983.24	11,912.76

a. Auditors' Remuneration

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit Fees	22.50	20.80
Certificates & other matters	3.65	4.35
For Tax Audit	3.50	3.25
Reimbursement of expenses	0.71	0.48
TOTAL	30.36	28.88

Notes to Financial Statement for the year ended March 31, 2020

23. AMOUNT SPENT ON CSR ACTIVITIES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	171.28	146.08
b) Amount spent during the year :		
Health, Hygiene and Sanitation	-	7.20
Community Development (Water harvesting /Rejuvenation Program / Solar Light Installation in Villages)	122.52	14.51
Promoting Education, Mid Day Meal, Skill Development Programme and Livelihood enhancement	43.77	122.63
Training and capacity building of CSR team and administrative expenses	5.00	4.19
TOTAL	171.29	148.53

24. INCOME TAX EXPENSES

a) Income tax recognised in Profit and Loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax expense		
Current tax on profits for the year	1,555.76	2,207.29
Less: Taxation Adjustment in respect of earlier years (Net)	(13.05)	25.80
Less: MAT Credit Entitlement (Net)	178.26	105.68
	1,390.55	2,075.81
Deferred tax expense		
Origination and reversal of temporary differences	(611.10)	807.53
Income tax charged to the statement of Profit and Loss	779.45	2,883.34

b) Deferred tax related to items recognised in OCI during the year

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Remeasurement Gain / (Loss) on Defined Benefit Plans	(18.86)	(3.03)
FVTOCI Equity & AIF Investments	(65.28)	29.33
Income tax charged to OCI	(84.14)	26.30

c) Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting profit before tax	7,930.00	10,257.48
At India's Statutory Income Tax Rate of 29.12% (Previous year 34.944%)	2,309.21	3,584.38
Adjustment for Tax Purposes:		
- Difference in book depreciation & amortisation and depreciation and amortisation as per Income Tax Act, 1961	(217.24)	(769.82)
- 43B Items	1.56	14.22
- Exempted Income	-	(10.72)
- Items not deductible (Net)	36.06	21.95

Notes to Financial Statement for the year ended March 31, 2020

24. INCOME TAX EXPENSES (contd.)

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
- Items of Previous years (Net)	44.50	(14.86)
- Donation and CSR (Net)	46.97	38.99
- Items of Research Institutions and In-house R&D	(34.60)	(44.78)
- Exempted from Tax (Operations from SEZ)	(585.70)	(713.19)
- Others (Net)	(45.00)	(4.56)
At the effective Income Tax Rate of 19.62 % (Previous year 20.49 %)	1,555.76	2,101.61
Income Tax Expenses	1,555.76	2,101.61
Less: MAT Credit Utilised	(178.26)	-
Tax adjustment for Earlier years	13.05	(25.80)
Income Tax expenses reported in the Statement of profit and loss	1,390.55	2,075.81
Deferred Tax expenses reported in the Statement of profit and loss	(611.10)	807.53
	779.45	2,883.34
Deferred Tax Expense / (Income) relates to the following:		
- Depreciation & amortisation	(445.88)	718.59
- Mark to Mark Loss / (Gain) on Forward Contract	(102.04)	88.33
- Remeasurement (Gain) / Loss on Defined Benefit Plans	18.86	3.03
- Disallowance u/s 43B	14.96	(14.22)
- Current Investments at Fair Value	(59.41)	9.68
- Diminution in Value of Investments	-	3.69
- Unamortised Cost of Term Loans	(1.86)	(1.57)
- MAT Credit Entitlement adjusted during the year (Net)	178.26	-
- MAT Credit Entitlement earlier written-off, now written-back	(213.99)	-
Deferred Tax Expense / (Income)	(611.10)	807.53
Deferred Tax Expense / (Income) recognised in Other Comprehensive Income	(84.14)	26.30
Total Deferred Tax Expense / (Income)	(695.24)	833.83
Deferred Tax relates to the following:		
- Accelerated depreciation for tax purposes	3,875.32	4,321.19
- Disallowance u/s 43B	(84.16)	(99.11)
- Current Investments at Fair Value	5.96	65.37
- Non-Current Investments at Fair Value	155.91	221.19
- Foreign Exchange Forwards	(48.64)	53.40
- Unamortised Cost of Term Loans	0.86	2.72
- MAT Credit *	(1,832.53)	(1,797.45)
Net Deferred Tax (Assets) / Liabilities	2,072.72	2,767.31
Reflected in the balance sheet as follows:		
Deferred Tax Liabilities	4,038.05	4,663.87
Deferred Tax Assets	1,965.33	1,896.56
Deferred Tax Liabilities (Net)	2,072.72	2,767.31

Notes to Financial Statement for the year ended March 31, 2020

24. INCOME TAX EXPENSES (contd.)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. During the year ended March 31, 2020, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

* During the year the Company Utilise MAT Credit amounting to ₹ 178.26 Lakhs (Previous year Created ₹ 105.68 Lakhs).

25. RESEARCH AND DEVELOPMENT EXPENSES

Details of Expenditure on Research and Development Facilities/ divisions of the Company recognised by Department of Scientific and Industrial Research.

a) Revenue Expenditure

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Employee Benefit Expenses		
Salaries, Wages and Bonus	129.17	70.92
Contributions to Provident & Other Funds	5.41	2.95
Employee welfare Expenses.	6.95	4.16
TOTAL	141.53	78.03
Consumption of Consumables	33.62	4.72
Repair to Machinery	6.50	5.16
Repair to Others	0.27	0.28
Rates Taxes and Fees	0.13	-
Auditor's Remuneration	0.31	0.30
Travelling and Conveyance	18.01	0.35
Miscellaneous Expenses	29.67	6.86
TOTAL	88.51	17.67
Depreciation		
Depreciation	12.90	12.30
TOTAL	12.90	12.30
Total Expenditure	242.94	108.00

b) Capital expenditure

(₹ in Lakhs)

Particulars	March 31, 2019	Additions during the Period	March 31, 2020
Buildings	-	-	-
Equipments and Others	129.10	6.83	135.93
TOTAL	129.10	6.83	135.93

26. EARNINGS PER SHARE

(₹ in Lakhs, unless otherwise stated)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Net Profit for Basic & Diluted EPS	7,150.55	7,374.14
b) Weighted Average Number of Equity Shares for Basic & Diluted EPS (in Numbers)	9990092	10229106
c) Earning Per Share - Basic & Diluted (₹)	71.58	72.09
d) Face value per share (₹)	10.00	10.00

Notes to Financial Statement for the year ended March 31, 2020

27. EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statement of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans

Amount recognized as an expense and included in Note No. 19 Item "Contribution to Provident and Other Funds" ₹ 216.25 Lakhs (Previous year ₹ 196.33 Lakhs) Consist of Contribution to Superannuation Fund ₹ 37.65 Lakhs (Previous year ₹ 38.63 Lakhs) and to Provident and other funds ₹ 178.60 Lakhs (Previous year ₹ 157.70 Lakhs).

b) Other long-term benefits

Amount recognized as an expense and included in Note No.19 Item "Long Term Compensated Absences ₹ 74.18 Lakhs (Previous year ₹ 64.47 Lakhs) for long term compensated Absences.

c) Defined benefits plans - as per actuarial valuation

Gratuity Expense ₹ 53.81 Lakhs (Previous year ₹ 46.61 Lakhs) has been recognized in "Gratuity" under Note No. 19 as per Actuarial Valuation.

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
	Funded	Non -Funded	Funded	Non -Funded
I. Change in present value of obligation during the year				
Present value of obligation at the beginning of the year	553.92	301.65	504.48	262.17
Included in profit and loss:				
Current Service Cost	49.81	28.43	41.68	30.23
Interest Cost	42.74	23.28	38.82	20.17
Past Service Cost	-	-	-	-
Actuarial losses/(gains)	-	-	-	-
Experience Judgement	-	(22.63)	-	3.37
Financial assumption	-	5.46	-	-
demographic assumptions	-	0.01	-	-
Included in OCI:				
Actuarial losses/(gains) arising from:				
Experience Judgement	56.50	-	7.27	-
Financial assumption	4.45	-	-	-
demographic assumptions	(0.01)	-	-	-
Others	-	-	-	-
Benefits Paid	(62.84)	(33.45)	(38.33)	(14.29)
Present Value of obligation as at year-end	644.57	302.75	553.92	301.65
II. Change in Fair Value of Plan Assets during the year				
Plan assets at the beginning of the year	502.13	-	440.41	-
Included in profit and loss:				
Expected return on plan assets	38.74	-	33.89	-
Included in OCI:				
Actuarial Gain/(Loss) on plan assets	(3.82)	-	(1.41)	-
Others:				

Notes to Financial Statement for the year ended March 31, 2020

27. EMPLOYEE BENEFITS (Contd.)

(₹ in Lakhs)

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Long term Compensated Absences	Gratuity	Long term Compensated Absences
	Funded	Non -Funded	Funded	Non -Funded
Employer's contribution	62.07	-	67.57	-
Benefits paid	(62.84)	-	(38.33)	-
Plan assets at the end of the year	536.28	-	502.13	-

The plan assets are managed by the Gratuity Trust formed by the Company.

III. Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

1. Present Value of obligation as at year-end	644.57	302.75	553.92	301.65
2. Fair value of plan assets at year -end	536.28	-	502.13	-
3. Funded status {Surplus/ (Deficit)}	(108.29)	(302.75)	(51.79)	(301.65)
Net Asset/(Liability)	(108.29)	(302.75)	(51.79)	(301.65)

IV. Expenses recognised in the Statement of Profit and Loss

1. Current Service Cost	49.81	74.18	41.68	64.47
2. Actuarial (Gain) / Loss	-	-	-	-
3. Past Service Cost	-	-	-	-
4. Net interest Cost/ (Income) on the net defined benefit liability	4.00	-	4.93	-
Total Expense	53.81	74.18	46.61	64.47

V. Expenses recognised in the Statement of Other Comprehensive Income

1. Net Actuarial (Gain)/Loss	60.94	-	7.27	-
2. Expected return on plan assets excluding interest income	3.82	-	1.41	-
Total Expense	64.76	-	8.68	-

VI. Constitution of Plan Assets

1. Equity Instruments	-	-	-	-
2. Debt Instruments	422.86	-	435.50	-
3. Mutual Fund Units	33.50	-	33.50	-
4. Bank Balances to be Invested	79.92	-	33.13	-

VII. Bifurcation of PBO at the end of the year

1. Current Liability	108.29	53.25	51.79	23.64
2. Non-Current Liability	-	249.49	-	278.01

VIII. Actuarial Assumptions

1. Discount Rate	6.75%	6.75%	7.70%	7.70%
2. Mortality Table	100% of IALM 12-14	100% of IALM 12-14	100% of IALM 06-08	100% of IALM 06-08
3. Salary Escalation	0% for next year and 7% there after	0% for next year and 7% there after	7.00%	7.00%
4. Turnover Rate	Age upto 44 Years - 2% Age above 44 Years - 1%	Age upto 44 Years - 2% Age above 44 Years - 1%	Age upto 44 Years - 2% Age above 44 Years - 1%	Age upto 44 Years - 2% Age above 44 Years - 1%

Notes to Financial Statement for the year ended March 31, 2020

27. EMPLOYEE BENEFITS (Contd.)

(₹ in Lakhs)

IX. Experience Adjustment:

Gratuity	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of obligation	644.57	553.92	504.48	449.12	354.93
Fair value of Plan assets	536.28	502.13	440.41	340.03	299.43
Net Asset/(Liability)	(108.29)	(51.79)	(64.07)	(109.09)	(55.50)
Actuarial (Gain)/Loss on plan obligation	60.94	7.27	(0.95)	63.57	45.04
Actuarial Gain/(Loss) on plan assets	(3.82)	(1.41)	3.37	0.23	(3.26)

(₹ in Lakhs)

Long term Compensated Absences	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of obligation	302.75	301.65	262.17	239.41	179.71
Fair value of Plan assets	-	-	-	-	-
Net Asset/(Liability)	(302.75)	(301.65)	(262.17)	(239.41)	(179.71)
Actuarial (Gain)/Loss on plan obligation	(17.16)	3.37	(5.24)	(4.18)	32.57
Actuarial Gain/(Loss) on plan assets	-	-	-	-	-

X. Sensitivity Analysis

(₹ in Lakhs)

Gratuity	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	600.52	695.39	517.35	595.75
Future salary growth (1% movement)	692.19	602.42	592.37	519.83
Employee turnover (50% of Attrition rate)	644.62	644.46	555.92	551.68

XI. Maturity Profile of projected benefit obligation: from the fund

(₹ in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
	Gratuity Funded	Gratuity Funded
1 Year	108.04	47.41
2 to 5 Years	271.96	273.42
6 to 10 Years	257.36	285.43
More than 10 years	579.28	527.30

XII. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

Notes to Financial Statement for the year ended March 31, 2020

28. CAPITAL & AIF COMMITMENTS

(₹ in Lakhs)

Particulars	As At March 31, 2020	As At March 31, 2019
Estimated Amount of Capital Commitments outstanding and not provided for (Gross) (Advance paid ₹ 1882.75 Lakhs (Previous year ₹ 39.13 Lakhs))	8,468.08	437.21
Estimated Amount of Investment in AIF Units Commitments outstanding and not provided for *	2,011.00	300.00

* Investment to be made over a period upto 5 years.

29. CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	As At March 31, 2020	As At March 31, 2019
a. Claims against the company not acknowledged as debt*; Income Tax (Deposited ₹ Nil Lakhs; Previous year ₹ Nil Lakhs;) (Gross)	32.30	32.30
b. Guarantees excluding financial guarantees; Bank Guarantees given to various Govt authorities/ others (Gross) (Margin Money / Short Term Deposits ₹ 1.54 Lakhs; Previous year ₹ 1.54 Lakhs)	10.26	10.26
c. Corporate Guarantee given to a bank for loan taken by Subsidiary Company (to the extent loan outstanding) (Maximum value of Guarantee ₹ 714.13 Lakhs ; Previous year ₹ 1081.00 Lakhs)	49.04	669.27
d. Bonus liabilities pursuant to the retrospective amendment in the Bonus Act, 1965 for financial year 2014-15 has not been provided considering stay orders of Hon'ble Kerala High Court & Karnataka High Court.	12.53	-

* The Company is hopeful of favourable decision and expect no outflow of resources, hence no provision is made in the books of account.

31. SEGMENT REPORTING

The Company's business activity falls within a single segment viz., Manufacturing and Sales of Chemicals. The segment has been identified by taking into account the nature of product, the differing risks, the returns, the organisation structure and the internal reporting systems and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

32. FINANCIAL INSTRUMENTS**Financial instruments – Fair values and risk management****A. Financial instruments by category**

(₹ in Lakhs)

Particulars	Fair Value Hierarchy	March 31, 2020			March 31, 2019		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets							
Non-current Assets							
Loans	Level 3	-	-	49.19	-	-	29.51
Investment in Subsidiary	Level 3	-	-	1,453.65	-	-	1,453.65
Investments others	Level 2	25.00	1,480.26	-	-	1,174.36	-
Others	Level 3	-	-	715.06	-	-	686.07
Current Assets							
Investments	Level 1	235.14	-	-	8,152.83	-	-
Trade receivables	Level 3	-	-	6,666.95	-	-	8,366.01
Cash and cash Equivalents	Level 3	-	-	2,332.75	-	-	176.08
Bank balances other than cash and cash equivalents	Level 3	-	-	11,727.78	-	-	193.08
Loans	Level 3	-	-	57.15	-	-	54.33
Other Current Assets	Level 3	-	-	297.24	-	-	211.83
TOTAL		260.14	1,480.26	23,299.77	8,152.83	1,174.36	11,170.56
Financial Liabilities							
Non-current Liabilities							
Borrowings	Level 3	-	-	9,608.37	-	-	7,168.28
Lease Liability	Level 3	-	-	581.72	-	-	-
Other financial Liabilities	Level 3	-	-	18.16	-	-	20.45
Current Liabilities							
Borrowings	Level 3	-	-	3,834.93	-	-	3,059.38
Lease Liability	Level 3	-	-	4.03	-	-	-
Trade payables	Level 3	-	-	1,440.26	-	-	1,769.71
Other financial Liabilities	Level 3	-	-	2,449.32	-	-	3,989.78
TOTAL		-	-	17,936.79	-	-	16,007.60

The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents trade receivables, short term loans, current financial assets, trade payables, current financial liabilities and borrowings at their carrying amount.

Fair value hierarchy

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1 This includes financial instruments measured using quoted prices.

Level 2 The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between level 1, level 2 and level 3 during the year.

32. FINANCIAL INSTRUMENTS (Contd.)**Valuation technique used to determine fair value:**

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date (MTM).

As per Para D-15 of Appendix D of Ind AS 101, Company has opted to value its investment in Subsidiary at Cost.

The fair values for security deposits (assets & liabilities) were based on their carrying values.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**A Financial risk factors**

The Company is exposed to various financial risks i.e. market risk, credit risk and risk of liquidity. These risks are inherent and integral aspect of any business. The primary focus of the Risk Management Policy is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk consists of foreign exchange risk and interest rate risk. The Company calculates and compares the various proposals of funding by including cost of currency hedging also. The Company uses derivative financial instruments (Forward Covers) to reduce foreign exchange risk exposures.

i. Credit risk

The Company evaluates the customer credentials carefully from trade sources before extending credit terms and credit terms are extended to only financially sound customers. The Company secures adequate advance from its customers whenever necessary and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances and credit limit determined by the Company. The Company have stop supply mechanism in place in case outstanding goes beyond agreed limits.

Ageing Analysis of Trade Receivables

(₹ in Lakhs)

Ageing	As at March 31, 2020	As at March 31, 2019
Not due	5,289.31	7,469.74
Upto Six months	1,375.17	896.27
Six to Twelve Months	2.47	-
Above Twelve Months	-	-
Gross Carrying Amount	6,666.95	8,366.01
Expected Credited Losses	-	-
Expected Provision for Doubtful Debts	-	-
Net Carrying Amount	6,666.95	8,366.01

ii Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a) Foreign Currency risk

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Notes to Financial Statement for the year ended March 31, 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The following table analyses foreign currency risk from financial instruments as of March 31, 2020: (Amount in Lakhs)

Particulars	INR	USD	Euro	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	3,095.26	24.47	14.83	0.21	-
Other Financial Assets	-	-	-	-	-
Total	3,095.26	24.47	14.83	0.21	-
Financial liabilities					
Trade payables	97.42	1.29	-	-	-
Borrowings	3,516.18	36.32	-	-	1,117.11
Other Liabilities	60.26	-	0.73	-	-
Total	3,673.86	37.61	0.73	-	1,117.11

The following table analyses foreign currency risk from financial instruments as of March 31, 2019: (Amount in Lakhs)

Particulars	INR	USD	Euro	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	2,987.73	16.33	23.42	0.42	-
Other Financial Assets	-	-	-	-	-
Total	2,987.73	16.33	23.42	0.42	-
Financial liabilities					
Trade payables	143.98	1.83	0.11	-	14.01
Borrowings	3,855.28	35.61	-	-	2,226.74
Other Liabilities	56.39	-	0.73	-	-
Total	4,055.65	37.44	0.84	-	2,240.75

The following significant exchange rates have been applied during the year. (Amount in ₹)

Currency	Spot Rate As At	
	March 31, 2020	March 31, 2019
USD	75.3859	69.1713
Euro	83.0496	77.7024
GBP	93.0760	90.4756
JPY s(100)	69.6500	62.5200

Sensitivity Analysis

A reasonable possible strengthening (weakening) of the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in Foreign Currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. A 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign currency rate.

Notes to Financial Statement for the year ended March 31, 2020

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

1% Increase and Decrease in Foreign Exchange rates will have the following impact on Profit before tax. (₹ in Lakhs)

Particulars	2019-2020		2018-2019	
	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
USD Sensitivity	(9.91)	9.91	(14.60)	14.60
Euro Sensitivity	11.71	(11.71)	17.55	(17.55)
GBP Sensitivity	0.20	(0.20)	0.38	(0.38)
JPY (100) Sensitivity	(7.78)	7.78	(14.01)	14.01

Forward Contract outstanding for the purpose of Hedging as at the Balance Sheet Date: (Amount in Lakhs)

Currency	Cross Currency	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	INR	Foreign Currency	INR
Financial Assets					
USD *	INR	60.50	4,560.85	55.00	3,804.42
EURO *	INR	44.50	3,695.71	35.00	2,719.58
			8,256.56		6,524.00
Financial Liabilities					
USD @	INR	36.01	2,714.53	34.88	2,412.72
JPY	INR	370.00	257.71	870.00	543.92
JPY	USD	200.00	139.30	200.00	125.04
			3,111.54		3,081.68

* Includes USD/INR 36.32 Lakhs (Previous year USD/INR 38.95 Lakhs) and EURO/INR 31.06 Lakhs (Previous year EURO/INR 15.08 Lakhs) against Sales Orders.

@ Includes JPY/USD Nil equivalent to USD/INR Nil (Previous year JPY/USD 501.88 Lakhs equivalent to USD/INR 4.61 Lakhs)

(Amount in Lakhs)

Currency	Cross Currency	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	INR	Foreign Currency	INR
Financial Assets					
USD	INR	0.28	21.26	0.28	19.43
EURO	INR	1.39	115.22	3.50	272.18
GBP	INR	0.21	19.62	0.42	38.13
			156.10		329.74
Financial Liabilities					
USD	INR	1.61	121.00	7.17	495.96
EURO	INR	0.73	60.27	0.84	65.01
JPY	INR	547.11	381.06	668.87	418.18
			562.33		979.15

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)**b) Interest Rate Risk and Sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the Company and impact of floating rate borrowings on Company's profitability.

Interest Rate Risk Exposure (₹ in Lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	₹ in Lakhs	% of Total	₹ in Lakhs	% of Total
Fixed Rate Borrowings	279.71	1.89%	387.22	3.09%
Variable Rate Borrowings	14,496.24	98.11%	12,124.36	96.91%
Total Borrowings	14,775.95	100.00%	12,511.58	100.00%

Sensitivity on Variable Rate Borrowings (₹ in Lakhs)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Interest Rate Increase by 25 bp	(36.24)	(30.31)	(36.24)	(30.31)
Interest Rate Decrease by 25 bp	36.24	30.31	36.24	30.31

iii Liquidity risk

Liquidity risk arises when the Company will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Company uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and company monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

(₹ in Lakhs)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	3,834.93	3,834.93	-	3,834.93
Borrowings - Non-Current and Current Maturities	10,941.02	1,332.65	9,608.37	10,941.02
Trade payables	1,440.26	1,440.26	-	1,440.26
Other financial liabilities - Current (Exclusive of Current Maturities)	1,116.67	1,116.67	-	1,116.67
Other financial liabilities - Non-Current				
Interest accrued but not due on deposits	18.16	-	18.16	18.16

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

(₹ in Lakhs)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	3,059.38	3,059.38	-	3,059.38
Borrowings - Non-Current and Current Maturities	9,452.20	2,283.92	7,168.28	9,452.20
Trade payables	1,769.71	1,769.71	-	1,769.71
Other financial liabilities - Current (Exclusive of Current Maturities)	1,705.86	1,705.86	-	1,705.86
Other financial liabilities - Non-Current				
Interest accrued but not due on deposits	20.45	-	20.45	20.45

B Capital Risk Management

The Company's Policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Company may use appropriate means to enhance or reduce capital, as the case may be.

(₹ in Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	14,775.95	12,511.58
Less: Cash and Cash Equivalents including bank balances	14,060.53	369.16
Less: Current Investments	235.14	8,152.83
Net Debt	480.28	3,989.59
Equity	46,797.96	41,353.48
Capital and Net Debt	47,278.24	45,343.07
Gearing Ratio (in %)	1%	9%

C The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of Financial Statements.

Notes to Financial Statement for the year ended March 31, 2020

34. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As At March 31, 2020	As At March 31, 2019
a. Principal amount and the interest due remaining unpaid at the end of the accounting year		
- Principal	16.53	-
- Interest due there on		
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
-Financial Year 2019-20	-	-
-Financial Year 2018-19	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006		
d. The amount of interest accrued and remaining unpaid at the end of each accounting year		
-Financial Year 2019-20	-	-
-Financial Year 2018-19	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006		

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the Company.

35. LEASES

- (i) The Company's lease asset primarily consist of leases of land for SEZ Mundra Plant. Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.
- (ii) The following is the summary of practical expedients elected on initial application:
- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
 - Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
 - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
 - Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.
 - Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Notes to Financial Statement for the year ended March 31, 2020

35. LEASES (Contd.)

- (iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Right of use Asset Lease Hold Land
Balance as at April 1, 2019	-
Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 2)	589.45
"Reclassified from property, plant and equipment on account of adoption of Ind AS 116 "Leases" (refer Note 2)"	828.41
Total Right of Use on the date of transition	1417.86
Additions during the year	-
Deletion during the year	-
Accumulated Depreciation of Right of use assets (refer note 2)	214.01
Depreciation of Right of use assets (refer note 21)	56.56
Balance as at March 31, 2020	1147.29

- (iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2020:

(₹ in Lakhs)

Particulars	Amount
Transition impact on account of adoption of Ind AS 116 "Leases"	589.45
Additions during the year	-
Finance cost accrued during the year	48.36
Deletions	-
Payment of lease liabilities	(52.06)
Balance as at March 31, 2020	585.75
Current maturities of Lease liability (refer note 10 (C))	4.03
Non-Current Lease Liability (refer note 10 (C))	581.72

- (v) Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

(₹ in Lakhs)

Period	Amount
0-1 Year	4.03
1-5 Year	25.77
More than 5 Year	555.95

- (vi) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 23.96 Lakhs (Increase in Depreciation expense and finance cost by ₹ 27.66 Lakhs and ₹ 48.36 Lakhs respectively with corresponding decrease in other expense by ₹ 52.06 Lakhs). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 52.06 Lakhs each.
- (vii) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%
- (viii) Rental expense recorded for short-term leases was ₹ 106.39 Lakhs for the year ended March 31,2020. (refer note 22)

Notes to Financial Statement for the year ended March 31, 2020

- (ix) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 and the value of the lease liability as of April 1, 2019, is on account of use of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.
- (x) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

36. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our Report of even date attached

For S S Kothari Mehta & Company

Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal

Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

Consolidated Financial Statements

Independent Auditors' Report

To
The Members
Oriental Carbon & Chemicals Limited

Report on the Consolidated Financial Statements Opinion

We have audited the accompanying consolidated financial statements of **Oriental Carbon & Chemicals Limited** (hereinafter referred to as "the Holding Company") and its subsidiary Duncan Engineering Limited (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive loss), the consolidated Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements

that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained by us & other auditor in terms of their report as referred in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to note no. 30(C) on the statement which describes the uncertainties and the impact of Covid-19 pandemic on the Group's operations and results as assessed by the management. Due to Covid-19 related lock-down restrictions, management of the Holding Company & subsidiary Company could not perform year-end physical verification of inventories at various locations. Further, our attendance as well as of the auditors of the subsidiary Company at the physical Inventory verification done by the respective management was impracticable under the lock-down restrictions imposed by the government. Consequently, we and the auditors of the subsidiary Company have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per the guidance provided by SA 501 "Audit Evidence - Specific Considerations for Selected Items" and have obtained sufficient audit evidence.

Our opinion on these consolidated financials is not modified in respect of this matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Recognition of Revenue (In respect of Holding Company)</p> <p>The Company recognizes revenue on satisfaction of performance obligations upon transfer of control of promised products to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those products. In determining the transaction price for the sale, the Company considers the effects of variable consideration and consideration receivable from the customer. At 31st March 2020, the Company's statement of profit and loss included Sales of ₹ 33,981.21 lakhs. The nature of rebates and sales returns, if any, involve judgement in determining sales revenues and revenue cut-off. The risk is, therefore, that revenue may not be recognised in the correct period or that revenue and associated profit is misstated.</p> <p>Refer to Accounting policies Note 1(III)(I) and Note No. 14 of the consolidated Financial Statements.</p>	<ol style="list-style-type: none"> We performed walkthroughs to understand the adequacy and the design of the revenue cycle for all significant components. We tested controls in the revenue and trade account receivables cycles over the accuracy and timing of revenue accounted in the financial statements. We checked the contracts of customers along with revenue recognition policy applied by the Company to ensure satisfaction of performance obligation upon transfer of control of products to customer at a point in time. Our checking procedure includes consideration of the accounting and presentation of the rebates and discount arrangements. In addition to substantive analytical reviews performed to understand how the revenue has trended over the year, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognised in the correct accounting period. We also tested journal entries recognised to revenue focusing on unusual or irregular transactions. We validated the appropriateness and completeness of the related disclosures in Note No. 14 of the consolidated financial statements.

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

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report particularly with respect to the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Consolidated Financial Statements.

The Holding Company's Board of Directors is responsible for preparation and presentation of these consolidated

financial statements in terms of the requirement of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of their respective Company included in the Group and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the holding company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing ability of their respective Company included in the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting process of their respective Company included in the group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company & Subsidiary Company (based on the auditors' report of the auditors of the subsidiary Company) Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty

exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statement. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the subsidiary included in the consolidated financial statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them, we remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in

our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of subsidiary whose financial statements reflect total assets of ₹ 3265.32 Lakhs as at March 31, 2020, total revenues of ₹ 4438.97 Lakhs and net cash outflows amounting to ₹ 197.34 Lakhs, Profit after Tax of ₹ 326.30 Lakhs and total Comprehensive Income of ₹ 318.03 Lakhs for the year ended on that date, as considered in the consolidated financial statements. Financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive loss), the Consolidated statement of change in equity and the consolidated statement of cash flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with relevant rules made thereunder.

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India none of the directors is disqualified as on March 31, 2020 from being appointed as a director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and Its subsidiary Company incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group refer to Note 27 to the consolidated financial statements;
 - ii. provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For **S S KOTHARI MEHTA & COMPANY**
Chartered Accountants
Firm Registration Number: 000756N

NAVEEN AGGARWAL
Partner

Place: Noida
Date: June 18, 2020

Membership Number: 094380
UDIN 20094380AAAADG4763

“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Oriental Carbon & Chemicals Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) as referred to in paragraph 2(f) of ‘Report on Other Legal and Regulatory Requirements’

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Oriental Carbon & Chemicals Limited (‘the Holding Company’) and its subsidiary Duncan Engineering Limited, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Group internal financial controls with reference to financial statements based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the

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

Opinion

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

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to subsidiary, which is company incorporated in India, is based on the corresponding reports of the auditors of such Company.

For **S S KOTHARI MEHTA & COMPANY**

Chartered Accountants

Firm Registration Number: 000756N

NAVEEN AGGARWAL

Partner

Place: Noida

Membership Number: 094380

Date: June 18, 2020

UDIN 20094380AAAADG4763

Consolidated Balance Sheet as at March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1. Non Current Assets			
a. Property, Plant & Equipment	2	35,350.93	36,012.99
b. Capital work in Progress		2,529.46	338.28
c. Other Intangible Assets	3	56.56	70.58
d. Intangible Assets under Development		2.66	-
e. Financial Assets			
i. Investments	4a	1,505.26	1,174.36
ii. Loans and Advances	4c	49.19	29.51
iii. Others Financial Assets	4g	723.59	693.15
f. Other Non Current Assets	6	1,964.78	118.34
TOTAL NON CURRENT ASSETS		42,182.43	38,437.21
2. Current Assets			
a. Inventories	5	4,205.44	5,423.44
b. Financial Assets			
i. Investments	4b	235.14	8,152.83
ii. Trade Receivables	4d	7,133.86	8,916.57
iii. Cash and Cash Equivalents	4e	2,336.70	377.37
iv. Bank Balances other than iii) above	4f	11,938.48	198.24
v. Loans and Advances	4c	62.69	63.61
vi. Other Financial Assets	4g	297.43	213.98
c. Current Tax Assets (Net)	7	215.13	18.06
d. Other Current Assets	6	1,110.91	1,319.99
TOTAL CURRENT ASSETS		27,535.78	24,684.09
TOTAL ASSETS		69,718.21	63,121.30
II. EQUITY AND LIABILITIES			
A Equity			
a. Equity Share Capital	8	1,000.53	1,000.53
b. Other Equity	9	45,462.36	39,858.83
Equity attributable to Owner of the Parent		46,462.89	40,859.36
c. Non Controlling Interest		1,117.97	959.00
TOTAL EQUITY		47,580.86	41,818.36
B Liabilities			
1. Non Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10a	9,625.48	7,168.28
ii. Lease Liability	10c	581.72	-
iii. Other Financial Liabilities	10e	30.52	34.62
b. Provisions	11	286.54	306.97
c. Deferred Tax Liabilities (Net)	12	2,072.72	2,764.12
TOTAL NON CURRENT LIABILITIES		12,596.98	10,273.99
2. Current Liabilities			
a. Financial Liabilities			
i. Borrowings	10b	3,883.96	3,728.65
ii. Lease Liability	10c	4.03	-
iii. Trade Payables	10d		
Dues of Micro Enterprises and Small Enterprises		98.07	123.08
Dues of Creditors Other than Micro Enterprises and Small Enterprises		1,772.05	2,120.40
iv. Other Financial Liabilities	10f	2,742.98	4,137.27
b. Other Current Liabilities	13	866.06	835.38
c. Provisions	11	173.22	84.17
TOTAL CURRENT LIABILITIES		9,540.37	11,028.95
TOTAL EQUITY AND LIABILITIES		69,718.21	63,121.30
Notes to Accounts	1 - 35		

The accompanying notes referred to above form an integral part of the consolidated financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company

Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal

Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
I. Revenue from Operations	14	38,679.33	43,200.77
II. Other Income	15	1,057.54	981.40
III. Total Revenue (I+II)		39,736.87	44,182.17
IV. Expenses:			
Cost of materials consumed	16	10,679.83	13,453.41
Changes in Inventories of finished goods, work in progress and stock in trade	17	761.23	(446.31)
Employee benefit expense	18	5,408.65	5,352.18
Finance costs	19	956.98	873.79
Depreciation and amortisation expense	20	2,144.31	2,026.28
Other expenses	21	11,349.99	12,355.22
Total Expenses (IV)		31,300.99	33,614.57
V Profit before exceptional items and tax (III-IV)		8,435.88	10,567.60
VI Exceptional Items		175.58	-
VII Profit before tax (V-VI)		8,260.30	10,567.60
VIII Tax expense	23		
Current tax		1,394.55	2,107.99
Deferred Tax (Net)		(611.10)	807.53
IX Profit for the period after tax (VII-VIII)		7,476.85	7,652.08
X Profit for the Year attributable to:			
Owners of the Parent		7,313.74	7,513.15
Non-Controlling Interest		163.11	138.93
XI Other Comprehensive Income (Net of Tax)			
Items that will not be reclassified to Profit or Loss			
Remeasurement Gain or (Loss) on Defined Benefit Plans		(73.03)	(16.11)
Income Tax on the above item		18.86	3.03
Net Gain or (Loss) on FVTOCI on equity & AIF Investments		(280.22)	125.89
Income Tax on the above item		65.28	(29.33)
Total Other Comprehensive Income/(loss) for the Period (Net of Tax)		(269.11)	83.48
XII Total Other Comprehensive Income/(loss) for the Period attributable to:			
Owners of the Parent		(264.98)	87.19
Non-Controlling Interest		(4.13)	(3.71)
XIII Total Comprehensive Income for the Period (IX+XII)		7,207.74	7,735.56
XIV Total Comprehensive income for the period attributable to :			
Owners of the Parent		7,048.76	7,600.34
Non-Controlling Interest		158.98	135.22
XV Earnings per equity shares			
Basic & Diluted (₹)	25	73.21	73.45
Notes to Accounts	1 - 35		

The accompanying notes referred to above form an integral part of the consolidated financial statements.

As per our Report of even date attached

For S S Kothari Mehta & Company

Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal

Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Current Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit before tax and Extra ordinary items	8,260.30	10,567.60
Adjustments for:		
Depreciation and Amortisation including Impairment Loss	2,144.31	2,026.28
(Gain)/Loss on Sale / Discard of Property, Plant & Equipment (Net)	(43.23)	333.46
Finance Costs	956.98	873.79
Interest Income	(456.11)	(171.29)
Effect of Exchange Rate Change on Borrowings	241.31	201.14
Loans and Debts earlier written off, now recovered	(54.58)	(28.66)
Bad Advances / Debts	16.36	61.21
Provision for Doubtful Debts	0.13	2.68
(Gain) / Loss on Redemption / Sale of Current Investments	(290.19)	(117.78)
Remeasurement Gain / (Loss) on Defined Benefit Plans	(73.03)	(16.11)
(Gain) / Loss on financial assets measured at fair value through Profit or loss (Net)	(20.47)	(187.07)
Dividend on Current Investments	-	(30.69)
Operating Profit before Working Capital Changes	10,681.78	13,514.56
Adjustments for :		
Trade and Other Receivables	2,016.71	(1,430.72)
Inventories	1,218.00	(752.94)
Trade and Other Payables	(861.38)	20.81
Cash generated from Operations before tax	13,055.11	11,351.71
Direct Tax Paid (Net)	(1,590.99)	(2,018.90)
Net cash from Operating Activities	11,464.12	9,332.81
B. Cash Flow From Investing Activities		
Payments for purchase of Property, Plant & Equipment including Capital work in progress, Intangible Assets and Capital Advances	(5,046.27)	(2,284.95)
Proceeds from sale of Property, Plant & Equipment	287.79	95.07
Purchase and Sale of Non Current Investments (Net)	(611.11)	(200.00)
Purchase and Sale of Current Investments (Net)	8,228.35	(2,568.64)
Movement in Fixed deposits with Banks	(11,754.11)	(24.74)
Dividend on Current Investments	-	30.69
Interest Received	374.04	26.36
Net Cash (used in) investing activities	(8,521.31)	(4,926.21)
C. Cash Flow From Financing Activities		
Dividend Paid	(1,198.81)	(1,131.87)
Tax on Dividend Paid	(246.42)	(232.81)
Payment for Buyback of Equity Shares & Cost (Gross)	-	(3,540.86)
Proceeds from Borrowing - Non Current	2,803.21	2,424.89
Repayment of Borrowing - Non Current	(1,595.41)	(1,964.34)
Borrowing - Current (Net)	212.29	310.98
Repayment of Lease Liability	(3.70)	-
Interest and Financial Costs paid (excluding Transfer to Capital Work-in-Progress)	(954.64)	(859.16)
Net Cash (used in) Financing Activities	(983.48)	(4,993.17)

Consolidated Cash Flow Statement (Contd.) for the year ended March 31, 2020

(₹ in Lakhs)

Particular	Current Year	Previous Year
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	1,959.33	(586.57)
Add: Opening Balance of Cash and Cash Equivalents	377.37	963.94
Closing Balance of Cash and Cash Equivalents	2,336.70	377.37
Cash & Cash Equivalents Comprise		
Cash on Hand	2.47	1.69
Balance with Scheduled Banks in Current Accounts and fixed deposits maturing within 3 months	2,334.23	375.68
	2,336.70	377.37

Notes: (i) Figures in bracket represent outflows.

(ii) Cash & cash equivalents excludes ₹ 148.28 Lakhs (Previous Year ₹ 137.58 Lakhs) lying in designated account with scheduled banks on account of unclaimed dividend and ₹ 11,790.20 Lakhs (Previous Year ₹ 60.66 Lakhs) in fixed deposits with banks & financial institutions and Margin Money maturing beyond three months are shown under investing activities.

(iii) Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

Change in Liability arising from financing activities

(₹ in Lakhs)

Particular	April 01, 2019	Cash Flow	Foreign Exchange Movement	March 31, 2020
Borrowings - Non Current & Current Maturities (Refer Note 10(a))	9,455.79	1,207.80	298.29	10,961.88
Borrowings - Current (Refer Note 10(b))	3,728.65	212.29	(56.98)	3,883.96
	13,184.44	1,420.09	241.31	14,845.84

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

Consolidated Statement of Changes In Equity for the year ended March 31, 2020

a) Equity Share Capital (₹ in Lakhs)

Balance as at March 31, 2019	1,000.53
Add/(Less): Changes in Equity Shares Capital during the period	-
Balance as at March 31, 2020	1,000.53

b) Other Equity (₹ in Lakhs)

Particulars	Reserves			Retained Earnings		Other Comprehensive Income (OCI)	Total Other Equity	
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings			Remeasurement Gain / (Loss) of the defined benefit plans (Net of Tax)
Balance as at March 31, 2018	2,008.99	1,792.64	0.25	2,613.88	30,136.17	(70.64)	639.72	37,121.01
Profit/(Loss) for the year ended March 31, 2019	-	-	-	-	7,513.15	-	-	7,513.15
Amount paid upon Buyback	-	(1,769.54)	-	(1,705.21)	-	-	-	(3,474.75)
Amount Transferred to Capital Redemption Reserve upon Buyback	-	-	30.60	(30.60)	-	-	-	-
Transaction costs related to Buyback (net of tax)	-	(23.10)	-	-	-	-	-	(23.10)
Other comprehensive (loss)/ income (net of tax) for the year March 31, 2019	-	-	-	-	-	(9.37)	96.57	87.20
Dividend including Corporate Dividend Tax	-	-	-	-	(1,364.68)	-	-	(1,364.68)
Balance as at March 31, 2019	2,008.99	-	30.85	878.07	36,284.64	(80.01)	736.29	39,858.83
Profit/(Loss) for the year ended March 31, 2020	-	-	-	-	7,313.74	-	-	7,313.74
Other comprehensive (loss)/ income (net of tax) for the year ended March 31, 2020	-	-	-	-	-	(50.04)	(214.94)	(264.98)
Dividend including Corporate Dividend Tax	-	-	-	-	(1,445.23)	-	-	(1,445.23)
Balance as at March 31, 2020	2,008.99	-	30.85	878.07	42,153.15	(130.05)	521.35	45,462.36

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
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O. P. Dubey
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Anurag Jain
Chief Financial Officer

Notes to Consolidated Financial Statement for the year ended March 31, 2020

1. Group Overview, Basis of Preparation and Significant Accounting Policies

I CORPORATE INFORMATION

“Oriental Carbon & Chemicals Limited (“OCCL” or “the Holding Company”) is a public limited company domiciled in India and has its registered office at Kolkata. The shares of the Holding Company are listed on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Consolidated Financial Statements comprise the Holding Company and its subsidiary (referred to collectively as “the Group”). The Holding Company’s core business is manufacturing and sales of Insoluble Sulphur. The Holding Company is a global supplier of Insoluble Sulphur of which about two-third of the turnover of the Holding Company is from Exports. The Holding Company has two manufacturing facilities, one in Haryana and other one in Gujarat. The principal activities of the subsidiary Company is manufacturing & trading of fluid power and automation products. The Subsidiary Company has its manufacturing facility in Maharashtra. The Subsidiary Company is a Public Limited Company and is listed on the Bombay Stock Exchange (BSE).”

II BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard (‘Ind AS’) as per the Companies (Indian Accounting Standards) Rules, 2015 (As amended) notified under Section 133 of the Companies Act, 2013 (‘the Act’) and other relevant provisions of the Act to the extent applicable.

These financial statements were authorised for issue by the Board of Directors on June 18, 2020

b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities (including derivative instruments) measured at Fair Value / Amortised Cost;
- Defined benefit plan assets measured at Fair Value;

c) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (“the functional currency”). The financial statements are presented in Indian National Rupee (‘INR’), which is the Group’s functional and presentation currency. All amounts have been rounded to two decimal points of lakhs, unless otherwise indicated.

d) Current or Non current classification

All Assets and Liabilities have been classified as current or non-current as per the Group’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business of the Group and its business time cycle from inception of an order and its completion on realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

e) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent liabilities and contingent assets as at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognised prospectively.

Application of accounting policies that require critical accounting estimates and assumption judgements having the most significant effect on the amounts recognised in the financial statements are:

Measurement of defined benefit obligations;

Recognition of deferred tax assets & MAT credit entitlement;

Useful life and residual value of Property, plant and equipment and intangible assets;

Measurement of Fair Value of Current Investments;

Measurement of fair value of Equity Investments.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

III SIGNIFICANT ACCOUNTING POLICY

The Group has consistently applied the following accounting policies to all periods presented in the financial statements.

a) Principle of Consolidation

i) The consolidated Financial statement includes the financial statement of the parent company, its subsidiary company. The consolidated financial statement have been prepared in accordance with Ind AS 110 on "Consolidated financial statement" as per Companies (Indian Accounting Standard) Rules 2015 notified under section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act to the extent possible.

ii) The Financial Statement of the Parent Company and its Subsidiary company are prepared on line by line adding together like items of assets, liabilities equity, income and expenses, intercompany balances and transactions and any unrealised gains arising from inter company transactions are eliminated. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidences of impairment.

iii) The consolidated Financial Statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except provision for depreciation for some assets, which is not material to the Consolidated Financial Statements.

iv) Non controlling Interest in the consolidated financial statement is identified and recognised after taking into consideration the amount of equity attributable to non controlling interest at date on which investment in subsidiary is made

v) Non Controlling Interest in Equity since the date parent/ Subsidiary relationship came into existence, the losses attributable to the minorities are adjusted against the minority interest in the equity of the subsidiary

vi) Financial statement of Subsidiary used for the purpose of Consolidation are drawn up to the same reporting date as that of the company i.e. year ended 31st March 2020.

vii) The Subsidiary company which is included in the consolidation and the parent company's holding are as under:

Name of the Company	% of Share Holding		Place of Incorporation
	As on March 31, 2020	As on March 31, 2019	
Duncan Engineering Limited (Formerly Known as Schrader Duncan Limited)	50.01%	50.01%	India

b) Property, plant and equipment

i) Recognition and measurement

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

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

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

Borrowing costs relating to acquisition of qualifying fixed assets, if material, are also included in cost to the extent they relate to the period till such assets are ready to be put to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of all other repairs and maintenance are recognised in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other noncurrent assets.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

An item of property, plant and equipment is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii) Depreciation

Depreciation on property, plant and equipment is provided on the Straight Line Method based on the useful life of assets as prescribed under Schedule II of the Companies Act, 2013, which are as follows:

Buildings including Factory Buildings and Roads	:	5 - 60 years
Plant & Equipment (Including Continuous Process Plant, Components & Laboratory Equipment)	:	5 - 25 years
Electrical Installations	:	10 years
Furniture and Fixtures	:	10 years
Air Conditioners and coolers	:	5 years
Office Equipment	:	5 - 10 years
Motor Vehicles	:	5 years
Computer and Servers & Networks	:	3 - 6 years

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets. Buildings constructed on Right-of-use assets are depreciated based on the useful life prescribed in the Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

c) Intangible assets

i) Recognition and measurement

Intangible Assets Acquired Separately

Intangible assets that are acquired by the Group are measured at cost. Subsequent to initial recognition, the assets are measured at cost, less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate.

All intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. Impairment losses, if any, are recognised immediately in profit or loss.

An item of intangible asset is derecognised when no future economic benefit are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal of an item of intangible assets is recognised in profit or loss.

ii) Amortisation

Amortization is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

The estimated useful lives are as follows:

Software : 5 years

The amortization period and the amortization method for intangible assets are reviewed at each reporting date.

d) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use or fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in Statement of Profit and Loss

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

e) Financial Instruments

i) Initial recognition

The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii) Subsequent measurement

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) Method to gross carrying amount of the financial asset, if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(b) Financial assets at fair value through other comprehensive income

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognised in OCI are not reclassified to profit and loss.

(c) Financial assets at fair value through profit or loss

Financial assets which is not classified in any of the above categories are subsequently fair valued through profit or loss.

(d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(e) Reclassification of Financial Assets and Financial Liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. Except Trade receivables, expected credit losses are measured at an amount equal to the 12-month Expected Credit Loss (ECL), unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

With regard to trade receivable, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

iv) Derecognition

Financial Assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

v) Derivative financial instruments

The Group is exposed to exchange rate risk which arises from its foreign exchange revenues, primarily in Euro and US Dollars. The Group uses foreign exchange forward contracts (derivative financial instruments), to hedge foreign currency risk associated with highly probable forecasted transactions and classifies them as cash flow hedges.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are taken directly to profit and loss.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group makes an assessment, on an on-going basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair values for measurement and/ or disclosure purposes are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - This includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instrument that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs require to fair value an instrument are observable, the instrument is included in level 2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

g) Inventories

Inventories are valued at lower of Cost and Net Realisable value. The cost of finished goods is determined by taking material, labour and related factory overheads including depreciation. Cost of material is determined on weighted average cost basis. Further the cost for Work-in-Progress includes material cost, stage wise direct cost and other

Notes to Consolidated Financial Statement for the year ended March 31, 2020

related manufacturing overheads including depreciation. Materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and making the sale.

Cost of raw materials, packing materials, stores and spares are determined on weighted average basis.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, the same are written off or provision is made for such inventories.

h) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognised but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

i) Revenue from contracts with customers

The Group derives revenue from sale of Insoluble Sulphur, Sulphuric Acid, Oleum and General Engineering Products.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognise revenue when or as an entity satisfies performance obligation.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 14.

Sale of goods

For sale of goods, revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers at an amount that reflects the consideration the Group expects to receive in exchange for those products.

j) Other Revenue Streams

Export Benefits

In case of direct exports made by the Group, export benefits arising from Duty Drawback, Merchandise Export Incentive Scheme are recognised on shipment of direct exports.

Revenue from exports benefits are measured at the fair value of consideration received or receivable net of returns.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Group's right to receive dividend is established, and is included in other income in the statement of profit and loss.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

k) Employee Benefits

i) Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

Employees benefits in the form of the Group's contribution to Provident Fund, Pension scheme, Superannuation Fund and Employees State Insurance are defined contribution schemes. The Group recognises contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognised as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Group recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

iii) Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Group provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The Group contributes to the gratuity fund, which are recognised as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognised in the Balance Sheet.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv) Other long-term employee benefits

Employee benefits in the form of long term compensated absences are considered as long term employee benefits. The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognised in profit or loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

l) Foreign currency transactions

Initial recognition:

Transactions in foreign currencies are translated into the Group's functional currency at the exchange rates at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

Exchange difference:

Exchange differences are recognised in Statement of profit & loss. In accordance with Ind-AS 101 'First Time Adoption of Indian Accounting Standards', the Group has continued the policy of capitalisation of exchange differences on foreign currency loans taken before the transition date. Accordingly, exchange differences arising on translation of long term foreign currency monetary items relating to acquisition of depreciable fixed assets taken before the transition date are capitalized and depreciated over the remaining useful life of the asset.

m) Research and Development Expenses

Revenue Expenditure on Research and Development is charged to Statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Property, Plant & Equipment.

n) Borrowing costs

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

o) Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in Other Comprehensive Income

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Group:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and

A deferred income tax asset is recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

For operations carried out in tax free units, deferred tax assets or liabilities, if any, have been recognised for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

Deferred tax assets and liabilities are offset only if:

- The entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is probable evidence that the Group will pay normal income tax in future. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet.

p) Segment Reporting

The accounting policies adopted for the segment reporting are in conformity with the accounting policies adopted for the Group. Primary Segments are identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Revenue, Expense, Assets and Liabilities, which relate to the Group as a whole and could not be allocated to segments on a reasonable basis, have been classified as unallocated. Secondary segment is identified based on geography by location of customers i.e. in India and outside India. Inter-segment revenue have been accounted for based on the transaction price agreed to between the segments, which is primarily market based.

q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

r) Cash flow statement

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Accounting Standard on Statement of Cash Flows (Ind AS - 7). The cash flows from regular revenue generating, financing and investing activity of the Group are segregated.

s) Lease

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group's lease asset classes primarily comprise of lease for land and building. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to Control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets as below:

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 'Impairment of non financial assets'.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are

Notes to Consolidated Financial Statement for the year ended March 31, 2020

recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in other current and non-current financial liabilities (see Note 10c).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

"Lease liability" and "Right of Use" asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

t) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earning per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

u) Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Group is the lessor. The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application being April 01, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases for which it is the lessee, except for short-term leases and leases of low value assets. The Group recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. In accordance with the modified retrospective method of adoption, the Group recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset an amount equal to lease liability.

Refer Note No. 33 for detailed impact on adoption of Ind AS 116 "Leases" on the financial statements of the Group.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

2. PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Description	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value			
	As at April 1, 2018	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2019	As at April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Land - Freehold	162.59	-	-	162.59	-	-	-	-	162.59	162.59
- Leasehold	1,033.23	-	-	1,033.23	204.99	31.01	-	236.00	797.23	828.24
Building	16,173.58	642.36	-	16,815.94	2,473.69	395.32	-	2,869.01	13,946.93	13,699.89
Plant & Equipment	25,050.11	4,462.63	1,017.23	28,495.51	8,874.45	1,134.50	591.88	9,417.07	19,078.44	16,175.66
Electrical Installations	2,545.29	369.28	1.37	2,913.20	1,429.56	228.32	1.37	1,656.51	1,256.69	1,115.73
Furniture and Fixture	592.13	33.80	4.78	621.15	320.53	53.66	4.01	370.18	250.97	271.60
Vehicles	541.84	172.08	32.85	681.07	315.09	80.52	30.03	365.58	315.49	226.75
Air Conditioners and coolers	197.05	16.71	9.00	204.76	101.73	29.18	8.01	122.90	81.86	95.32
Office Equipment	487.88	45.29	73.64	459.53	363.73	40.69	67.68	336.74	122.79	124.15
Total	46,783.70	5,742.15	1,138.87	51,386.98	14,083.77	1,993.20	702.98	15,373.99	36,012.99	32,699.93

(₹ in Lakhs)

Description	Gross Carrying Value			Depreciation / Amortisation			Net Carrying Value			
	As at April 1, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 01, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
i) Property Plant & Equipment :										
Land - Freehold	162.59	-	-	162.59	-	-	-	-	162.59	162.59
- Leasehold	1,033.23	-	1,033.23	-	236.00	-	236.00	-	-	797.23
Right of Use Assets - Land: (*)										
-Reclassified on account of adoption of Ind AS 116 "Leases"	-	1,033.23	-	1,033.23	-	267.10	-	267.10	766.13	-
-Transitional effect of Ind AS-116	-	589.45	-	589.45	-	27.66	-	27.66	561.79	-
Building	16,815.94	330.68	139.22	17,007.40	2,869.01	405.79	5.17	3,269.63	13,737.77	13,946.93
Plant & Equipment	28,495.51	341.32	180.63	28,656.20	9,417.07	1,187.90	95.59	10,509.38	18,146.82	19,078.44
Electrical Installations	2,913.20	203.75	13.05	3,103.90	1,656.51	237.08	9.40	1,884.19	1,219.71	1,256.69
Furniture and Fixture	621.15	18.55	5.36	634.34	370.18	54.87	4.54	420.51	213.83	250.97
Vehicles	681.07	171.68	151.93	700.82	365.58	101.15	125.80	340.93	359.89	315.49
Air Conditioners and coolers	204.76	7.66	3.71	208.71	122.90	29.17	3.19	148.88	59.83	81.86
Office Equipment	459.53	42.48	41.23	460.78	336.74	41.68	40.21	338.21	122.57	122.79
Total	51,386.98	2,738.80	1,568.36	52,557.42	15,373.99	2,352.40	519.90	17,206.49	35,350.93	36,012.99

(*) Refer Note 1 (III) (u)

Notes:

- Gross Block of vehicle includes ₹ 244.94 Lakhs (Previous year ₹ 158.57 Lakhs) purchased under Car Finance Scheme.
- Building includes properties of ₹ 3501.99 Lakhs pending for registration (Previous year ₹ 3,501.99 Lakhs).
- In accordance with Ind AS-101 the exchange differences arising on translation of long term foreign currency loans taken for acquisition of depreciable assets before the transition date are being capitalised and accordingly the net exchange difference for the year amounting to ₹ 30.96 Lakhs (Previous year ₹ 52.12 Lakhs) have been capitalised.
- The Gross block of Leasehold land of ₹ 1033.23 Lakhs and Accumulated Depreciation of ₹ 236.00 Lakhs has been reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases".
- Transition impact on account of adoption of Ind AS 116 "Leases" is ₹ 589.45 Lakhs.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

3. INTANGIBLE ASSETS

(₹ in Lakhs)

Description	Gross Carrying Value			Amortisation			Net Carrying Value			
	As at April 1, 2018	Additions/ adjustments	Sales/ adjustments	As at March 31, 2019	As at April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Computer Software	373.29	26.33	-	399.62	295.96	33.08	-	329.04	70.58	77.33
Total	373.29	26.33	-	399.62	295.96	33.08	-	329.04	70.58	77.33

(₹ in Lakhs)

Description	Gross Carrying Value			Amortisation			Net Carrying Value			
	As at April 1, 2019	Additions/ adjustments	Sales/ adjustments	As at March 31, 2020	As at April 01, 2019	Additions/ Adjustments	Sales/ Adjustments	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Computer Software	399.62	13.89	-	413.51	329.04	27.91	-	356.95	56.56	70.58
Total	399.62	13.89	-	413.51	329.04	27.91	-	356.95	56.56	70.58

4. FINANCIAL ASSETS

4(a) NON CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	Face Value/ Share	As at March 31, 2020		As at March 31, 2019	
		No. of share	Value	No. of share	Value
(i) Quoted, Equity shares fully paid up					
Unquoted, Equity shares fully paid up					
Investments Carried at Fair Value Through OCI					
a) Investment in Equity instruments (Others)					
Duncan International (India) Limited	100/-	8351	207.84	8351	367.63
New India Investment Corporation Limited	75/-	3353	334.07	3353	606.73
b) Investment in AIF Funds					
Grand Anicut Fund - II			100.00		-
Xponentia Opportunities Fund			340.30		200.00
JM Financial India Fund (AIF-II)			127.66		-
Paragon Partments Growth Fund AIF-II			31.90		-
Fireside Ventures Fund AIF-II			125.00		-
IQ Start-up Fund IQ AlphaIII (AIF-I)			204.49		-
Grand Anicut Angel Fund			9.00		-
(ii) Unquoted, Convertible Note					
Investments Carried at fair value through PL					
Startup Health Just Matters Pvt Ltd			25.00		-
TOTAL			1,505.26		1,174.36
Aggregate Fair Value of Unquoted Investments			1,505.26		1,174.36

Notes to Consolidated Financial Statement for the year ended March 31, 2020

4. FINANCIAL ASSETS (Contd.)

4(b) CURRENT INVESTMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in Mutual Funds at FVTPL		
Quoted		
a. Edelweiss Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 1531570.887 Units)	-	215.62
b. ICICI Prudential Credit Risk Fund Growth (Erstwhile ICICI Prudential Regular Saving Fund Growth) (March 31, 2020 1081209.657 Units; March 31, 2019 1081209.657 Units)	235.14	214.67
c. ICICI Prudential Equity Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 1279640.337 Units)	-	323.06
d. Kotak Equity Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 1585094.012 Units)	-	431.19
e. Reliance Arbitrage Fund Direct Plan Growth (March 31, 2020 Nil Units; March 31, 2019 2215922.753 Units)	-	433.68
f. SBI Magnum Ultra SDF Direct Growth (March 31, 2020 Nil Units; March 31, 2019 12607.576 Units)	-	525.67
g. SBI Liquid Fund Direct Growth (March 31, 2020 Nil Units; March 31, 2019 17829.121 Units)	-	521.14
h. Aditya Birla Sun Life Liquid Fund- Growth (March 31, 2020 Nil Units; March 31, 2019 302819.143 Units)	-	905.45
i. HDFC Liquid Fund Regular Plan Growth (March 31, 2020 Nil Units; March 31, 2019 27458.992 Units)	-	1,005.08
j. Avendus Enhanced Return Fund - Class A1 (Alternate) (March 31, 2020 Nil Units; March 31, 2019 Nil Units)	-	573.94
Investment in Bonds at Cost		
Quoted		
a. 7.8125 % LIC Housing Finance Limited Face Value ₹ 10,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 50 Bonds)	-	497.74
b. 9.45 % HDFC Limited Face Value ₹ 10,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 50 Bonds)	-	502.37
c. 7.00 % HDFC Limited Face Value ₹ 1,00,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 5 Bonds)	-	495.33
d. 8.45 % HDFC Limited Face Value ₹ 1,00,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 5 Bonds)	-	501.25
e. 9.22 % LIC Housing Finance Limited Face Value ₹ 10,00,000; (March 31, 2020 Nil Bonds; March 31, 2019 100 Bonds)	-	1,006.64
TOTAL	235.14	8,152.83
Aggregate Market Value of Quoted Investments	235.14	8,152.83

Notes to Consolidated Financial Statement for the year ended March 31, 2020

4. FINANCIAL ASSETS (Contd.)

4(c) LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Unsecured, considered good				
Other Loans and advances				
Employee Advances	49.19	29.51	62.69	63.61
TOTAL	49.19	29.51	62.69	63.61

4(d) TRADE RECEIVABLE

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, Considered Good	1.75	2.10
Unsecured, Considered Good	7,132.11	8,914.47
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	0.13	2.68
	7,133.99	8,919.25
Less : Impairment Allowance for doubtful debts	(0.13)	(2.68)
TOTAL	7,133.86	8,916.57

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

Trade receivables are non-interest bearing and are generally on terms of 7 to 150 days.

Impairment of Trade Receivables has been considered ₹ 0.13 Lakhs (Previous year ₹ 2.68 Lakhs) based on the Expected Credit Loss Method and in other cases based on the management judgement.

4(e) CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Balance with banks		
In Current Accounts	134.23	375.68
Cash on hand	2.47	1.69
Fixed Deposit with Maturity less than 3 Months	2,200.00	-
TOTAL	2,336.70	377.37

4(f) OTHER BANK BALANCES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Other Term Deposits with less than 12 months maturity	11,760.70	5.16
Deposit Repayment reserve Account	29.50	55.50
Unpaid Dividend Accounts	148.28	137.58
TOTAL	11,938.48	198.24

Notes to Consolidated Financial Statement for the year ended March 31, 2020

4. FINANCIAL ASSETS (Contd.)

4(g) OTHER FINANCIAL ASSETS

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Considered good unless stated otherwise				
Measured at Amortised Cost				
Other Bank Deposits with more than 12 months maturity @	466.75	442.18	-	-
Security Deposits	256.84	250.97	53.11	51.93
Accrued Interest Income	-	-	244.32	162.05
TOTAL	723.59	693.15	297.43	213.98

@ Includes Margin Money for Bank Guarantees ₹ 12.24 Lakhs (Previous year ₹ 6.70 Lakhs)

5. INVENTORIES (Lower of Cost or Net Realisable Value)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials (Includes Stock-in-transit ₹ 92.19 Lakhs; Previous year ₹ 120.99 Lakhs)	1,447.20	1,770.59
Work in Progress	109.54	119.34
Finished Goods	2,028.80	2,780.68
Stores & Spares (Includes Stock-in-transit ₹ Nil Lakhs; Previous year ₹ 0.89 Lakhs)	577.70	677.08
Traded Goods	-	2.61
Scrap	4.06	1.00
Fuel	38.14	72.14
TOTAL	4,205.44	5,423.44

6. OTHER ASSETS

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Considered good unless stated otherwise				
Export incentive Receivable	-	-	223.30	379.18
Capital Advances *	1,959.76	114.13	-	-
Assets held for sale (At lower of Book Value and Net Realisable Value)	-	-	11.80	23.50
Receivable on Foreign Currency Forward Contracts	-	-	120.97	355.14
Other Receivables	-	-	240.69	194.91
Insurance Claim Receivable	-	-	13.07	-
Prepaid Expenses	5.02	4.21	320.42	238.73
Other Advances	-	-	180.66	128.53
TOTAL	1,964.78	118.34	1,110.91	1,319.99

* Includes ₹ 75.00 Lakhs (Previous year ₹ 75.00 Lakhs) to a company under liquidation against the use of an office premises which is pending transfer in favour of the Company.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

7. INCOME TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Income Tax Assets (Net of Provision for Income Tax)	215.13	18.06
TOTAL	215.13	18.06

8. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised Shares		
1,49,90,000 (Previous year 1,49,90,000) Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	1,499.00	1,499.00
1,000 (Previous year 1,000) Redeemable Cumulative Preference Shares of ₹ 100 each (Previous year ₹ 100 each)	1.00	1.00
	1,500.00	1,500.00
Issued Shares		
1,00,23,844 (Previous year 1,00,23,844) Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	1,002.38	1,002.38
	1,002.38	1,002.38
Subscribed & Fully Paid up Shares		
99,90,092 (Previous year 99,90,092) Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	999.01	999.01
Add: Forfeited Shares (Amount Originally paid up)	1.52	1.52
Total subscribed and fully paid up share capital	1,000.53	1,000.53

a. Terms / rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. There is no restriction on distribution of dividend. However, same except interim dividend is subject to the approval of the shareholders in the Annual General Meeting.

b. Reconciliation of Shares outstanding at the beginning and at the end of the reporting period

Issued Share Capital

Equity Shares (₹ in Lakhs, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Share outstanding at beginning of period	10023844	10329814	1,002.38	1,032.98
Less: Buyback of Nil (Previous year 305970) Equity Shares of ₹ 10 each under the Open Market Route through Stock Exchange (refer Note 8(d))	-	305970	-	30.60
Share outstanding at end of period	10023844	10023844	1,002.38	1,002.38

Notes to Consolidated Financial Statement for the year ended March 31, 2020

8. EQUITY SHARE CAPITAL (Contd.)

Subscribed & Paid up

Equity Shares

(₹ in Lakhs, unless otherwise stated)

Particulars	Equity Share (No. of Shares)		Equity Share (Value of Shares)	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Share outstanding at beginning of period	9990092	10296062	999.01	1,029.61
Less: Buyback of Nil (Previous year 305970) Equity Shares of ₹ 10 each under the Open Market Route through Stock Exchange (refer Note 8(d))	-	305970	-	30.60
Share outstanding at end of period	9990092	9990092	999.01	999.01

c. Details of shareholders holding more than 5% shares in the Company

Equity Shares

Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No of Shares	% of Holding	No of Shares	% of Holding
Cosmopolitan Investments Ltd	1907528	19.09%	1907528	19.09%
New India Investment corporation Ltd.	1212136	12.13%	1212136	12.13%
Duncan International (India) Ltd	994616	9.96%	994616	9.96%
HDFC Trustee Company Ltd	926250	9.27%	926250	9.27%
Haldia Investment Company Ltd	609995	6.11%	598895	5.99%

Note: On March 31, 2020, Haldia Investment Company Limited and New India Investment Corporation Limited had purchased 5349 and 2000 Equity Shares of the holding Company, respectively, through Stock Market, the shares were credited to demat account on April 07, 2020. Hence not included above.

d. Note on Buyback of Equity Shares

The Board of Directors of the holding Company, at its meeting held on November 01, 2018, has approved a proposal to buy back the Company's fully paid-up equity shares of the face value of ₹ 10/- each at a maximum price of ₹ 1150/- per equity share up to total amount of buy back of ₹ 3500.00 Lakhs from its members / beneficial owners / other than those who are promoters or persons in control of the holding Company and the promoter group, under the open market route through stock exchange. The buy back process commenced on November 14, 2018 and closed on March 02, 2019. During the period, the holding Company has bought back 3,05,970 equity shares and extinguished the same on March 02, 2019.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

9. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(I) Reserves		
a. Capital Reserve		
Balance at the beginning of the Financial year	2,008.99	2,008.99
Balance at the end of the Financial year	2,008.99	2,008.99
b. Securities Premium		
Balance at the beginning of the Financial year	-	1,792.64
Less: Amount paid upon Buyback	-	1,769.54
Less: Transaction costs related to Buyback (net of tax)	-	23.10
Balance at the end of the Financial year	-	-
c. Capital Redemption Reserve		
Balance at the beginning of the Financial year	30.85	0.25
Add: Amount Transferred from General Reserve upon Buyback	-	30.60
Balance at the end of the Financial year	30.85	30.85
d. General Reserve		
Balance at the beginning of the Financial year	878.07	2,613.88
Less: Amount paid upon Buyback	-	1,705.21
Less: Amount Transferred to Capital Redemption Reserve upon Buyback	-	30.60
Balance at the end of the Financial year	878.07	878.07
e. Retained Earnings		
Balance at the beginning of the Financial year	36,204.63	30,065.53
Addition during the Financial year	7,313.74	7,513.15
Items of Other Comprehensive Income recognised directly in retained earnings		
- Remeasurement Gain or (Loss) on Defined Benefit Plans (Net of Tax)	(50.04)	(9.37)
	43,468.33	37,569.31
Less: Appropriations		
Interim Dividend	399.60	411.15
Tax on Interim Dividend	82.14	84.66
Final Dividend of previous year	799.21	720.72
Tax on Final Dividend of Previous year	164.28	148.15
	42,023.10	36,204.63
TOTAL (I)	44,941.01	39,122.54
(II) Items of other comprehensive income		
Balance at the beginning of the Financial year	736.29	639.72
Add: Other Comprehensive Income for the Financial year		
Net Gain or (Loss) on FVOCI Non Current Investments (Net of Tax)	(214.94)	96.57
TOTAL (II)	521.35	736.29
TOTAL OTHER EQUITY (I + II)	45,462.36	39,858.83

Notes to Consolidated Financial Statement for the year ended March 31, 2020

9. OTHER EQUITY (Contd.)

Notes:

(i) Capital Reserve:

The Holding Company had recognised Surplus arising out of transfer of Assets and Liabilities of erstwhile Carbon Black Division to Capital Reserve and Capital Reserve arising on Consolidation of its Subsidiary.

(ii) Securities Premium:

In the earlier years, the Holding Company has received Share Premium on conversion of fully convertible debentures into equity shares and also on allotment of equity shares issued on rights basis.

(iii) Capital Redemption Reserve:

An amount of ₹ 30.60 Lakhs (equivalent to nominal value of the equity shares bought back and cancelled by the holding Company in the year ended March 2019) has been transferred to Capital Redemption Reserve from General Reserve pursuant to the provisions of Section 69 of the Companies Act, 2013 and article 8 of the Article of Association of the Holding Company. (Refer Note No. 8(d)).

(iv) Items of Other Comprehensive Income

The Group recognises the gain or loss on fair value of non-current investments under Items of Other Comprehensive Income.

(v) During the year, the Holding Company has paid Interim dividend of ₹ 4.00; (Previous year ₹ 4.00) per equity share. Now, final dividend of ₹ 6.00 (Previous year ₹ 8.00) per equity share for financial year 2019-20 is recommended by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

10. FINANCIAL LIABILITIES

a) Borrowings (Non-Current)

(₹ in Lakhs)

Particulars	Non - Current Maturities		Current Maturities	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Term Loans - From Banks (i)	9,513.41	6,940.35	1,147.90	2,124.63
Vehicle Loans from Banks (ii)	109.12	89.51	53.03	33.13
Public Deposits (iii)	2.95	138.42	135.47	129.75
Less : Current Maturities of Long Term Borrowings	-	-	(1,336.40)	(2,287.51)
TOTAL	9,625.48	7,168.28	-	-

Notes:

(i) (a) Securities:

Secured by (i) ₹ 3731.93 lakhs, First pari-passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit of Holding Company; First exclusive charge on fixed assets including equitable mortgage of factory land and building at Dharuhera Unit of Holding Company; Second pari-passu charge on entire current assets of the Holding Company; (ii) ₹ 1768.57 lakhs, First pari-passu charge on fixed assets including equitable mortgage of factory land and building at SEZ Mundra Unit of Holding Company; Second pari-passu charge on entire fixed assets of Dharuhera Unit of Holding Company including equitable mortgage of factory land and building of Dharuhera Unit of Holding Company; Second pari-passu charge on entire current assets of the Holding Company; (iii) ₹ 1260.94 lakhs, First pari-passu charge on entire fixed assets including equitable mortgage of factory land and building of SEZ Mundra Unit of Holding Company; (iv) ₹ 2751.97 lakhs First pari passu charge on entire fixed assets including equitable mortgage of factory land and building at Dharuhera Unit and SEZ Mundra Unit of Holding Company; Second pari-passu charge on entire current assets of the Holding Company.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

10. FINANCIAL LIABILITIES (Contd.)

(i) (b) Terms of Repayments of Non-Current portion of Term Loans from Banks

As at March 31, 2020			As at March 31, 2019		
Outstanding Amount	Repayments		Outstanding Amount	Repayments	
	No. of outstanding Instalments	Periodicity		No. of outstanding Instalments	Periodicity
1,123.86	10	Quarterly Equal	1,236.66	12	Quarterly Equal
644.71	15	Quarterly Equal	669.10	17	Quarterly Equal
628.85	20	Quarterly Equal @	-	-	-
2,330.34	10	Quarterly Graded	2,117.20	12	Quarterly Graded
499.66	10	Quarterly Equal	599.21	12	Quarterly Equal
1,401.59	15	Quarterly Equal	1,473.13	17	Quarterly Equal
761.28	18	Quarterly Equal	845.05	20	Quarterly Equal
1,132.00	20	Quarterly Equal @	-	-	-
991.12	20	Quarterly Equal @	-	-	-
9,513.41			6,940.35		

@ Repayment of Term Loans will start after 1 year Moratorium period beginning from successful start of Commercial Production.

(ii) Secured by hypothecation of vehicles purchased under the scheme and non-current portion of ₹ 109.12 Lakhs (Previous year ₹ 89.51 Lakhs) is repayable in 3 to 45 (Previous year 15 to 49) equated monthly instalments in 2020-21 onwards as per the repayment schedule.

(iii) Deposits from public carries rate of interest @ 7.75% to 9.50% (Previous year 7.75% to 10%) p.a. and non-current portion of ₹ 2.95 Lakhs (Previous year ₹ 138.42 Lakhs) is repayable between 1 to 2 years (Previous year 1 to 3 years).

(b) Borrowings (Current)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans Repayable on Demand		
Working Capital Loans from Bank (secured)		
Cash Credit and Packing Credit	3,296.91	1,972.07
Bill Discounting	587.05	1,756.58
TOTAL	3,883.96	3,728.65

Security:

Cash Credit, Packing Credit and Bill Discounting of the Holding Company amounting to ₹ 3,834.93 Lakhs (Previous year ₹ 3,059.38 Lakhs) are secured by first pari passu charge on entire current assets of the Holding Company and second pari passu charge over the entire fixed assets at Mundra SEZ Unit of Holding Company and First pari passu charge on entire fixed assets at Dharuhera unit of Holding Company with State Bank of India. In respect of Subsidiary Company, Cash Credit amounting to ₹ 49.03 Lakhs (Previous year ₹ 669.27 Lakhs) is secured by primary first exclusive charge on the current assets of the Subsidiary Company and collateral charge on the tangible movable/ immovable fixed assets of the Subsidiary Company at Ranjangaon, Pune, with State Bank of India and further by Corporate Guarantees of the Holding Company and Cosmopolitan Investments Ltd.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

10. FINANCIAL LIABILITIES (Contd.)

(c) Lease Liability

(₹ in Lakhs)

Particulars	Non - Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Lease Liability (Refer Note No. 33)	581.72	-	4.03	-
TOTAL	581.72	-	4.03	-

(d) Trade Payables

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Payables		
Dues of Micro Enterprises and Small Enterprises (Refer Note No. 28)	98.07	123.08
Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,772.05	2,120.40
TOTAL	1,870.12	2,243.48

(e) Other Financial Liabilities (Non Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest Accrued but not due on deposits	18.17	20.45
Trade deposits	12.35	14.17
TOTAL	30.52	34.62

(f) Other Financial Liabilities (Current)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of Long-Term Borrowings	1,147.90	2,124.63
Current maturities of Vehicle Loans	53.03	33.13
Current maturities of Deposits	135.47	129.75
Interest accrued but not due on Borrowings	78.96	74.33
Unpaid Dividend	148.28	137.58
Unpaid and Unclaimed Matured Deposits & Interest accrued thereon	5.49	3.46
Creditors for Capital Goods	342.98	220.08
Employees liabilities @	779.25	1,324.99
Directors' Commission	43.88	81.58
Security Deposits	7.74	7.74
TOTAL	2,742.98	4,137.27

@ Includes dues to Executive Directors ₹ 185.34 Lakhs (Previous year ₹ 253.66 Lakhs) and in Case of Subsidiary Company, there was an employees dismissal related case pending in 2nd Labour court, Pune since 2014. In January 2020, the 2nd Labour court issued an order and awarded against the company and directed to reinstate all these employees with full back wages, and continuity of service along with consequential benefits. The Company is in the process of going on an appeal in High Court, Mumbai. However, the Company has made a provision of estimated liability of ₹ 175.58 Lakhs in the books during this financial year 2019-20 and has disclosed it as an Exceptional item under statement of Profit and Loss.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

11. PROVISIONS

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Provision for Employee Benefits				
Compensated Absences & Gratuity	286.54	306.97	173.22	84.17
TOTAL	286.54	306.97	173.22	84.17

12. DEFERRED TAX LIABILITIES (Net)

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
The balance comprises temporary differences attributable to:		
Deferred Tax Liabilities		
Property, Plant & Equipment and Intangible Assets	3,875.32	4,478.80
Deferred Tax Liability on FVOCI on Equity Investments	155.91	221.19
Deferred Tax Liability on Current Investment at Fair Value	5.96	65.37
Deferred Tax Liability on Amortised Value of Upfront Fees of Long Term Loans	0.86	2.72
Deferred Tax Liability on Exchange Difference on Forward Contracts	-	53.40
	A	4,038.05
Deferred Tax Assets		
Provision for employee benefits & others.	132.80	109.31
Unabsorbed Depreciation/Carry forward Loss	-	147.42
MAT credit entitlement	1,832.53	1,800.63
	B	2,057.36
Net	A-B	2,072.72

13. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	Non- Current		Current	
	As At March 31, 2020	As At March 31, 2019	As At March 31, 2020	As At March 31, 2019
Advance received from and Credit balance of Customers	-	-	106.24	43.22
Statutory dues payable	-	-	267.68	336.29
Payable on Foreign Currency Forward Contracts	-	-	294.46	93.16
Interest Payable	-	-	1.24	0.96
Other payable	-	-	196.44	361.75
TOTAL	-	-	866.06	835.38

Notes to Consolidated Financial Statement for the year ended March 31, 2020

14. REVENUE FROM OPERATIONS

Revenue from Contracts with Customers

(i) Disaggregated Revenue Information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(₹ in Lakhs)

Segment	Year Ended March 31, 2020			Year Ended March 31, 2019		
	Domestic	Export	Total	Domestic	Export	Total
a) Sale of Manufactures Products						
Insoluble Sulphur	12,029.50	19,656.27	31,685.77	12,391.53	22,310.68	34,702.21
Sulphuric Acid and Oleum	2,295.45	-	2,295.45	3,651.34	-	3,651.34
Hydraulic and Pneumatic Equipment	4,099.37	54.29	4,153.66	3,972.65	117.28	4,089.93
Others	177.76	-	177.76	346.98	-	346.98
Total Sale of Manufactures Products	18,602.08	19,710.56	38,312.64	20,362.50	22,427.96	42,790.46
b) Export Benefits						
	-	366.69	366.69	-	410.31	410.31
Total Revenue from Contracts with Customers (a+b)	18,602.08	20,077.25	38,679.33	20,362.50	22,838.27	43,200.77
Timing of Revenue Recognition						
Goods Transferred at a point of time	18,602.08	20,077.25	38,679.33	20,362.50	22,838.27	43,200.77
Total Revenue from Contracts with Customers	18,602.08	20,077.25	38,679.33	20,362.50	22,838.27	43,200.77

(ii) Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Trade Receivables *	7,133.86	8,916.57
Contract Liabilities		
Advance from customers (Refer Note No. 13)	106.24	43.22

* Trade Receivables are non-interest bearing and are generally on terms of 7 to 150 days.

(iii) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price.

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue as per Contracted Price	38,844.33	43,368.07
Adjustments		
Rebate	(122.02)	(101.77)
Discount	(42.98)	(65.53)
Revenue from Contracts with Customers	38,679.33	43,200.77

(iv) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2020 are, as follows:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Advance from customers (Refer Note No. 13)	106.24	43.22

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

15. OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Dividend on Current Investment	-	30.69
Profit On Sale / Redemption / Maturity of Current Investment (Net)	290.19	117.78
Interest Income		
On Deposit	312.61	40.51
On Bonds	134.94	126.01
On Loans	2.15	2.25
Others	6.41	2.52
Loans and Debts earlier Written off, now recovered	54.58	28.66
Net Gain on foreign Currency Translation and Transaction	-	2.61
Net Gain on Foreign Currency Forward Contracts	-	261.98
Rent received	1.08	1.80
Provision no longer Required Written Back	71.41	77.79
Provision for Doubtful Debts Written Back	2.68	-
Advance Received Written Back	-	15.01
Scrap Sales	101.90	63.34
Net Gain on Fair Value of Current Investments	20.47	187.07
Profit on sale/discard of Property, Plant & Equipment (Net)	43.23	-
Miscellaneous Income	15.89	23.38
TOTAL	1,057.54	981.40

16. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Cost of Materials Consumed	10,679.83	13,582.44
Less: Consumption for Trial Run Production	-	129.03
TOTAL	10,679.83	13,453.41

Notes to Consolidated Financial Statement for the year ended March 31, 2020

17. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the beginning of the Financial year		
Finished Goods	2,780.68	2,084.98
Work-in-Progress	119.34	125.81
Stock in trade	2.61	4.52
Scrap	1.00	2.51
	2,903.63	2,217.82
Add: Transferred from Trial Run Production		
Finished Goods	-	231.02
Work-in-Progress	-	8.48
	-	239.50
	2,903.63	2,457.32
Inventories at the end of the Financial year		
Finished Goods	2,028.80	2,780.68
Work-in-Progress	109.54	119.34
Stock in trade	-	2.61
Scrap	4.06	1.00
	2,142.40	2,903.63
Change in Inventories	761.23	(446.31)

18. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages and Bonus	4,661.62	4,683.71
Contribution to Provident & other funds	273.74	250.31
Gratuity	64.40	55.43
Long term compensated absences	94.02	74.88
Employees Welfare Expenses	410.29	396.66
	5,504.07	5,460.99
Less: Transfer to Capital Work-in-Progress / Capitalised	95.42	108.81
TOTAL	5,408.65	5,352.18

19. FINANCE COST

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest on financial liabilities measured at amortised cost	927.80	823.16
Other Borrowing Costs	85.03	94.95
	1,012.83	918.11
Less: Transfer to Capital Work-in-Progress / Capitalised	55.85	44.32
TOTAL	956.98	873.79

Notes to Consolidated Financial Statement for the year ended March 31, 2020

20. DEPRECIATION AND AMORTISATION EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, Plant and Equipment (Refer Note No. 2)	2,057.64	1,993.20
Depreciation of Right of use assets (Refer Note No. 2)	58.76	-
Amortisation of Intangible Assets (Refer Note No. 3)	27.91	33.08
TOTAL	2,144.31	2,026.28

21. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Stores Consumed	148.32	123.90
Packing cost	830.53	976.30
Power and Fuel	3,379.72	4,189.58
Water Charges	117.74	111.67
Rent	107.70	128.35
Rates and Taxes	181.13	165.17
Insurance	261.65	155.96
Repairs to Buildings	158.30	126.77
Repairs to Machinery	938.72	992.26
Repairs to Others	215.10	234.54
Job & Hiring Charges	149.69	139.05
Freight & Forwarding	2,220.87	2,162.26
Commission and Discount	357.52	435.35
Travelling	321.77	311.13
Legal & Professional	256.01	392.36
Provision for Doubtful Debts	0.13	2.68
Service Charges	229.98	215.19
Loss on sale/discard of Property, Plant & Equipment (Net)	-	333.46
Net Loss on Foreign Currency Translations and Transactions	219.87	131.82
Net Loss on Foreign Currency Forward Contracts	173.49	-
Bad Advances / Debts	16.36	209.71
Less:-Provision for Doubtful Debts Written Back	-	148.50
Corporate Social Responsibility Expenditure (Refer Note No. 22)	171.29	148.53
Directors' Commission & Fees	86.52	99.04
Executive Director's Commission	16.70	19.75
Auditor's Remuneration (Refer Note No. 21(a))	40.44	38.81
Cost Auditor Fees	1.40	1.30
Miscellaneous	798.59	847.27
	11,399.54	12,543.71
Less: Transfer to Capital Work-in-Progress / Capitalised	49.55	188.49
TOTAL	11,349.99	12,355.22

Notes to Consolidated Financial Statement for the year ended March 31, 2020

21. OTHER EXPENSES (Contd.)

a. Auditors' Remuneration

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit Fees	30.53	28.45
Certificates & other matters	3.65	4.35
For Tax Audit	5.16	4.83
Reimbursement of expenses	1.10	1.18
TOTAL	40.44	38.81

22. AMOUNT SPENT ON CSR ACTIVITIES

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Gross amount required to be spent by the Company during the year	171.28	146.08
b) Amount spent during the year :		
Health, Hygiene and Sanitation	-	7.20
Community Development (Water harvesting /Rejuvenation Program / Solar Light Installation in Villages)	122.52	14.51
Promoting Education, Mid Day Meal, Skill Development Programme and Livelihood enhancement	43.77	122.63
Training and capacity building of CSR team and administrative expenses	5.00	4.19
TOTAL	171.29	148.53

23. INCOME TAX EXPENSES

a) Income tax recognised in Profit and Loss

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current tax expense		
Current tax on profits for the year	1,555.76	2,239.47
Less: Taxation Adjustment in respect of earlier years (Net)	(17.05)	25.80
Less: MAT Credit Entitlement (Net)	178.26	105.68
	1,394.55	2,107.99
Deferred tax expense		
Origination and reversal of temporary differences	(611.10)	807.53
Income tax charged to Statement Profit and Loss	783.45	2,915.52

b) Deferred tax related to items recognised in OCI during the year

(₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Remeasurement Gain / (Loss) on Defined Benefit Plans	(18.86)	(3.03)
FVTOCI Equity and AIF Investments	(65.28)	29.33
Income tax charged to OCI	(84.14)	26.30

Notes to Consolidated Financial Statement for the year ended March 31, 2020

24. RESEARCH AND DEVELOPMENT EXPENSES

Details of Expenditure on Research and Development Facilities/ divisions of the company recognised by Department of Scientific and Industrial Research.

a) Revenue Expenditure (₹ in Lakhs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Employee Benefit Expenses		
Salaries, Wages and Bonus	129.17	70.92
Contributions to Provident & Other Funds	5.41	2.95
Employee welfare Expenses.	6.95	4.16
TOTAL	141.53	78.03
Consumption of Consumables		
Consumption of Consumables	33.62	4.72
Repair to Machinery	6.50	5.15
Repair to Others	0.27	0.28
Rates Taxes and Fees	0.13	-
Auditor's Remuneration	0.31	0.30
Travelling and Conveyance	18.01	0.35
Miscellaneous Expenses	29.67	6.86
TOTAL	88.51	17.66
Depreciation		
Depreciation	12.90	12.30
TOTAL	12.90	12.30
Total Expenditure	242.94	107.99

b) Capital expenditure (₹ in Lakhs)

Particulars	March 31, 2019	Additions during the Period	March 31, 2020
Buildings	-	-	-
Equipments and Others	129.10	6.83	135.93
TOTAL	129.10	6.83	135.93

Notes to Consolidated Financial Statement for the year ended March 31, 2020

25. EARNINGS PER SHARE

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
a) Net Profit for Basic & Diluted EPS (₹ in Lakhs)	7,313.74	7,513.15
b) Weighted Average Number of Equity Shares for Basic & Diluted EPS	9990092	10229106
c) Earning Per Share - Basic & Diluted (₹)	73.21	73.45
d) Face value per share (₹)	10.00	10.00

26. CAPITAL & AIF COMMITMENTS

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Estimated Amount of Capital Commitments outstanding and not provided for (Gross) (Advance paid ₹ 1882.75 Lakhs (Previous year ₹ 39.13 Lakhs))	8,488.38	439.34
Estimated Amount of Investment in AIF Units Commitments outstanding and not provided for *	2,011.00	300.00

* Investment to be made over a period upto 5 years.

27. CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a. Claims against the Group not acknowledged as debt*;		
Income Tax (Deposited ₹ Nil Lakhs; Previous year ₹ Nil Lakhs;) (Gross)	32.30	32.30
Excise Duty (Deposited ₹ Nil Lakhs ; Previous year ₹ Nil Lakhs) (Gross)	35.64	35.64
b. Guarantees excluding financial guarantees;		
Bank Guarantees given to various Govt authorities/ others (Gross) (Margin Money / Short Term Deposits ₹ 5.72 Lakhs; Previous year ₹ 5.72 Lakhs)	33.84	50.70
c. Bonus liabilities pursuant to the retrospective amendment in the Bonus Act, 1965 for financial year 2014-15 has not been provided considering stay orders of Hon'ble Kerala High Court & Karnataka High Court.	42.89	30.36

* The Group is hopeful of favourable decision and expect no outflow of resources, hence no provision is made in the books of account.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

28. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

(₹ in Lakhs)

Particulars	As At March 31, 2020	As At March 31, 2019
a) Principal amount and the interest due remaining unpaid at the end of the accounting year		
- Principal	98.07	123.08
- Interest due there on	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
-Financial Year 2019-20	-	-
-Financial Year 2018-19	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year		
-Financial Year 2019-20	-	-
-Financial Year 2018-19	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

The above information regarding Micro and Small Enterprises has been determined on the basis of information available with the group.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

29. FINANCIAL INSTRUMENTS

Financial instruments – Fair values and risk management

A. Financial instruments by category

(₹ in Lakhs)

Particulars	Fair Value Hierarchy	March 31, 2020			March 31, 2019		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets							
Non-current Assets							
Loans	Level 3	-	-	49.19	-	-	29.51
Investments others	Level 2	25	1,480.26	-	-	1,174.36	-
Others	Level 3	-	-	723.59	-	-	693.15
Current Assets							
Investments	Level 1	235.14	-	-	8,152.83	-	-
Trade receivables	Level 3	-	-	7,133.86	-	-	8,916.57
Cash and cash Equivalents	Level 3	-	-	2,336.70	-	-	377.37
Bank balances other than cash and cash equivalents	Level 3	-	-	11,938.48	-	-	198.24
Loans	Level 3	-	-	62.69	-	-	63.61
Other Current Assets	Level 3	-	-	297.43	-	-	213.98
TOTAL		260.14	1,480.26	22,541.94	8,152.83	1,174.36	10,492.43
Financial Liabilities							
Non-current Liabilities							
Borrowings	Level 3	-	-	9,625.48	-	-	7,168.28
Lease Liability	Level 3	-	-	581.72	-	-	-
Other financial Liabilities	Level 3	-	-	30.52	-	-	34.62
Current liabilities							
Borrowings	Level 3	-	-	3,883.96	-	-	3,728.65
Lease Liability	Level 3	-	-	4.03	-	-	-
Trade payables	Level 3	-	-	1,870.12	-	-	2,243.48
Other financial liabilities	Level 3	-	-	2,742.98	-	-	4,137.27
TOTAL		-	-	18,738.81	-	-	17,312.30

The fair value of cash and cash equivalents, bank balances other than cash and cash equivalents trade receivables, short term loans, current financial assets, trade payables, current financial liabilities and borrowings approximate their carrying amount.

Fair value hierarchy

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

Level 1 This includes financial instruments measured using quoted prices.

Level 2 The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3 If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no transfers between level 1, level 2 and level 3 during the year.

Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

The use of quoted market prices

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date (MTM).

The fair values for security deposits (assets & liabilities) were based on their carrying values.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**A Financial risk factors**

The Group is exposed to various financial risks i.e. market risk, credit risk and risk of liquidity. These risks are inherent and integral aspect of any business. The primary focus of the Risk Management Policy is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk consists of foreign exchange risk and interest rate risk. The Group calculates and compares the various proposals of funding by including cost of currency hedging also. The Group uses derivative financial instruments (Forward Covers) to reduce foreign exchange risk exposures.

i. Credit risk

The Group evaluates the customer credentials carefully from trade sources before extending credit terms and credit terms are extended to only financially sound customers. The Group secures adequate advance from its customers whenever necessary and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances and credit limit determined by the Group. The Group have stop supply mechanism in place in case outstanding goes beyond agreed limits.

Ageing Analysis of Trade Receivables

(₹ in Lakhs)

Ageing	As at March 31, 2020	As at March 31, 2019
Not due	5,645.54	7,884.30
Upto Six months	1,481.29	1,024.92
Six to Twelve Months	5.64	4.49
Above Twelve Months	1.52	5.54
Gross Carrying Amount	7,133.99	8,919.25
Expected Credited Losses (Provision for Doubtful Debts)	(0.13)	(2.68)
Net Carrying Amount	7,133.86	8,916.57

ii Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a) Foreign Currency risk

The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the Group takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The following table analyses foreign currency risk from financial instruments as of March 31, 2020: (Amount in Lakhs)

Particulars	INR	USD	Euro	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	3,095.26	24.47	14.83	0.21	-
Other Financial Assets	-	-	-	-	-
Total	3,095.26	24.47	14.83	0.21	-
Financial liabilities					
Trade payables	120.41	1.57	0.02	-	-
Borrowings	3,516.18	36.32	-	-	1,117.11
Other Liabilities	60.26	-	0.73	-	-
Total	3,696.85	37.89	0.75	-	1,117.11

The following table analyses foreign currency risk from financial instruments as of March 31, 2019: (Amount in Lakhs)

Particulars	INR	USD	Euro	GBP	JPY
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	2,987.92	16.33	23.42	0.42	-
Other Financial Assets	-	-	-	-	-
Total	2,987.92	16.33	23.42	0.42	-
Financial liabilities					
Trade payables	173.10	2.23	0.13	-	14.01
Borrowings	3,855.28	35.61	-	-	2,226.74
Other Liabilities	56.39	-	0.73	-	-
Total	4,084.77	37.84	0.86	-	2,240.75

The following significant exchange rates have been applied during the year. (Amount in INR)

Currency	Spot Rate As At	
	March 31,2020	March 31,2019
USD	75.3859	69.1713
Euro	83.0496	77.7024
GBP	93.0760	90.4756
JPY(100)	69.6500	62.5200

Sensitivity Analysis

A reasonable possible strengthening (weakening) of the Indian Rupee at March 31 would have affected the measurement of financial instruments denominated in Foreign Currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. A 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign currency rate.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

1% Increase and Decrease in Foreign Exchange rates will have the following impact on Profit before tax. (₹ in Lakhs)

Particulars	2019-2020		2018-2019	
	1 % Increase	1 % Decrease	1 % Increase	1 % Decrease
USD Sensitivity	(10.12)	10.12	(14.88)	14.88
Euro Sensitivity	11.69	(11.69)	17.53	(17.53)
GBP Sensitivity	0.20	(0.20)	0.38	(0.38)
JPY (100) Sensitivity	(7.78)	7.78	(14.01)	14.01

Forward Contract outstanding for the purpose of Hedging as at the Balance Sheet Date: (Amount in Lakhs)

Currency	Cross Currency	As at March 31,2020		As at March 31,2019	
		Foreign Currency	INR	Foreign Currency	INR
Financial Assets					
USD *	INR	60.50	4,560.85	55.00	3,804.42
EURO *	INR	44.50	3,695.71	35.00	2,719.58
Total			8,256.56		6,524.00
Financial Liabilities					
USD @	INR	36.01	2,714.53	34.88	2,412.72
JPY	INR	370.00	257.71	870.00	543.92
JPY	USD	200.00	139.30	200.00	125.04
Total			3111.54		3081.68

* Includes USD/INR 36.32 Lakhs (Previous year USD/INR 38.95 Lakhs) and EURO/INR 31.06 Lakhs (Previous year EURO/INR 15.08 Lakhs) against Sales Orders.

@ Includes JPY/USD Nil equivalent to USD/INR Nil (Previous year JPY/USD 501.88 Lakhs equivalent to USD/INR 4.61 Lakhs)

Foreign Currency Exposure not Hedged as at the Balance Sheet Date: (Amount in Lakhs)

Currency	Cross Currency	As at March 31,2020		As at March 31, 2019	
		Foreign Currency	INR	Foreign Currency	INR
Financial Assets					
USD	INR	0.28	21.26	0.28	19.43
EURO	INR	1.39	115.22	3.50	272.18
GBP	INR	0.21	19.62	0.42	38.00
Total			156.10		329.61
Financial Liabilities					
USD	INR	1.89	142.48	7.57	523.63
EURO	INR	0.75	62.29	0.86	66.82
JPY	INR	547.11	381.06	668.87	418.18
Total			585.83		1,008.63

Notes to Consolidated Financial Statement for the year ended March 31, 2020

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

b) Interest Rate Risk and Sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to long term debt. Borrowings at variable rates expose the Group to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the Group and impact of floating rate borrowings on Group's profitability.

Interest Rate Risk Exposure (₹ in Lakhs, unless otherwise stated)

Particulars	As at March 31,2020		As at March 31, 2019	
	₹ in Lakhs	% of Total	₹ in Lakhs	% of Total
Fixed Rate Borrowings	300.57	2.02%	390.81	2.96%
Variable Rate Borrowings	14,545.28	97.98%	12,793.63	97.04%
Total Borrowings	14,845.85	100.00%	13,184.44	100.00%

Sensitivity on Variable Rate Borrowings (₹ in Lakhs)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	March 31,2020	March 31,2019	March 31,2020	March 31,2019
Interest Rate Increase by 25 bp	(36.36)	(31.98)	(31.98)	(31.98)
Interest Rate Decrease by 25 bp	31.98	31.98	31.98	31.98

iii Liquidity risk

Liquidity risk arises when the Group will not be able to meet its present and future cash and collateral obligations. The risk management action focuses on the unpredictability of financial markets and tries to minimise adverse effects. The Group uses derivative financial instruments to hedge risk exposures. Risk management is carried out by the Finance department under Forex Policies as adopted and duly approved by the Board. The Group's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due and Group monitors rolling forecasts of its liquidity requirements.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

(₹ in Lakhs)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	3,883.96	3,883.96	-	3,883.96
Borrowings - Non-Current and Current Maturities	10,961.88	1,336.40	9,625.48	10,961.88
Trade payables	1,870.12	1,870.12	-	1,870.12
Other financial liabilities - Current (Exclusive of Current Maturities)	1,406.58	1,406.58	-	1,406.58
Other financial liabilities - Non-Current				
Interest accrued but not due on deposits	18.17	-	18.17	18.17
Trade Deposits	12.35	-	12.35	12.35

Notes to Consolidated Financial Statement for the year ended March 31, 2020

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

(₹ in Lakhs)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	Total
Borrowings - Current	3,728.65	3,728.65	-	3,728.65
Borrowings - Non-Current and Current Maturities	9,455.79	2,287.51	7,168.28	9,455.79
Trade payables	2,243.48	2,243.48	-	2,243.48
Other financial liabilities - Current (Exclusive of Current Maturities)	1,849.76	1,849.76	-	1,849.76
Other financial liabilities - Non-Current				
Interest accrued but not due on deposits	20.45	-	20.45	20.45
Trade Deposits	14.17	-	14.17	14.17

B Capital Risk Management

The Group's Policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Group may use appropriate means to enhance or reduce capital, as the case may be.

(₹ in Lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	14,845.84	13,184.44
Less: Cash and Cash Equivalents including bank balances	14,275.18	575.61
Less: Current Investments	235.14	8,152.83
Net Debt	335.52	4,456.00
Equity	47,580.86	41,818.36
Capital and Net Debt	47,916.38	46,274.36
Gearing Ratio (in %)	0.70%	9.63%

C The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Group. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Group's assets in future may differ from that estimated as at the date of approval of Financial Statements.

31. SEGMENT REPORTING

Segment information has been prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

As part of Secondary reporting, revenues are attributed to Geographic areas based on the location of the customers.

The following tables present the Revenue, Profit, Assets and Liabilities information relating to the Business/Geographical segment for the year ended 31.03.2020

Notes to Consolidated Financial Statement for the year ended March 31, 2020

31. SEGMENT REPORTING (Contd.)

Information about Business Segment - Primary

(₹ in Lakhs)

Reportable Segments	Chemicals		General Engineering Products		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
	₹	₹	₹	₹	₹	₹
Revenue	34,347.90	38,763.86	4,331.43	4,436.91	38,679.33	43,200.77
Total Revenue from operations	34,347.90	38,763.86	4,331.43	4,436.91	38,679.33	43,200.77
Result						
Segment Result	8,347.93	10,810.59	551.60	386.73	8,899.53	11,197.32
Less : Interest					956.98	873.79
Less : Other unallocable expenditure net off unallocable income					(493.33)	(244.07)
Profit before exceptional items and tax					8,435.88	10,567.60
Less : Exceptional Items					175.58	-
Profit before tax					8,260.30	10,567.60
Less: Provision for Taxation(Including Deferred Tax)					783.45	2,915.52
Profit for the period					7,476.85	7,652.08
Profit for the period attributable to:						
Owners of the Parent					7,313.74	7,513.15
Non-Controlling Interest					163.11	138.93
Other Comprehensive Income (Net of Tax)					(269.11)	83.48
Other Comprehensive Income for the Period attributable to:						
Owners of the Parent					(264.98)	87.19
Non-Controlling Interest					(4.13)	(3.71)
Total Comprehensive income for the period					7,207.74	7,735.56
Total Comprehensive income for the period attributable to:						
Owners of the Parent					7,048.76	7,600.34
Non-Controlling Interest					158.98	135.22
Other Information						
Segment Assets	64,420.77	50,215.01	3,164.13	3,367.97	67,584.90	53,582.98
Unallocated Corporate Assets					2,133.31	9,538.32
Total Assets	64,420.77	50,215.01	3,164.13	3,367.97	69,718.21	63,121.30
Segment Liabilities	3,966.89	4,148.14	763.59	868.13	4,730.48	5,016.27
Unallocated Corporate Liabilities					17,406.87	16,286.67
Total Liabilities	3,966.89	4,148.14	763.59	868.13	22,137.35	21,302.94

Secondary Segment - Geographical by location of customers

(₹ in Lakhs)

Reportable Segments	Domestic		Export		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenue	18,602.08	20,362.50	20,077.25	22,838.27	38,679.33	43,200.77
Carrying amount of Trade Receivables	3,457.24	4,154.31	3,676.62	4,762.26	7,133.86	8,916.57
Finished Goods Stock	610.38	1,230.29	1,418.41	1,553.00	2,028.79	2,783.29

Other Information:

The Group has common assets for producing goods for domestic market and overseas market.

31. SEGMENT REPORTING (Contd.)

Notes:

(i) The Group is organised into two main business segments, namely;

- Chemicals
- General Engineering Products

Segments have been identified and reported taking into account, the nature of products, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

(ii) The segment revenue in the geographical segments considered for disclosure are as follows:

- (a) Revenue within India includes sales to customers located within India and earnings in India.
- (b) Revenue outside India includes sales to customers located outside India and earnings outside India and export incentives/benefits.

(iii) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

32. RELATED PARTY DISCLOSURES

Related party disclosure, as required by Indian Accounting Standard-24, is as below:

I. Nature of Related Party relationship

- (a) Duncan International (India) Limited : Enterprise over which relative of key management personnel is having significant influence.
- (b) Cosmopolitan Investments Ltd. : Enterprise over which key management personnel is having significant influence.
- (c) Haldia Investments Ltd. : Subsidiary of Cosmopolitan Investments Ltd.
- (d) Disciplined Investments Ltd. : Subsidiary of Cosmopolitan Investments Ltd.

II. Key Management Personnel (KMP) & their relatives with whom transactions have taken place:

(a) Key Management Personnel

- (i) Mr. J.P. Goenka - Chairman of Holding Company & Subsidiary Company : Chairman and Relative of Key Management Personnel *
- (ii) Mr. Arvind Goenka - Managing Director of Holding Company & Director of Subsidiary Company : Key Management Personnel
- (iii) Mr. Akshat Goenka - Joint Managing Director of Holding Company & Managing Director of Subsidiary Company : Key Management Personnel
- (iv) Mr. S.J. Khaitan - Director : Non-Executive Director *
- (v) Mr. O.P. Dubey - Director of Holding Company & Subsidiary Company : Non-Executive Director *
- (vi) Mr. B.B. Tandon - Director of Holding Company & Subsidiary Company : Non-Executive Director *
- (vii) Mr. K. Raghuraman - Director : Non-Executive Director *
- (viii) Mr. H.S. Shashikumar - Nominee of Life Insurance Corporation of India (Resigned w.e.f 02.12.2019) : Non-Executive Director *
- (ix) Mrs. Runa Mukherjee - Director : Non-Executive Director *
- (x) Mrs. Kiran Sehdev - - Nominee of Life Insurance Corporation of India (Appointed w.e.f 30.01.2020) : Non-Executive Director *
- (xi) Mr. Anurag Jain - Chief Financial Officer : Key Management Personnel
- (xii) Mr. Pranab Kumar Maity - Company Secretary : Key Management Personnel

* Director's Fees and Commission paid

(b) Relatives of Key Management Personnel

- (i) Mrs. Aparna Goenka : Relative of Key Management Personnel

III. Entities Controlled by Key Management Personnel with whom transactions have taken place:

- (i) OCCL CSR Trust : Trust in which key management personnel are Trustees
- (ii) Oriental CSR Trust : Trust in which key management personnel are Trustees
- (iii) Oriental Carbon & Chemicals Limited Employees Gratuity Fund : Trust in which key management personnel are Trustees

Notes to Consolidated Financial Statement for the year ended March 31, 2020

33. LEASES (Contd.)

(v) Maturity Analysis of Lease Liabilities as required by Para 58 of Ind AS-116 has been disclosed as follow:

(₹ in Lakhs)

Period	Amount
0-1 Year	4.03
1-5 Year	25.77
More than 5 Year	555.95

(vi) The adoption of the new standard has also resulted in decrease in profit before tax and profit for the year by ₹ 23.96 Lakhs (Increase in Depreciation expense and finance cost by ₹ 27.66 Lakhs and ₹ 48.36 Lakhs respectively with corresponding decrease in other expense by ₹ 52.06 Lakhs). The effect of this adoption is insignificant on earnings per share. Ind AS 116 has also resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments by ₹ 52.06 Lakhs each.

(vii) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9%

(viii) Rental expense recorded for short-term leases was ₹107.70 Lakhs for the year ended March 31,2020. (refer note 21)

(ix) The difference between the lease obligation recorded, as of March 31, 2019, under Ind AS 17 and the value of the lease liability as of April 1, 2019, is on account of use of practical hindsight in determining the lease term, where the contract contained options to extend or terminate the lease in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

(x) The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Notes to Consolidated Financial Statement for the year ended March 31, 2020

34. (a) Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary:

Particulars	As at 31st March 2020							
	Net Assets i.e. Total Asset less Total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Lakhs)	As % of Consolidated Profit/ (Loss)	Amount (₹ in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)
Parent								
Oriental Carbon & Chemical Limited *	95.30	45,344.31	95.64	7,150.55	96.93	(260.84)	95.59	6,889.71
Subsidiary Company								
Duncan Engineering Limited (Formerly Known as Schrader Duncan Limited)	4.70	2,236.55	4.36	326.30	3.07	(8.27)	4.41	318.03
Total	100.00	47,580.86	100.00	7,476.85	100.00	(269.11)	100.00	7,207.74

Particulars	As at 31st March 2019							
	Net Assets i.e. Total Asset less Total Liabilities		Share in Profit/ (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (₹ in Lakhs)	As % of Consolidated Profit/ (Loss)	Amount (₹ in Lakhs)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Lakhs)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Lakhs)
Parent								
Oriental Carbon & Chemical Limited *	95.41	39,899.84	96.37	7,374.14	108.91	90.92	96.50	7,465.06
Subsidiary Company								
Duncan Engineering Limited (Formerly Known as Schrader Duncan Limited)	4.59	1,918.52	3.63	277.94	(8.91)	(7.44)	3.50	270.50
Total	100.00	41,818.36	100.00	7,652.08	100.00	83.48	100.00	7,735.56

*after eliminating investment in subsidiary company

Notes to Consolidated Financial Statement for the year ended March 31, 2020

34. (b) Statement containing salient features of the financial statement of Subsidiary Company, Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed form AOC-1 related to Subsidiary Company

Name of the subsidiary : Duncan Engineering Limited (formerly known as Schrader Duncan Limited)

The date since when subsidiary was acquired : April 13, 2012

(₹ In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Reporting period	1st April 2019 to 31st March 2020	1st April 2018 to 31st March 2019
Reporting currency	INR	INR
Share capital	369.60	369.60
Other Equity	1,866.95	1,548.92
Total assets	3,265.32	3,482.18
Total Liabilities	1,028.76	1,563.66
Revenue from Operations	4,338.00	4,445.59
Profit/ (Loss) before exceptional items and tax	505.89	310.11
Exceptional Items	175.58	-
Profit/(Loss) before Tax	330.31	310.11
Tax Expenses	4.01	32.17
Profit/(Loss) for the year after taxation	326.30	277.94
Other Comprehensive Income	(8.27)	(7.44)
Total Comprehensive Income	318.03	270.50
Percentage of shareholding	50.01%	50.01%

35. Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our Report of even date attached

For S S Kothari Mehta & Company
Chartered Accountants
Firm Reg. No. 000756N

Naveen Aggarwal
Partner
Membership No. 094380

Place : Noida
Date: 18th June, 2020

For and on behalf of the Board of Directors

Arvind Goenka
Managing Director

P. K. Maity
Company Secretary

O. P. Dubey
Director

Anurag Jain
Chief Financial Officer

Notes

Notes

Corporate Information

BOARD OF DIRECTORS

Mr. Jagdish Prasad Goenka
Chairman

Mr. Arvind Goenka
Managing Director

Mr. Akshat Goenka
Joint Managing Director

Mr. Suman Jyoti Khaitan
Independent Director

Mr. Om Prakash Dubey
Independent Director

Mr. Brij Behari Tandon
Independent Director

Mr. Kailasam Raghuraman
Independent Director

Mrs. Runa Mukherjee
Independent Director

Mrs. Kiran Sahdev
Nominee Director (Nominee of LIC)

AUDIT COMMITTEE

Mr. Om Prakash Dubey
Chairman

Mr. Suman Jyoti Khaitan
Member

Mr. Brij Behari Tandon
Member

Mr. Akshat Goenka
Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Om Prakash Dubey
Chairman

Mr. Brij Behari Tandon
Member

Mr. Kailasam Raghuraman
Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Jagdish Prasad Goenka
Chairman

Mr. Arvind Goenka
Member

Mr. Suman Jyoti Khaitan
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Suman Jyoti Khaitan
Chairman

Mr. Arvind Goenka
Member

Mr. Kailasam Raghuraman
Member

RISK MANAGEMENT COMMITTEE

Mr. Kailasam Raghuraman
Chairman

Mrs. Runa Mukherjee
Member

Mr. Akshat Goenka
Member

Mr. Vijay Sabarwal
(President-Operation) -Member

Mr. Muneesh Batta
(Vice President-Marketing) – Member

OPERATIONAL & FINANCE COMMITTEE

Mr. Arvind Goenka
Mr. Suman Jyoti Khaitan
Mr. Akshat Goenka

CHIEF FINANCIAL OFFICER

Mr. Anurag Jain

COMPANY SECRETARY

Mr. Pranab Kumar Maity

STATUTORY AUDITORS

S S Kothari Mehta & Co.
Chartered Accountants

SECRETARIAL AUDITOR

P Sarawagi & Associates
Company Secretaries

SOLICITORS

Khaitan & Co.

BANKERS

State Bank of India

Export Import Bank of India

Kotak Mahindra Bank Ltd.

CORPORATE IDENTITY NUMBER (CIN)

L24297WB1978PLC031539



Oriental Carbon & Chemicals Limited

REGISTERED OFFICE

31, Netaji Subhas Road, Kolkata – 700 001
Phone: (033) 2230 6831/32 Fax: (033) 2243 4772
Email: investorfeedback@occlindia.com

CORPORATE OFFICE

14th Floor, Tower-B, World Trade Tower
Plot no. C-1, Sector-16, Noida-201301, (U.P), India
Phone: (0120) 2446850

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

Link Intime India Pvt. Ltd, Vaishno Chamber, 5th Floor,
Flat Nos-502 & 503, 6 Brabourne Road, Kolkata - 700 001
Phone: (033) 4004 9728 / 4073 1698 **Telefax:** (033) 4073 1698
Email: kolkata@linkintime.co.in

MANUFACTURING UNITS

Dharuhera, Haryana

Plot 3 &4, Dharuhera Industrial Estate, P.O. Dharuhera,
Dist. Rewari 123 106, Haryana

Mundra, Gujarat

Survey No. 141, Palki of Mouje, SEZ Mundra, Taluka Mundra,
Dist. Kutch 370 421, Gujarat

WEBSITE

<http://occlindia.com>

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