

By online submission

Sec/21-22/54  
Date:31/08/2021

To,  
The General Manager,  
Department of Corporate Services  
BSE Ltd.  
1st Floor, New Trading Ring,  
Rotunda Building, P. J Tower,  
Dalal Street, Fort  
Mumbai-400 001  
BSE Code: 524370

To,  
The General Manager,  
National Stock Exchange of India Ltd.  
Exchange Plaza,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai-400 051.  
NSE Code: BODALCHEM

Dear Sir /Ma'am,

**Subject: Annual Report for the FY 2020-21**

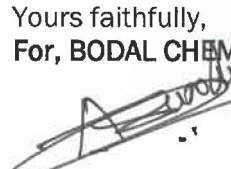
In terms of Regulation 30 and Regulation 34 of SEBI (Listing Obligation and Disclosures Requirement) Regulations, 2015, we submit herewith the soft copy of 35<sup>th</sup> Annual Report for the Financial year ended 31<sup>st</sup> March 2021 which is being sent electronically to those Members whose email addresses are registered with the Company, Registrar and Transfer Agent (RTA) and Depositories.


You are requested to take the same on record.

Thanking you,

Yours faithfully,

For, BODAL CHEMICALS LTD.

  
Ashutosh B Bhatt  
Company Secretary & Compliance Officer  
Encl: As Above.



**HEAD OFFICE:**

Plot No. 123-124, Phase-I,  
G.I.D.C, Vatva, Ahmedabad- 382 445.,  
Gujarat, India.

[www.bodal.com](http://www.bodal.com)  
CIN No. : L24110GJ1986PLC009003

Tel: +91 9909950855  
+91 9909950856  
E-mail: [info@bodan.com](mailto:info@bodan.com)



**Bodal Chemicals Ltd.**  
COLOURS. INTEGRATION. INNOVATION.



# Winds of Change

# Scroll Down For

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### Investor information

#### Market Capitalisation

as on 31st March 2021 : ₹ 1,102.19 Crores

BSE Code : 524370

CIN : L24110GJ1986PLC009003

NSE Symbol : BODALCHEM

Bloomberg Code : BODL:IN

Dividend : ₹ 0.80 i.e. 40% on face value of Rs.2/- each

AGM Date : 24th September 2021

AGM Mode: : Video conferencing/other audio-visual means



An electronic version of this report is available online at:  
<https://bodal.com/annual-report-audit.php>

Scan this QR code to navigate investor related information

**Disclaimer:** This document contains statements about expected future events and financials of Bodal Chemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# With Challenge Comes Change!

“Winds of Change is inevitable by nature, as it has a perpetual sail in life.

For Bodal Chemicals Ltd (referred to as ‘Bodal’, ‘the Company’ or ‘we’ from hereon), embracing change and initiating it at the right time worked wonders. Since inception, we have been drawing inspiration from change and motivating ourselves to take on the challenges that come along with transformation. We believe, it is the first step towards achieving success and happiness.

FY 2020-21 hasn't been kind to economies across the globe. There were severe health crisis and widespread disruptions in operations of several businesses the world over. Organisations with the right attitude and aptitude to change have been able to tide over the crises.

Since the Winds of Change is here to stay, so why not ride the wave and face the tests from the front.

Bodal accepted the challenges of time. We invented newer ways to spark innovation and explore the opportunities that the Winds of Change brought with it. Acquisitions, expansions, diversification, and debottlenecking were some of the trending terms across our organisation, which laid the platform of driving positive change amid a defiant scenario. It is the reflection of our flexibility and resilience, which are essential qualities needed to adapt to newer situations and create opportunities to curate superior value for our stakeholders. It is we who made a windy year breezy for all our people.

## KPIs of FY 2020-21

### Consolidated Revenue

₹ 12,424 Million

### EBITDA\*

₹ 1,025 Million

### PAT\*\*

₹ 398 Million

### EBITDA Margin

8.4 %

### PAT Margin

3.2 %

\*Earnings Before Interest, Taxes, Depreciation, and Amortisation

\*\*Profit After Tax

## About Us

# Integrated Dyestuff Chemical Player Having Global Presence Across Multiple Products

 Bodal Chemicals Limited is one of India's leading integrated Dyestuff companies and is the largest domestic manufacturer of Dye Intermediates. It commenced operations in 1989 and got listed on the stock exchanges in 2006. It offers a wide range of Dyestuffs, Dye Intermediates, Basic Chemicals, and its variants to diverse customers across India and the world. Today, the Company has a strong market share in the global and domestic Dyestuff and Dye Intermediates market.

### Our Competitiveness that Drives Change

#### Three Decades of Presence:

Manufacturing in India, with deep understanding of both the domestic and global chemical markets.

#### Integrated Business Model:

Full integrated operations leading to cost competitiveness and protection against commodity cycle.

#### In-House R&D Facilities:

Well-equipped production facilities and laboratories, strict quality adherence and continuous investment in R&D.

#### Strong Relations with Marquee Clients:

Strict quality adherence allows us to build long-term association with several clients across the globe.

#### Highly Compliant:

Strict environmental compliance with in-house ETP and MEEP plants.

#### Strong and Experienced Management Team:

Long-term association of senior management team enables the Company to meet its strategic goals with their extensive knowledge experience.



Decades experience in the  
chemical space

**3**

Manufacturing facilities

**10**

Operating subsidiaries

**6**

Domestic market share  
of dyestuffs

**13 %**

Dye intermediates  
capacities

**33,000 MTPA**

No. of employees

**1,751**

Customers

**600+**

Distributors across India

**70+**

R&D facilities

**3**

Global market share of  
Dye intermediates

**6 %**

Dyestuff (including liquid  
dyes) capacities

**45,000 MTPA**

Management experience  
in years

**30+**

Products

**200+**

7 Domestic & 3 overseas depots

**10**

Domestic market share of  
Dye intermediates

**20 %**

Global market share of  
Dyestuffs

**3 %**

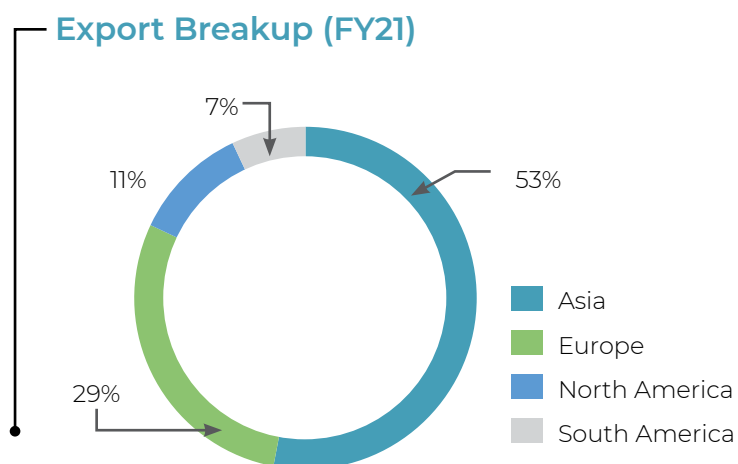
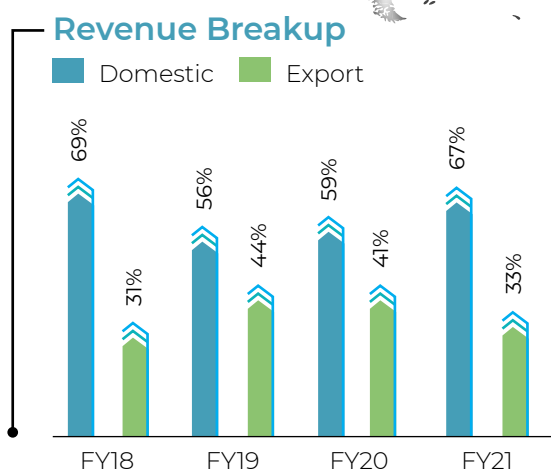
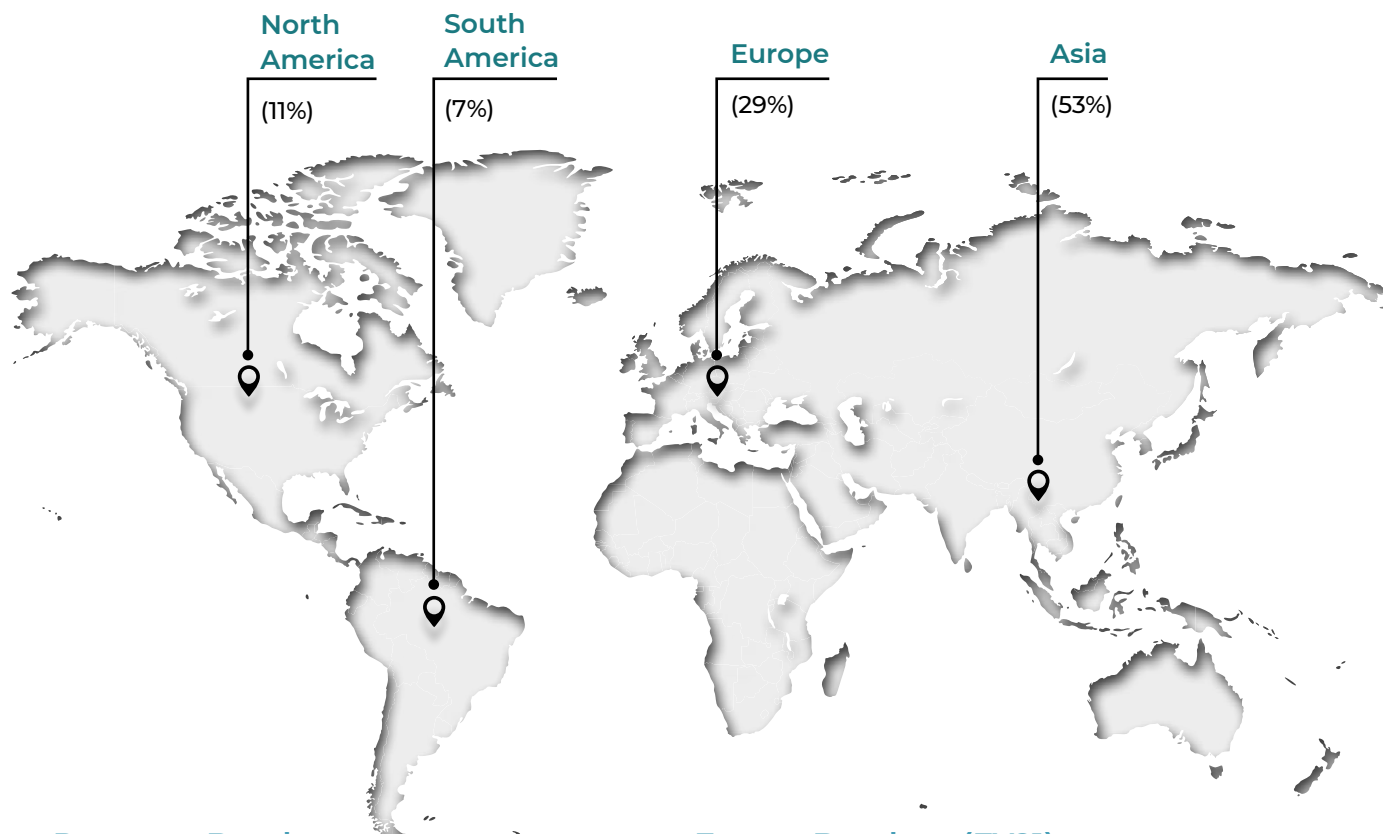
Basic chemicals

**2,26,000 MTPA**

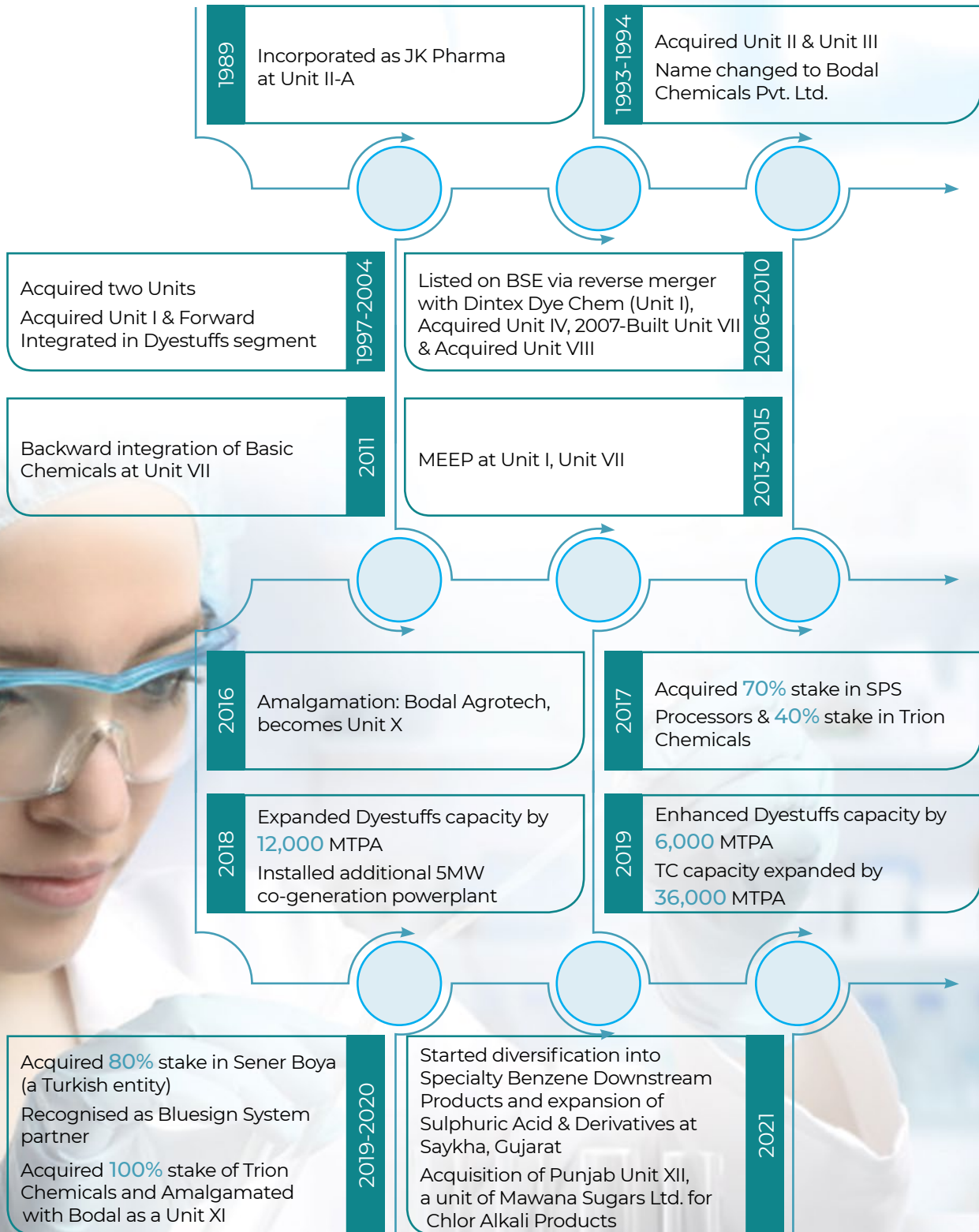


## Our Presence

# Making in India Driving Change Across the World



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/ states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

**Our Evolution****Adapting to Changes  
Over the Years**



## Chairman's Address

# Letter to the Shareholders



“The Management and its people have risen above disruptive headwinds faced in FY 2020-21. Against the challenging backdrop, one element that remained unchanged throughout the period was our mindset to adapt to the change and stay focussed in implementation of strategies. This approach, along with our social initiatives and environmental stewardship, is what makes us sustainable for the future

### Dear Shareholders,

I hope you and your near and dear ones are safe and healthy. The Covid-19 pandemic dominated the entire 2020 and still continues to create disruptive impact on the lives and livelihood of people across the world. In our history of three decades, we have not experienced anything like this pandemic before. But as they say, challenges always give you the opportunity to revisit yourself and change the approach, we also brought about several changes to our strategy and strengthened our core, while adapting to the new normal.

### Adapting to the Winds of Change

As an event of global scale, the pandemic forced us to pause, review the emerging trends and prepare ourselves to build a future-ready organisation. This has given us greater confidence and pride

in our people and processes. As a responsible corporate citizen, we adhered to the Government guidelines that were issued during different phases of the Covid-19-induced lockdown to contain the spread of the virus. With the slow and gradual lifting of restrictions, we started opening up our facilities to resume operations. We ended the year with ₹ 12,424 Million of consolidated revenues, ₹ 1,025 Million of EBITDA and ₹ 398 Million of PAT. The results were impacted owing to the extreme external scenario as mentioned above.

### Industry Megatrends

While the pandemic did disrupt businesses all across, it also brought in several industrial opportunities. The Indian Chemical Industry is poised for an exponential growth over the next few years owing to several favourable factors such as:

1. Increasing preference of global players towards considering India as an alternate source of supplies
2. Stringent measures and environment norms have eliminated small companies in China, which is further diverting the demand to India
3. Textiles constitute ~80% of the total Dyestuffs demand and is expected to recover gradually with the improvement in the end industry
4. The share of the unorganised players in the Dye Intermediates and Dyestuffs Industry has been consistently declining, further favouring established organised players like us
5. The Government's constant endeavours towards reducing India's dependency on chemical imports and launch of ambitious initiatives such as Atmanirbhar Bharat (Self-reliant India) is further helping the domestic players

At Bodal, we are fully prepared with our highly compliant and integrated manufacturing set up that meets the needs and specifications of the global players with most of raw materials being sourced from India. Our scale allows us to lower our cost of production and ensures quality supplies to our customers all across the globe. Besides, our strategically located facilities on the western belt of India with proximity to nearby seaport at Mundra, Pipavav, Hazira and Nhava Sheva further give us an added advantage.

### Responding to the Winds of Change

Over the past three years we have made several strategic acquisitions that have strengthened our business

ecosystem and derived synergic benefits. Our expansion of business is not only limited to India but also at a global level in countries such as China, Turkey, Europe and Indonesia. We are investing ~ ₹ 4,000 million in a greenfield project at Saykha, Gujarat. In FY21, we strategically acquired Siel Chemical Complex (SCC) at a capex of ₹ 1,520 Million which was a unit of Mawana Sugars Ltd, located at Rajpura, Punjab. Further, we will spend about ₹ 1,200 Million for technology upgradation of that plant. The synergy benefits of this acquisition and expansion includes strategic locations, product diversifications, integration benefits from captive consumption, better margins, diversifying client portfolio, cost efficiency and most importantly long-term sustainability. We are evolving from an integrated Dyestuffs player to niche value-added solutions provider through new product additions under benzene derivatives, sulphuric acids and chlor alkali that find its applications across several segments such as pharmaceuticals, agro-chemicals, paper, textile and home care.

Our innovation-driven growth model will result in consistent financial results by leveraging the Company's proven technology capabilities to improve product mix, increasing emphasis on value-added speciality chemical businesses, and sustaining and expanding leadership in attractive niche markets. We are further enhancing the capacities of our dedicated R&D labs aligned to the Company's growth agenda.

### Embracing Sustainability to Bring in Change

Sustainability is placed at the core of all our activities, and it greatly influences the way we conduct our

business. We understand that we have a responsibility towards all our stakeholders by successfully balancing environmental stewardship, social progress, ethical business conduct and economic success. We have installed the world's most-advanced technology under the tie up with Advent Envirocare, as a response to environment conservation. We have restructured our safety functions and enlarged their role as Environment, Health, Safety & Sustainability (EHSS) function.

We are also participating in different certification programmes and acquainted with ECO certifications such as ISO, Bluesign, ZDHC and GOTS. As an organisation, Bodal Chemicals believes in everyone's growth and success. During the pandemic period, we engaged in lots of activities such as distributing food to the needy, providing shelter to the migrants, extending and driving special support to the front-runners such as police and medical staff, among others. Besides we have also been positively benefitting lives of the communities through our contribution to renowned NGOs such as YUVA and other various Trusts.

### Closing Thoughts

The Company's fundamentals are intact to support the strong growth prospects. Over the years, we have built a highly resilient and diverse business with a strong foundation. The broadness of our portfolio further allows us to serve a wide range of markets and application areas. As a leading global player, we have also developed the flexibility and agility needed to compete in today's demanding markets as well as the ability to respond swiftly and effectively to fluctuations in demand.

Today, when I look back on the path we travelled, it gives me a sense of

pride and confidence in our strong and diverse team, which is capable of handling any challenges. It is this pride of working with such an illustrious team that drives us every day as we work to honour our stakeholders' faith and investment in us. I would like to thank our customers, suppliers and other partners for their continued faith in our capability and helping us in improving our processes and in developing ourselves into a world-class company. I would like to thank my fellow Directors, our senior leadership team and stakeholders for their continued support and faith in our vision and helping us drive the Winds of Change towards success. Be safe and healthy!

### Suresh J. Patel

Chief Executive Officer,  
Chairman & Managing Director

#### Total Proposed Capex:

~ ₹ 6,700 Million

#### Revenue Expected:

~ ₹ 8,500 Million PA

#### Proposed Capacity: Benzene Downstream

~ 78,960 MTPA

#### Sulphuric Acid

~ 3,40,000 MTPA

#### Chlor Alkali Products, including Caustic Soda

~ 99,000 MTPA

## Growth Strategies in Action

# The Change Agents

### Strategy 1:

#### Dyestuff Expansion

Capacity expansion of Dyestuffs by **18,000** MTPA will be ramped up gradually

**Outcome:** Increase in revenues by 30-35% in Dyestuffs segment

### Strategy 3:

#### Vinyl Sulphone at SPS

Additional Vinyl Sulphone plant of **6,000** MTPA capacity at SPS is expected to commercialise in Q2 FY22.

**Outcome:** Expected addition to annual revenues by ~₹ 1,200 Million

### Strategy 2:

#### TCCA Division

Acquired **100%** stake in Trion Chemicals and amalgamated with Bodal. Production has been stabilised and made profitable.

**Outcome:** Improved profitability

### Strategy 4:

#### Turkish Entity Sener Boya

Acquired ~ **80%** stake to strengthen the global presence.

**Outcome:** Established presence in Turkey and nearby market

**Strategy 5:**

## Marketing Initiatives

Opened multiple warehouses and incorporated marketing subsidiaries to strengthen relationship with marquee clients directly.

**Outcome:** Direct client relationship

**Strategy 8:**

## New Level of Growth

Greenfield Saykha Project and new acquisition of SCC unit will lead to new level of growth.

**Outcome:** Expected increase in revenues

**Strategy 7:**

## Co-gen Power Plant

Stabilised Co-Generation power plant of **5 MW**

**Outcome:** Annual cost savings of ~₹ 100 Million

**Strategy 6:**

## Thionyl Chloride

Optimum utilisation of the Thionyl Chloride (TC) plant with a capacity of **36,000 MTPA** at Unit VII.

**Outcome:** Increase in revenues



# Environmental Stewardship

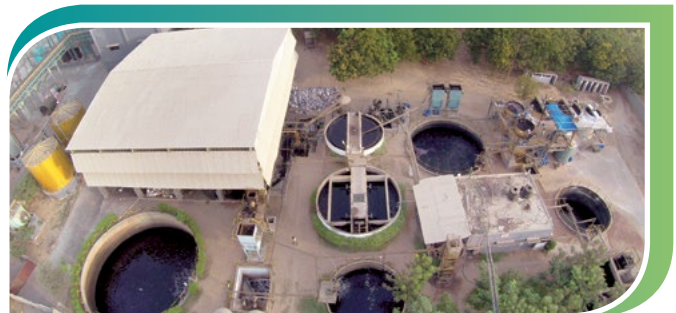
## Our Response to the Climate Change Agenda



Reducing our environmental footprint, conserving natural resources and managing waste is the key to our circular economy approach and sustainability practices. Some of our Pollution Control Systems include:

### Effluent Treatment Plant (ETP)

- Treats low load waste water
- Compliant with GPCB, CPCB norms
- Capacity 5,00,000 litres/day
- Chemical oxidation
- Flocculation
- Clarification
- Bio-degradation by AIS
- Tertiary Poly system
- Online monitoring system



### Brine Treatment Plant

- Installed world's first Brine Treatment Plant at Unit-VII
- It is based on Modern Water's all-membrane brine concentration process (AMBC)
- It treats the effluent from Dyes and Zero Liquid Discharge (ZLD) is achieved at the end of treatment cycle

### Multiple Effect Evaporator Plant (MEEP)

- Treats high load waste water
- Recovers salts captive use/sold
- Capacity 5,00,000 litres/day
- Investment of ₹ 350 Million
- It needs low steam and power
- Re-uses condensed water
- Integrated Zero Discharge System



### Effluent Spray Dryer Plant (ESDP)

- Treats high load waste water beyond MEEP
- Minimises treatment cost
- Spray Dryers: 3 \* 1,00,000 litres/day
- Incinerators: 3 \* 1,25,000 litres/day



## Responding to Critical Issues

### Key Challenges

- High costs involved in complying with environmental regulations. Moreover, the rising industrial water and power rates are a concern
- Scarcity of water can lead to insufficient supply affecting our production needs
- The chemical industry is energy and CO<sub>2</sub> intensive. It represents more than 30% of global Greenhouse Gas (GHG) emissions. If not controlled, it can have a profound effect on climate change
- Foreign currency rate fluctuation risk

### Our Response

- Abides by the mantra of 'reduce, recover and reuse' of natural resources
- Taken appropriate pollution control systems, including implementation of Effluent Treatment Plants (ETPs), Multiple Effect Evaporator Plant (MEEP), Brine Treatment Plant and Effluent Spray Dryer Plant (ESDP)
- The Company possesses 5 MW lignite-based and 1.73 MW steam-based (waste recovery heat) captive power plant at Unit VII
- We immediately hedge foreign currency for import or export once the order is finalised

### Outcome

- Reusable clean water
- Zero liquid discharge
- Salt extracted through MEEP process is captively used or sold
- Cost optimisation through proper management of the energy consumption
- Creating a better future for all stakeholders
- The fluctuation in foreign currency does not affect us as we hedge foreign currency for import or export.



## CSR Activities

# Key Areas Where We are Bringing in a Change

“Bodal’s Corporate Social Responsibility (CSR) programmes are mainly committed to create social value by engaging in dynamic CSR activities. These include activities towards healthcare, education, infrastructure development, sports promotion and social issues. The Company provides employment to local people wherein it operates. It is engaged with reputable NGOs such as YUVA and other Trusts to implement the CSR activities and utilises their knowhow to maximise the social impact.

**Bodal has established procedures for planning and implementing major CSR activities in the areas surrounding the Company’s plants. At present, the Company is focussing on the following key CSR areas:**

- |   |   |  |
|---|---|--|
| 1. Promoting education, including projects for developing educational infrastructure  | 3. Running projects for rural development by interacting and participating with local villagers for better implementation | for water reservoir and bring about attitude change among communities towards the appropriate use of water |
| 2. Promoting sports, with contribution to the Sports Council of the Deaf Basketball Club and supporting individual talent to represent the country in sporting events | 4. Focussing more on key future challenges related to water. Aiming to create necessary infrastructure                    | 5. Conducting regular health check-up camps and promoting healthcare and sanitisation                      |

The Company follows Ackerman's Model for CSR.  
This model defines CSR in three phases:

### First Phase

Top management recognises the social problem.

### Second Phase

The Company appoints staff specialist to look into the issue and find measures to tackle it.

### Third Phase

Implementation of the strategy derived

### Delivery Mechanism

Whilst a large part of the CSR efforts of the Company will be implemented by an in-house department, in some of the projects, the Company also partners with a credible organisation to design, allocate funds, implement and review projects.

## Certifications

- ISO 9001:2015 and ISO 14001:2015 certifications for production of Dye Intermediates & Dyestuffs
- Bluesign Certification – Recognised as Bluesign System partner – Bluesign approved Product Supplier
- GOTS (Global Organic Textile Standard) Certification
- ZDHC Certification
- ISO 45001: 2018 Certification
- BEHIVE Certification
- ECOTAX Certification

## Recognitions

### 2018-2019

ET Enterprise Icons 2018 Gujarat Best Brand Award 2018

25 Best Companies to Work For (Industry) 2019 by CEO Insights

### 2017-2018

Second in large scale unit category for Excellent Performance in Export of Dyestuffs from the Dyestuffs Manufacturers' Association of India

Listed amongst the Top 500 Indian Companies by the Dun & Bradstreet in 2018 for the second consecutive time

### 2016-2017

First in large scale unit category for outstanding performance on Domestic CHEMEXCIL - Award of Excellency

### 2015-2016

CHEMEXCIL - Gold Award

### 2013-2014 and 2016-2017

Highest Self Manufacturing Turnover for Domestic and Export of Dyes and Dye Intermediates from the Gujarat Dyestuffs Manufacturers' Association

### 2011-2012 and 2013-2014

CHEMEXCIL - Trishul Award

### 2009-2010

Award for direct export of Dye Intermediates and Dyestuffs from the Gujarat Dyestuffs Manufacturers' Association

### 2005-2006

Received the prestigious Chemexcil Gold Award for outstanding performance in Exports by Merchant Exporters Panel of Chemexcil, Government of India

## Corporate Information

### BOARD OF DIRECTORS:

Mr. Suresh J. Patel	Chairman and Managing Director
Mr. Bhavin S. Patel	Executive Director
Mr. Ankit S. Patel	Executive Director
Mr. Rajarshi Gosh	Director-HSE
Mr. Sunil K. Mehta	Independent Director
Mr. Nalin Kumar	Independent Director
Mrs. Neha Huddar	Independent Director
Mr. Ram Prasad Srivastava	Independent Director (w.e.f. 13-08-2019 up to 24-01-2021)
Mr. Mayank Mehta	Independent Director (w.e.f. 09-02-2021)

### CHIEF FINANCIAL OFFICER

Mr. Mayur B. Padhya

### COMPANY SECRETARY

Mr. Ashutosh B. Bhatt

### REGISTERED OFFICE

Plot No.: 123-124, Phase-I, G.I.D.C. Estate, Vatva,  
Ahmedabad-382 445, Gujarat, India

### CORPORATE OFFICE

“BODAL CORPORATE HOUSE”, Beside Maple  
Green Resi., Nr. Anand Niketan School,  
Nr. Shilaj Circle, Off. SP Ring Road, Thaltej,  
Ahmedabad-380 059, Gujarat, India

### STATUTORY AUDITORS

Deloitte Haskins & Sells LLP 19th Floor,  
Shapath-V, B/s. Crowne Plaza Hotel, Opp.  
Karnavati Club, S.G. Highway, Ahmedabad  
380 015, Gujarat, India

### COMMITTEES OF BOARD

#### AUDIT COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mr. Nalin Kumar	Member
Mrs. Neha Huddar	Member
Mr. Bhavin S. Patel	Member

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mr. Nalin Kumar	Member
Mr. Bhavin S. Patel	Member

### NOMINATION AND REMUNERATION COMMITTEE

Mr. Sunil K. Mehta	Chairman
Mrs. Neha Huddar	Member
Mr. Nalin Kumar	Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Suresh J. Patel	Chairman
Mr. Ankit S. Patel	Member
Mr. Sunil K. Mehta	Member

### SHARE TRANSFER COMMITTEE

Mr. Suresh J. Patel	Chairman
Mr. Bhavin S. Patel	Member
Mr. Ankit S. Patel	Member

### Risk Management Committee

Mr. Suresh J. Patel	Chairman
Mr. Ankit S. Patel	Member
Mr. Rajarshi Gosh	Member
Mr. Sunil K. Mehta	Member
Mr. Bansi M. Patel	Member
Mr. Mayur B. Padhya	Member

### BANKERS

Union Bank of India  
HDFC Bank  
Axis Bank

# Board's Report

To  
**THE MEMBERS OF  
BODAL CHEMICALS LTD.,**

The Directors hereby present their **"35th ANNUAL REPORT"** on the performance of the Company together with the audited financial statements for the financial year ('FY') ended 31st March 2021

## Financial Results:

Financial Results of the Company for the year under review along with figures of the previous year are as follows:

Particulars (₹ In Million)	Consolidated			Standalone		
	FY21	FY20	Y-o-Y	FY21	FY20	Y-o-Y
Revenue	12,264.33	13,748.19	-10.79%	11,297.31	12,235.96	-7.67%
Other Income	158.36	103.98		179.05	141.03	
<b>Total Revenue from Operation</b>	<b>12,422.69</b>	<b>13,852.17</b>		<b>11,476.36</b>	<b>12,376.99</b>	
Cost of Material Consumed	7637.59	8,078.77		7,685.39	7,606.36	
Purchase of Stock In Trade	644.29	712.02		2.9	2.64	
Changes in Inventories	-332.31	41.91		-293.51	129.24	
<b>Total Cost</b>	<b>7,949.57</b>	<b>8,832.70</b>	<b>-10.00%</b>	<b>7,394.78</b>	<b>7,738.24</b>	<b>-4.44%</b>
<b>Gross Profit</b>	<b>4,473.12</b>	<b>5,019.47</b>	<b>-10.88%</b>	<b>4,081.58</b>	<b>4,638.75</b>	<b>-12.01%</b>
<b>Gross Profit (%)</b>	<b>36.01%</b>	<b>36.24%</b>		<b>35.57%</b>	<b>37.48%</b>	
Employee Expenses	777.48	871.27		706.34	798.3	
Other Expenses	2,670.47	2,667.55		2,366.52	2,377.42	
<b>EBITDA</b>	<b>1,025.17</b>	<b>1,480.65</b>	<b>-30.76%</b>	<b>1,008.72</b>	<b>1,463.03</b>	<b>-31.05%</b>
<b>EBITDA (%)</b>	<b>8.36%</b>	<b>10.77%</b>		<b>8.93%</b>	<b>11.96%</b>	
Depreciation	304.85	284.03		279.9	262.11	
<b>EBIT</b>	<b>720.32</b>	<b>1,196.62</b>	<b>-39.80%</b>	<b>728.82</b>	<b>1,200.92</b>	<b>-39.31%</b>
<b>EBIT (%)</b>	<b>5.87%</b>	<b>8.70%</b>		<b>6.45%</b>	<b>9.81%</b>	
Finance Cost	166.48	190.26		92.21	141.1	
<b>Profit Before Tax</b>	<b>553.84</b>	<b>1,006.36</b>	<b>-44.97%</b>	<b>636.61</b>	<b>1,059.82</b>	<b>-39.93%</b>
<b>Profit Before Tax (%)</b>	<b>4.52%</b>	<b>7.32%</b>		<b>5.64%</b>	<b>8.66%</b>	
Tax	156.17	146.02		153.46	158.84	
<b>Profit After Tax</b>	<b>397.67</b>	<b>860.34</b>	<b>-53.78%</b>	<b>483.15</b>	<b>900.98</b>	<b>-46.38%</b>
<b>Profit After Tax (%)</b>	<b>3.24%</b>	<b>6.26%</b>		<b>4.28%</b>	<b>7.36%</b>	
<b>EPS</b>	<b>3.25</b>	<b>7.13</b>		<b>3.95</b>	<b>7.37</b>	

Note: previous year's figures have been recast wherever necessary.

## The Financial year under review 2020-2021

### PERFORMANCE DISCUSSION

**Impact of COVID-19** - The COVID pandemic is unprecedented and has affected the operations as well as results of the Company. The manufacturing facility of the Company which was shut down in the last week of March 2020 due to countrywide lockdown, resumed operations in a phased manner from 11th May 2020. The Company has taken adequate precautions for safety and well-being of its employees on resumption of its plant operations.

### During the year under review-

Your Company has suffered significant loss of business in the Q1FY21 due to countrywide lockdown. Despite pandemic hit quarter in H1, your Company was able to recover and registered healthy business for the full financial year. For FY21, Total income on consolidated basis stood at ₹ 12,423 Million whereas on standalone basis, total income stood at ₹ 11,476 Million

Your Company has written off bad debts of ₹ 130.75 Million in Q4 FY21 and ₹ 173.25 Million for FY21. This is one off case in the history of the Company and same has impacted Company's profitability.



## Board's Report (Contd.)

In Q4FY21, depreciation of Turkish Lira V/S USD has impacted Company's subsidiary SENER Boya-Turkey and book MTM foreign exchange loss of ₹ 50.14 Million. The same has impacted Consolidated Financials of the Company.

### Standalone

The Standalone revenue from operations for the year 2020-21 is ₹ 11297.3 Million as against ₹ 12236.0 Million of previous year. Earnings before interest, tax, depreciation and amortisation ('EBITDA') for the 2020-21 is ₹ 1008.7 Million compared to ₹ 1,463.0 Million of previous year 2019-20.

During year 2020- 21, Profit before tax stood at ₹ 636.6 Million compared to ₹ 1059.8 Million previous year. However, during the year over all finance cost has reduced to ₹ 92.2 Million as against ₹ 141.1 Million of previous year.

Net profit for the year 2020-21 has decreased by 46.4% to ₹ 483.2 Million as against ₹ 901.0 Million of previous year. Total comprehensive income stood at ₹ 485.28 Million for 2020-21 as compared to ₹ 916.35 Million during the previous year 2019-20.

### Consolidated-

The consolidated revenue from operations for the financial year 2020-21 is ₹ 12,264.3 Million compared to ₹ 13748.2 Million of previous year. Earnings before interest, tax, depreciation and amortisation ('EBITDA') is at ₹ 1,025.2 Million during the year compared to ₹ 1480.7 Million for previous year 2019-20.

During year 2020-21, Profit before tax stood at ₹ 553.8 Million compared to ₹ 1006.4 Million of previous year. However, finance cost has reduced to ₹ 166.5 Million as compared to ₹ 190.3 Million of previous year.

Net profit for the 2020-21 has decreased by 53.8% to ₹ 397.7 Million compared to ₹ 860.3 Million during 2019-20. Total comprehensive income is ₹ 409.5 Million for year 2020-21 as against ₹ 857.7 Million of previous year

### Bodal Chemicals Ltd. (BCL)

Bodal Chemicals Ltd. is the most integrated Dyestuffs Company in India and also the biggest manufacturer of Dye Intermediates in India. The Company's product range covers Dyestuffs, Dye Intermediates and Basic Chemicals broadly classified under Specialty Chemicals. It has a unique and integrated product line covering

forward and backward integration to dye intermediates. It contributes about 20% of India's capacity and about 5% of the world's capacity for Dye Intermediates. Out of the total production, about 33% is exported to over 45 countries across the world.

Further, During the year, Company acquired the Chemical Unit known as 'Siel Chemical Complex (SCC)' of Mawana Sugars Ltd., located at Rajpura, Punjab, on a going concern basis. Siel Chemical Complex (SCC) is built on a fully developed land area of 124 acres (of which 60 acres is surplus). Further, SCC is one of the largest players in Chlor Alkali segment in north india having Caustic soda capacity 82500 MTPA with well diversified client base capturing major companies in paper, Soap/Detergent, Textiles etc. and supplying to leading Companies. Considered material event as per Regulation 30 of SEBI (LODR) Regulation, Company had intimated same to the Stock Exchanges (BSE and NSE).

The Company is listed on BSE Ltd. (Bombay Stock Exchange) and National Stock Exchange of India Ltd. (NSE).

The broad areas of operations of the Company are as under:

### Dyes

Your Company is a leading manufacturer of Reactive, Acid and Direct Dyes. Bodal Chemicals has capacity of manufacturing more than 150 variants of Dyestuff which are principally used as raw materials in Textiles, Leather, Paper & other Dyestuff consuming industries

### Dye Intermediates

Bodal is the largest manufacturer of Dye Intermediates in India and among the leading manufacturers of Dye Intermediates in the world. Bodal Chemicals has capacity of manufacturing up to 25 Dyes Intermediates products. These Dye Intermediates are directly sold as well as consumed captively for manufacturing different kinds of Dyes.

### Other/Basic Chemicals

Bodal is also a manufacturer of other Chemicals like Sulphuric Acid, CSA, Oleums, Beta Naphthol and Acetanilide. These Chemicals are used as key raw materials for production of Dye Intermediates, which is highly beneficial in terms of improving profitability of the Company.

## Board's Report (Contd.)

### SUBSIDIARIES AND ASSOCIATES:

#### - Subsidiaries in India:

1. SPS Processors Pvt. Ltd.- Subsidiary Company
2. Bodal Chemicals Trading Pvt. Ltd.- Wholly Owned Subsidiary Company

#### - Subsidiaries Outside India:

1. Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.- Wholly Owned Subsidiary Company
2. SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI- Subsidiary Company

3. Bodal Bangla Ltd.- Wholly Owned Subsidiary Company
4. PT Bodal Chemicals INDONESIA - Wholly Owned Subsidiary Company (w.e.f.18th May 2021)

#### -Step-down subsidiaries:

1. SENPA DIS TICARET ANONIM SIRKETI

#### Associate Company

1. Plutoeco Enviro Association- Associate Company

### Financial Performance of major Subsidiaries:

#### FY21 Performance

Particulars (₹ In Million)	SPS	BCTPL	Sener	Bodal (China)
Total Income	993.0	142.0	792.0	161.0
EBITDA	59.0	1.0	31.0	13.0
PAT	-30.0	0.1	-69.0	12.0

(₹ In Million)

#### S P S PROCESSORS PVT. LTD. (SPS)

S P S Processors Pvt. Ltd. is a company engaged in manufacturing of dye intermediates.

Your Company is holding 70% equity stake in S P S Processors Pvt. Ltd.

SPS has a manufacturing plant located at Kosi, Uttar Pradesh, India having running operational capacity to produce 3,000 tons per annum (TPA) of H-Acid, a key Dye Intermediate. The manufacturing plant is a "zero discharge" unit and about Five years old.

S P S Processors Pvt. Ltd. also has all necessary permissions to manufacture Vinyl Sulphone another key Dye Intermediate, as well as Dyestuff, at the same plant.

With the available permissions, the Company is building a 6000 TPA Vinyl Sulphone plant. The project is expected to start and stabilise production during 2022.

This investment will help the Company to increase its manufacturing capacity of Dye Intermediates and consolidate its position in the local and global markets of Dye Intermediates and Dyestuff.

Further Financial Result of the Company for 2020-21 is also available on website of the Company at [www.Bodal.com](http://www.Bodal.com)

#### Bodal Chemicals Trading Pvt. Ltd.

Bodal Chemicals Trading Pvt. Ltd. , a Wholly Owned Subsidiary Company was incorporated in India on 07th December 2018. It was incorporated with object of trading in chemical products. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further, Financial Result of the Company for 2020-21 is also available on website of the Company at [www.bodal.com](http://www.bodal.com)

#### Bodal Chemicals trading Shijiazhuang Ltd. (China)

Bodal Chemicals trading Shijiazhuang Ltd., a Foreign Wholly Owned Subsidiary of the Company incorporated in China in 2018-19, for trading activities in Chemicals Product.

Apart from the trading activity within China, this company will become an important arm for bodal chemicals Ltd. to distribute its final product i.e. dyestuffs in domestic market of China. This will also help sourcing of some raw materials from China to India. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further Financial Result of the Company for 2020-21 is also available on website of the Company at [www.bodal.com](http://www.bodal.com).

## Board's Report (Contd.)

### **SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI**

A Foreign Subsidiary of the Company having acquired stake of 80%, for trading activities in Chemicals products at Turkey.

Apart from the trading activity within Turkey, this company is an important arm for bodal chemicals Ltd. to distribute its final product i.e. dyestuffs in domestic market of Turkey and reach out to other nearby countries. It is not material subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

Further Financial Result of the Company for 2020-21 is also available on website of the Company at [www.bodal.com](http://www.bodal.com).

#### **Bodal Bangla Ltd.**

Bodal Bangla Ltd., a Foreign Wholly Owned Subsidiary of the Company incorporated 22nd September 2019 in Bangladesh, for trading activities in Chemicals Products. The Company has started Commercial Operations. Further It is not Material Subsidiary as per the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Further, Financial Result of the Company for 2020-21 is also available on website of the Company at [www.bodal.com](http://www.bodal.com).

### **SENPA DIS TICARET ANONIM SIRKETI- Step Down Subsidiary company of the Company**

SENPA DIS TICARET ANONIM SIRKETI is Wholly Owned Subsidiary of SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI which is subsidiary company of Bodal Chemicals Ltd. in Turkey.

#### **Plutoeco Enviro Association**

Plutoeco Enviro Association, a Associate Company of the Company incorporated on 27th October 2020 as Section 8 Company, as Non-Profit Organisation.

Further, Financial Result of the Company for 2020-21 is also available on website of the Company at [www.bodal.com](http://www.bodal.com).

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under and Regulation 33 of the SEBI Listing Regulations, the Company has prepared consolidated financial

statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 which forms part of this Annual Report. Further Company shall place separate audited accounts of the subsidiary Companies on the website of the Company at [www.Bodal.com](http://www.Bodal.com)

Pursuant to Section 134 of the Act read with Rule 8(1) of the Companies (Accounts) Rules, 2014 the details of developments of subsidiaries of the Company are covered in the Managements' Discussion and Analysis Report which forms part of this Report.

### **SCHEME OF AMALGAMATION**

During the year under review, Scheme of Amalgamation of Trion Chemicals Pvt. Ltd. (a wholly owned subsidiary company) with your Company had been approved by the Board of Directors of both Companies at their meeting held on 27th May 2020 (the "Scheme"), with effect from appointed date of 1st April 2019 (Appointed date). The Scheme has been approved by Hon'ble NCLT, Ahmedabad Bench vide its order dated 31st December 2020 and a copy of the said order was filed with the Registrar of the Companies (ROC) on 9th January 2021 (Effective Date).

### **CAPITAL STRUCTURE & LIQUIDITY**

#### **Authorised Share Capital**

During the year 2020-21, after Considering approval of Amalgamation, revised Authorised capital of your Company is ₹ 69,50,00,000/- (Sixty-Nine Crore Fifty Lacs Only) Comprising of Equity Shares Capital of ₹ 42,00,00,000 (Forty-Two Crores) divided into 21,00,00,000 Equity Shares of ₹ 2/- (Rupees Two) each and Preference Share Capital of ₹ 27,50,00,000 (Twenty-Seven Crore Fifty Lacs) divided into 2,75,00,000 (Two Crore Seventy-Five Lacs) Preference Shares of ₹ 10/- (Rupees Ten) each.

#### **Issued and paid-up Share Capital**

The Issued, Subscribed & Paid-up Equity Share Capital of the Company as on 31st March 2021 was ₹ 244.66 Million divided into 122330165 Equity Shares, having face value of ₹ 2 each.

After completion of financial year 2020-21, your Company has issued and allotted 1,51,500 Equity shares under ESOP 2017 scheme on 24th June 2021, and due to said

## Board's Report (Contd.)

allotment new capital stood at ₹ 244.96 Million divided into 122,481,665 Equity shares of face value of ₹ 2/- each.

### Employees Stock Option (ESOP/ESOS)

During the year under reviews, No Options were granted and exercise by the Nomination and Remuneration Committee of the Company.

Details and summary of Employee Stock Options granted/vested/exercised during the year 2020-21 are given in "Annexure 3" to this report.

### General Reserve

During the year under review, your directors do not propose to transfer any amount to the General Reserve.

### Term Loan and Working Capital

As on 31st March 2021, the Total Debt was ₹ 4,355.45 Million, cash and Cash Equivalents were ₹ 60.58 Million resulting in Net Debt of ₹ 4,294.87 Million (₹ 2,259.08 Million as on 31st March 2020) Total Debt consisted of ₹ 3,291.45 Millions of working capital loans and ₹ 1,064.00 Million long-term loans, including long term loans maturing within 12 months of the balance sheet date.

### RATINGS

The credit rating for the Company for last two years are as below: -

Type of Credit Rating	Ratings for 2019-20		Ratings for 2020-21
	India Ratings	CARE Rating	India Ratings
Long Term Bank Facilities	IND A+	CRISIL A+	IND A+
Short Term Bank Facilities	IND A1+	CRISIL A1+	IND A1+

### DIVIDEND

Board of Directors at their meeting held on 24th June 2021, has recommended Dividend of ₹ 0.80 (i.e. 40%) per equity share on the equity share of 2.00/- each for the financial year 2020-21, amounting to ₹ 97.99 Million The dividend pay-out is subject to the approval of the shareholders at ensuing 35th Annual General meeting. The dividend will be paid to the members whose names appear in register of members as on record date 17th September 2021

### TRANSFER OF UNCLAIMED SHARES & DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Section 124 of the Companies Act, 2013 mandates that companies shall transfer dividend that remain unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF).

During the year under review, Your Company has not transferred any Unclaimed amount and Shares to IEPF Authority.

Further, The Company has uploaded complete details of such Shares which were already transferred to DEMAT Account of IEPF Authority on its website:- [www.bodal.com](http://www.bodal.com)

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at [www.mca.gov.in](http://www.mca.gov.in) and [www.iepf.gov.in](http://www.iepf.gov.in).

Further, Details of IEPF Claim during the 2020-21 is stated in the Corporate Governance report of the Company.

### PUBLIC /FIXED DEPOSITS

During the year under review, The Company has not accepted any deposit during the financial year under review. There were no deposits remaining unpaid/unclaimed as at the end of the financial year 2020-21 and as such no amount of principal or interest was outstanding, as on the date of the balance sheet.

### LISTING OF SECURITIES

As on 31st March 2021, Bodal Chemicals' 122330165 Equity Shares of ₹ 2 each fully paid, were listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company confirms that it has paid annual listing fees for the financial year 2021-22 to both the Exchanges (BSE & NSE) where the Company's equity shares are listed.

During the current year, on 24th June 2021, Company has Issued and allotted 1,51,500 equity shares of ₹ 2/- each under the ESOP 2017 Scheme. Your company had got approval of listing of new allotted equity shares on 1st July 2021. hence, total shares listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) are 122481665 Equity Shares of ₹ 2 each fully paid,

## Board's Report (Contd.)

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Directors' Appointment, Retirement and Resignation

Bodal Chemicals Ltd has 8 (Eight) Directors including 4 (Four) Executive Directors and 4 (Four) Independent Directors (non-executive) including a woman director at the end of financial year 31st March 2021

### APPOINTMENT OF DIRECTORS

On the recommendation of Nomination and Remuneration Committee, Board of Directors had appointed Mr. Mayank K Mehta having DIN: 03554733 and his IICA registration is IDDB-DI-202001-005010 as an Additional cum Independent Director on the Board of the Company for the first term of 5 years starting from 9th February 2021. The stipulated details are mentioned in the Notice of Annual General Meeting and corporate governance report forming part of Directors' report. His appointment is subject to your approval at the ensuing Annual General Meeting. The Board recommends his appointment.

On the recommendation of Nomination and Remuneration Committee, Board of Directors had appointed Mr. Nalin Kumar having DIN: 03060741, IICA registration is IDDB-DI-202002-017455 and Mrs. Neha Huddar having DIN: 00092245, IICA registration is IDDB-DI-201912-002979 for his/her 2nd Term for period of 5 (Five) year at Board Meeting held on 14th August 2021. The Other stipulated details are mentioned in the Notice of Annual General Meeting and governance report forming part of Directors' report. Their appointment is subject to your approval at the ensuing Annual General Meeting. The Board recommends their appointments.

Mr. Bhavin S Patel, (having DIN:0030464) Executive Director, retire by rotation at the ensuing Annual General Meeting. He is being eligible, offers himself for re-appointment. The stipulated details are mentioned in the Notice of Annual General Meeting and corporate governance report forming part of Directors' report

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 164 of the Companies Act, 2013.

The Independent Directors of the Company got included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Companies Act

2013 read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

For the perusal of Shareholders, a brief resume of all the above Directors, nature of their expertise, their shareholding in the Company and other required details are given in the section of the Corporate Governance Report, which forms part of the Director's Report in the Annual Report for 2020-21.

### DEMISE OF DIRECTOR

During the Financial Year 2020-21, Late. Ram Prasad Srivastava (DIN: 02227457), Independent Director on the Board, has passed away on 24th January 2021. Your Company appreciate contribution made by Late Ram Prasad Srivastava during his tenure as Independent Director of Company. Further, as the information is Material Event under Regulations 30 of SEBI (LODR), Regulations, 2015, Company had immediately intimated to the BSE and NSE vide letter no. Sec/20-21/123.

### KEY MANAGERIAL PERSONNEL

- Mr. Suresh J Patel, Chairman and Managing Director (DIN: 00007400)
- Mr. Bhavin S Patel, Executive Director (DIN: 00030464)
- Mr. Ankit S Patel, Executive Director (DIN: 02173231)
- Mr. Mayur B Padhya, Chief Financial Officer
- Mr. Ashutosh B Bhatt, Company Secretary

Are the key managerial Personnel of the Company as on the date of this Report.

### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declaration from all Independent Directors that they meet the Criteria of Independence as laid down in Section 149 (6) of the Companies Act, 2013 and regulations 27 (2) of the SEBI (LODR) regulations, 2015 (Listing regulations). There were no pecuniary transactions entered into with the Independent Directors apart from sitting fees.

### REMUNERATION OF DIRECTORS AND KMP

Pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, disclosures



## Board's Report (Contd.)

pertaining to remuneration of Managerial employees, a Statement showing the names and other particulars of the employees drawing remuneration as set out in the said rules is attached to this Report.

Company has received Confirmation from Chairman of NRC Committee of the Company that Appointment term and Remuneration are decided by the NRC Committee based on NRC Policy of the Company.

### REMUNERATION POLICY

The Company has in place a Remuneration policy for the Directors, KMP and Other employees pursuant to the provisions of the Act and the Listing Regulations which is explained in Corporate Governance Report, and which forms a part of the Board's Report.

### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Company has an ongoing Programme where Directors in the course of meetings of the Board of Directors give information about Chemical Business developments, Expansion of the Company and various amendments in legal and regulatory areas which include mandatory disclosures and fair disclosures stated under SEBI (Listing Obligation and Disclosures Requirement) regulations, 2015 (herein referred to as "Listing Agreement"), Prohibition & Insider trading regulations, and SAST Regulations so as to enable them to effectively discharge their roles and responsibilities in the Company.

Details of the Familiarisation Programme for Independent Directors are available on the website of the Company at [www.bodal.com](http://www.bodal.com)

### DIVERSITY OF THE BOARD

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-[www.bodal.com](http://www.bodal.com)

### BOARD MEETINGS

During the year under review, 5(Five) Board Meetings of Board of Directors were held. Details of the Composition

of Board and its Committees and meetings held and Attendance of Directors at such Meetings and other relevant details are provide in the Corporate Governance report

### MEETING OF INDEPENDENT DIRECTORS

The Independent Directors of the Company met separately on 19th March 2021 without the presence of Non-Independent Directors and the members of management. In accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, the following matters were, inter-alia discussed in the meeting:

- ▶ Review the performance of Non-Independent Directors and the Board as a whole
- ▶ Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors.
- ▶ Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board Members to effectively and reasonably perform their duties

### BOARD'S ANNUAL EVALUATION

In terms of the requirements of the Companies Act, 2013, and the Listing Regulations, the Board carried out the annual performance evaluation of the Board as a whole, Board Committees and the Directors. The Evaluation framework adopted by the Board is set out in the Corporate Governance Report.

### AUDITORS

#### STATUTORY AUDITORS

Members at its 34th Annual General Meeting held on 20th August 2020 appointed M/s Deloitte Haskins & Sells LLP, (FRN No. 117366W/W-100018) as statutory Auditor of the Company) to hold office from conclusion of 34th Annual General Meeting of the Company until the conclusion of the Thirty Sixth (36th) Annual General Meeting of the Company.

The Statutory Auditors have confirmed that they satisfy the Independence criteria required under Companies

## Board's Report (Contd.)

Act 2013 Code of Ethics issued by institute of Chartered Accounts of India.

The report of the Statutory Auditors along with Notes to Schedules is enclosed with this Report. The Auditor's Comments on the Company's Accounts for the financial year ended on 31 March 2021 are self-explanatory in nature and do not require any explanation as per provisions of Section 134 of the Companies Act, 2013. The Auditor's Report does not contain any qualification, reservation or adverse remark.

### INTERNAL AUDITORS

M/s. Rashmin R. Patel & Co., Chartered Accountants (FRN: 132265W), Ahmedabad are Internal Auditors of the Company. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditors report their findings on the internal audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

### SECRETARIAL AUDITOR

Pursuant to Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Tapan Shah, Practicing Company Secretary as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2020-21 (Period from 1st April 2020 to 31st March 2021).

The Report of Secretarial Auditor for the financial year 2020-21 is set out as **Annexure 4** and it forms a part of this Report.

Further, under regulation 24A of SEBI (LODR) Regulations, Company has received Secretarial Compliance Report for the 2020-21 from Tapan Shah, Practicing Company Secretary and same has filed with the Stock Exchanges (BSE & NSE).

### COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013, the Central Government has prescribed cost audit related to the Company's product Dye Intermediates and Dyes. Based on this requirement and the recommendation made by the Audit Committee, the

Board of Directors has appointed M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, as the Cost Auditor for the Financial Year 2021-22. The Company has received a written certificate from the Cost Auditor stating that their re-appointment, if made, would be within the prescribed limits under sections 141 of the Companies Act, 2013. The Cost Audit report for the 2020 has been filed within the prescribed time limits. The Cost Auditor's Report does not contain any qualification, reservation or adverse remark. Further, remuneration payable to them is required to be ratified by the Shareholders at the ensuing Annual General Meeting and accordingly, a resolution seeking ratification has been included in the Notice convening the Annual General Meeting.

During the year under review, the statutory auditors, secretarial auditors and cost auditors have not reported any instances of fraud committed in the Company by its officers or employees to the Audit Committee under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

### MANAGEMENT DISCUSSION & ANALYSIS

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report for the financial year under review is presented in Separate Section, forming part of the Annual Report.

### CORPORATE GOVERNANCE

Bodal Chemicals Ltd. is committed to ensuring the highest levels of ethical standards, professional integrity, corporate governance and regulatory compliance. The Company understands and respects its fiduciary duty to all stakeholders and strives to meet their expectations. The core principles of independence, accountability, responsibility, transparency, fair and timely disclosures serve as the basis of the Company's approach to Corporate Governance.

Report on Corporate Governance is annexed and forms an integral part of this Annual Report. Certificate from Mr. Tapan Shah, Company Secretary in practice, regarding compliance of conditions of Report on Corporate Governance as stipulated in the Listing Regulations is also appended to the Report on Corporate Governance.

## Board's Report (Contd.)

### SECRETARIAL STANDARDS

Secretarial Standards for the Board and General Meetings (SS-1 & SS-2) are applicable to the Company. The Company has complied with the provisions of both these Secretarial Standards.

### INDUSTRIAL RELATIONS & HUMAN RESOURCES

Industrial relations at all divisions of your Company have always been cordial and continue to be so. Your directors wish to place on record their appreciation for the co-operation received from employees at all levels.

### HUMAN RESOURCES

The way we are growing and excelling our Human Asset is also increasing, Bodal family become 1700+ numbers of permanent employees. We believe it is our prime responsibility that this family members work with full of energy and enthusiasm, and for that we are providing them at most attention by way of our Human Resource Policies and Practices. We always try to build open and respectful culture, by maintaining ethical and moral standard. We also try to increase the inclusiveness among the team members by arranging different programs, like 15th August Celebration is our flagship event. Also we believe in sustainable growth along with Environmental protections, to promote this thinking we organize Safety Week Celebration and Environment Day Celebration.

We believe in best and that's why continuously we create best practices in all areas of work, where all stakeholders are in win-win situation. We also believing in Skill Development, which we are doing by organizing continues training programs with the help of our internal experts as well as with the help of external trainers. In the year 2020 we are recognized as the Training Institute by the State Director of Industrial Safety and Health department. Being Chemical Manufacturing Company our major focus is on the operational "On-the-Job" training. In pandemic situation also we ensure our team members will get regular learning, so we have created "Training via Web" where our internal resources have been created training content on different topics and circulate it to employees, also it is question & answer base so employee can evaluate their knowledge also.

Supporting to employees during the pandemic situation, many companies had to take decision of pay

cut, rationalization in the manpower etc. but at Bodal we ensure all our team members kept their jobs. We encouraged employees to work as per their comfort, also at manufacturing sites we allow flexibility so employee will be able to balance their personal and professional life. During this period our senior management team has been play great role by keeping themselves in constant touch of employees and boost their moral and extending all their support. We have also extend all livelihood support to our Migrant workers of permanent and contractual.

### HEALTH, SAFETY AND ENVIRONMENT

Bodal Group is committed towards creating a safe, healthy and ecofriendly work environment providing the leadership and management support which is key to sustainable business growth. We are adopting Beyond the Compliance approach towards adopting and implementing EHS practices across the manufacturing process and the business. EHS principle is integrated into the manufacturing business process to have a sustainable incident free process outcome. Risk based thinking is being developed and adopted as part of the broader loss prevention strategy. Overall a holistic approach is being adopted to manage EHS risks to an acceptable level and as part of the broader Risk management strategy. Continuous training and sensitisation are part of the EHS function to enhance awareness adopting EHS at task level with proper supervision and management leadership oversight. EHS is being driven in a more agile manner with top management intervention to create a safer workplace based on the core belief that "Good Safety means good business". PPE's are being provided to employees including the workforce. Data of incidents are being collated and RCA (Root Cause Analysis) done and learning's shared widely to prevent further recurrence. Regular practices of scenario based mock exercise are conducted across the plants to check the efficacy of emergency planning and management. Further the improvement areas are noted and are adopted to enhance efficiency and effectiveness.

We have fully equipped in-house occupational health center manned round the clock with full time well experienced doctors and nursing assistants. In house ambulance for emergency is also available. Premedical check-up, annual medical check-up and special health awareness camps are conducted for employees. Medical

## Board's Report (Contd.)

Team has also initiated "Health Gallery" and company doctor conducts counselling sessions and health talks for employees.

### MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.

### ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on 31st March 2021 is available on the Company's website at [www.bodal.com](http://www.bodal.com) and can be accessed at [www.bodal.com](http://www.bodal.com)

### ENVIRONMENT PROTECTION

The Company has undertaken various environment friendly measures in its different Units for promoting a better environment. The Company has in place adequate pollution control equipment and all the equipment's are in operation.

### GREEN INITIATIVE

The Ministry of Corporate Affairs had taken the Green Initiative in Report on Corporate Governance by allowing paperless compliances by Companies through electronic mode. Your Company supports the Green Initiative and has accordingly decided to send necessary communications to its Shareholders to their respective registered E-mail addresses.

### SAFETY & WELLBEING OF WOMEN AT THE WORKPLACE

Bodal Chemicals Ltd. has taken various initiatives to ensure safe and healthy workplace for its women employees. The Company has zero tolerance of sexual harassment at the work place and is fully compliant with the prevailing laws on the prevention of sexual harassment of women at the workplace. As per the provisions of Sections 21 and 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Report on the details of the number of cases filed under sexual harassment and their disposal is as under:

SR. NO.	COMPLAINTS UNDER SEXUAL HARASSMENT (FROM 1st April 2020 TO 31st March 2021)	STATUS
1	Number of Complaints/Cases pending as at the beginning of 2020-21 i.e. 1st April 2020	NIL
2	Number of Complaints/ Cases filed during the year (from 1st April 2020 to 31st March 2021)	NIL
3	Number of Complaints/ Cases as at the end of 2020-21 i.e. 31st March 2021	NIL

### VIGIL MECHANISM AND WHISTLEBLOWER POLICY

The provisions of Section 177(9) and (10) of the Companies Act, 2013 mandates every listed company to establish vigil mechanism for Directors and employees. Bodal Chemicals Ltd. has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to all the employees of the Company to raise their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company or society as a whole. Details of complaints received and the action taken are reviewed by the Audit Committee. No concerns or irregularities have been reported by employees/directors till date.

The functioning of the Whistle Blower mechanism is reviewed by the Audit Committee from time to time. None of the Company's personnel have been denied access to the Audit Committee. The Whistle Blower policy is available on the Company's website <https://www.bodal.com>

### ANNUAL ACCOUNTS OF SUBSIDIARY COMPANIES

The Accounts of the Subsidiary Companies for the financial year ended on 31st March 2021 will be made available to any shareholder of the Company on request and will also be available for inspection at the registered office of the Company during working hours till the date of the Annual General Meeting.

Statement containing salient features of financial statements of subsidiaries and Associates pursuant to section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is annexed to this Report in the prescribed Form AOC-1, as "**Annexure 1**"

The Audited Financial Statements of Company's subsidiaries for financial year 2021 are available on the Company's website at [www.bodal.com](http://www.bodal.com) and the same are also available for inspection at the Registered Office of the Company. Your Company will also make available

## Board's Report (Contd.)

these documents upon request by any Member of the Company interested in obtaining the same.

The Company has laid down policy on material subsidiaries and none of the subsidiary is material subsidiary as per the Policy. The policy is placed on the website of the Company <https://bodal.com>

### CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under section 134(3) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed as **Annexure 6** to this Report.

### RISK MANAGEMENT & INTERNAL CONTROL

The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimise adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. Further details are set out in the Management Discussion and Analysis Report forming part of the Directors' Report.

The Company deploys robust system of internal controls commensurate to the size of the Company and the complexities of its operations. These systems facilitate fair presentation of its financial results in a manner that is complete and reliable, ensure adherence to regulatory and statutory compliances, and safeguards investor interest by ensuring the highest level of governance and consistent communication with investors.

The Internal Auditors of the Company conduct financial, compliance and process improvement audits each year. The Audit Committee oversees the scope and evaluates the overall results of these audits, and members of that Committee regularly attend meetings of Board of Directors. The Audit Committee also reviews the adequacy and effectiveness of the internal control system and invites functional Directors and senior management personnel to provide updates on operating effectiveness and controls, from time to time. A CEO and CFO

Certificate, forming part of the Corporate Governance Report, confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies, if any, to the Audit Committee and rectify the same.

### RISK MANAGEMENT COMMITTEE

As per Regulation 21 of (Listing Obligation and Disclosure Requirements) Regulation, 2015, the provisions of Risk Management Committee are not applicable for your Company for 2020-21. However, the management of the Company is determining various aspects so as to be able to minimise the risk in all spheres of the Company's business from finance, human resources to business strategy, growth and stability.

From 2021-22, it is mandatory to appoint a Risk Management Committee and therefore your Company has prepared Risk Management Policy and Formulated Risk Management Committee and define Role and Responsibilities as per SEBI (Listing Obligation and Disclosures Requirement) Regulations. You can access from Website of the Company at [www.bodal.com](http://www.bodal.com).

### PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year, the Company had not provided any corporate guarantee or provide any securities on behalf of others.

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.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company's CSR Policy primarily rests on three broad tenets viz., Healthcare, Education & Community welfare and the same is within the ambit of Schedule VII of the Act.

Your Company has a strong focus on making company's CSR efforts more systematic and strategic. Company has established procedures for planning and implementation of major CSR activities in the areas surrounding the Company's plants. Your Company is presently focused on the following key areas of CSR:

1. Promoting education, including projects for developing educational infrastructure.



## Board's Report (Contd.)

- a. Build Platform and Shade for the school children so they can play and take lunch.
  - b. Sanitary blocks for Boys and Girls, and educate them by the Company representatives on good hygiene practices
  - c. Build Computer Labs, to promote digital awareness at the school level.
2. Provide funds to the sports academy for promoting sports and supporting young growing sports persons.
  3. Run different projects for the rural development, by interacting and participating with the local village people for better implementation.
    - a. To deepen Village Lake so in monsoon, water harvesting will be possible. Also installed water harvesting infrastructure.
    - b. Construct roads and other required infrastructure at village level.

Further, Company continued several other initiatives under the CSR program, directly as well as through agency namely YUVA Unstoppable permitted under the Act.

Detail of CSR Policy and Annual Report on CSR for 2020-21 is annexed to this report as **"Annexure 7"** and forms part of this Report

### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March 2021 as per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations is annexed and forms part of this Annual Report.

### RELATED PARTY TRANSACTIONS

All the related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel, or other designated persons which may have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. The Company has developed a Related Party Transaction Policy for

the purpose of identification and monitoring of such transaction. The Related Party Transaction policy is placed on the Company's website [www.bodal.com](http://www.bodal.com) and its web link- **[https://bodal.com/live.php?data=6\\_12](https://bodal.com/live.php?data=6_12)**

Particulars of Contracts or arrangements with Related Parties referred to in section 188 (1) of the Companies Act, 2013, are disclosed in Form AOC-2 as **Annexure 8**.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY

During the year under review, Hon'ble NCLT Bench Ahmedabad approved and passed order dated 31st December 2020 of Amalgamation of Trion Chemicals Pvt. Ltd. ("Transferor Company") with Bodal Chemicals Ltd. ("Transferee Company") with effective date of scheme of Amalgamation is 1st April 2019.

Apart from above, there is no significant and material order passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's future operations.

### INSURANCE

The Company's assets are adequately insured.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

- (a) in the preparation of the annual accounts for the financial year ended on 31st March 2021 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this

## Board's Report (Contd.)

Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the Directors have prepared the annual accounts for the financial year ended on 31st March 2021 on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with provisions of all the applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

Your Directors place on record their sincere appreciation for the steadfast commitment and highly motivated

performance by employees at all levels which was instrumental in sustained performance of the Company. Your directors also sincerely thank all the stakeholders, professionals, business partners, government & other statutory bodies, banks, financial institutions, analysts and shareholders for their continued assistance, cooperation and support.

**For and on behalf of the Board of Directors of  
Bodal Chemicals Ltd.**

**SURESH J. PATEL**

Chairman & Managing Director  
(DIN: 00007400)

Date : 14-08-2021

Place: Ahmedabad

# ANNEXURE 1 BUSINESS RESPONSIBILITY REPORT

## SECTION A : GENERAL INFORMATION ABOUT THE COMPANY:

- Corporate Identity Number (CIN) : L24110GJ1986PLC009003
- Name of the Company : BODAL CHEMICALS LTD
- Registered Address : PLOT NO 123-124, PHASE-I, G.I.D.C., VATVA, AHMEDABAD--382445
- Website : www.bodal.com
- Email ID : secretarial@bodal.com
- Financial Year reported : 1st April 2020 to 31st March 2021
- Sector that Company is engaged in (Industrial Activity code wise) (NIC code of Activity)

Sr.	Particulars	National Industrial Code (NIC)
1	Basic Chemicals	201
2	Dye Intermediates	202
3	Dyestuffs	202

- Name of Key Product/Services manufactures
  - VINLY SULPHONE ESTER
  - H ACID
  - Acid Black 210
- Total Number of Location where business activities are undertakes
  - International
  - Domestic
- Market served by the Company –National and International

## SECTION B : FINANCIAL DETAILS OF THE COMPANY AS ON 31ST MARCH 2021:

- Paid up Capital (₹): ₹ 244.66 Million
- Total Turn Over (₹): ₹ 11,297.31 Million
- Total Profit after Tax : ₹ 483.15 Million
- Total spending on Corporate Social Responsibility (CSR) as percentage of PAT (%): ₹ 35.72 Million which is 7.39% of the PAT
- List of Activities in which expenditure in 4 above has been incurred : as per the annexure 7 of Directors Report.

## SECTION C : OTHER DETAILS:

- Does the Company have any Subsidiary Company/ Companies?

Yes, Bodal Chemicals Ltd. have 5 (Five) Subsidiary (including wholly owned subsidiary) Companies in Indian and overseas and a step-down subsidiary Company at overseas. Which are as follows:

- Name of Indian subsidiary / wholly owned subsidiary companies:
  - SPS Processors Pvt. Ltd. – Subsidiary
  - Bodal Chemicals Trading Pvt. Ltd. -- Wholly Owned Subsidiary
- Name of Overseas subsidiary / wholly owned subsidiary / step down subsidiary companies:
  - Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. -Wholly Owned Subsidiary
  - Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi - Subsidiary
  - Bodal Bangla Ltd. – Wholly Owned Subsidiary
  - Senpa Dis Ticaret Anonim Sirketi - Step down subsidiary

- Does the Subsidiary Company/Companies participate in the BR initiative of the parent company? If yes, then indicate the number of such subsidiary company(ies)

No, BR initiative of the Company are Ltd. to its own operations

- Do any entity/entities (e.g. suppliers, distributors etc.) that the Company does the business with, participate in the BR initiative of the Company? If yes, then indicate the percentage of such entity/entities? [>30% 30-60%, <60%]

No, BR initiative of the Company are Ltd. to its own operations

## SECTION D: BUSINESS RESPONSIBILITY INFORMATION:

- Details of Director/Directors responsible for BR**

- Details of the Director/Director responsible for implementation of the BR policy/policies



## Annexure 1 Business Responsibility Report (Contd.)

- i. Din Number 00030464
- ii. Name Mr. Bhavin S. Patel
- iii. Designation Executive Director
- b. Details of the BR head
- ii. Din Number 02173231
- iii. Name Mr. Ankit S. Patel
- iv. Designation Executive Director
- v. Telephone Number 079 68160100
- vi. E-mail id secretarial@bodal.com

### 2. List of Principals:

**Principal 1:** Businesses should conduct and govern themselves with ethics, transparency and accountability

**Principal 2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

**Principal 3:** Businesses should promote the wellbeing of all employees

**Principal 4:** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

**Principal 5:** Businesses should respect and promote human rights

**Principal 6:** Businesses should respect, protect, and make efforts to restore the environment

**Principal 7:** Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

**Principal 8:** Businesses should support inclusive growth and equitable development

**Principal 9:** Businesses should engage with and provide value to their customers and consumers in a responsible manner

#### a. Principle-wise (as per NVGs) BR Policy/policies - Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for Business Responsibility					Y				
2	Has the policy being formulated in consultation with the relevant stakeholders?					Y				
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)					Y				
						The policy is based on National Voluntary Guidelines on Social, Environmental & Economical Responsibilities of Business released by Ministry of Corporate Affairs in July 2011.				
4	Has the policy being approved by the Board?					Y				
	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?									
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?					Y				
						The Director is responsible for BR and BR head is responsible for implementation of the policy				
6	Indicate the link for the policy to be viewed online?					<a href="https://www.bodal.com">https://www.bodal.com</a>				
7	Has the policy been formally communicated to all relevant internal and external stakeholders?					It has been posted on the Company's Website.				
8	Does the Company have in-house structure to implement the policy/ policies.					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				
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?					Y				

## Annexure 1 Business Responsibility Report (Contd.)

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why:

Not Applicable

### 3. Governance related to BR

- i. Indicate the frequency with which the Board of Directors, Committee of Board or CEO to assess the BR performance of the Company. Within 3 Months, 3-6 Months, Annually or more than 1 Year

The BR head Periodically assess the BR performance of the Company and the Board review the same annually.

- ii. Does Company publish a BR or a Sustainability Report? What is hyperlink for viewing this report? How frequently it is published?

The Company has adopted its BR report for 2020 – 21 which form part of the Annual Report. The same can be viewed on website of the Company at <https://www.bodal.com>

## SECTION E : PRINCIPLE WISE PERFORMANCE

### Principal 1 : Businesses should conduct and govern themselves with ethics, transparency and accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

The Company's policy on Ethics, Transparency and Accountability along with the Code of Conduct is applicable to all the persons working in the Bodal Chemicals Ltd. The Company encourages its business partners to follow the code. The policy also intends for fair dealings with customers, suppliers, contractors and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaints were received pertaining to ethics, transparency and accountability violation in financial year 2020-21.

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Vinly Sulphone
- Acid dyes
- H. Acid

2. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The Company is in the process of institutionalising procedures for sustainable sourcing including transportation. Currently, the Company expects its supplier to abide by ISO 9001 and ISO 14001 standards.

3. 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?

For all products the Company tries to procure from local supply chain partners which include small scale industries who meet our quality, delivery, cost and technology expectations. Efforts are continuously made to use local service providers for availing various support services at our various plants and services. Further, certain raw materials are not available locally and hence, company has to go outside for buying the same.

4. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has in-house facilities to recycle its waste and is continuously striving to optimise the process. Most of the manufacturing facilities of the Company are under Zero Liquid Discharge (ZLD). In addition to the in-house facilities, it also works with selected companies which are duly authorised by



## Annexure 1 Business Responsibility Report (Contd.)

the State Pollution Control Board (SPCB) for using such waste as their inputs.

### Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees – Total 1751 Employees
2. Please indicate the Total number of employees hired on temporary/**contractual**/casual basis –1006.
3. Please indicate the Number of permanent **women** employees – 32 Women Employees.

4. Please indicate the Number of permanent employees with **disabilities** - 2 Employee
5. Do you have an **employee association** that is recognised by management - No.
6. What percentage of your permanent employees is members of this recognised employee association? - NIL
7. Please indicate the 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. – NIL

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	NIL	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - a. Permanent Employees - 71%
  - b. Permanent Women Employees - 100%
  - c. Casual/Temporary/Contractual Employees – 100%
  - d. Employees with Disabilities - 100%

### Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised

1. Has the Company mapped its internal and external stakeholders? Yes/No  
Yes – the Company has done so consummately
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.  
Yes, your company always actively work to identify underprivileged communities in and around our Manufacturing Sites to prioritise our intervention and work on to serve their needs through our well-crafted CSR Programs. Your company do CSR related programme through its own and by diverting fund to NGO. The needs are identified through various

listening and learning methods and are prioritised by suitably addressing the needs of the Community and the long term strategic growth of the Company as well.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

Yes, Bodal Chemical Ltd. believes that it has an important role to play in the inclusive growth of the Society and the Community in which it operates

- ▶ The Company has taken up Project for provision of Safe Drinking Water to primary school in the surrounding villages of manufacturing facility.
- ▶ The Company promotes Education and Literacy in villages. Your company pays the fees of needy students and encourage study in villages also promote the students by distributing various prizes for their achievements.

Details of all the Activities listed above can be found in Annexure 7 to the Board's Report.

### Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

## Annexure 1 Business Responsibility Report (Contd.)

The Company respects & protects the human rights of all people around and associated with it. The Company complies with applicable laws and regulation governing occupational health and safety. The Company applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment of employees. The Company is holding ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and ISO certification for Health and Safety Standards and Environment Management Standards. The Company expects its suppliers, contractors etc. to adhere to the principles of human rights.

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

Nil

### **Principle 6: Businesses should respect, protect, and make efforts to restore 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 is committed to safeguard the interest of environment with a view of sustainable development. For the same, Company has taken many environment friendly initiatives and also carried out process modification to protect environment. The Company's Environmental policy is applicable to all its business places.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company has strategies /initiatives for enhancing its own performance (over which it is able to exercise control) related to the issue concerning the environment. The is no URL at present

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. The Company identifies and assesses potential environment risks for its products range.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details

thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company is actively exploring and evaluating opportunity related to clean Development mechanism. The Company continuously improving the performance related to environment for its products. Company follows the guidelines issued by CPCB and SPCB for its products range.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company has taken certain initiatives towards conservation of energy and energy efficiency at its various plants. Annexure 6 to the Board's Report contains details of the steps taken to conserve energy during the year.

The Company regularly undertakes many initiatives related to the clean technology, energy efficiency, renewable energy etc.

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

The Emissions/Waste generated by the Company are within the permissible limits given by CPCB/SPCB.

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

As on 31st March 2021, no notice is pending.

### **Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Vatva Industrial Association
- (b) CHEMEXCIL
- (c) Gujarat Safety Council
- (d) Gujarat Chamber of Commerce

2. Have you advocated/lobbied through above

## Annexure 1 Business Responsibility Report (Contd.)

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)

We do from time to time take up issues through these associations for advancement or improvement of public good and industry interest.

### Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society. The Company has several socio-economic projects running in various areas and are taken as per the CSR policy of the Company which includes:

- ▶ Promoting education and special education.
- ▶ Promoting healthcare including preventing healthcare.
- ▶ Company promote sustainable business practices and inclusiveness, by engaging nearby village people and develop essential infrastructures.
- ▶ Built educational infrastructure in village schools by providing modern education platform
- ▶ Eradicating hunger and making available safe drinking water

The details of specific CSR projects are given in Annexure 7 to the Board's Report.

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

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

3. Have you done any impact assessment of your initiative?

Efforts are made to make a general assessment of impact of some of the initiatives, by visiting the place of project initiated, discussing with the community people those are benefited. The Company internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programs and to gain insight for improving the design and delivery of future initiatives. However, no structural impact assessment is put in place at present.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year, the Company has spent towards various CSR initiatives and projects. The details of the same are given in Annexure 7 to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR policy framework and presented to the CSR committee for its review, guidance and approval. The Company works directly and through implementing agencies of the project to ensure proper and meaningful adoption of these initiatives among the target community.

### Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

No customer complaints are pending as on the end of the 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)

Not Applicable

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices,

## **Annexure 1 Business Responsibility Report (Contd.)**

irresponsible advertising and/or anti-competitive behaviour 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 case against Bodal Chemicals Ltd. were filed during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

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

Your company believes in providing best services to its customers. Time to time meeting(s) with customers are organised by the marketing teams to understand their expectation and essentially to gauge our competitiveness in the business. Bodal to remain consistently in touch with the customers through its business units and mitigate their issues promptly. Feedbacks received from customers are implemented to further enhance quality of service. Our ongoing efforts have made us significant players across all products we operate in.

Date: 14-08-2021  
Place: Ahmedabad

**For, BODAL CHEMICALS LTD**  
**Suresh J. Patel**  
Chairman and Managing Director

# ANNEXURE 2 TO THE DIRECTORS' REPORT - AOC 1

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Part "A"- Subsidiary & Associate

(₹ in Millions)

Particulars	Subsidiary Co.,	Wholly Owned Subsidiary Co.,	Foreign Wholly Owned Subsidiary Co.,	Subsidiary Co.,	Foreign Wholly Owned Subsidiary Co.,	Foreign Step Down Subsidiary	Associate Company
Name of the Subsidiary & Associate Co.,	S P S Processors Pvt. Ltd.	Bodal Chemicals Trading Pvt. Ltd.	Bodal Chemicals trading Shijiazhuang Ltd. (China)	SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI	Bodal Bangla Ltd.	SENPA DIS TICARET ANONIM SIRKETI	Plutoeco Enviro Association
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021	31st March 2021
Reporting currency for the subsidiary	Indian Rupees	Indian Rupees	RMB	Turkish lira	Taka	Turkish lira	Indian Rupees
Reporting exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries Rupee equivalent of 1 unit of foreign currency as at 31st March 2021 (₹)	Not Applicable	Not Applicable	1 RMB=11.172	1 LIRA=8.8628	1TAKA=0.8635	1 LIRA=8.8628	Not Applicable
Share Capital	16.23	0.1	13.14	233.82	5.14	0.63	0.10
Reserves & Surplus	(17.17)	4.78	2.81	(79.87)	(2.07)	16.37	----
<b>Total Assets</b>	<b>1,485.47</b>	<b>91.79</b>	<b>159.31</b>	<b>850.72</b>	<b>3.16</b>	<b>122.96</b>	<b>6.11</b>
<b>Total Liabilities (excluding Share Capital and Reserves &amp; Surplus)</b>	<b>1486.41</b>	<b>86.91</b>	<b>143.36</b>	<b>696.77</b>	<b>0.09</b>	<b>105.96</b>	<b>6.01</b>
Investments	----	----	----	----	----	----	----
Turnover	981.01	142.07	159.05	757.70	----	277.10	----
Profit before taxation	(41.21)	0.13	12.10	0.09	(1.72)	20.71	----
Provision for taxation	10.77	0	(0.10)	(14.64)	----	(5.00)	----
Profit after taxation	(30.44)	0.13	12.00	(14.55)	(1.72)	15.71	----
Proposed Dividend	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% of shareholding	70%	100%	100%	80%	100%	100%*	25%

\*100% shares of SENPA DIS TICARET ANONIM SIRKETI is held by SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI and SENPA DIS TICARET ANONIM SIRKETI is step down subsidiary company of BODAL CHEMICALS LTD.

### PART "B" - JOINT VENTURES: NONE

For and on behalf of Board of Directors of Bodal Chemicals Ltd.

Suresh J Patel

Chairman and Managing Director

DIN: 00007400



## ANNEXURE 3 TO THE DIRECTORS' REPORT

### Disclosures of ESOP Scheme-

Disclosure as required under Section 62(1)(b) of the Companies, Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are appended as below:

Sr. No.	Particulars	BODAL ESOP Scheme 2017		
1	Date of Shareholders' Approval	23rd September 2017		
2	Total No of Options approved under ESOS	10,00,000 (Ten Lacs)		
3	Vesting Requirements	options granted would vest subject to vesting period of 1 (one) year		
4	Date of Grant	-		
5	Exercise price or pricing formula	-		
6	Variation in terms of option	-		
7	Method of Option Valuation	-		
8	Outstanding as at beginning of the Period	326800		
	Granted during the Period	-		
	FORFEITED during the Period	-		
	CANCELLED during the Period	-		
	Lapsed during the Period	-		
	Exercised during the Period	-		
	Allotted during the Period	-		
	Number of shares arising as a result of exercise of options	-		
	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	-		
	Number of options vested during the Period	-		
	Outstanding as at the end of the Period	326800		
	Exercisable at the end of the Period	-		
9	Weighted average remaining contractual life (in years)	-		
10	Weighted average fair value of options granted	-		
11	<b>Employee Wise details of Options granted during the financial year 2020-21 to:</b>			
(a)	<b>key managerial personnel.</b>			
	<b>Name</b>	<b>Designation</b>	<b>Options Granted During the year</b>	<b>Options Allotted During the Year</b>
	None			
(b)	<b>Any Other employee who receives a grant in any One year of option amounting to 5% or more of Option granted during the year</b>			
	<b>Name</b>	<b>Designation</b>	<b>Options Granted During the year</b>	<b>% of Option granted during the year</b>
	None			
(C)	<b>Identified employees who were granted Option, during any One year, equal to or exceeding 1% of the Issued Capital (excluding outstanding warrants and conversations) of the Company at the time of Grant</b>			
	<b>Name</b>	<b>Designation</b>	<b>Options Granted During the year</b>	<b>Options Allotted During the Year</b>
	None			

Note: Other details as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular CIR/CFD/POLICY CELL/2/2015 dated 16th June 2015 forms part of the Notes to financial statements in this Annual Report.

## Annexure 4 TO THE DIRECTORS' REPORT

Details pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1	Name & Designation of Director & KMP	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for 2020-21	% increase/(decrease) in remuneration in the 2020-21
---	--------------------------------------	---	--

### Executive/Whole Time Directors

i	Mr. Suresh J Patel	68.95	Nil
ii	Mr. Bhavin S Patel	45.96	Nil
iii	Mr. Ankit S. Patel	45.96	Nil

Independent Directors have been paid only sitting fees during 2020-21 and hence the Ratio to Median Remuneration has not been shown for Independent Directors.

iv	Mr. Mayur B Padhya, Chief Financial Officer	N.A.	----
v	Mr. Ashutosh B Bhatt, Company Secretary and Compliance officer	N.A.	----

2	The percentage increase in the median remuneration of employees in the financial year	----
3	The number of permanent employees on the rolls of company	1751
4	Average percentile increases 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	There was no increase in remuneration paid to employees and managerial personnel during the 2020-21
5	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

Particulars of Employees in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Employed throughout the financial year with salary above ₹ 102 Lakh p.a.

Name of Employee	Mr. Suresh J. Patel	Mr. Bhavin S Patel	Mr. Ankit S Patel
Designation	Chairman and Managing Director	Executive Director	Executive Director
Remuneration	1,62,00,000	1,08,00,000	1,08,00,000
Commission	2,10,00,000	1,35,00,000	1,35,00,000
Nature of Employment	Permanent	Permanent	Permanent
Qualification	Bachelor in Science (B.Sc.)	Bachelor in Science (B.Sc.)	Bachelor in Economics, MBA (Finance)
Date of Commencement of Employment	1st June 2005	1st June 2005	24th May 2008
Age	65 Years	40 Years	38 Years
Previous Employment	Not Applicable	Not Applicable	Not Applicable
% of Equity Shares held in the Company	30.34% as on 31st March 2021	8.58% as on 31st March 2021	5.94% as on 31st March 2021

ii. Employed part of the Financial year with average salary above ₹8.50 Lacs per month: **NA**

iii. Employee employed throughout Financial year or part thereof, was in receipt of remuneration of in aggregate is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than Two percent (2%) of the Equity Shares of the Company. **NA**

## Annexure 1 Business Responsibility Report (Contd.)

### iv. The name of Top 10(Ten) Employees in terms of remuneration:

SR. NO	Employee Code	Name of Employee	Designation	Birth Date	Date of Commencement of Employment	Per Month Remuneration (CTC)	Annual Remuneration (CTC)	Nature of Employment	Qualification & Experience	Age	Last employment	% of Equity Share held by Employee	Whether employee is relative of any Director or Manager
1	5000249	PRASAD HARI PUJARI	Head Sulphur	17th April 1963	11th September 2008	506955	6083460	On Roll	M.CHEM. ENGG.	58	Dharmashi Moraji Chemical Co. Ltd.	0.01	N.A.
2	B242	MAYUR BACHUBHAI PADHYA	Chief Financial Officer	4th May 1971	1st April 2013	458334	5500008	On Roll	CA, CMA, B.com	50	Hi-Rel Electronics Pvt. Ltd.	0.15	N.A.
3	5000347	V K SASIDHARAN K SASIDHARAN	V.P.Tec	15th April 1950	1st July 2009	431750	5181000	On Roll	B.E. METROLOGY	71	Dharmashi Moraji Chemical Co. Ltd.	0.01	N.A.
4	14000001	SATISH KHILALDAS KEWALRAMANI	Vice President-Project	5th January 1962	8th December 2020	300000	3600000	On Roll	B.Tech (Chemicals Engineering)	59	SEYA INDUSTRIES	0.00	N.A.
5	5001226	UDAY NARANBHAI PATEL	General Manager - Project (Div-Caustic Chlorine)	19th January 1978	4th February 2019	290000	3480000	On Roll	B.E. CHEMICAL	43	RSPL Ltd.	0.00	N.A.
6	B252	BIPINBHAI CHANDUBHAI PATEL	Head Production-Dyes Stuffuff Division	6th June 1967	8th March 2019	270000	3240000	On Roll	B.Sc.	54	Fumochem Pvt.ltd		N.A.
7	5001157	WARIS AKHIL M. SUBHAN CHAUDHARY	Sr.General manager (Project)	12th October 1962	29th December 2016	268000	3216000	On Roll	DME, ME(MECH)	59	Paithan Mega Food Park Pvt. Ltd.	0.00	N.A.
8	B231	MANISHA BHUPENDRABHAI PATEL	General Manager (Commercial)	28th August 1973	1st August 2012	202501	2430012	On Roll	CA, B.com	48	Consulatant	0.00	N.A.
9	B247	AMIT BALMUKUND ACHARYA	General Manager	10th September 1979	17th August 2015	201776	2421312	On Roll	MBA (HR&IR), LLB	42	Apothecon Pharmaceuticals Pvt. Ltd.	0.00	N.A.
10	PD025	ANIL P.L. DUGAAL	General Manager	4th August 1961	7th September 2011	200120	2401440	On Roll	MBA	60	Meghmani Organics Ltd.	0.00	N.A.

### v. Variations in the Market Capitalisation of the Company as at the Closing date of the Current Financial Year ( 2020-21) and Previous Financial Year ( 2019-20):

Date /Particulars	Issued Capital (No. of Equity Shares)	Closing Market Price per share ₹ (sourced taken from www.nse.com)	Market Capitalisation (₹ In Million)
<b>31st March 2020</b>	12,23,30,165	42.40	5186.80
<b>31st March 2021</b>	12,23,30,165	90.10	11021.95
<b>Increase/Decrease</b>	-----	<b>47.70</b>	<b>5835.15</b>

Note: Variation in the market Capitalisation of the Company is Increase from 11021.95 Million to 5186.80 Million as comparison of Closing date of the Current Financial year ( 2020-21) and Closing date of the Previous financial year ( 2019-20).

# Annexure 5 TO THE DIRECTORS' REPORT- SECRETARIAL AUDIT REPORT

For the financial year ended 31st March 2021

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

To,  
The Members,  
**BODAL CHEMICALS LIMITED**  
CIN : L24110GJ1986PLC009003  
Plot No. 123-124, Phase-1,  
GIDC, Vatva,  
Ahmedabad – 382 445

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bodal Chemicals Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and based on the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit through electronically by way of scan copy or soft copy through mail or otherwise and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined through electronically by way of scan copy or soft copy through mail or otherwise, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- (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 there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended from time to time;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share based employee benefits) Regulations, 2014;

## **Annexure 5 to the Directors' Report-Secretarial Audit Report (Contd.)**

(vi) Secretarial Standards issued by the Institute of Company Secretaries of India (SS – 1 and SS – 2).

I have also examined compliance with the applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

Further being a Chemical Industry, apart from Environment, Pollution and safety related compliances, Narcotics Law 1985 is applicable to the Company, for which examination of the relevant documents and records, on test check basis has been carried out.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, etc. were not applicable to the Company:

- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- ii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- iii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 & 2018;
- iv. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 & 2018; and
- v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of External Commercial Borrowings.

### **I further report that –**

The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.

### **I further report that –**

Based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and on the basis of Compliance Certificates issued by the Managing Director and Company Secretary of the Company and taken on record by the Board of Directors at their meetings, in my opinion, adequate systems and processes and control mechanism exist in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, standards and guidelines and general laws like various labour laws, competition law, environmental laws, etc.

### **I further report that –**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

During the year, all decision in the Board Meetings were carried unanimously.

I further report that during the audit period there were few specific events/ actions in pursuance of the above referred laws, rules, regulations, standards, etc. having a major bearing on the Company's affairs, details of which are as stated below:



## Annexure 5 to the Directors' Report-Secretarial Audit Report (Contd.)

- i. Scheme of Amalgamation of Trion Chemicals Private Limited, Wholly owned Subsidiary Company with Bodal Chemicals Limited was approved by the Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, vide its Order dated 31st December 2020 (received on 8th January 2021). The Appointed date of the Scheme of Amalgamation was 1st Day of April 2019.
- ii. The Company has formed wholly owned subsidiary Company in Indonesia by way of acquiring equity shares, namely PT BODAL CHEMICALS INDONESIA and made total investment to the extent of ₹ 15 Crores in the Company.
- iii. The members of the Company have re-appointed Mr. Suresh J. Patel as a Chairman and Managing Director of the Company in the AGM held on 20th August 2020.
- iv. The Company has purchased Plant, SIEL Chemicals Complex (SSC), Unit of Mawana Sugar Limited, with all its assets and liabilities including the concerned licenses, permits, consents, approvals whatsoever and the employees, as "going concern" and by way of a slump sale from M/s. Mawana Sugars Limited for a lump sum consideration upto ₹ 150 Crores.
- v. The Company's operation were affected and closed due to countrywide lockdown effected by the Government of India under Pandemic COVID-19. The Company had resumed its operations in a phased manner from the 11th May 2020.
- vi. Company had issued Equity warrants on preferential basis to promoters and non promoters to be converted in to Equity Shares. 25% of the subscription price was received at the time of issue of warrants. However, balance of 75% amount, i.e ₹ 129.38 Crores, was not received by extended due date i.e. 11th February 2021. Hence, the balance lying as Warrants Subscription amounts of ₹ 43.13 Crores, stand forfeited in terms of Regulation 169 (3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations.

**Name of Company Secretary in practice: Tapan Shah**

FCS No. : 4476

C P No. : 2839

UDIN : F004476C000764686

Place: Ahmedabad

Date: 14th August 2021

**Note:** This Report is to be read with my letter of above date which is annexed as **Annexure A** and forms an integral part of this report.

Due to restricted movement amid COVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

## **Annexure 5 to the Directors' Report-Secretarial Audit Report (Contd.)**

### **Annexure A**

To,  
The Members,  
**BODAL CHEMICALS LIMITED**  
CIN : L24110GJ1986PLC009003  
Plot No. 123-124, Phase-1,  
GIDC, Vatva,  
Ahmedabad – 382 445

My report of the above date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided, on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Name of Company Secretary in practice: Tapan Shah**

FCS No. : 4476

C P No. : 2839

UDIN : F004476C000764686

Place: Ahmedabad  
Date : 14th August 2021

# ANNEXURE 6 TO THE DIRECTORS' REPORT

## CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS & OUTGO:

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### Energy Conservation measures taken:

- Reducing the HP of Motors where possible
- Improvement in low insulation.
- Periodic desertion of Boiler

### Additional Investment and Proposals, if any, being implemented for reduction of consumption of energy:

The Company's Sulphuric Acid plant generates steam, part of the same is used to run our TC, Dyes and Dyes Intermediates plant and balance is used to generate power, by installation of turbine, to run Sulphuric Acid plant itself.

### Impact of above:

The adoption of energy conservation measures indicated above has a consequent impact on cost of production of goods by way of reduction of fuel cost.

### Total Energy Consumption per unit of Production:

Particulars		2020-21	2019-20
(i)	Total consumption of Electric (Units)	19.95 Million	14.35 Million
	Total Amount (₹ in Million)	175.00 Million	135.20 Million
	Unit/Average Rate (In ₹)	Unit/₹ 8.77	Unit/₹ 9.42
(ii)	Fuel		
	Quantity	Kgs 80.88 Million Ltr 0.12 Million MMBTU 0.010 Million SCM 0.70 Million	Kgs 83.74 Million Ltr 0.09 Million MMBTU 0.010 Million SCM 0.19 Million
	Total Amount (₹ in Million)	434.29 Million	516.70 Million
	Unit /Average Rate(In ₹)	Kgs/ -₹ 4.82 Ltr/ -₹ 75.36 MMBTU/₹ 951.34 SCM/₹ 37.28	Kgs/ -₹ 5.87 Ltr/ -₹ 68.99 MMBTU/₹ 1057.15 SCM/₹ 39.44

## RESEARCH & DEVELOPMENT (R & D)

### Future Plans of Action

The Company will try its best to carry activities in the field of R & D for development of new products and improvements in the existing manufacturing process for better yield.

### Expenditure on R & D (on standalone basis):

(₹ In Million.)

Particulars	2020-21	2019-20
Capital Expenditure	3.62	4.27
Recurring Expenditure	36.51	31.94
<b>Total</b>	<b>40.13</b>	<b>36.21</b>
<b>Total R&amp;D expenditure as a percentage of total turnover</b>	<b>0.36%</b>	<b>0.30%</b>

## Annexure 6 to the Directors' Report (Contd.)

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(a) Efforts in brief:

- I. Company in order to fully utilise its multidimensional manufacturing capacity is always at the forefront to make the best use of its technical capability for better success.
- II. Continuous endeavor to improve Product Quality & Process Yields.

(b) Benefit derived as a result of the above effort:

The Company is able to market its value-added products in Domestic as well as International Market.

(c) Details relating to imported technology: Nil

### FOREIGN EXCHANGE EARNING AND OUTGO -

(₹ In Million)

Particulars	2020-21	2019-20
<b>(a) Foreign Exchange Inflow</b>		
(i) Foreign Exchange Earning F.O.B. Value of Export	3642.72	4731.94
<b>(b) Foreign Exchange outgo</b>		
(i) Value of imported Raw materials calculated on CIF basis.	1056.84	1117.97
(ii) Value of imported Other materials calculated on CIF basis	0.51	Nil
(iii) Value of imported Capital Goods calculated on CIF basis	4.58	Nil
(iv) Foreign Traveling Expenditure	0.47	3.75
(v) Export Sales Commission	33.64	73.91
(vi) Business Development Expenses	Nil	0.54
(vii) Interest	27.17	40.78
(viii) Bank Charges	3.90	6.22
(xi) Cash Discount	Nil	0.16
(xii) Repairs to machinery	Nil	1.51
(xi) Other Selling Expense	7.06	1.34
(xii) Legal & Professional Fees	52.41	8.28

## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21:

Pursuant to section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

### Corporate Social Responsibility (CSR) Report for 2020-21

Bodal Chemicals Ltd. (BCL) vision is to grow Globally and as responsible citizen also fulfill its duty towards society. The Company's long-term CSR objective is "to improve the quality of life of the communities to whom we serve & attach"

### Focused Geographic Spread

BCL's focused area for developmental activities will be urban as well as rural areas in the states in which it is located.

The Company may also support initiatives in other geographies, as approved by the CSR committee of the board, from time to time.

### CSR Focused Area

BCL's CSR is aligned with the BCL's corporate policy and will focus on five thrust areas – Environment, Education, Health Care, Livelihood, and Rural & Urban infrastructure. Besides, it will also undertake interventions in the area of Sports, Disaster Relief, and Ethnicity etc. all aimed at improving the quality of life of the communities.

### Approach:

The Company's CSR approach would be around following guiding principal.

Impact	Partnership	Affirmative Action
Volunteerism	Communication	Innovation

The Company follows Ackerman's Model for CSR. This model defines CSR in three different phase.

**First Phase :** Top management recognise social problem.

**Second Phase :** The Company appoints staff specialist to look into the issue and find measures to tackle it.

**Third Phase :** Implementation of the strategy derived

### Delivery Mechanism

Whilst a large part of the CSR efforts of BCL will be implemented by an in-house department, in some of the projects company is also partner with the credible organisation to design, fund allocation, implement and review projects. Partner agencies will be selected based on the well-defined selection criteria.

### Guiding Principle for CSR:

<b>Impact</b>	All CSR initiatives will have well defined KPIs, to measure impacts on target groups.
<b>Partnership</b>	The Company will forge collaborations with NGOs or Organisations those have expertise to implement the projects related to CSR.
<b>Affirmative Actions</b>	The Company will design targeted interventions for the specific group to promote Education, Employability, and Entrepreneurship.
<b>Volunteerism</b>	BCL is providing opportunity to their employees, their families, and BCL ecosystem to engage in volunteering activities that will benefit to the community in which they live and work.
<b>Communication</b>	It is very important principle, the Company have two-way communication channel, where we communicate with community people to understand their needs, expectations and aspirations can be mapped and their satisfaction can be obtained.
<b>Innovation</b>	BCL will endeavour to develop innovative solution to solve seemingly intractable social problem.



## **Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)**

### **Areas of Interest:**

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, employment enhancing vocation skills and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women by setting up homes and hostels, setting up old age homes and orphanage house, day care centers and other facilities for senior citizens.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil or air and water including contribution to the clean Ganga set-up by the the Central Government for rejuvenation of river Ganga.
5. Promotion and protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries.
6. Measure for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief fund and welfare of the schedule castes, the scheduled tribes, other backward classes, minorities and women.  
[Contribution to any fund set up by Central Government means it does not include the fund set up by State Government or any local Government.
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Slum area development.
12. Disaster Management, Including relief, rehabilitation and reconstruction Activities.

## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

### ANNEXURE -II

#### THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR 2020-21

1	Brief outline on CSR Policy of the Company.		The Company intends to make a Positive Difference to Society and Contribute its share towards the Social Cause of betterment of Society and area in which Company Operates. The Company aims to create educated, healthy,sustainable and culturally vibrant communities. We also contribute as a Company to various charitable causes and we seek to participate in ways that touch people’s lives in these communities.	
2	Composition of CSR Committee:			
SR. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Suresh J Patel	Chairman/ Chairman and MD	4	4
2	Mr. Ankit S Patel	Member/Executive Director	4	4
3	Mr. Sunil K Mehta	Member/Independent Director	4	4
3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.		https://www.bodal.com/live.php?data=6_l2	
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014,if applicable (attach the report).		Not Applicable	
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year,if any		No Amount Available for set off in pursuant to sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules,2014	
	SR. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
	Not Applicable as No Amount is Available for set off in pursuant to Sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules,2014			
6	Average net profit of the Company as per section 135(5).		1,778,531,736.67	
7	(a) Two percent of average net profit of the Company a per section 135(5)		35,570,634.73	
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.		0	
	(c) Amount required to be set off for the financial year, if any		0	
	(d) Total CSR obligation for the financial year (7a+ 7b- 7c)		35,570,634.73	

## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
2020-21	NIL	Nil	Nil	Nil	Nil

### (b) Details of CSR amount spent against ongoing projects for the financial year: - Not Applicable

1	2	3	4	5		6	7	8	9	10	11
SR. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State.	District.					Name	CSR Registration number

Not Applicable as No Amount is Available for set off in pursuant to Sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014

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

1	2	3	4	5		6	7	8	
SR. No.	Name of the Project/Name of Activities	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project/ Activity (in ₹).	Mode of implementation on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	c
1	Being amount paid to M/s. Gandhi Provision Store for food packet supplied to the Company for distribution to Migrant workers - those are staying in near by villages during COVIND-19 Phase	Eradicating hunger' Preventive Health care	YES	Gujarat	Dudhwada Village Padra Vadodara	416,000.00	YES	NA	NA
2	Being amount paid to Mahi Provision Store towards charges for food packet supplied to the Company during Lockdown due to COVID-19 for distribution to Needy Peoples	Eradicating Hunger, Preventive Health care	YES	Gujarat	Piludara Jambusar Bharuch	26,560.00	YES	NA	NA
3	Being amount paid to Thakkarbapa Provision Store towards charges for Food Packets Supplied during Lockdown due to COVID-19- for distributions to needy Peoples	Eradicating Hunger, Preventive Health care	YES	Gujarat	Padra Vadodara	99,750.00	YES	NA	NA



## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

1 SR. No.	2 Name of the Project/Name of Activities	3 Item from the list of activities in schedule VII to the Act.	4 Local area (Yes/ No).	5 Location of the project.		6 Amount spent for the project/ Activity (in ₹).	7 Mode of implementati on - Direct (Yes/No).	8 Mode of implementation - Through implementing agency.	
				State.	District.			Name.	c
4	Being amount paid to A. Ghanshaymbhai & Co., for supply of Grocery for distribute to Needy People during Lockdown due to COVID-19	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Borsad Ananad	264,937.00	YES	NA	NA
5	Being Amount paid to All In Developments (AID) towards In support & Solidarity to Communities facing hardships due to COVID-19 by Supporting CORONA Initiative in lieu of Greenathon Organised by AID	Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Vadodara	50,000.00	YES	NA	NA
6	Being amount paid to Shiv Enterprise towards Kharakhadi Gram Panchayat Talav Mati Khod Kam	Rural Development Activity	YES	Gujarat	Karkhadi Vadodara	68,440.00	YES	NA	NA
7	Being amount paid to GDMA-Gujarat Dyestuff manufacturers Association towards CSR towards 5000 Food Packets Distribution to the poor and needy People during the Lockdown due to COVID-19	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Ahmedabad	1,000,000.00	YES	NA	NA
8	Being amount paid to Pratapshingh Kesarisingh Padhiyar towards charges for Food Packets Preparation for Vadu Police Station during Lock down due to COVID-19	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Vadu	9,600.00	YES	NA	NA
9	Being amount paid to Pratapsinh Kesarisinh Padhiyar towards charges for Vegetables Supplied to Migrant workers - those are staying in near by villages during Lockdown due to COVID-19	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Vadu	26,880.00	YES	NA	NA

## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

1 SR. No.	2 Name of the Project/Name of Activities	3 Item from the list of activities in schedule VII to the Act.	4 Local area (Yes/ No).	5 Location of the project.		6 Amount spent for the project/ Activity (in ₹).	7 Mode of implementati on - Direct (Yes/No).	8 Mode of implementation - Through implementing agency.	
				State.	District.			Name.	c
10	Being amount paid to Jai Jalaram Provision Store towards charges for Grocery supply to Migrant workers - those are staying in near by villages during Lockdown due to COVID-19 for distributions to Needy Peoples	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Karkhadi Padra Vadodara	25,000.00	YES	NA	NA
11	Being amount paid to Modern Dindayal Grahak Bhandar towards Charges for Grocery supplied to Migrant workers - those are staying in near by villages during Lockdown due to COVID-19 for Distributions to Needy Peoples	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Muval Padra Vadodara	15,000.00	YES	NA	NA
12	Being amount paid to Annu Kennel and Pet Shop towards charges for Animal Food Packets during Lockdown due to COVID-19	Animal Welfare -Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat		10,800.00	YES	NA	NA
13	Being amount Paid to Shri Bet Devasthan Samiti Shri Dwarkadhishji Mandir	Promotion of Education and Research Activities	YES			500,000.00	YES	NA	NA
14	Being amount paid to Consumer Education and Research Centre	Promotion of Education and Research Activities	YES	Gujarat	Ahemdabad	500,000.00	YES	NA	NA
15	Being amount paid to PM Care Fund for COVID-19	The fund will be used for Combating, and Containment and relief efforts against the Coronavirus Outbreak and similar pandemic like situations in the future.	YES	All India	All India	5,100,000.00	YES	NA	NA
16	Being amount paid to Khambhat Nagar palika towards donation for Nishulk Bhojan Donation	Preventive Healthcare	YES	Gujarat	Khambhat Dist: Anand	200,000.00	YES	NA	NA



## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

1 SR. No.	2 Name of the Project/Name of Activities	3 Item from the list of activities in schedule VII to the Act.	4 Local area (Yes/ No).	5 Location of the project.		6 Amount spent for the project/ Activity (in ₹).	7 Mode of implementati on - Direct (Yes/No).	8 Mode of implementation - Through implementing agency.	
				State.	District.			Name.	c
17	Being Amount paid to Chovis Gam Sachchidanand Medical & Research Centre-Sanchalit "Shraddha Hospital"	Preventive Health care	YES	Gujarat	Borsad Anand	5,550,262.00	YES	NA	NA
18	Being amount paid to Vaishnav Innerfaith Pushtimargiya Organisation-VIPO		YES	Gujarat	Vadodara Kankroli	500,000.00	YES	NA	NA
19	Being amount paid to Yogi Kirana and Parlour During for food packets Distribution to Needy People during COVID-19 Phase	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat		131,250.00	YES	NA	NA
20	Being amount paid to Shree Mahalaxmi Provision Stores for payment of Food Packets supplied to the Company-Distribution to Needy People During COVID-19 Phase	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Dudhwada Village Padra Vadodara	876,347.00	YES	NA	NA
21	Being amount paid to "YUVA UNSTOPABLE " for Different CSR Activities	Promotion of different CSR Activities	YES	Gujarat	--	1,288,375.00	No	YUVA UNSTOPABLE	CSR00000473
22	Being amount paid to "GMERS TUITION FEES Collection"	Promotion of Education	YES	--	--	100,000.00	YES	NA	NA
23	Donation to "Charutar Arogya Mandal" Donation amount would be utilized for strengthening of Infrastrucure and Equipment to take care of COVID-19 patients at the Hospital	Preventive Healthcare	YES	Gujarat	Karamsad	500,000.00	YES	NA	NA
24	Being amount paid to G H Patel School of Nursing for Education Fees for 1st Term of Induben Rameshbhai Talpada	Promotion of Education	YES	Gujarat	-	82,000.00	YES	NA	NA
25	Being amount paid for "Manoj Provision Store" for groserry supply to Migrant workers - those are staying in near by villages towards CSR	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Dabhasa Ta. Padra, Vadodara	40,000.00	YES	NA	NA

## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

1 SR. No.	2 Name of the Project/Name of Activities	3 Item from the list of activities in schedule VII to the Act.	4 Local area (Yes/ No).	5 Location of the project.		6 Amount spent for the project/ Activity (in ₹).	7 Mode of implementation - Direct (Yes/No).	8 Mode of implementation - Through implementing agency.	
				State.	District.			Name.	c
26	Being Contribution made for Migrant workers & Front Runner (Police) - those are staying in near by villages	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Vadu Village Padra Vadodara	6,650.00	YES	NA	NA
27	Being amount paid to Ismailbhai Mohmedbhai Sarodwala for supply of food to Migrant workers - those are staying in near by villages	Eradicating hunger' Preventive Health care- Activity/ Contribution under COVID-19 Lockdown	YES	Gujarat	Jambusar Bharuch	50,000.00	YES	NA	NA
28	Being amount paid to "The Cambay Medical Relief Society" towards Patient Sahayak Fund	Preventive Healthcare	YES	Gujarat	Khambhat Dist: Anand	500,000.00	YES	NA	NA
29	Being amount paid to "Shree Chhatrapati Shivaji Seva Sansthan" towards CSR Activities	Training under Atma-Nirbhar Bharat	YES	Gujarat	Vedach Dis: Jambusar Bharuch	80,000.00	YES	NA	NA
30	Being amount paid to "Access Life Assistance Foundation" towards CSR Activities to supporting Cancer Bravehearts	Preventive Health care	YES	Centre across Mumbai,	Centre across Mumbai,	500,000.00	YES	NA	NA
31	Being amount paid to "Prayas Organisation for Sustainable Development" towards CSR Activities for Woman Empowerment, self-dependency of vulnerable communities, Human Rights, Health Awareness	Education and Healthcare	YES	Gujarat	Ahmedabad	5,800,000.00	YES	NA	NA
32	Being Amount paid to "Sri Hastimalji Ghamandiramji Bokadia Charitable Trust"	Animal Welfare	YES	Gujarat	Gandhinagar	1,500,000.00	YES	NA	NA
33	Being amount paid to "patel Chunilal Persottamdas Charitable Trust"	Promotion of Education	YES	Gujarat	Sevalia Ta: Thasra Dist: Kheda	5,000,000.00	YES	NA	NA
34	Being Amount paid to "Ankleshwar Rotary Education Society " towards CSR Activities	Promotion of Education	YES	Gujarat	Ankleshwar	150,000.00	YES	NA	NA

## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

1	2	3	4	5		6	7	8	
SR. No.	Name of the Project/Name of Activities	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project/ Activity (in ₹).	Mode of implementati on - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	c
35	Being an amount paid of "High on Life Foundation" towards CSR Activities	Promotion of Healthcare	YES	Gujarat	Ahemdabad	3,150,000.00	YES	NA	NA
36	Being an amount paid to "Bodal Kelvani Mandal" towards CSR Activities	Promotion of Education	YES	Gujarat	Borsad Anand	500,000.00	YES	NA	NA
37	Being amount paid to "Chovis Gam Kelvani Mandal" towards CSR Activities	Promotion of Education	YES	Gujarat	Anand Borsad	1,100,000.00	YES	NA	NA

(d) Amount spent in Administrative Overheads	0
(e) Amount spent on Impact Assessment, if applicable	0
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	3,57,17,851.00

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	3,55,70,634.73
(ii)	Total amount spent for the Financial Year	3,57,17,851.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,47,216.27
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,47,216.27

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	2017-18	0	31,077,741.00	Nil	0	Nil	
2	2018-19	0	34,865,873.00	Nil	0	Nil	
3	2019-20	0	14,589,246.40	Nil	0	Nil	Nil
	<b>Total</b>	<b>0</b>	<b>80,532,860.40</b>				

## Annexure – 7 – CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT FOR 2020-21: (Contd.)

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed /Ongoing.
No CSR Amount spent in the Financial year for Ongoing Projects of the preceding financial years								
<b>TOTAL</b>								

In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

#### (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	Not Applicable
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not Applicable
Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

Sd/-  
(Chief Executive Officer or  
Managing Director or  
Director)

Sd/-  
(Chairman CSR Committee)

Sd/-  
[Person specified under clause (d)  
of sub-section (1) of section 380 of  
the Act]  
(Wherever applicable)

# ANNEXURE 8 TO THE DIRECTORS' REPORT

## FORM NO. AOC-2

### Particulars of Contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

**Forms for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

#### A. Details of transactions not at arm's length basis

There were no contracts or arrangements or transactions entered in to during the year ended on 31st March 2021, which were not at arm's length basis.

#### B. Details of or transactions at arm's length basis

There were no material transactions entered in to during the year ended on 31st March 2021 with the related parties of the Company. Further below mentioned transactions entered by the Company with related parties were at arm's length basis for the year ended 31st March 2021.

Sr. No	Particulars	Details	Details	Details
1.	Name(s) of the related party and nature of relationship	Shanti Inorgo Chem (Guj.) Pvt. Ltd. Mr. Suresh J. Patel, Chairman and Managing Director is interested through his brother who is Director and member in Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Bodal Chemicals Trading Pvt. Ltd. Wholly owned Subsidiary Company of Bodal Chemicals Ltd.	S P S Processors Pvt. Ltd. Subsidiary Company of Bodal Chemicals Ltd.
2.	Nature of contracts/ arrangements/ transactions	Sale and purchase	Sale and purchase	Sale and purchase
3.	Duration of the contracts /arrangements/ transactions	Repetitive during the year	Repetitive during the year	Repetitive during the year
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 15.88 Million	₹ 132.57 Million	₹ 21.81 Million
5.	Date(s) of approval by the Board	28 th May 2014	9th February 2021	24th August 2017
6.	Amount paid as advances, if any :	--	--	--



## ANNEXURE 8 TO THE DIRECTORS' REPORT (Contd.)

Sr. No	Particulars	Details	Details	Details
1.	Name(s) of the related party and nature of relationship	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd. (w.e.f. 3rd January 2019) Wholly owned Subsidiary Company of Bodal Chemicals Ltd.	SENER BOYA KIMYA TEKSTIL SANAYI VE TICARETANONIM SIRKETI (Subsidiary Company of Bodal Chemicals Ltd.)	Bodal Bangla Ltd. (w.e.f. 22nd September 2019 Wholly Owned Subsidiary of Bodal Chemicals Ltd.)
2.	Nature of contracts/ arrangements/ transactions	Sale and purchase	Sale and purchase	Sale and purchase
3.	Duration of the contracts /arrangements/ transactions	Repetitive during the year	Repetitive during the year	Repetitive during the year
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	₹ 227.74 Million	₹ 667.82 Million	--
5.	Date(s) of approval by the Board	9th February 2021	9th February 2021	9th February 2021
6.	Amount paid as advances, if any :	--	--	--

**For and on behalf of the Board**  
**SURESH J. PATEL**  
Chairman & Managing Director  
(DIN: 00007400)

Date : 14-08-2021  
Place: Ahmedabad

# ANNEXURE 9

## CERTIFICATE BY THE CEO & CFO OF THE COMPANY

We, Suresh J. Patel, Chief Executive Officer and Mayur B. Padhya, Chief Financial Officer of Bodal Chemicals Ltd., to the best of our knowledge and belief certify that;

1. We have reviewed the Balance Sheet, Profit & Loss Account, its schedule and notes to accounts and cash flow statement for the year ended **31st March 2021** and that to the best of our knowledge and belief:
  - (a) these statements do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading;
  - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee :-
  - (a) significant changes in internal control over financial reporting during the year ;
  - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Suresh J. Patel**  
Chief Executive Officer  
Chairman & Managing Director  
Date : 14-08-2021

**Mayur B. Padhya**  
Chief Financial Officer

## ANNEXURE 10

### DECLARATION BY THE MANAGING DIRECTOR

I, Suresh J. Patel, Chairman & Managing Director of Bodal Chemicals Ltd., hereby declare that all the Members of Board of Directors and the senior management personnel have affirmed compliance with the Code of Conduct, applicable to them as laid down by the Board of Directors in terms of Regulations 26(3) of SEBI (LODR) Regulations, 2015.

Date: 14-08-2021  
Place: Ahmedabad

**Suresh J. Patel**  
Chief Executive Officer,  
Chairman & Managing Director  
(DIN: 00007400)



# ANNEXURE 11

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS-

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

To,  
The Members of  
**BODAL CHEMICALS LIMITED**  
CIN :L24110GJ1986PLC009003  
PLOT NO 123 AND 124, PHASE -1,  
GIDC VATVA,  
AHMEDABAD 382445"

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **BODAL CHEMICALS LIMITED**, having **CIN L24110GJ1986PLC009003** and having registered office at Plot No 123 and 124 Phase -1, GIDC, Vatva, Ahmedabad 382445 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Sureshbhai Jayantibhai Patel	00007400	*1st June 2005
2.	Bhavin Suresh Patel	00030464	*1st June 2005
3.	Ankit Sureshbhai Patel	02173231	24th May 2008
4.	Neha Sunil Huddar	00092245	10th May 2017
5.	Sunil Kanaiyalal Mehta	01736527	13th December 2017
6.	Nalin Kumar	03060741	13th February 2017
7.	Rajarshi Ghosh	08715159	27th May 2020
8.	Mayank Kulinchandra Mehta	03554733	9th February 2021

\* based on Form No. 32 filed by the Company

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on the based on my 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.

Place: Ahmedabad  
Date : 14th August 2021

**Tapan Shah**  
Membership No.: FCS4476  
CP No.: 2839  
UDIN : F004476C000764664

# ANNEXURE 12

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Registration No.: L24110GJ1986PLC009003

Nominal Capital: Rs.695000000/-

To,  
The Members of  
**BODAL CHEMICALS LIMITED**  
Plot No. 123-124, Phase-1,  
GIDC, Vatva, Ahmedabad – 382 445

I have examined the compliance of conditions of corporate governance by **BODAL CHEMICALS LIMITED**, for the year ended on 31st March 2021 as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, pursuant to the Listing Agreement of the said Company with stock exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19, I certify that the Company has complied with the mandatory conditions as stipulated in abovementioned Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement of the said Company with stock exchanges.

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

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

Name of Company Secretary : **TAPAN SHAH**

Membership No. : **FCS4476**

C P No. : **2839**

UDIN : **F004476C000764631**

Place: Ahmedabad

Date : 14th August 2021

### Note :

Due to restricted movement amid CoVID-19 pandemic, I have conducted the Corporate Governance Compliance audit by examining the various records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.



# REPORT ON CORPORATE GOVERNANCE

**Pursuant to Regulation 34 read with Schedule V and Regulation 17 to 27 and 46 of SEBI (LODR) Regulations 2015 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Report on Corporate Governance is as follows:**

## **COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE:**

Your Company appreciates the noble idea of Corporate Governance and endeavors not only to abide by and comply with, the stipulated requirements related thereto, both in its word and spirit, but has also voluntarily contemplated to establish and maintain Good Corporate Governance standards and mechanism in conformity with the contemporary national and international practices on various relevant matters including prompt dissemination of information and expeditious redress of grievances of investors and public in general.

The policies and practice of Corporate Governance of the Company are inspired by following philosophy and principles with an earnest attempt to accomplish the same:

### **(a) Transparency:**

To maintain in all aspects, high standards of transparency, in our interactions and dealings.

### **(b) Disclosures:**

To ensure timely dissemination of all price sensitive information and matters of importance to protect the interest of investors.

### **(c) Accountability:**

To demonstrate highest levels of personal responsibility and continually affirm that employees are responsible to themselves for the pursuit of excellence.

### **(d) Compliances:**

To comply with all the laws and regulations as applicable to the Company.

### **(e) Ethical conduct:**

To conduct in an ethical manner, the affairs of the Company.

### **(f) Stakeholders' interest:**

To promote the interests of all stakeholders including of customers, shareholders, employees, vendors, governments and the community.

The Company's philosophy of Code of Corporate Governance is aimed at assisting the top management in the efficient conduct of its business and fulfilling its obligations towards the Government, its shareholders, employees and other stakeholders.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation.

The Company has established systems, policies and actions which are fully compliant with the requirements stipulated by the Securities and Exchange Board of India ("SEBI") from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These systems, policies and actions of the Company are designed to further the objectives of Good Corporate Governance of the Company, thereby enhancing its performance and increasing stakeholder's value.

This report sets out the compliance status of the Company during the financial year 2020-21 with respect to the conditions of corporate governance.

## **Board of Directors:**

### **a. Composition of the Board**

The Company's board consists of 8 (Eight) Directors as on 31st March 2021. Out of 8 Directors, 4 Directors are Independent Directors including one (1) woman Director. The Chairman of the Board is an Executive Director. The Profile of the Directors can be found on website of the Company: [www.bodal.com](http://www.bodal.com). The Composition of Board is in conformity with Regulation 17 of the SEBI Listing Regulation read with Section 149 of the Act.

## Report on Corporate Governance (Contd.)

The Composition of Board is as follows:

Promoter-Promoter Group Director	Executive Director	Independent Director
Mr. Suresh J. Patel (Din:00007400) Promoter Chairman & Managing Director	Mr. Rajarshi Ghosh (DIN:08715159) Director-HSE	Mr. Nalin Kumar (Din: 03060741)
Mr. Bhavin S. Patel (Din:00030464) (Promoter Group) Executive Director		Mr. Sunil K Mehta (Din:01736527) Mrs. Neha Huddar (Din:00092245)
Mr. Ankit S. Patel (Din:02173231) (Promoter Group) Executive Director		Mr. Ram Parasad Srivastava @ (Din: 02227457) Mr. Mayank K Mehta# (Din: 03554733)

@During the Financial Year 2020-21, Late. Ram Prasad Srivastava (DIN: 02227457), Independent Director on the Board has been passed away due to illness followed by an accident on 24th January 2021. Further, Considered as Material Event under Regulations 30 of SEBI (LODR), Regulations, 2015, Company has been intimated vide letter no. Sec/20-21/123 to the BSE and NSE after immediate received of death intimation from the One of representative of Late. Ram Prasad Srivastava.

#During the Financial Year 2020-21, Board of Director in their meeting held on 9th February 2021 has appointed Mr. Mayank K Mehta (DIN : 03554733) as an Additional cum Independent Director of the Board of the Company for the first term of 5years w.e.f. 9th February 2021 and will regularise, by passing Special Resolution in Annual General meeting for 2020-21. and he will be appointed as a Director (Independent), by passing Ordinary Resolution in Annual General meeting for 2020-21.

### Notes:

- None of the Independent Directors of the Company had any material pecuniary relationship or transactions with the Company, its promoter, its management during the Financial Year 2020-21, which may affect independence of the Independent Directors.
- None of the Directors on the Board hold directorship in more than ten public Companies. None of the

Independent Directors serve as an Independent director on more than Seven Listed Entities. Necessary Disclosures regarding Committee positions in other public Companies as on 31st March 2021 have been made by the Directors.

- All Directors mentioned above as Independent Directors, they fall within the expression of "Independent Directors" as mentioned in regulation 16(b) of the SEBI (Listing Obligation and Disclosure) Regulations, 2015.
- The Independent Directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. The Company has received a declaration from each of the Independent Directors confirming compliance with the criteria of Independence as laid down under this regulation as well as Section 149(6) of the Companies Act, 2013.
- In terms of Regulation 25(8) of SEBI LODR Listing Regulations, All Independent Directors have Confirmed that they are not aware of any circumstances or Situation which exists or may be reasonably anticipated that could Impair or Impact their ability to discharge their duties.
- In accordance with the erstwhile Clause 49 of the Listing agreement, the Company has issued formal Letter of Appointment to all the Independent Directors. The terms and Conditions of their appointment have also been disclosed on the website of the Company. [www.bodal.com](http://www.bodal.com)

### b. Board Meeting and Agenda:

The Board generally meets once in a quarter to review the Quarterly/Half Yearly/Annual performance and financial result of the Company. The Compliance Reports in respect of applicable laws are placed before the Board periodically. Agenda papers containing the necessary information/ documents are made available to the Board to discharge its responsibility effectively and take effective decisions. In addition to the information required under Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, which is required to be placed before the Board, the Directors are also kept informed of major events and approvals obtained, if necessary.

## Report on Corporate Governance (Contd.)

The Company Secretary, while preparing the Agenda, Notes to Agenda and Minutes of the Meeting(s), is responsible for and is required to ensure adherence to all applicable laws and regulations, including Companies Act, 2013 read with rules issued thereunder, as applicable and the Secretarial Standards recommended by the Institute of Company Secretaries of India (ICSI). Draft Minutes are circulated to the Board/Committee Board Members for their comments. The Minutes are entered in the Minutes Book within 30 days from the Conclusion of the meeting. The Company Secretary attends and acts to as secretary of all the Meetings of the Board and its Committees.

Further, Due to COVID-19 pandemic situation in the Country, All Board Meetings and Committee meetings conducted through Video Conference ("VC") and ("OAVM") Mode.

Further, Company has been complied with all clause for Conducted Board Meetings and Committee meetings through Video Conference ("VC") and Other Audio Visual Means ("OAVM"). Further, recording of Proceedings and Quorum of All Board

Meetings and Committee meetings has been kept with secretarial department of the Company.

During the year, Information as mentioned in Part A of Schedule II of SEBI Listing Regulations, has been placed before the Board for its Consideration.

During the year, One meeting of Independent Directors was held on 19th March 2021. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Board as whole and Chairman of the Company taking into account the views of the Executive Directors of the Company.

The Board periodically reviews the Compliance reports of all laws applicable to the Company.

### Attendance record of Board meetings:

During the Financial Year, 2020-21, 5 (Five) Board meeting were held on 27th May 2020, 6th July 2020, 14th August 2020, 10th November 2020 and 9th February 2021. The time gap between two Board Meetings was less than 120 days.

Details regarding attendance of Board Meeting held during Financial Year 2020-21 and the Last Annual General Meeting held on the 20th August 2020

Name of the Member and Category of Members	Attendance at the Meeting held on						Attendance at the Last AGM	Mode of Meeting Through
	27-05-2020	06-07-2020	14-08-2020	10-11-2020	09-02-2021	Total Meetings Attended/ Total Meetings During the year		
Mr. Suresh J. Patel MD & CEO	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Bhavin S. Patel Executive Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Ankit S. Patel Executive Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Rajarshi Ghosh@ Director-HSE	---	Yes	Yes	Yes	Yes	4/4	Yes	("VC")
Mr. Sunil K. Mehta Independent Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mrs. Neha Huddar Independent Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Mr. Nalin Kumar Independent Director	Yes	Yes	Yes	Yes	Yes	5/5	Yes	("VC")
Late. Ram Prasad Srivastava Independent Director	Yes	Yes	Yes	Yes	Deceased	4/4	Yes	("VC")
Mr. Mayank K Mehta@@ Additional Director	--	---	---	--	Yes	1/1	-NA-	("VC")

Note: @ Mr. Rajarshi Ghosh, appointed as Director-HSE of the Company at the Board Meeting of the Company held on 27th May 2020

@@ Mr. Mayank K Mehta, appointed as Additional director working as Independent Director on the Board of the Company at the Board Meeting held on 9th February 2021

ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED - Executive Director; LOA - Leave of Absence; AD-additional Director ("VC")- Video Conference

## Report on Corporate Governance (Contd.)

### Details regarding Directorship(s) and Committee Membership(s) in Other Listed Companies:

Name of Director	Designation	Directorship in other companies *		No of Committee position held in other Companies*		Directorship in other listed entity- Category of Directorship
		Chairman	Member	As Chairman	As Member	
Mr. Suresh J. Patel- DIN: 00007400	Chairman and MD	NIL	NIL	NIL	NIL	NIL
Mr. Bhavin S. Patel- DIN: 00030464	Executive Director	NIL	NIL	NIL	NIL	NIL
Mr. Ankit S. Patel- DIN: 02173231	Executive Director	NIL	NIL	NIL	NIL	NIL
Mr. Sunil K Mehta- DIN: 01736527	Independent Director	NIL	NIL	NIL	NIL	NIL
Mr. Nalin Kumar- DIN: 03060741	Independent Director	NIL	NIL	NIL	NIL	NIL
Mrs. Neha S. Huddar- DIN: 00092245	Independent Director	NIL	01	NIL	2	Independent Director
Mr. Ram Parasad Srivastava-@ DIN: 02227457	Independent Director	NIL	NIL	NIL	NIL	NIL
Mr. Rajarshi Gosh- DIN: 08715159	Director- HSE	NIL	NIL	NIL	NIL	NIL
Mr. Mayank K Mehta DIN: 03554733	Additional Director	NIL	NIL	NIL	NIL	NIL

@During the Financial Year 2020-21, Late. Ram Prasad Srivastava (DIN: 02227457), Independent Director on the Board has been passed away due to illness followed by an accident on dated 24th January 2021.

The Directorships/Committee Memberships are based on the latest disclosures received by the Company

#### Notes:

\*Other Directorship do not include directorship of Pvt. Ltd. companies, foreign companies and companies registered under Section 8 of the Act, Further, None of them is a member of more than ten Committees or Chairman of five Committees across all the public companies in which he/she is Director. For the purpose of determination of limits of the Board Committees, Chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been Considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

In Bodal, the Board has constituted Six Standing Committees, namely Audit Committee, Share Transfer Committee, Stakeholders' Relationship Committee/Investor Grievance Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Management Committee.

The Board constitutes additional functional committees, from time to time, depending on the business needs.

The details of sitting fees, commission and remuneration paid to each director appear later under the disclosure relating to Remuneration to Directors.

## Report on Corporate Governance (Contd.)

### C. Details of Share Holdings of Executive and Non-Executive Directors as on 31st March 2021:

Sr. NO	Name of Director With Designation	Status/Category	Relationship between Directors	No. of Share Held as on 31st March 2021	% holding as on 31st March 2021
1	Mr. Suresh J. Patel Chairman & M. D.	Promoter Executive Director	Mr. Bhavin S Patel, Executive Director and Mr. Ankit S Patel, Executive Director are sons of Mr. Suresh J Patel (Chairman and MD)	3,71,12,857	30.34
2	Mr. Bhavin S. Patel Executive Director	Promoter group Executive Director	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Ankit S Patel, Executive Director is brother of Mr. Bhavin S Patel (Executive Director)	1,04,96,342	8.58
3	Mr. Ankit S. Patel Executive Director	Promoter group Executive Director	Mr. Suresh J Patel (Chairman and MD) is father and Mr. Bhavin S Patel, Executive Director is brother of Mr. Ankit S Patel (Executive Director)	72,61,072	5.94
4	Mr. Sunil K Mehta Independent Director	Independent Director Non-Executive Director		2,00,000	0.16
5	Mr. Nalin Kumar Independent Director	Independent Director Non-Executive Director		NIL	NIL
6	Mrs. Neha Huddar Independent Director	Independent Director Non-Executive Director		1000	0.00
7	Late. Ram Parasad Srivastava@	Independent Director Non-Executive Director		NIL	NIL
8	Mr. Rajarshi Ghosh	Director-HSE		NIL	NIL
9	Mr. Mayank K Mehta	Additional Director acting as Independent Director		NIL	NIL

@During the Financial Year 2020-21, Late. Ram Prasad Srivastava (DIN: 02227457), Independent Director on the Board has been passed away due to illness followed by an accident on dated 24th January 2021.

During the year, the Company has not received the balance subscription amount of ₹ 129.38 Crores from the Warrant Holders before the extended due date i.e. 11th February 2021, Hence, the balance lying in the Company paid as Upfront Warrants Subscription Amounts towards 25% of the issue price of the warrants, amounting to ₹ 43.13 Crores, stand forfeited in terms of Regulation 169(3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations, upon non conversion of warrants into Equity shares by the warrant holders.

### d. Code of Conduct

The Company has adopted a revised/amend Code of Conduct for Directors and Senior Management of the Company as per Regulation 17(5) of the SEBI (LODR) Regulations, 2015 and subsequent amendments as SEBI (LODR) Amendments Regulations, 2018. The Company has received confirmation from the Directors and Senior Management regarding compliance with the code for the financial year ended March 31, 2021. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms a part of Corporate Governance Report. The code has been displayed on the Company's website [www.bodal.com](http://www.bodal.com).

## Report on Corporate Governance (Contd.)

### DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT IN ENSUING ANNUAL GENERAL MEETING

The information as required by regulations 26 & 36(3) of the SEBI (LODR) regulation, 2015 with the stock exchange in relation to appointment/reappointment of Directors of the Company are as follows:

<b>Name of the Director</b>	<b>Mr. Mayank K Mehta</b>	<b>Mr. Bhavin S Patel</b>
<b>DIN</b>	03554733	00030464
<b>Date of Birth</b>	12-09-1958	05-01-1981
<b>Date of First Appointment</b>	09-02-2021	01-06-2005
<b>Qualification</b>	CAIIB from Indian Institute of Bankers; B.Sc., South Gujarat University	Bachelor of Science (B.Sc.)
<b>Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*</b>	-----	Bodal Chemicals Trading Pvt. Ltd.
<b>Specific Functional Areas/Experience</b>	<p>Professional experience of over -4- decades encompasses various leadership roles, most notably as the Chief Financial Officer of Union Bank of India and Executive Director of Bank of Baroda-both of which are premier Public Sector Banks in India -unique skill set combines financial acumen, progressive thinking and leadership experience on a global scale. He has pioneered various reforms and introduced important policies, which have now become irreplaceable tools in the operations of the Banking Institutions of his employment.</p> <p>As Executive Director in Bank of Baroda, he has headed various committees and departments which have added to his repertoire of business skills. His endeavors were not only brought an impact on the National level, but have also benefited the Cross border relations of the Bank, especially in Africa and Asia-Pacific Regions.</p> <p>In performing multiple roles and responsibilities for the Bank and its International subsidiaries, he has garnered an acute and in-depth understanding of the banking and financial framework of the world, which has aided him in taking the Institutions to greater heights.</p>	Mr. Bhavin S Patel holds a graduate degree in Science, Having more than 15 years of Experience in the Chemical Industry specially in marketing of dyes and dyes intermediates. Mr. Bhavin S Patel heads the dyestuff division of the Company, including production, Marketing and new growth areas. He is leading the liquid dyestuff initiative also.
<b>Chairmanship / Membership of Committee (s) of Board of Director of the Company.</b>	----	Member in Audit Committee, Security Holders Relationship Committee, Management Committee, Share Transfer Committee
<b>Chairman/Member of the Committee (s) of Board of Directors of other Public Ltd. Companies in which he is a Director</b>	NA	NIL
<b>Shareholding in the Company as on 31-03-2021 &amp; percentage of Paid up capital</b>	NIL	10496342 (8.59%)

\*This number of companies also includes the Directorship held in a Pvt. Ltd. Companies; Foreign Companies and Company registered u/s 8 of Companies Act, 2013.



## Report on Corporate Governance (Contd.)

Name of the Director	Nalin Kumar	Mrs. Neha Huddar
DIN	03060741	00092245
Date of Birth	24-12-1968	21-04-1961
Date of First Appointment	13-02-2017	10-05-2017
Qualification	Indian Institute of Technology, Kharagpur, with honors in Chemicals Engineering  MBA from IIM, Calcutta, in Finance and Marketing	Chartered Accountancy from ICAI  B.Com. from Mumbai University
Name of the Companies in which he is a Director other than Bodal Chemicals Ltd.*	NIL	Mitsu Chem Plast Ltd.
Specific Functional Areas/ Experience	Mr. Nalin Kumar is a well experienced investor and Investment banker having worked in most of the global financial centers, with bulge bracket investment banks, during his 24+ years experience in the financial services domain.  Mr. Kumar also brings his vast experience to serve as a Director on Boards of companies. His areas of expertise include all aspects of finance and strategy. He holds certification from the Directors Club (An accredited Independent Directors certification program) sponsored by Board Evaluation UK, Hunt Partners, Khaitan & Co, and SPJIMR	Mrs. Neha Huddar, holds a Bachelor of Commerce degree from the University of Mumbai and is a qualified Chartered Accountant.  She has vast experience of 34+ years in all areas in the corporate world.  She has worked in the areas of Finance, Compliance, Accounts, Audit, HR and has also handled Mergers and Amalgamations.  She has also worked for a large Foundation and handled CSR of 22 group companies for ₹ 700+ Crores.
Chairmanship / Membership of Committee (s) of Board of Director of the Company.	Member in Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee of the Company	Member in Audit Committee and Nomination and Remuneration Committee of the Company
Chairman/Member of the Committee (s) of Board of Directors of other Public Ltd. Companies in which he is a Director	Nil	Member in Audit Committee and Stakeholders Relationship Committee
Shareholding in the Company as on 31-03-2021 & percentage of Paid up capital	Nil	1000 (0.00%)

## Report on Corporate Governance (Contd.)

### COMMITTEE OF THE BOARD

#### Audit Committee

The Audit Committee of the Company is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company consists of Four Directors. All the members of the Committee are financially literate. The Chairman of the Committee is Mr. Sunil K Mehta, Non Executive Independent Director. The Other Members of the Committee are Mr. Nalin Kumar, Non Executive Independent Director, Mrs. Neha S. Huddar, Non Executive Independent Director and Mr. Bhavin S Patel, Executive Director.

#### Brief description of terms of reference:

The terms of reference of the Audit Committee cover the matters specified Under Regulation 18 read with Part C of Schedule II to the SEBI LODR and Section 177 of the Companies Act, 2013. The terms of reference for the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment, remuneration and terms of appointment of auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management the annual financial statements and the auditor's report thereon, before submission to the Board for approval, with particular reference to:
  - ▶ Matters required to be included in Director's Responsibility Statement included in Board's report;
  - ▶ Changes, if any, in accounting policies and practices and reasons for the same;
  - ▶ Major accounting entries based on 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;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, statement of uses and application of funds raised through an issue, statement of funds utilised for other purposes and report of monitoring agency.
7. Review and monitor the auditors' independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up thereon.
15. Reviewing the findings of any internal investigations by the internal auditors into 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.
16. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

## Report on Corporate Governance (Contd.)

18. To review the functioning of the Whistle-Blower mechanism.
19. Approval of appointment of Chief Financial Officer.
20. To review report submitted by Monitoring Agency informing material deviations in the utilisation of issue proceeds and to make necessary recommendations to the Board, if, when and where applicable.
21. reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. Consider and comment on rationale, cot- benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

### The audit committee shall mandatorily review the following information:

- management discussion and analysis of financial condition and results of operations;- statement of significant related party transactions (as defined by the audit committee), submitted by management;- management letters / letters of internal control weaknesses issued by the statutory auditors;- internal audit reports relating to internal control weaknesses; and- the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.- statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

During the year under review, the Committee met 05 times on 27-05-2020, 06-07-2020, 14-08-2020, 10-11-2020 and 09-02-2021. Attendance of the Members at the meetings was as follows:

Name of Members	Status		Attendance at the Meetings held on					
	Category	Designation	27-05-2020	06-07-2020	14-08-2020	10-11-2020	09-02-2021	Total No. of Meetings Attend/Total Number of Meetings during the year
Mr. Sunil K Mehta	ID-NED	Chairman	Yes	Yes	Yes	Yes	Yes	5/5
Mr. Bhavin S Patel	ED	Member	Yes	Yes	Yes	Yes	Yes	5/5
Mr. Nalin Kumar	ID-NED	Member	Yes	Yes	Yes	Yes	Yes	5/5
Mrs. Neha S. Huddar	ID-NED	Member	Yes	Yes	Yes	Yes	Yes	5/5

ID - NED Independent Director-Non Executive Director; ED – Executive Director;

Notes:

All Board meetings were conducted through Video Conference (“VC”) and Other Audio Visual Means (“OAVM”)

Five Meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed one hundred and twenty days.

Committee invites such of the Executives as it considers appropriate, representative of the Statutory Auditors and Internal Auditors to be present at Committee Meetings.

The Company Secretary acts as the secretary to the Audit Committee.

## Report on Corporate Governance (Contd.)

Quarterly Reports are sent to the members of the Committee on matters relating to the Insider trading Code.

The Previous AGM of the Company was held on 20th August 2020 and was attended by Mr. Sunil K Mehta, Chairman of the Audit Committee.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information.

The following business was conducted during the year.

- ▶ Review of quarterly financial statements.
- ▶ Review of internal control systems with reference to the audits conducted by the internal auditors.

- ▶ Review of annual financial statements for the financial year 2019-20.
- ▶ Review of related party disclosures by the Directors.
- ▶ Review of Business performance of the Company.
- ▶ Review of Other business/Business Transactions which were covers under Scope and term of reference of Audit Committee.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of the Board consists of Independent Directors only.

During the year under review, the Committee met 02 times on 27-05-2020 and 08-02-2021. Details of Members of the Committee and attendance of the members at the meetings were as follows:

Name of Members	Status		Attendance at the Meeting Held on		No. of Meeting attended/Total Number of Meeting	Mode of Meeting through
	Category	Designation	27-05-2020	08-02-2021		
Mr. Sunil K. Mehta	ID-NED	Chairman	Yes	Yes	2/2	Video Conference
Mr. Nalin Kumar	ID-NED	Member	Yes	Yes	2/2	Video Conference
Mrs. Neha S. Huddar	ID-NED	Member	Yes	Yes	2/2	Video Conference

ID - NED Independent Director-Non Executive Director; ED – Executive Director;

### Notes:

Mr. Ashutosh B. Bhatt is acting as Secretary to the NRC Committee.

All the members of the Nomination and Remuneration Committee are Non-Executive Independent Directors.

The terms of reference of the Committee are in line with the requirements of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II to the SEBI LODR.

### Terms of Reference

- ▶ Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees
- ▶ Formulation of criteria for evaluation of performance of Independent Directors and the Board
- ▶ Devising a policy on Board diversity

- ▶ Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal
- ▶ Whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- ▶ Recommend to the board, all remuneration, in whatever from, payable to senior management.

### Remuneration Policy:

The Remuneration Committee of the Board of Directors of the Company generally decides and makes recommendations to the Board of Directors about the remuneration to be paid to the Directors and other Key Managerial Persons of the Company. The remuneration of key Managerial Personnel is to be recommended by the NRC Committee to Board.



## Report on Corporate Governance (Contd.)

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks, which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- **Following criteria are also to be Considered: -**
  - ▶ Responsibilities and duties;
  - ▶ Time & efforts devoted;
  - ▶ Value addition;
  - ▶ Profitability of the Company & growth of its business;
  - ▶ Analyzing each and every position and skills for fixing the remuneration yardstick;
- ▶ Standards for certain functions where there is a scarcity of qualified resources.
- ▶ Ensuring tax efficient remuneration structures.
- ▶ Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- ▶ Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard to making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated/ disclosed adequately.

### Remuneration paid to Executive Directors for the Financial Year 2020-21

The remuneration paid to Executive Directors is recommended by NRC Committee and fixed by the Board of Directors and approved by the shareholders in general meetings. The remuneration paid to Executive Directors in pursuant to Sections 196, 197, 203 read with Schedule V and other applicable provisions of the Companies Act, 2013. The details of remuneration paid to Executive Directors are as below:

(Amount in ₹)

Particulars	Mr. Suresh J. Patel Chairman & Managing Director	Mr. Bhavin S. Patel Executive Director	Mr. Ankit S. Patel Executive Director	Mr. Rajarshi Ghosh Director-HSE
Salary	1,62,00,000	1,08,00,000	1,08,00,000	20,11,440
Perquisites of Car	39,600	39,600	39,600	21,600
Leave Travel Allowance	0	0	0	0
Sitting Fees	0	0	0	0
Commission	2,10,00,000	1,35,00,000	1,35,00,000	0
Total	3,72,39,600	2,43,39,600	2,43,39,600	20,33,040

## Report on Corporate Governance (Contd.)

### Sitting Fee paid to Non-Executive Directors for the Financial Year 2020-21.

(Amount in ₹)

Name of Non-Executive - Independent Director	Sitting Fees
Mr. Sunil K. Mehta	205000
Mr. Nalin Kumar	205000
Mrs. Neha Huddar	185000
Mr. Ram Prasad Srivastava- Ceased director w.e.f. 24-01-2021	100000
Mr. Mayank K Mehta-Appointed w.e.f. 09-02-2021	25000
<b>Total</b>	<b>720000</b>

There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors.

The Company has paid sitting fees to Non-Executive Directors and no stock option is available to the Directors.

No remuneration or Commission is paid to the Non-Executive Directors apart from sitting fees for attending the meeting of Board of Directors.

#### Stakeholders Relationship Committee:

In compliance with the provisions of section 178 of the Companies Act, 2013 and the Listing Regulation 20 of the Listing Regulations, the Board has formed a "Stakeholder's Grievance & Relationship Committee". The Stakeholder's Grievance & Relationship Committee as a Committee of the Board has been constituted mainly to focus on the redressal of Shareholders' and Investors' Grievances, if any, like transfer/transmission/dematerialisation of shares, loss of share certificates, non-receipt of Annual Report, Dividend Warrants and various other grievances of many stakeholders.

#### Terms of Reference

- ▶ Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- ▶ Review of measures taken for effective exercise of voting rights by shareholders.
- ▶ Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- ▶ Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

#### Composition, Meetings and attendance:

During the Financial Year, 4 meetings were held on 06-07-2020, 14-08-2020, 10-11-2020 and 09-02-2021.

Name of Members and Category	Designation	Attendance at the Meeting held on				Total Meetings attended/Total No. of Meetings during the year	Mode of Meeting through
		06-07-2020	14-08-2020	10-11-2020	09-02-2021		
Mr. Sunil K Mehta ID-NED	Chairman	Yes	Yes	Yes	Yes	4/4	Video Conference
Mr. Nalin Kumar ID-NED	Member	Yes	Yes	Yes	Yes	4/4	Video Conference
Mr. Bhavin S Patel ED	Member	Yes	Yes	Yes	Yes	4/4	Video Conference

ID - NED Independent Director-Non Executive Director; ED – Executive Director;



## Report on Corporate Governance (Contd.)

### Name, Designation, Address and Contact details of the Compliance Officer

**Mr. Ashutosh B. Bhatt**

Company Secretary & Compliance Officer

Bodal Chemicals Ltd.

"BODAL CORPORATE HOUSE", Beside Maple Green Reasi., Nr. Shilaj Circle, Off. SP Ring Road, Thaltej, Ahmedabad-380059

Tel. No. 079- 68160100

Email: secretarial@bodol.com

### Details of Shareholders'/Investors' Complaints during the 2020-21:

Link Intime India Pvt. Ltd. (RTA) the Company, and SCORES- the official website of SEBI received shareholders/investors complaints and they were resolved by the Company/the RTA in consultation with the Company for the Financial Year 2020-21. The details are as follows:

Sr. No.	Nature of Complaints	Opening Balance 01-04-2020	Received during the year	Redressed/ attended	Pending as on 31-03-2021
1	Non receipt of share certificates after transfer etc.	Nil	Nil	Nil	Nil
2	Non receipt of Dividend Warrants	Nil	Nil	Nil	Nil
3	Query regarding demat credit	Nil	Nil	Nil	Nil
4	Non receipt of duplicate share certificates after issue	Nil	Nil	Nil	Nil
5	Others Received from SEBI	Nil	01	01	Nil
<b>Total</b>		<b>Nil</b>	<b>01</b>	<b>01</b>	<b>Nil</b>

### Prohibition of Insider Trading

The Company in their meeting held on 6th February 2019 adopted revise code of practice and Procedures and code of conduct to regulate, Monitor and Report Trading in Securities by designated persons and relative of designated persons in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018 and Code of Practices and Procedures for fair Disclosures of Unpublished Price Sensitive Information in compliance with SEBI (Prohibition of Insider Trading) (Amendments), Regulations, 2018

### SHARE TRANSFER COMMITTEE

The members of Share Transfer Committee are as below:

#### Composition

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member

The role, terms of reference, authority and powers of the Share Transfer Committee are in conformity with the provisions of the Companies Act, 2013.

### MANAGEMENT COMMITTEE

#### Composition

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Ankit S. Patel	Executive Director	Member

### WARRANT COMMITTEE

#### Composition

Name of Members	Status	
	Category	Designation
Mr. Suresh J. Patel	Chairman & Managing Director	Chairman
Mr. Bhavin S. Patel	Executive Director	Member
Mr. Sunil K. Mehta	Non-Executive Independent Director	Member

## Report on Corporate Governance (Contd.)

### INDEPENDENT DIRECTORS MEETING

During the year under review, One meeting of Independent Directors of the Company without the presence of Non-Independent Directors and Members of Management was held on 19th March 2021 as required under Schedule IV of the Act (Code of Independent Directors) and Regulation 25(3) of the Listing Regulations. The meeting was attended by all the Independent Directors and Mr. Sunil K Mehta chaired the said meeting.

The Independent Directors reviewed following matter in their Meeting:

- I. Performance of Non Independent Directors and the Board as whole
- II. Performance of Chairperson of the Board taking into account the view of Executive Directors and Non-Executive Directors; and
- III. Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board required to effectively and reasonably perform their duties and The Independent Directors have expressed satisfaction.

### DIRECTORS' INDUCTION AND FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. These include orientation programme upon induction of new Directors as well as other initiatives to update the Directors on a continuing basis. An induction kit is provided to new

Directors which includes the annual report, overview of the Company and its operating subsidiaries, Investor/ Earning Presentation, highlights of the major events, projects of the Company, Code of Conduct for Non-Executive Directors including Independent Directors, Company's Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices, etc.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company imparted various familiarisation programmes to its Directors including review of long-term strategy, industry outlook, regulatory updates at the Board and Audit Committee Meetings, Corporate Social Responsibility, Data Analytics, Tax and Litigation updates. Besides the above, Investor/Earning presentation on of the Company are made at their respective Board Meetings and Committees where some of the Independent Directors are also members.

A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, Code of Conduct and obligations on disclosures, is issued for the acceptance of the Independent Directors.

The inductee has been introduced with the Key Managerial Personnel of the Company. A visit to the Company's Plants was arranged.

Detailed of Familiarisation program is also available of website of the Company [www.bodal.com](http://www.bodal.com)

### MATRIX SETTING OUT SKILL BOARD OF DIRECTORS:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board.

1	Technical skills- Chemical Industry	2	Business operation and management
3	Research and Development	4	Project Management
5	Risk management	6	Quality and Performance management
7	Board and Governance	8	Strategic planning
9	Global market awareness	10	Finance, Accounting, Auditing,
11	Indian Corporate Laws and Compliance Global Corporate Laws and Compliance	12	Safety management
13	Stakeholder Engagement	14	Merger and acquisitions
15	Government and Government/ industrial policy which in impact to Chemicals business sector	16	Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products
17	Business Ethics as well as Corporate Ethics	18	Human Resources Management and labour Relations/ Labour Laws

The current composition of the Board meets the requirements of skills, expertise and competencies as identified above.

## Report on Corporate Governance (Contd.)

Name of Board Members and Designation	Mr. Suresh J Patel	Mr. Bhavin S Patel	Mr. Ankit S Patel	Mr. Rajarshi Ghosh	Mr. Sunil K Mehta	Mr. Nalin Kumar	Mrs. Neha Huddar	Mr. Mayank K Mehta
	MD-CEO	ED	ED	ED	ID	ID	ID	AD
Technical skills- Chemical Industry	√	√	√	--	--	√	--	-
Business operation and management	√	√	√	√	√	--	√	√
Research and Development	√	√	--	--	--	--	--	-
Project Management	√	√	√	√	--	√	√	√
Risk management	√	√	√	√	--	√	√	√
Quality and Performance management	√	√	√	√	--	--	--	√
Board and Governance	√	√	√	√	√	√	√	√
Strategic planning	√	√	√	√	--	√	√	√
Global market awareness	√	√	√	√	--	--	--	√
Finance, Accounting, Auditing, Indian Corporate Laws and Compliance	√	√	√	--	√	√	√	√
Global Corporate Laws and Compliance	--	--	√	√	--	--	√	-
Safety management	√	√	--	√	--	--	--	-
Stakeholder Engagement	--	--	√	√	--	√	√	-
Merger and acquisitions	√	--	√	√	√	√	√	√
Government and Government/ industrial policy which in impact to Chemicals business sector	√	√	--	√	--	--	--	-
Market Awareness of Chemicals Product (Domestic as well as International) awareness of Demand, Supply and Price of Chemicals products	√	√	√	--	--	--	--	-
Business Ethics as well as Corporate Ethics	√	√	√	√	√	√	√	√
Human Resources Management and labor Relations/ Labor Laws	√	√	--	√	--	--	--	√

ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED – Executive Director; AD- Additional Director

### KYC of Directors-

Pursuant to Companies (Appointment and Qualification of Directors) fourth Amendment Rules, 2018, All the Directors of the Company have completed KYC for the financial year 2021-2022.

### Corporate Social Responsibility (CSR) Committee:

In compliance with the provisions of section 135 of the Companies Act, 2013 the Board has formed a “Corporate Social Responsibility (CSR) Committee”.

The CSR Committee has been entrusted with the specific responsibility of reviewing Corporate social responsibility programmes, health and safety framework and sustainable development. The overall roadmap, as well as specific issues

## Report on Corporate Governance (Contd.)

of concern including those related to safety and climate change is reviewed in detail. The scope of the CSR Committee also includes approving the budget of CSR, reviewing the CSR programmes and monitoring the CSR spends.

### Composition and Attendance of the Meeting:

During the financial year, 4(Four) meetings were held on 06-07-2020, 14-08-2020, 10-11-2020 and 09-02-2021.

Name of Members	Status		Attendance at the Meeting held on				Meetings attended/Total No. Meetings during the year	Mode of Meeting
	Category	Designation	06-07-2020	14-08-2020	10-11-2020	09-02-2021		
Mr. Suresh J. Patel	MD & CEO	Chairman	Yes	Yes	Yes	Yes	4/4	Video Conference
Mr. Ankit S. Patel	ED	Member	Yes	Yes	Yes	Yes	4/4	Video Conference
Mr. Sunil K Mehta	ID	Member	Yes	Yes	Yes	Yes	4/4	Video Conference

ID - Independent Director; MD & CEO - Managing Director & Chief Executive Officer; ED – Executive Director

The Committee meets as and when required. The Committee inter alia devises/recommends to the Board, a CSR policy which indicates activities, projects or programs, to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

Further, During the year, On recommendation of CSR Committee, Board of directors at their meeting held on 9th February 2021 considered and approved CSR Amendment Policy of the Company. This Policy can be accessed from the Company's website-www.bodal.com

The Annual Report for Corporate Social Responsibility for 2020-21 which states details of Activities and programmes undertaken by the Company and the amount spent by the Company are given as part of Annexure to Directors Report.

### Risk Management Committee:

As per Regulation 21 of (Listing Obligation and Disclosure Requirements) Regulation, 2015, the provisions of Risk Management Committee are not applicable for your Company for 20-21. However, the management of the Company is determining various aspects so as to be able to minimise the risk in all spheres of the Company's business from finance, human resources to business strategy, growth and stability.

However, with amendment came as on 5th May 2021, now it is mandatory for top 1000 listed entities to appoint a Risk Management Committee and therefore your

Company has prepared Risk Management Policy and create Risk Management Committee and define Role and Responsibilities as per SEBI (Listing Obligation and Disclosures Requirement) Regulations. You can Access from Website of the Company at [www.bodal.com](http://www.bodal.com).

### Business Responsibility Report Committee:

As per SEBI (Listing Obligation and Disclosures Requirements) Amendment Regulations, has mandated Top 1000 Companies as per market capitalisation that Annual Report shall contain Business Responsibility Report (BRR) describing the initiatives taken by the Company from a Environmental, Social and Governance perspective, in the format as specified by SEBI. Accordingly, the BRR containing the general information about the Company, financial details of the Company, other details like BR information, principle-wise performance etc. forms part of this Annual report.

The Board has appointed following Director/Directors responsible for applicability of BR Policies and BR Head for the Company:

- Details of the Director/Director responsible for implementation of the BR policy/policies
  - Name Mr. Bhavin S. Patel
- Details of the BR head
  - Name Mr. Ankit S. Patel

## Report on Corporate Governance (Contd.)

### OTHER POLICIES MANDATED UNDER SEBI (LODR) REGULATIONS, 2015

#### ❖ Archival Policy

In Compliance with Regulation 30(8) of SEBI (LODR) Regulations, 2015, the Company discloses on its website all such events, information which has been disclosed to the Stock Exchange(s) under Regulations 30. Such disclosures shall be posted on website of the Company for minimum five years and there after determine further action as per the archival policy of the Company. This policy can be accessed from the Company's website- [www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=6\\_12](https://bodai.com/live.php?data=6_12)

#### ❖ Policy for preservation of Documents

In Compliance with Regulation 9 of SEBI (LODR) Regulations, 2015, The Board of Directors has adopted policy on preservation of Documents. This policy for preservation of Documents can be accessed from the Company's website-[www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=6\\_12](https://bodai.com/live.php?data=6_12)

#### ❖ Policy for Determining Materiality of Events

In Compliance with Regulations 30 of SEBI (LODR) Regulations, 2015, the Board of Directors has adopted a policy on Determining Materiality of Events or Information. The objective of this policy is to ensure timely and adequate disclosure of events or information. This Policy can be accessed from the Company's website- [www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=6\\_12](https://bodai.com/live.php?data=6_12)

#### ❖ Policy for Determining Material Subsidiaries

In compliance with requirement of Clause 49(V)(D) of the Listing Agreement. The Board of Directors adopted a policy on Determining Material Subsidiaries. This Policy is intended to ensure the governance of the Company's Material Subsidiaries. This Policy can be accessed from the Company's website-[www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=6\\_12](https://bodai.com/live.php?data=6_12)

#### ❖ Whistle Blower Policy

The Company encourages an open door policy (called Whistle Blower Policy) where employees have access to the Head of the business/function. In terms of Company's Code of Conduct, any instance of non adherence to the code / any other observed unethical behavior are to be

brought to the attention of the immediate reporting authority, who is required to report the same to the Compliance Officer of the Company or in exceptional circumstances to the Chairman of the Audit Committee. This Policy can be accessed from the Company's website- [www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=6\\_12](https://bodai.com/live.php?data=6_12)

#### ❖ Policy on Board Diversity

The Company recognises and embraces the benefit of having a diverse Board of Directors and views increasing diversity at the Board level as an essential element in maintaining competitive advantage in the Business in which it operates. This Policy can be accessed from the Company's website-[www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=6\\_12](https://bodai.com/live.php?data=6_12)

#### ❖ Policy and procedures for inquiry in case of leak of Unpublished Price Sensitive Information

In compliance with requirement of regulation 9A (5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 The Board of Directors adopted a policy on procedure for Inquiry in case of leak of Unpublished Price Sensitive Information. This Policy can be accessed from the Company's website-[www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=6\\_12](https://bodai.com/live.php?data=6_12)

#### ❖ Policy on Preparing Workplace for fight against COVID-19 Epidemic:

Pursuant to guideline issued by government for CoVID-19 Pandemic, Company has adopted a policy on preparing workplace for fight against Corona Virus called CoVID-19 Epidemic. This Policy is intended to make contribution towards fight against CoVID-19.

Considering responsibility towards the all employee personnel of the Company, Company has prepared and implemented (WFH) work from home policy and take all preventive steps as guided by Central and state government and respective local authorities to safe and secure all employee force of the Company and its subsidiaries.

After relaxation, Company has resumed its Operations gradually only after follow guideline given by Ministry of Home Affairs and by Government of Gujarat.

#### ❖ The Dividend Distribution Policy:

As per Regulation 43A of the Listing Regulation, the top

## Report on Corporate Governance (Contd.)

five hundred listed entities based on market capitalisation (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy. **Not Applicable for 20-21**

From 2021-22, it is mandatory to consider and create Dividend Distribution Policy and therefore your Company has Considered Dividend Distribution Policy for 2021-22 as per SEBI (Listing Obligation and Disclosures Requirement) Regulations. You can Access from Website of the Company at [www.bodal.com](http://www.bodal.com).

### ❖ Statutory Auditor's remuneration:

Disclosures of total fees for all services paid by the Company and its subsidiaries, on consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the statutory auditor as required by the provisions of SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 is ₹ 2.20 Million.

### GENERAL BODY MEETINGS:

Details of the last three years Annual General Meetings (AGM) or Extra Ordinary General Meetings (EGM) are as under:

YEAR	DATE	TIME	VENUE
2017-18 AGM	17th September 2018	11.00 A.M	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009
2018-19 AGM	20th September 2019	11.00 A.M	ATMA, Auditorium, Opp. Old RBI Office Ashram Road, Ahmedabad -380 009
2019-20 AGM	20th August 2020	12.00 P.M	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

No extraordinary general meeting of the members was held during 2020-21.

### Details of the Special Resolution Passed at the previous three Annual General Meeting

Sr. No.	Date of AGM	Details of Special Resolutions Passed
1	17th September 2018	Appointment of Mr. Suresh J. Patel, as Chairman and Managing director of the Company for the term of 2 years. Appointment of Mr. Bhavin S. Patel, as Executive director of the Company for the term of 5 years.
2	20th September 2019	To re-appoint Mr. Ankit S. Patel as an Executive Director of the Company. To make revision of salary structure of Mr. Suresh J. Patel, Chairman and Managing Director of the Company. To make revision of salary structure of Mr. Bhavin S. Patel, Executive Director of the Company. To appoint Mr. Kishorkumar Radadia as a Director – HSE of the Company. To Appoint Mr. Ram Prasad Srivastava as an Independent Director of the Company for period of five years. To Maintaining And Keeping The Company's Registers Required To Be Maintained Under The Section 94 Of The Companies Act, 2013 And Copies Of Annual Returns Filed Under Section 92 Of The Companies Act, 2013 Or Any One Or More Of Them, At A Place Other Than Company's Registered Office.: To Decide Borrowings Limit of the Company To Create Such Charges And / Or Mortgages And / Or Hypothecations On Borrowings Limit Of The Company
3	20th August 2020	To re-appoint Mr. Suresh J Patel, Chairman and Managing Director of the Company To appoint Mr. Rajarshi Ghosh as a Director-HSE of the Company

The special resolutions indicated above were passed by Ballot Paper at the venue of General Meeting and E- Voting.

National Company Law Tribunal ('NCLT') Convened Meetings held during the year and the Resolution passed therein for approval of Scheme of Amalgamation between Bodal Chemicals Ltd. ("Transferee Company") and Trion Chemicals Pvt. Ltd. ("Transferor Company"), a Wholly Owned Subsidiary Company of Bodal Chemicals Ltd.:



## Report on Corporate Governance (Contd.)

During the year under reviews, Company has been filed scheme of Amalgamation between Bodal Chemicals Ltd. and Trion Chemicals Pvt. Ltd. before Hon'ble NCLT Bench Ahmedabad and Company has been Conducted below NCLT Conveyed meetings of Secured and Unsecured Creditors of Bodal Chemicals Ltd. (Transferee Company) and Unsecured Creditors of Trion Chemicals Pvt. Ltd. (Transferor Company) as per Orders/directions for calling meetings of creditors by NCLT Bench Ahmedabad for taken approval for Scheme of Amalgamation. Details of Hon'ble National Company Law Tribunal, Ahmedabad Bench Conveyed meetings of the Company as below:

particulars	Date of Meeting	Time of Meeting	Venue of Meeting
Meeting of Secured Creditors of Bodal Chemicals Ltd.	22-10-2020	11.30 AM	Through Video Conferencing or Other Audio Video Means
Meeting of Unsecured Creditors of Bodal Chemicals Ltd.	22-10-2020	12.15 PM	Through Video Conferencing or Other Audio Video Means
Meeting of Unsecured Creditors of Trion Chemicals Pvt. Ltd.	22-10-2020	01.30 PM	Through Video Conferencing or Other Audio Video Means

### REMOTE E-VOTING AND E-VOTING AT THE TIME OF MEETING:

Commencement of voting for remote E-voting	19-10-2020
End of remote E-voting	21-10-2020
E-voting at the time of Meeting	22-10-2020

Further, Secured and Unsecured Creditors of the Company and Unsecured creditors of Trion Chemicals Pvt. Ltd. passed resolutions to considered and approved Scheme of Amalgamation of Trion Chemicals Pvt. Ltd. ("Transferor Company") with Bodal Chemicals Ltd. ("Transferee Company").

**Further, details of results are as below:**

### For Meeting of Secured Creditors of Bodal Chemicals Ltd.:

Sr. No.	Particulars	Total Number	% of total creditors	Value (in ₹)	% of total Creditors
1	Number of Secured Creditors present at the meeting through VC or OAVM (either in person or through Authorised Representative)	3	100.00	1,769,904,957	100.00
2	Total remote e-voting received	3	100.00	1,769,904,957	100.00
3	Total e-voting at meeting received	0	-	0	-
4	Secured Creditors abstained from voting, if any	0	-	0	-
5	Invalid Votes, if any	0	-	0	-
6	Valid Votes Cast	3	*100.00	1,769,904,957	*100.00
7	Votes cast in favor of Resolution	3	*100.00	1,769,904,957	*100.00
8	Votes Case against the Resolution	0	0.00	0	0.00
9	Reasons for the Votes treated as invalid	N.A.			

\* Percentage calculated is based on total valid votes and out of which percentage of votes in favor and against the resolution.

Resolution passed by the secured creditors of Bodal Chemicals Ltd.

## Report on Corporate Governance (Contd.)

### For Meeting of Unsecured Creditors of Bodal Chemicals Ltd.:

Sr. No.	Particulars	Total Number	% of total creditors	Value (in ₹)	% of total Creditors
1	Number of Unsecured Creditors present at the meeting through VC or OAVM (either in person or through Authorised Representative)	21	3.54	149,922,979	16.48
2	Total remote e-voting received	50	8.42	174,859,032	19.23
3	Total e-voting at meeting received	0	-	0	-
4	Unsecured Creditors abstained from voting, if any	0	-	0	-
5	Invalid Votes, if any	0	-	0	-
6	Valid Votes Cast	50	*100.00	174,859,032	*100.00
7	<b>Votes cast in favor of Resolution</b>	<b>50</b>	<b>*100.00</b>	<b>174,859,032</b>	<b>*100.00</b>
8	<b>Votes Case against the Resolution</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
9	Reasons for the Votes treated as invalid	N.A.			

**\* Percentage calculated is based on total valid votes and out of which percentage of votes in favor and against the resolution.**

Resolution passed by the Unsecured Creditors of Bodal Chemicals Ltd.

### Meetings for Unsecured creditors of Trion Chemicals Pvt. Ltd.:

Sr. No.	Particulars	Total Number	% of total creditors	Value (in ₹)	% of total Creditors
1	Number of Unsecured Creditors present at the meeting through VC or OAVM (either in person or through Authorised Representative)	20	31.25	40,31,357	68.02
2	Total remote e-voting received	30	46.88	47,13,746	79.53
3	Total e-voting at meeting received	1	1.56	70,920	1.20
4	Unsecured Creditors abstained from voting, if any	0	-	0	-
5	Invalid Votes, if any	0	-	0	-
6	Valid Votes Cast	31	*100.00	47,84,666	*100.00
7	<b>Votes cast in favor of Resolution</b>	<b>31</b>	<b>*100.00</b>	<b>47,84,666</b>	<b>*100.00</b>
8	<b>Votes Case against the Resolution</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
9	Reasons for the Votes treated as invalid	N.A.			

Resolution passed by the Unsecured Creditors of Trion Chemicals Pvt. Ltd.

The Voting result along with the Scrutiniser's Report were displayed on the Company's notice Board and also on the website of the Company [www.bodal.com](http://www.bodal.com). The results were also communicated to the Stock Exchanges viz. BSE Ltd. and National Stock Exchange of India Ltd., where the Shares of the Company are listed as required under the provisions of the Listing Regulations.

## Report on Corporate Governance (Contd.)

Further, Hon'ble NCLT Bench Ahmedabad approved and passed ordered dated 31st December 2020 of Amalgamation of Trion Chemicals Pvt. Ltd. ("Transferor Company") with Bodal Chemicals Ltd. ("Transferee Company") with effective date of scheme of Amalgamation is 01.04.2019.

Details of Holding/Subsidiary/Associates Companies (as on 31st March 2021):

Name of the Company	CIN	Holding/Subsidiary/Associate	% of Share Held	Applicable Section
S P S Processors Pvt. Ltd.	U18201DL2002PTC115883	Subsidiary	70%	2(87)
Bodal Chemicals Trading Pvt. Ltd.	U51597GJ2018PTC105513	Wholly Owned Subsidiary	100%	2(87)
Bodal Chemicals trading Shijiazhuang Ltd.-China	-----	Foreign Wholly Owned Subsidiary	100%	2(87)
Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi	-----	Foreign Subsidiary	80%	2(87)
Bodal Bangla Ltd.	-----	Foreign Wholly Owned Subsidiary	100%	2(87)
Senpa Dis Ticaret Anonim Sirketi	-----	Step down subsidiary (wholly owned subsidiary of Sener Boya Kimya Tekstil Sanayi Ve Ticaret Anonim Sirketi – Subsidiary of Bodal Chemicals Ltd.)	----	-----
Plutoeco Enviro Association	U85300GJ2020NPL117736	Associate	25%	2(6)

Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India or Out of India.

The subsidiaries of the Company function independently with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the minutes of Board Meetings of subsidiaries are placed before the Board of the Company for its review on a quarterly basis and a statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies are also placed before the Board.

Pursuant to the explanation under Regulation 16(1)(c) of the Listing Regulations, the Company has formulated a policy for determining material subsidiaries which is disclosed on the Company's website at [www.bodal.com](http://www.bodal.com)

The Company has complied with other requirements under Regulation 24 of the Listing Regulations with regard to the subsidiary companies.

## Report on Corporate Governance (Contd.)

### 11. Means of Communication

#### OTHER COMPLIANCES:

##### Basis of related party transactions

- ▶ The Company has no materially significant related party transactions with its promoters, the Directors or the management or their relatives etc. that may have potential conflicts with the interests of the Company at large.

For details, about related parties transactions see Note No. 43 of Notes on Accounts of Balance Sheet of the Company.

##### Compliance by the Company

- ▶ There were no instances of non-compliance or Penalties, imposed on the Company by the Stock Exchange/(s) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

##### Disclosure of Accounting Treatment

- ▶ In preparation of the financial statements, the Company has followed the Accounting

Standards issued by ICAI. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

##### Risk management

- ▶ Business risk evaluation and management is an ongoing process within the Organisation. During the period under review, a detailed exercise on the Business Risk Management was carried out covering all aspects of business operations.

#### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

As required by the provisions of SEBI (PIT) Regulations, 2015, the Company has adopted a Code of Conduct for prevention of Insider Trading. Company Secretary of the Company is the Compliance Officer. The Code of Conduct is applicable to all Directors and such identified employees of the Company as well as who are expected to have access to unpublished price sensitive information relating to the Company.

### SHAREHOLDERS' INFORMATION

1	<b>Registered Office</b>	Plot No. 123 & 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445
	<b>Corporate Office</b>	Bodal Corporate House, Near Anand Niketan school, Beside Maple green residency, Nr. Shilaj Circle, Off. S. P. ring Road, Thaltej, Ahmedabad-380059
2	<b>Annual General Meeting Date, Time and Venue</b>	24th September, 2021 (Friday) through Video conferencing (VC) or Other Audio Visual Means (OAVM)
3	<b>Financial Year</b>	2020--2021 (consisting of 12 months) 1st April 2020 to 31st March 2021
4	<b>Date of Book Closure</b>	18th September 2021 to 24th September 2021 (both days inclusive)
5	<b>Listing on Stock Exchange</b>	BSE LTD Bombay Stock Exchange Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
		National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E), Mumbai 400 051
6	<b>Stock Codes</b>	BSE Scrip Code: 524370
		NSE Scrip Code: BODALCHEM
		Demat ISIN: INE338D01028
		CIN: L24110GJ1986PLC009003

## Report on Corporate Governance (Contd.)

7	<b>Types of Security</b>	Equity Shares of the Company
	<b>No. of paid up shares</b>	122330165 equity shares of ₹ 2/- each fully paid as on 31st March 2021.
	<b>Market lot of shares</b>	1 Equity Share
	<b>Details of Warrants</b>	The Company has not received the balance subscription amount of ₹ 1,293.8 Million from the Warrant Holders before the extended due date i.e. 11th February 2021. Hence, the balance lying with the Company as 'Upfront Warrants Subscription Account', being amounts paid towards 25% of the issue price of the warrants, amounting to ₹ 431.3 Million, stand forfeited in terms of Regulation 169 (3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations, upon non conversion of warrants into Equity shares by the warrant holders. The forfeited amount has been transferred to the Capital Reserve account.
8	<b>Registrar &amp; Share Transfer Agent</b>	<p><b>M/s. Link Intime India Pvt. Ltd.</b>  <b>Mumbai:</b>  C 101, 247 Park,  L.B.S.Marg, Vikhroli (West),  Mumbai – 400 083.</p> <p><b>Ahmedabad Branch:</b>  5th Floor, 506 TO 508,  Amarnath Business Centre – 1,  Beside Gala Business Centre,  Nr. St. Xavier's College Corner,  Off C G Road,  Ellisbridge,  Ahmedabad – 380 006  <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>  Tel.: 079-26465179/87  Fax: 079-26465179</p>
9	<b>Compliance Officer / Company Secretary</b>	<p><b>Mr. Ashutosh B. Bhatt</b>  Plot No. 123 &amp; 124, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445  Phone No: 079 68160100, 25835437  Fax No: 079 2583 4223, 2583 5437</p>
10	<b>Depository System</b>	Currently 99.50% of the Company share capital is held in dematerialised form. For any assistance in converting physical shares in electronic form, investor may approach Link Intime India Pvt. Ltd. or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
11	<b>Bank details for Electronic Shareholding</b>	Members are requested to notify their Depository Participant (DP) about the changes in bank details. Members are requested to furnish complete details of their bank account, including the MICR codes of their bank.
12	<b>Furnish copies of Permanent Account Number (PAN)</b>	The members are requested to furnish their PAN which will help us to strengthen compliance with KYC norms and provisions of prevention of Money Laundering Act, 2002
13	<b>Investor complaint to be addressed to</b>	Link Intime India Pvt. Ltd. or Mr. Ashutosh B. Bhatt, Company Secretary & Compliance officer
14	<b>E-mail ID of Grievance Redressal Division</b>	<a href="mailto:secretarial@bodal.com">secretarial@bodal.com</a>
15	<b>Payment of Listing Fees</b>	Annual listing fee for the financial year 2021-22 has been paid by the Company to BSE & NSE
16	<b>Payment of Depository Fees</b>	Annual Custody / Issuer fee for the Financial Year 2021-2022 has been paid by the Company to CDSL & NSDL.
17	<b>Outstanding Warrants GDRs/ ADRs, and Convertible Bonds, Conversion date and likely impact on equity</b>	Not Applicable

## Report on Corporate Governance (Contd.)

18	<b>Plant Locations</b>	<p><b>Unit-I</b> Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p><b>Unit-II</b> Plot No. 123&amp;124 &amp; C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p><b>Unit-III</b> Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445.</p> <p><b>Unit-IV</b> Plot No. 252,253 &amp; C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445</p> <p><b>Unit-V</b> Plot No. 301 to 430 + 433 to 440/1, Juned-Bhersam Estate, Saykha GIDC, Taluka: Vagra, Dist.: Bharuch, Gujarat</p> <p><b>Unit VI</b> Plot No. 606, 607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.</p> <p><b>Unit VII</b> Block No. 804, Village- Dudhwada, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p><b>Unit VIII</b> Block No.106, 108, Village: Ekalbara, Ta. Padra, Dist. Vadodara, Gujarat.</p> <p><b>Unit IX</b> Block No. 598/A, Village: Piludra, Ta. Jambusar, Dist. Baruch, Gujarat.</p> <p><b>Unit X</b> Plot No: 525, Village: Dudhwada, Ta: Padra, Dist: Vadodara, Gujarat</p> <p><b>UNIT- XI</b> Survey No. 382 Located at Moje-Neja, Khambhat- Vataman Road, Ta.-Khambhat, Dist.-Anand, Gujarat</p> <p><b>UNIT XII</b> Charatrapur, Vill. Khadauli/Sardargarh, P.B.No. 52, P.O. Rajpura, Distt. Patiala, Punjab</p>
19	<b>Nomination Facility</b>	<p>It is in the interest of the shareholders to appoint nominee for their investments in the Company. Those members who are holding shares in physical mode and has not appointed nominee or want to change the nomination, are requested to send us nomination form duly filled in and signed by all the joint holders.</p>
20	<b>Change in Shareholders details / Investors Communication</b>	<p>In case you are holding your shares in dematerialised form (e.g. in electronic mode), communication regarding change in address, bank account details, change in nomination, dematerialisation of your share certificates or other inquiries should be addressed to your DP where you have opened your Demat Account, quoting your client ID number. In case of physical holding of shares, any communication for change of any details should be addressed to our R&amp;T agent <b>M/s. Link Intime India Pvt. Ltd.</b>, at address mentioned below.</p> <p><b>Mumbai Office:</b> C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai – 400 083.</p> <p><b>Ahmedabad Branch:</b> 5th Floor, 506 TO 508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Navrangpura, Ahmedabad – 380 009 <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> 079 - 2646 5179</p>



## Report on Corporate Governance (Contd.)

21	<b>Physical Transfer of Shares</b>	The SEBI issued Circulars to mandating transfer of securities only in electronic form effective April 1, 2019.		
22	<b>List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year</b>	<b>Ratings for 2019-20</b>		<b>Ratings for 2020-21</b>
		<b>India Ratings</b>	<b>CRISIL Rating</b>	<b>India Ratings</b>
		IND A+	CRISIL A+	IND A+
		IND A1+	CRISIL A1+	IND A1+

### Share Transfer System:

Company has appointed M/s. Link Intime India Pvt. Ltd. for dealing in with the Shares of the Company in physical and electronic mode, the process of transfers of shares will be completed by them at earliest, subject to the documents being valid and complete in all aspects.

### Results were announced During 2020-21 (April 1, 2020 to March 31, 2021)

Sr. No.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2020	14th August 2020
2	Unaudited Quarterly Results for the Quarter ended on 30th September, 2020	10th November 2020
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2020	9th February 2021
4	Audited Financial Results for the financial year ended 31st March 2021	24th June 2021

Results will be announced during 2021-22 (1st April 2020 to March 31, 2022): (Tentative)

Sr. NO.	Particulars	Date of Meeting
1	Unaudited Quarterly Results for the Quarter ended on 30th June 2020	Second week of August 2021
2	Unaudited Quarterly Results for the Quarter ended on 30th September 2020	Last week of October 2021
3	Unaudited Quarterly Results for the Quarter ended on 31st December 2020	Last week of January 2021
4	Audited Financial Results for the financial year ended 31st March 2021	Last week of May 2021

**Stock Data: Monthly equity share price data on BSE and NSE for the financial year 2020-21 are as under.**

### NSE:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-20	57.85	40.00	52.45	81,76,615
May-20	51.90	42.00	43.90	82,40,683
Jun-20	64.10	44.10	59.70	2,67,39,283
Jul-20	87.20	59.15	73.60	4,87,56,816
Aug-20	79.90	68.00	68.70	1,81,42,751
Sep-20	74.85	62.60	66.30	1,23,57,983
Oct-20	68.25	59.50	59.95	52,27,891
Nov-20	73.25	59.20	71.65	1,11,18,085
Dec-20	84.30	66.70	79.45	2,97,60,783
Jan-21	84.70	70.00	70.90	1,09,58,599
Feb-21	82.20	66.80	76.40	1,43,70,994
Mar-21	109.70	77.10	90.10	5,80,06,062

(Source from NSE Website)

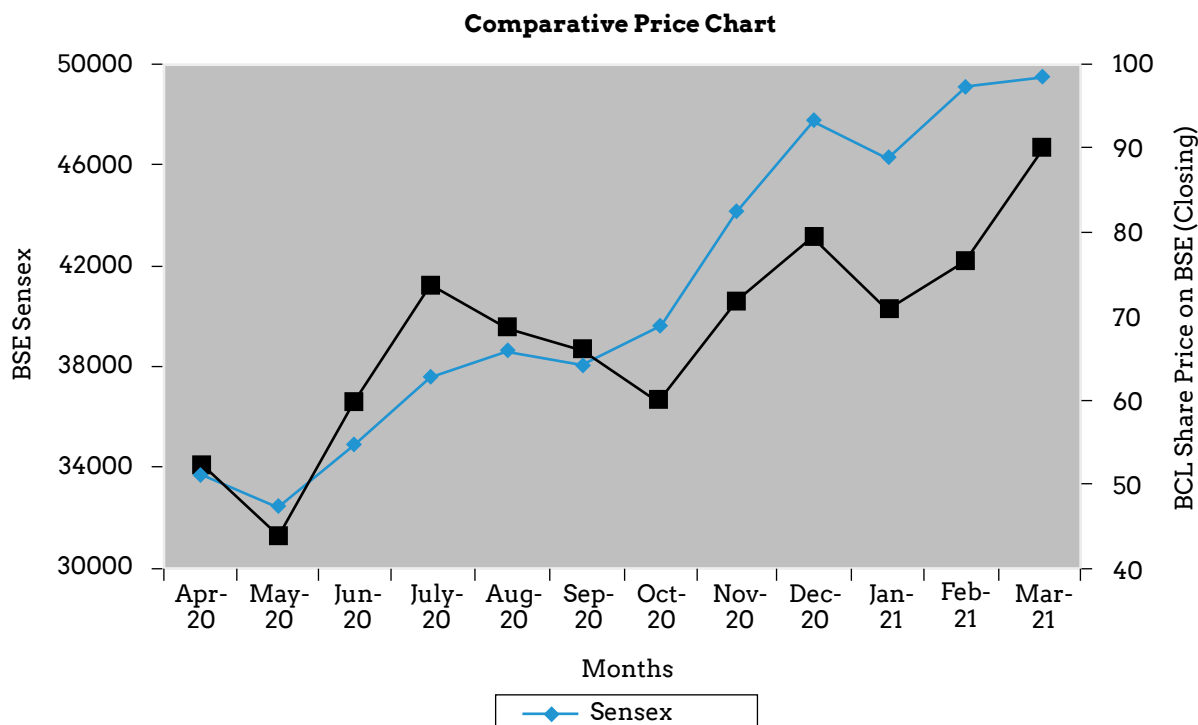
### BSE:

Month	High Price	Low Price	Close Price	Volume No. of Shares
Apr-20	57.75	35.00	52.35	10,13,547
May-20	53.00	42.00	43.90	12,83,312
Jun-20	64.10	44.20	59.75	26,30,058
Jul-20	87.20	59.15	73.65	40,87,585
Aug-20	79.75	68.05	68.60	22,44,087
Sep-20	75.00	62.80	66.10	15,31,971
Oct-20	69.00	59.50	60.00	12,24,086
Nov-20	73.00	59.40	71.80	11,20,093
Dec-20	84.15	67.30	79.40	28,80,095
Jan-21	84.65	66.55	70.90	12,10,224
Feb-21	78.55	66.85	76.55	14,21,714
Mar-21	109.55	77.15	90.05	72,47,398

(Source from BSE Website)

## Report on Corporate Governance (Contd.)

### Comparison of Bodal Chemical's share price with BSE Sensex



### Equity Shares held in physical and dematerialised form

Dematerialisation of Shares and liquidity: Company's Paid-up capital has been dematerialised up to 31st March 2021 as per the following details. The Company's Equity Shares are actively traded shares on the Indian Stock Exchanges.

Share Held in	2020—21		2019-20	
	No. of Shares	% of share capital of the Company	No. of Shares	% of share capital of the Company
Electronic form with NSDL	7,03,40,163	57.50	7,64,48,488	62.49
Electronic form with CDSL	5,13,83,528	42.00	4,52,61,313	37.00
Physical Form	6,06,474	0.50	6,20,364	0.51
<b>Total</b>	<b>12,23,30,165</b>	<b>100.00</b>	<b>12,23,30,165</b>	<b>100.00</b>

**Note:** Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. Investors can exercise dematerialisation through a recognised Depository Participant (DP) who is connected to NSDL or CDSL.

Those shareholders whose shares are held in physical form are requested to dematerialise the same at the earliest in their own interest. Thus, Investors can exercise dematerialisation through a recognised Depository Participant (DP) who is connected to NSDL or CDSL. The DEMAT security code (ISIN) for the equity shares of ₹ 2/- each is **INE - 338 D 01028**.

### Bank Mandate for Dividend

As per SEBI Guidelines, it is mandatory for the companies to print bank account details of the shareholders on dividend warrants. Those member who have still not furnished their bank account details, are requested to furnish the same immediately either to their DP or to the Registrar of the Company.

## Report on Corporate Governance (Contd.)

### Unclaimed Dividends to be transferred to the Investor Education and Protection Fund

The dividend for the following years remaining unclaimed for 7 years from the date of declaration are required to be transferred by the Company to Investor Education and Protection Fund and the various dates for transfer of such amount are as under:

Sr. No.	Financial Year	Date of Declaration	Due for Transfer on
1.	2015-16(Interim)	12th August 2015	19th September 2022
2.	2015-16(2 <sup>nd</sup> Interim)	10th March 2016	17th April 2023
3.	2016-17(Interim)	3rd August 2016	9th September 2023
4.	2016-17 (Final)	23rd September 2017	27th November 2024
5.	2017-18 (Final)	17th September 2018	22th October 2025
6.	2018-19 (Final)	20th September 2019	20th October 2026
7.	2019-20(Interim)	12th February 2020	11th March 2027

Members who have not encashed their Dividend Warrants or those who have not received the Dividend Warrants so far, are requested to seek issuance of duplicate Dividend Warrants. Otherwise, all above said unclaimed dividend to be transferred to Investor Education and Protection Fund on above said Due Dates. Further, Shareholders are requested to send cancelled Cheque to duplicate dividend warrant claims.

Further, pursuant to Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Shares on which dividend has not been encashed for last 7 years have to be transferred to suspense account open by IEPF Authority.

During the year, Company has not transferred any unclaimed amount and Shares to IEPF Authority.

Further, The Company has uploaded complete details of such Shares which were already transferred to DEMAT Account of IEPF Authority on its website: **www.bodal.com**.

Furthermore, Shareholders may claim back the shares which were already credited along with the unclaimed dividend amount from IEPF Authority after following the procedures prescribed under IEPF Rules. The procedures for claiming the same is available at **www.mca.gov.in** and **www.iepf.gov.in**.

### Disclosure with respect to IEPF Demat suspense account/ unclaimed suspense account

SR. NO	Particulars	No. of Records/ Shareholders	No. of Shares
1	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the beginning of the year	3667	685616
2	Number of shareholders who approached listed entity for transfer of shares from suspense/IEPF account during the year	6	2500
3	Number of shareholders to whom shares were transferred from IEPF/suspense account during the year	2	1000
4	Aggregate number of shareholders and the outstanding shares lying in the suspense/IEPF account at the end of the year	3665	684616

That the voting rights on these shares, if any shall remain frozen till the rightful owner of such shares claims the shares

## Report on Corporate Governance (Contd.)

### Distribution of Shareholding as on 31st March 2021

#### According to number of Equity Shares

SR. NO.	SHARES RANGE	NUMBER OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	TOTAL SHARES FOR THE RANGE	% OF ISSUED CAPITAL
1	1 To 500	48364	82.83	6683534	5.46
2	501 To 1000	4868	8.34	4005419	3.27
3	1001 To 2000	2553	4.37	3940007	3.22
4	2001 To 3000	906	1.55	2360929	1.93
5	3001 To 4000	371	0.64	1354206	1.10
6	4001 To 5000	373	0.64	1768525	1.45
7	5001 To 10000	517	0.89	3813520	3.12
8	10001 To *****	435	0.75	98404025	80.44
<b>Total</b>		<b>58387</b>	<b>100.0000</b>	<b>122330165</b>	<b>100.00</b>

#### Category of Shareholding of the Company As on 31st March 2021

Category		As on 31st March 2021			
		No. of members	% of Total Number of Share Holders	No. of Shares	% of Total Shareholding
<b>A</b>	<b>Shareholding of Promoters and Promoter Group</b>				
	(i) Indian Promoters-Individuals	8	0.01	6,05,85,042	49.53
	(ii) Foreign Promoters- Individuals	2	0.00	1,16,10,620	9.49
	<b>Total Shareholding of Promoters and Promoter Group</b>	<b>10</b>	<b>0.01</b>	<b>7,21,95,662</b>	<b>59.02</b>
<b>B</b>	<b>Public Shareholding</b>				
<b>(1)</b>	<b>Institutions</b>				
A	Mutual Funds	-	-	-	-
B	Foreign Potfolio Investors	18	0.03	3972032	3.25
C	Financial Institutional/Banks	2	0.00	11000	0.01
D	Insurance Companies	1	0.00	4000	-
	<b>Sub- Total B(1)</b>	<b>21</b>	<b>0.03</b>	<b>3987032</b>	<b>3.26</b>
<b>B(2)</b>	<b>Central Government/ State Government(s)/ President of India</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Sub- Total B(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>B(3)</b>	<b>Non Institution</b>				
	Individual Share Capital up to ₹ 2 Lacs	54212	94.65	27515662	22.49
	Individual Share Capital excess of ₹ 2 Lacs	19	0.03	51,17,512	4.18
	NBFCs registered with RBI	1	0.00	1000	0.00
	<b>Any Other</b>	<b>3010</b>	<b>5.26</b>	<b>13505772</b>	<b>11.04</b>
A	Bodies Corporate	306	0.53	8801224	7.19
B	Clearing Members	153	0.27	665142	0.54
C	HUF	1343	2.34	1767759	1.45
D	Foreign Individuals / NRIs (rep-non rep)	1204	2.10	1336031	1.09

## Report on Corporate Governance (Contd.)

Category		As on 31st March 2021			
		No. of members	% of Total Number of Share Holders	No. of Shares	% of Total Shareholding
E	Foreign Portfolio Investor (Category - III)	1	0.00	50,000	0.04
F	Director or Director's Relatives	2	0.00	201000	0.16
G	IEPF	1	0.00	684616	0.56
	<b>Sub- Total B(3)</b>	<b>57242</b>	<b>99.94</b>	<b>46139946</b>	<b>37.72</b>
	<b>Total Public Shareholding B=B(1)+B(2)+B(3)</b>	<b>57264</b>	<b>99.98</b>	<b>50134503</b>	<b>40.98</b>
	<b>Total (A)+(B)+(C)</b>	<b>57,274</b>	<b>100.00</b>	<b>12,23,30,165</b>	<b>100.00</b>

Note: Due to Combination of Folio having same PAN, the total No of Share holders are different Compare to Distribution of Share holding.

### Means of Communication

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans with all stakeholders which promotes management – shareholder relations. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual reports, media/press releases, Earning Presentations, Investor Presentations and Company's website and through green initiatives.

During the year, quarterly, half-yearly and annual financial results of the Company were submitted to the stock exchanges immediately after the conclusion of the Board meetings and Committee meetings were also published in newspapers as per regulation of 47 of SEBI (LODR) Regulations, 2015

Presentations made to institutional investors or to the analysts are available on the website of the Company. [www.bodal.com](http://www.bodal.com) and its weblink- [https://bodai.com/live.php?data=5\\_11](https://bodai.com/live.php?data=5_11)

### Company's Website

The Company's website is a comprehensive reference on Bodal Chemicals' management, vision, mission, policies, Corporate Announcements, Corporate Governance, Shareholding Pattern, Investor Relations, updates and news. The section on 'Investor Relations' serves to inform the members by giving complete financial details, annual reports, shareholding patterns, presentation made to institutional investors and analysts.

The Company has also uploaded the names of the Members and the details of the unclaimed dividend by the Members on its website.

All the above details can be accessed from the website of the Company – [www.bodal.com](http://www.bodal.com)

### CEO AND CFO CERTIFICATION

The Chairman & Managing Director and the Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Clause 49 of Listing Agreement with the Stock Exchange(s). The annual Compliance Certificate given by Chairman & Managing Director and the Chief Financial Officer is published in the Annual Report.

### DETAILS OF UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT:

2019-20 Company has raised an amount of ₹ 431250000/- (25% of Convertible Equity Warrant price) through issued of Convertible Equity Warrants to Promoter and Non-Promoter Group on preferential Basis.

Further during the 2020-21, the Company has not received the balance subscription amount of ₹ 129.38 Crores from the Warrant Holders before the extended due date i.e. 11th February 2021, Hence, the balance lying in the Company paid as Upfront Warrants Subscription Amounts towards 25% of the issue price of the warrants, amounting to ₹ 43.13 Crores, stand forfeited in terms of Regulation 169 (3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations, upon non conversion of warrants into Equity shares by the warrant holders.

## Report on Corporate Governance (Contd.)

Further, Company has placed before the Board at every Quarter, a Statement of Nil Deviation/ Variation Report on utilisation of funds raised through Preferential Allotment till time of Forfeited.

### Secretarial Audit:

- ▶ Pursuant to Regulation 40(9) of the Listing Regulations, certificates have been issued, on a half-yearly basis, by a Company Secretary in practice, certifying due compliance of share transfer formalities by the Company.
- ▶ A Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- ▶ Pursuant to Regulation 24A of the Listing SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and amend thereon, Mr. Tapan Shah, Company Secretary in practice has issued Secretarial Compliance report for the 2020-21 and Company has same filed to BSE (Bombay Stock Exchange) and National Stock Exchange of India (NSE).
- ▶ Mr. Tapan Shah, a Company Secretary in practice has conducted a Secretarial Audit of the Company for 2020-21. Their Audit Report confirms that the Company has complied with the applicable provisions of the Act and the Rules made there under, its Memorandum and Articles of Association, Listing Regulations and the applicable SEBI Regulations. The Secretarial Audit Report forms part of the Boards Report as Annexure 5.

### Certificate from Practising Company Secretary

Mr. Tapan Shah, Practicing Company Secretaries, has issued a certificate confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

In accordance with the SEBI Circular dated 8th February 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Tapan Shah, Practicing Company Secretaries confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31st March 2021.

### Compliance with Code of Conduct

In accordance with Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/Clause 49 of Listing Agreement with the Stock Exchange(s), the Board Members and senior management personnel of the Company have confirmed compliance with the Code of Conduct for the financial year ended 31st March 2021.

### Mandatory Requirements

The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance.

### Non-Mandatory Requirements

The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27(1) read with Part E of Schedule II of the Listing Regulations is as under:

- ▶ During the year under review, there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit opinion.
- ▶ The Company follows a Effective process of communicating with the shareholders which has been elaborated in the Report under the Heading "Means of Communication"
- ▶ The Internal Auditors reports to the Audit Committee.

### Confirmation by the Board of Directors' acceptance of recommendations of Committees:

In terms of the amendments made to the Listing Regulations, the Board of Directors confirms that during the year, it has accepted all recommendations received from all its Committees.



# Management Discussion & Analysis

## ECONOMIC OVERVIEW

### Global Economy

The global Gross Domestic Product (GDP) contraction for 2020 is estimated at 3.3%, as compared to an expansion of 2.9% in 2019. This can be attributed to the pandemic-induced strict restrictions, and the resultant halt in economic activities in several sectors. Amid such uncertainty, the global economy is projected to grow 6% in 2021 and 4.4% in 2022. This projection is based on the expectations of additional fiscal support in a few large economies, and large-scale vaccinations across the globe. Although vaccination has raised hopes of a turnaround, the renewed waves and new variants of the virus pose concerns for the short-term future (Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>).

### Indian Economy

India's GDP shrank 7.3% to ₹ 135.13 Trillion in 2020-21 (in real terms adjusted for inflation). As the Covid-19 pandemic continues to adversely impact lives and livelihoods of Millions of Indians, the threat of a third wave looms large. This rising uncertainty has reduced consumer and business confidence across sectors. This follows an economic slowdown during the three years preceding the pandemic. With weak investments and trade performances, the Indian economy was firing mainly on consumption, which the first and second waves of the pandemic had hit badly.

Last year, the Government of India unveiled an ambitious Atmanirbhar Bharat (self-reliant India) campaign, which many experts fear will compound India's growing protectionism. While some experts point to the growth in India's exports, others fear that further protectionist measures could damage India's international trade. If geopolitical tensions with China – India's largest trading partner in goods – continue to rise, it could dent business relations with the neighbour. India also continues to struggle to conclude free-trade agreements with major Western economies, leaving the nation on a shaky ground to take its trade expansionism forward.

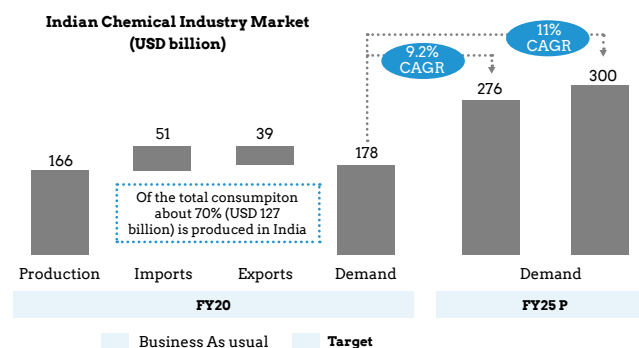
### Chemical Industry

The Indian chemical industry is an integral part of the nation's growing economy. It is a crucial component for agricultural and industrial development in India, and provides the building block for various other downstream

industries. Amidst the rapidly evolving global landscape of the chemical industry, high energy prices, labour cost, and currency appreciation are posing a huge challenge for the Western countries. Until recently, China was one of the beneficiaries of this shift. However, in the aftermath of the pandemic, the world is exploring alternate geographies. This trend is expected to continue in the future and is likely to pave the way for India to become the world's 'go-to' manufacturing hub. India is now better positioned as compared to other Asian nations on account of surplus availability of labour, suitable manufacturing conditions, low wage costs, abundance of raw materials, strong domestic market, a stable political environment, and positive outlook towards reducing emissions.

India's chemical manufacturing industry employs 2 Million people, and has a weightage of 7.87% in the Index of Industrial Production (IIP). The industry is a key pillar of the Indian economy, contributing 1.4% to the National GVA and 8.8% to the manufacturing GVA. Further, the industry contributes to 2.1% of total FDI Equity Inflows, and 11.3% of India's exports (Source: <https://www.indiachem.in/pdf/presentations21.pdf>).

Despite manufacturing halts and labour restrictions, the IIP for chemical manufacturing has recovered to the pre-Covid-19 levels. The industry is expected to witness a CAGR of 9.2% from FY21 to FY25, driven by demographic dividends, low per capita consumption and an increasing export demand. With promising Government initiatives such as Make in India, Atmanirbhar Bharat and the Production-Linked Incentive Scheme, the industry has the potential to touch 11% CAGR in the same time period (Source: <https://www.pwc.in/assets/pdfs/publications/2021/india-a-global-manufacturing-hub-for-chemicals-and-petrochemicals.pdf>).



(Source: <https://www.indiachem.in/pdf/presentations21.pdf>)

## Management Discussion & Analysis (Contd.)

### Specialty Chemicals

Specialty Chemicals are formulations or single chemical entities, whose chemical composition influences the end product. They are made with extensive research and development, which is the main difference between them and commodity chemicals. They have only one or two core applications, unlike commodity chemicals, which have dozens of different applications. Automotive, aerospace, food, cosmetics, agriculture, manufacturing, and textiles are some of the industries that depend heavily on specialty chemicals.

### Dyestuff Industry

The dyestuff sector is one of the core chemical industries in India. It is also the second highest export segment in the chemical industry. The industry is made up of about 1,000 small-scale units and 50 large-organised units. Maharashtra and Gujarat account for 90% of dyestuff production in India because of the availability of raw materials and dominance of textile industry in the two regions. Textiles, paper, plastics, printing ink and foodstuffs are some of the major users of dyes in India. The textiles sector consumes around 80% of the total production due to high demand for polyester and cotton globally. At present, India contributes about 6% of the share in the global dyestuff market, and has recorded a CAGR of more than 15% in the last decade. The dyestuff industry has recently seen movement towards consolidation, and a shift from unorganised to organised. As a result, organised players are now poised to take a lead in the global market. (Source: <https://www.fibre2fashion.com/industry-article/5118/the-future-of-indian-dyes-dye-intermediates#:~:text=Dyestuff%20sector%20is%20one%20of,1%2C30%2C000%20tonnes%20of%20dyestuff.>)

### Capex for future sustainability

We are investing ~ Rs 4,000 Million in a greenfield project at Saykha, Gujarat which will increase our capacity of Specialty Benzene Downstream Products by ~78,960 MTPA and Sulphuric Acid & its derivatives by ~340,000 MTPA. We have already started the work at the site and are expected to complete by end of Q3FY23. This will further enhance our 'Specialty Chemicals Segment'. We will be setting up integrated

product chain at this plant which will lead to cost efficiency, better productivity, and high margins for the Company. We expect these projects to generate additional revenues of around Rs 5,500 Million at optimum utilisation levels with EBITDA margins in the range of 15% to 18%.

Over the past few years, we have been consistently exploring acquisition opportunities to gain several synergic advantages and drive business sustainability. In FY21, we strategically acquired Siel Chemical Complex (SCC) at a capex of ₹ 1,522 Million which was a unit of Mawana Sugars Ltd., located at Rajpura, Punjab. SCC is built on a fully developed land area of ~124 acres (of which ~60 acres is surplus). SCC is one of the largest players in Chlor Alkali segment in north India having Caustic Soda capacity of 82,500 MTPA with a well-diversified client base in Paper, Soap/Detergent, Textile etc and supplying to leading companies like HUL, Nestle, Indian Oil Corporation, HPCL, Vardhman, and Trident Group etc. The plant of SCC is very well integrated with internal and adjoining assured consumption of Chlorine for around 80% in Stable Bleaching Powder (SBP), Hydrochloric Acid (HCL), Sodium Hypochlorite (HYPO) and through pipeline sales to adjacent units. Rest Chlorine gets sold through cylinders to other third-party consumers. We will upgrade the technology of the plant which will result in substantial reduction in the power costs, annual repair & maintenance costs (cell refurbishment costs) and increase in production capacity for Caustic Soda plant from 82,500 MTPA to 99,000 MTPA. Upgradation process is expected to complete by Q3FY23. During the upgradation process, plant will be under operations with about 70% utilisation of existing capacity. We expect SCC to generate additional revenues of around Rs 3,000 Million after upgradation of the plant at optimum utilisation levels with EBITDA margins in the range of 20% to 22%.

These investments will further allow us to leverage the locational advantage, expand integration capabilities, enhance product portfolio, diversify our clientele, drive cost efficiency and deliver high margin value-added products. Given below are the details of greenfield project & acquisition as well as the synergic benefits that the Company is expected to leverage:

## Management Discussion & Analysis (Contd.)

### Greenfield Saykha Project

Project Cost	~₹ 4,000 Million
Project Location	Saykha, Gujarat
Products	Benzene Downstream ~78,960 MTPA+ Sulphuric Acid ~3,40,000 MTPA
Project Cost	~₹ 2,200 Million benzene+ ~₹ 1,250 Million S Acid+ ~₹ 650 Million one-time cost= ~4,000 Million
Expected Revenue	~₹ 5,500 Million with EBITDA margin of 15%-18%
Expected Commercialisation	Q3 FY23
End-User Industry	<ul style="list-style-type: none"> <li>• Pharmaceuticals</li> <li>• Agrochemicals</li> <li>• Dyes</li> <li>• Rubber</li> </ul>
Key Rationale	<ul style="list-style-type: none"> <li>• Enhance specialty chemicals segment</li> <li>• Import substitute</li> <li>• Integrate for cost efficiency, better productivity and high margins</li> <li>• Portfolio diversification</li> </ul>

### Acquisition of Siel Chemical Complex (SCC)

Project Cost	~₹ 2,700 Million
Project Location	Rajpura, Punjab
Products	Chlor alkali products (existing caustic soda capacity 82,500 MTPA, post upgradation ~99,000 MTPA)
Project Cost	~₹ 1,484 Million slump sale+ ₹ 38.5 Million stamp duty+ ~₹ 1,000-1,250 Million upgradation= ~₹ 2,700 Million
Expected Revenue	~₹ 3,000 Million with 20-22% margin
Expected Commercialisation	Complete upgradation by Q3 FY23
End-User Industry	<ul style="list-style-type: none"> <li>• Paper</li> <li>• Soap &amp; Detergent</li> <li>• Textile</li> </ul>
Key Rationale	<ul style="list-style-type: none"> <li>• Acquired from Mawana Sugars Ltd. with ~60 acres surplus land out of ~124 acres</li> <li>• One of the largest players in north India</li> <li>• Integrated with chlorine for captive consumption</li> <li>• Strong client base: HUL, Nestle, IOC, HPCL, Vardhman and Trident Group</li> </ul>

### Environment Goals

Bodal Chemicals has installed the world's most-advanced technology at the environment front. It has tied up with Advent Envirocare for technology related issues. With sustainability as one of the foremost goals and to give focus input on the same, the Company has restructured its safety functions and widened its role for Environment, Health, Safety & Sustainability (EHSS) functions. The Company is also participating in different certification programmes and has acquainted with ECO certifications such as ISO, Bluesign, ZDHC and GOTS.

## Management Discussion & Analysis (Contd.)

### Growth Drivers

#### India a Chemical Hub

The future of the Indian chemical industry is bright and sustainable. With the closure of several plants in China and the European Union, the top Indian chemical companies shall continue to garner greater benefits. Irrespective of everything, the Company is geared up to improvise on quality and output of Indian products. The international markets now see India as a chemical supplier. Experts, however, have a mixed review of the chemical industry's growth due to the prevailing pandemic situation. Against all odds, India's chemical industry is set to grow exponentially with substantial capital investments and supportive Government policies.

#### Expand Export in Emerging Markets

Emerging countries such as Africa, Middle East, and Asia-Pacific offer a golden opportunity for the Indian chemical industry. These countries are developing at a faster pace as compared to the developed countries of North America and Europe, providing more opportunities for export to the big as well as small chemical businesses in India. At present, the chemical export share of India in the global market is just 2%. The increasing growth in these emerging markets would open newer export opportunities for India.

#### Government Initiatives

The Indian chemical industry has received the much-needed boost in the past four to five years. The Government is taking strict measures to cut down on the challenges that the industry is facing. It is also coming up with new projects and plants to leverage all the opportunities to the maximum. In fact, the Government's new Make in India initiative would also play a pivotal role in boosting the growth of the Indian chemical industry. Other favourable Government initiatives such as Aatmanirbhar Bharat and the Production-Linked Incentive Scheme, are likely to boost the manufacturing sector, and thereby indirectly benefit the industry and the Company.

### Company Overview

Bodal Chemicals Ltd. is a leading producer of dye intermediates and dyestuffs with presence in reactive, acid, and direct dyes. Its manufacturing facilities are spread across nine locations with installed capacities of 33,000 Metric Tonnes Per Annum (MTPA) of dyestuff intermediates; 45,000 MTPA of dyestuff (including liquid dyes) and 2,26,000 MTPA of basic chemicals.

It commenced operations in 1989 and got listed on the stock exchanges in 2006. The Company is one of India's most-integrated dyestuff companies and is the largest domestic manufacturer of dye intermediates. It offers a wide range of dyestuff products to a diverse customer base and has longstanding customer relationships. The Company holds 3% and 13% market share in the global and domestic dyestuff markets, respectively. It also has 6% and 20% market share in the global and domestic dye intermediates market, respectively.

The Company commenced its business as a dye intermediates manufacturer and over the 30 years since its inception, it has forayed into forward- and backward-integration by producing dyestuff and basic chemicals. Almost 45% of the basic chemicals and dye intermediates produced are used in-house, providing the Company with cost advantages, operational synergy, and increased raw material security.

### OPERATIONAL AND FINANCIAL OVERVIEW

On a standalone basis, Bodal Chemicals Ltd.'s revenue has decreased by -7.67%. The EBITDA stood at ₹ 1,008.72 Million, as against ₹ 1,463.03 Million in 2019-20. The PAT was recorded at ₹ 483.15 Million in FY21, as compared to ₹ 900.98 Million in 2019-20. EPS has decreased to ₹ 3.95, as compared to ₹ 7.37 in 2019-20.

On a consolidated basis, the Company's revenue has decreased by -10.79%. EBITDA stood at ₹ 1,025.17 Million, as against ₹ 1,480.65 Million in 2019-20, and PAT was recorded at ₹ 397.67 Million in FY21, as compared to ₹ 860.34 Million in 2019-20. EPS has decreased to ₹ 3.25, as compared to ₹ 7.13 in 2019-20.

#### Standalone

Particulars	(₹ in Million)	
	2020-21	2019-20
Revenue	11,297.31	12,235.96
R&D Expenses	40.13	36.21
Earnings Before Interest, Tax, Depreciation and Amortisation	1,008.72	1,463.03
Profit Before Tax	636.61	1,059.82
Profit for the Year	483.15	900.98
Total Assets	17,000.01	14,240.16
EPS (In ₹)	3.95	7.37

## Management Discussion & Analysis (Contd.)

Name of Metric	2020-21	2019-20	% Change Increase (Decrease)	Explanation in case change is 25% or more, as compared to the previous year
Inventory Turnover	16.79	18.91	(11%)	-
Current Ratio	1.31	1.37	(5%)	-
Debt-Equity Ratio	0.72	0.52	39%	There was Term Loan taken worth 106.40 Crore for purchasing SIEL Chemical unit.
Debtors' Turnover	2.93	3.66	(19%)	-
Operating Profit Margin	6.48%	9.92%	(34%)	Due to Lockdown in April and May month, Revenue was affected.
Net Profit Margin	4.30%	7.44%	(42%)	Due to Lockdown in April and May month, Revenue was affected and Bad debt worth 17 Crore was Written-off in current Year.
Return on Net Worth	4.91%	9.62%	(49%)	Profit was affected due to Lockdown in April and May month and Bad debt worth 17 Crore was Written-off in current Year.
Interest Coverage Ratio	7.90	8.51	(7.1%)	-

### Key Risks and Mitigation Strategies

The objective of our risk management activities is to recognise, assess and manage risks with the implementation of appropriate measures to mitigate them. Risk management at Bodal is a continuous process of analysing and managing all the risks posed to the business. Some of the risks that we face in our daily workflow are:

Risk	Impact	Mitigation
Competition risk	More and intense competition could negatively impact our market share, margin profile, and return on capital employed	Being a preferred supplier and reliable partner, our long-standing customer relationships help us mitigate this risk
Foreign currency exchange rate risk	33.41% of our revenue comes from exports, and 15.08% of our raw material comes from overseas	We mitigate this risk by way of our robust foreign exchange hedge mechanism and systems, such as forward contracts
Raw material price risk	An increase in raw material prices could adversely affect our margin profile	Our backward integration helps us obtain a steady supply of raw materials at an economic rate. We are gradually aiming to reduce our dependence on external suppliers, thereby mitigating this risk
Labour disputes risk	Industrial disputes may lead to industrial action, which may impact our ability to meet clients' demand	We maintain an open and positive relationship with our employees, workers, subcontractors, and others thereby mitigating this risk
Quality risk	A decline in product quality could hamper customer relationships, further impacting revenue	We have stringent quality-control system in place and comply with all required external standards



## Management Discussion & Analysis (Contd.)

### Human Resources

Bodal Chemicals Ltd. believes it is the human resource that runs the business. The Company's ability to identify, attract and retain talent has reaped huge rewards. The Company knows the significance of bringing talented people onboard, it then sharpens their skills through training, and motivate them to collaborate and innovate with experts to upgrade their skills. The Company has time and again laid emphasis on a diverse workforce and values the suggestions of every individual.

Last year, Bodal Chemicals Ltd. successfully rolled out key HR initiatives and talent management practices. These reinforced the principles to help employees realise their potential. To help make a difference to the overall development of employees, training and skill development is very important. A comprehensive training structure is laid down for all employees. Such initiatives help attract and retain best talent across the industry. The strength of the group thus lies in working and growing together as a team. As on 31st March 2021, the Company's employee strength stood at 1,751.

### Internal Control Systems & Their Adequacy

#### Supply chain management

Bodal Chemicals Ltd. is a proud manufacturer of about 200 products, which are sold in more than 45 countries, resulting in a widespread supply chain network. The Company has innovated its supply chain management solutions to enable its customers to stay ahead every time. The solutions are digitally enabled by modern technology platforms making supply chains simpler and better connected all the way. It is the integrated planning and execution of processes required to manage the movement of materials, information and financial capital in activities that broadly include demand planning, sourcing, production, inventory management and storage, transportation — or logistics — and returning excess or defective products. The supply chain management relies on both business strategy, specialised software and collaboration to work. Bodal Chemicals Ltd. continually invests in initiatives for supply chain

optimisation, capability building of its trade partners and the sales force. The constant observation and revision for all the manufacturing facilities help get better response.

#### Information technology

Information technology (IT) — the hardware and software required for the processing of data and other information — is the backbone of nearly every aspect of today's modern society. IT provides continuous support to business operations, offering competitive advantages to the Company. A comprehensive ERP system has been implemented which helps Bodal Chemicals Ltd. to increase its supply chain and provide accurate forecasts for the sourcing and supply. The Company continuously keeps a keen eye on the IT system and infrastructure to improvise at every level providing accurate results with timely upgradation and latest technologies.

### Cautionary Statement

Statements in the Directors' Report, Management Discussion and Analysis or elsewhere in this Annual Report, contain 'forward-looking statements' including, but without limitation, statements relating to the implementation of strategic initiatives and other statements relating to Bodal Chemicals Ltd.'s future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, Governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Bodal Chemicals Ltd. undertakes no obligation to publicly revise any forward-looking statements to reflect future/likely events or circumstances





# Independent Auditor's Report

## To The Members of BODAL CHEMICALS LIMITED

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of **BODAL CHEMICALS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone 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 Responsibility 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 ethical 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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><b>Timely recognition of revenue</b></p> <p>(Refer Note 1.3 and Note 28 to the Standalone Financial Statements)</p> <p>We focussed on this area as a Key audit matter due to the risk of incorrect timing of revenue recognition. Since the Company focuses on revenue as a key performance measure, it could create an incentive for revenue to be recognised though the performance obligations have not been satisfied by the Company.</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit procedures were a combination of test of controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to recording of revenues at reporting periods.</li> <li>Selected a sample of invoices and tested the operating effectiveness of internal controls relating to revenue cut off's.</li> <li>Performed cut-off procedures (early and late cut off's) for sample of revenue transactions at year-end by testing the underlying invoices to the related delivery documents.</li> </ul>

## Independent Auditor's Report (Contd.)

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Corporate Governance Report and Management Discussion & Analysis, but does not include consolidated financial statements, standalone financial statements and our auditor's reports thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will 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.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information.

### Management's Responsibility 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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement 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.

Those Board of Directors are also 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:

## Independent Auditor's Report (Contd.)

- 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone 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 standalone 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.

### Other Matter

- As stated in Note 52 to the financial statements, pursuant to the Scheme of Amalgamation of Trion Chemicals Private Limited ("Trion") with the

## Independent Auditor's Report (Contd.)

Company (the "Scheme"), the financial information for the previous periods have been restated to give effect of the Scheme.

Further, the above restatement, inter alia, is based on the financial information of Trion which has not been audited by us. These financial information have been audited, by other auditors whose report have been furnished to us by the Management and our report on the financial statements, in so far as it relates to the restated amounts and disclosures included in respect of Trion is based solely on the reports of other auditors.

Our Opinion is not modified in respect of the above matter.

- As stated in Note 53 to the financial Statement, pursuant to the Business Transfer Agreement with the Mawana Sugars Limited, the Company has acquired w.e.f. 31st March 2021, the Chemical Unit known as 'Siel Chemical Complex (SCC)' of Mawana Sugars Limited. The assets and liabilities of the said unit as on 31st March 2021 have been provisionally accounted for in accordance with Ind AS 103 "Business Combination".

Our Opinion is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are

in agreement with the books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

## Independent Auditor's Report (Contd.)

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act,

we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Varsha A. Fadte**

Partner

Chicalim, Goa,  
24th June 2021

(Membership No. 103999)  
UDIN: 21103999AAAAGX8017

# Annexure “A” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial reporting of Bodal Chemicals Limited (“the Company”) as of 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management





## Annexure “A” to the Independent Auditor’s Report (Contd.)

override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting

were operating effectively as at 31st March 2021, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

**Varsha A. Fadte**

Partner

Chicalim, Goa,  
24th June 2021

(Membership No. 103999)  
UDIN: 21103999AAAAGX8017

## Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immoveable properties of land and buildings whose title deeds have been pledged as security for loans, are held in the name of the Company based on the confirmations directly received by us from lenders.
- ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of provisions of sections 73 to 76 of the Act and the rules framed there under and hence reporting under clause (v) of the Order is not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income Tax, Goods & Service Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income Tax, Goods & Service Tax, , Customs Duty, cess and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income Tax, Sales Tax, Excise Duty, Service Tax and Value Added Tax which have not been deposited as on 31st March 2021 on account of disputes are given below:

**Annexure “B” to the Independent Auditor’s Report (Contd.)**

Name of the statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount involved ₹ in Million	Amount unpaid ₹ in Million
Income Tax Act, 1961	Demand for Tax	Commissioner of Income Tax (Appeals)	AY 2006-07 AY 2007-08 AY 2008-09 AY 2010-11 and AY 2016-17	62.84	29.66
		Deputy Commissioner of Income Tax	AY 2014-2015	0.72	0.72
		Assessing Officer	Various	6.38	6.38
Central Excise Act, 1944	Demand for Tax and Penalty	Customs Excise and Service Tax Appellate Tribunal	FY 2005-2015	25.05	24.51
		Commissioner (Appeals)	FY 2009-2015	0.18	0.18

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not borrowed any amounts from financial institutions and government. The Company has not issued any debentures.
- ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act,

where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

- xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

**Varsha A. Fadte**

Partner

Chicalim, Goa,

24th June 2021

(Membership No. 103999)

UDIN: 21103999AAAAGX8017

# Balance Sheet as at 31st March 2021

(₹ in Million)			
Particulars	Notes	As at 31st March 2021	As at 31st March 2020
<b>ASSETS</b>			
<b>Non - Current Assets :</b>			
Property, Plant and Equipment	2	7,491.02	6,097.78
Capital Work-in-progress		44.85	8.13
Right of Use Asset	3	-	0.26
Goodwill		22.58	22.58
Intangible Assets	4	6.19	8.31
Financial Assets			
Investments	5	441.64	405.42
Loans	6	1,263.84	1,093.89
Other Financial Assets	7	210.27	30.54
Income Tax Assets (Net)	8	152.24	104.75
Other Non-Current Assets	9	109.00	155.21
<b>Total Non - Current Assets</b>		<b>9,741.63</b>	<b>7,926.87</b>
<b>Current Assets</b>			
Inventories	10	2,545.29	1,906.75
Financial Assets			
Trade Receivables	11	2,889.61	2,942.45
Customers Bill Discounted	11	1,065.91	771.05
Cash and Cash Equivalents	12	60.58	124.75
Other Bank Balances	13	43.72	50.42
Loans	14	25.55	45.38
Other Financial Assets	15	7.21	0.78
Other Current Assets	16	604.31	471.71
Assets held for sale		16.20	-
<b>Total Current Assets</b>		<b>7,258.38</b>	<b>6,313.29</b>
<b>TOTAL ASSETS</b>		<b>17,000.01</b>	<b>14,240.16</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	17	244.66	244.66
Other Equity	18	9,620.64	8,693.19
Money Received Against Share Warrants		-	431.25
<b>Total Equity</b>		<b>9,865.30</b>	<b>9,369.10</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	19	1,064.00	0.18
Provisions	20	37.88	-
Deferred Tax Liabilities (Net)	21	472.39	274.28
<b>Total Non-Current Liabilities</b>		<b>1,574.27</b>	<b>274.46</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	22	2,225.54	1,612.26
Customers Bill Discounted	22	1,065.91	771.05
Lease Liability		-	0.25
Trade Payables	23		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		107.16	33.43
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		1,944.99	1,921.25
Other Financial Liabilities	24	75.94	46.86
Other Current Liabilities	25	101.50	117.65
Provisions	26	24.40	-
Income Tax Liabilities (Net)	27	15.00	93.85
<b>Total Current Liabilities</b>		<b>5,560.44</b>	<b>4,596.60</b>
<b>Total Liabilities</b>		<b>7,134.71</b>	<b>4,871.06</b>
<b>Total Equity and Liabilities</b>		<b>17,000.01</b>	<b>14,240.16</b>

See Accompanying Notes forming part of the Financial Statements

1 to 58

As per our report of even date attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration No.117366W/W-100018

**Varsha A. Fadte**

Partner

Membership No. 103999

For and on behalf of the Board of Directors

**Suresh J. Patel**

Chairman & Managing Director

DIN : 00007400

**Mayur B. Padhya**

Chief Financial Officer

**Bhavin S. Patel**

Executive Director

DIN : 00030464

**Ashutosh B. Bhatt**

Company Secretary

Chicalim, Goa

June 24, 2021

Ahmedabad

June 24, 2021

# Statement of Profit and Loss for the year ended 31st March 2021

(₹ in Million)

Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020
<b>INCOME</b>			
Revenue from Operations	28	11,297.31	12,235.96
Other Income	29	180.03	141.03
<b>Total Income</b>		<b>11,477.34</b>	<b>12,376.99</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	30	7,685.39	7,606.36
Purchases of Stock-in Trade	31	2.90	2.64
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	32	(293.51)	129.24
Employee Benefits Expenses	33	706.34	798.30
Finance Costs	34	92.21	141.10
Depreciation and Amortisation Expenses	35	279.90	262.11
Bad Debts written off	36	173.25	-
Other Expenses	37	2,194.25	2,377.42
<b>Total Expenses</b>		<b>10,840.73</b>	<b>11,317.17</b>
<b>Profit Before Tax</b>		<b>636.61</b>	<b>1,059.82</b>
<b>Tax Expenses</b>	41		
Current Tax		110.87	271.34
(Short)/Excess Provision of Tax of Prior Years		(154.80)	3.01
Current Tax		(43.93)	274.35
Deferred Tax		197.39	(115.51)
<b>Total Tax Expense</b>		<b>153.46</b>	<b>158.84</b>
<b>Profit for the Year</b>		<b>483.15</b>	<b>900.98</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		2.84	20.66
Income Tax relating to items that will not be reclassified to profit or loss		(0.71)	(5.29)
<b>Other Comprehensive Income for the Year (net of tax)</b>		<b>2.13</b>	<b>15.37</b>
<b>Total Comprehensive Income for the Year</b>		<b>485.28</b>	<b>916.35</b>
Earnings per equity share (Face value of ₹ 2)	44		
Basic (in ₹)		3.95	7.37
Diluted (in ₹)		3.94	7.37

See Accompanying Notes forming part of the Financial Statements 1 to 58

As per our report of even date attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No.117366W/W-100018

**Varsha A. Fadte**  
Partner  
Membership No. 103999

Chicalim, Goa  
June 24, 2021

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Mayur B. Padhya**  
Chief Financial Officer

Ahmedabad  
June 24, 2021

**Bhavin S. Patel**  
Executive Director  
DIN : 00030464

**Ashutosh B. Bhatt**  
Company Secretary

# Statement of Changes in Equity for the year ended 31st March 2021

(₹ in Million)

<b>A) Equity Share Capital</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
Balance at the commencement of the year	244.66	244.38
Add : Issue of Shares under ESOP	-	0.28
Balance at the end of the year	<b>244.66</b>	<b>244.66</b>

(₹ in Million)

<b>B) Other Equity</b>	<b>Reserves &amp; Surplus</b>					
	<b>Capital Reserves</b>	<b>Capital Redemption Reserve</b>	<b>Securities Premium</b>	<b>Employee Stock Options Outstanding Account</b>	<b>General Reserve</b>	<b>Retained Earnings</b>
<b>Balance as at 1st April 2019 (A)</b>	<b>76.12</b>	<b>289.67</b>	<b>2,381.92</b>	<b>18.06</b>	<b>138.86</b>	<b>5,090.91</b>
Additions during the year:						
Profit for the year	-	-	-	-	-	<b>900.98</b>
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	15.37
<b>Total Comprehensive Income for the Year 2018-19 (B)</b>	-	-	-	-	-	<b>916.35</b>
Premium on Shares issued under ESOP			24.25			
Addition due to Employee Share based Expense (refer note 51)	-	-	-	(6.99)	-	-
Reductions during the year:						
Dividends	-	-	-	-	-	(195.72)
Tax on Dividends	-	-	-	-	-	(40.23)
<b>Total (C)</b>	-	-	-	-	-	<b>(235.95)</b>
<b>Balance as at 31st March 2020 (D) = (A+B+C)</b>	<b>76.12</b>	<b>289.67</b>	<b>2,406.17</b>	<b>11.07</b>	<b>138.86</b>	<b>5,771.31</b>
Additions during the year:						
Profit for the year	-	-	-	-	-	483.15
Other Comprehensive Income for the Year, Net of Tax	-	-	-	-	-	2.13
<b>Total Comprehensive Income for the Year 2020-21 (E)</b>	-	-	-	-	-	<b>485.28</b>
Securities Premium on issue of shares						
Addition due to forfeiture of Share Warrants	431.25					
Change due to Employee Share based Expense (refer note 51)	-	-	-	10.91	-	-
Reductions during the year:						
Dividends	-	-	-	-	-	-
Tax on Dividends	-	-	-	-	-	-
<b>Total (F)</b>	-	-	-	-	-	-
<b>Balance as at 31st March 2021 (D+E+F)</b>	<b>507.37</b>	<b>289.67</b>	<b>2,406.17</b>	<b>21.98</b>	<b>138.86</b>	<b>6,256.59</b>

(₹ in Million)

<b>C) Money Received against Share Warrants</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
Balance at the commencement of the year	431.25	-
Addition during the year	-	431.25
Less : Forfeited during the year	(431.25)	-
Balance at the end of the year	-	<b>431.25</b>

See Accompanying Notes forming part of the Financial Statements

1 to 58

As per our report of even date attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No.117366W/W-100018

**Varsha A. Fadte**  
Partner  
Membership No. 103999

Chicalim, Goa  
June 24, 2021

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
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June 24, 2021

**Bhavin S. Patel**  
Executive Director  
DIN : 00030464

**Ashutosh B. Bhatt**  
Company Secretary



# Statement of Cash Flows for the year ended 31st March 2021

(₹ in Million)

PARTICULARS		Year 2020-21	Year 2019-20
<b>A.</b>	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	Profit Before Tax	636.61	1,059.82
	Adjustments for		
	Depreciation and Amortisation Expense	279.90	262.11
	Unrealised Foreign Exchange Gain	8.43	32.47
	Fair Value Loss/(Gain) on Investments measured through Profit or Loss	(32.44)	24.79
	Mark-to-market Loss on derivative financial instruments	0.68	9.19
	Allowance for Doubtful Trade Receivables	(0.98)	14.60
	Finance Costs	92.21	141.10
	Expenses recognised in respect of Share based Payments	10.91	10.47
	Loss / (Profit) on Sale of Property, Plant & Equipment (Net)	1.51	3.43
	Interest and Dividend Income	(104.28)	(99.53)
	Profit on Sale of Current Investments (Net)	(0.02)	(0.98)
	Operating Profit before Working Capital Changes	892.53	1,457.47
	Adjustment for :		
	(Increase) in Trade Receivables	(233.38)	(668.32)
	(Increase) / Decrease in Inventories	(638.52)	62.45
	(Increase) / Decrease in Financial Assets	(171.13)	44.55
	(Increase) / Decrease in Other Assets	(142.12)	1.51
	(Decrease) / Increase in Trade Payables	94.96	(46.59)
	Increase in Other Financial Liabilities	15.35	0.49
	Increase / (Decrease) in Other Liabilities and Provisions	48.97	(17.49)
	Cash (used in) / generated from Operations	(133.34)	834.07
	Income Taxes Paid (Net of Refund)	82.40	179.30
	<b>Net Cash (used in) / generated from Operating Activities (A)</b>	<b>(215.74)</b>	<b>654.77</b>
<b>B</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
	Purchase of Property, Plant & Equipment including Capital Work in Progress and Capital Advances	(1,678.52)	(504.31)
	Sale Proceeds of Property, Plant & Equipment	22.79	5.70
	Loans given to Subsidiaries	(981.38)	(1,149.87)
	Loans repaid by Subsidiaries	823.91	495.27
	Loans given to Employees (Net)	(5.30)	(8.50)
	Loan repaid to Related parties	-	(31.35)
	Interest/Dividend received	97.94	97.17
	Inter Corporate Loans received back	20.03	35.00
	Bank Balances not considered as Cash and Cash Equivalents		
	Placed	(32.79)	(27.47)
	Matured	25.51	1.30
	Advance for Investment	-	17.06
	Investment in Current Investments	(80.00)	-
	Proceeds from Sale of Current Investments	80.02	5.98

## Statement of Cash Flows for the year ended 31st March 2021 (Contd.)

		(₹ in Million)	
PARTICULARS	Year 2020-21	Year 2019-20	
(Investment in) / Proceeds from Preference Shares	-	(6.13)	
Investments in Equity Shares in Subsidiaries	(3.76)	(389.45)	
Investments in Associates	(0.03)	-	
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,711.58)</b>	<b>(1,459.60)</b>	
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Long Term Borrowings	1,064.00	-	
Repayment of Long Term Borrowings	(0.19)	(126.89)	
Increase in Short Term Borrowings (Net)	891.78	916.93	
Proceeds from issue of Equity Shares under ESOP	-	7.07	
Money Received against Share Warrants	-	431.25	
Finance Costs Paid	(92.18)	(130.04)	
Lease Liability Paid	(0.27)	(0.32)	
Dividend Paid on Equity Shares	0.01	(194.76)	
Tax on Dividend Paid	-	(40.23)	
<b>Net Cash from Financing Activities (C)</b>	<b>1,863.15</b>	<b>863.01</b>	
<b>NET (DECREASE) / INCREASE IN CASH &amp; EQUIVALENTS</b>	<b>(64.17)</b>	<b>58.18</b>	
Cash & Cash Equivalents at the beginning of the year	124.75	66.46	
Addition on Amalgamation	-	0.11	
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>60.58</b>	<b>124.75</b>	

Note i): The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

Note ii): Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

	(₹ in Million)	
	Non-Current (Refer Note 19)	Current (Refer Note 22)
Borrowing as on 31st March 2020 including Current Maturity of Long-term Borrowings	0.52	2,383.31
Cash Flows	1,063.48	891.78
Non Cash Changes - Foreign Exchange Movement	-	16.36
Borrowing as on 31st March 2021	<b>1,064.00</b>	<b>3,291.45</b>

See Accompanying Notes forming part of the Financial Statements 1 to 58

As per our report of even date attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No.117366W/W-100018

**Varsha A. Fadte**  
Partner  
Membership No. 103999

Chicalim, Goa  
June 24, 2021

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Mayur B. Padhya**  
Chief Financial Officer

Ahmedabad  
June 24, 2021

**Bhavin S. Patel**  
Executive Director  
DIN : 00030464

**Ashutosh B. Bhatt**  
Company Secretary

# Notes to the Financial Statements

## COMPANY BACKGROUND

Bodal Chemicals Limited ('the Company') is a public limited company incorporated in India. The registered office of the Company is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Company is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals.

### 1 Significant Accounting Policies:

#### 1.1 Statement of compliance:

The financial statements are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Act.

#### 1.2 Basis of Preparation of Financial Statements:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

In addition, the financial statements are presented in INR and all values are rounded to the nearest Million except when otherwise indicated

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 another 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 value for measurement and/or disclosure purposes in

these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- ▶ Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- ▶ Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### 1.3 Revenue Recognition:

##### a) Revenue from contracts with customer

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

##### b) Other income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

## Notes to the Financial Statements (Contd.)

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. 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 that asset's net carrying amount on initial recognition.

### 14 Lease

#### (i) Under Ind AS 116 Leases:

Effective from 1st April 2019, the Company adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. 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.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an

option to terminate the lease if the Company is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

#### (ii) Under Ind AS 17 Leases:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Refer Note 3 for details on transition to Ind AS 116 Leases.

## Notes to the Financial Statements (Contd.)

### 1.5 Foreign Currencies:

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

### 1.6 Employee Benefits:

**Retirement benefit costs and termination benefits** Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- ▶ Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

- ▶ Net interest expense or income; and

- ▶ Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 1.7 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 51.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on

## Notes to the Financial Statements (Contd.)

the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### 1.8 Taxation:

Income tax expense represents the sum of the current tax and deferred tax.

#### Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable

that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 1.9 Property, plant and equipment:

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

#### Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognised so as to write off the cost



## Notes to the Financial Statements (Contd.)

of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

### Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8-10 years
Office Equipments	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

### 1.10 Intangible Assets:

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortised on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License/Membership Fees	10
Website	5

### 1.11 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

## Notes to the Financial Statements (Contd.)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 1.12 Inventories:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

### 1.13 Provision, Contingent Liabilities and Contingent Assets :

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

### 1.14 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 another 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 at the measurement date. The fair value measurement

## Notes to the Financial Statements (Contd.)

is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.15 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

### 1.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- ▶ The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

## Notes to the Financial Statements (Contd.)

- ▶ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer paragraph of Impairment of financial assets.

A financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- ▶ The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ▶ the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer paragraph of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts

(including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### Financial assets at fair value through profit or loss (FVTPL)

A financial asset that does not meet the amortised cost criteria or FVTOCI criteria (see above) is measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Company, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to

## Notes to the Financial Statements (Contd.)

the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without

undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit



## Notes to the Financial Statements (Contd.)

or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 1.17 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted

for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Costs' line item.

### 1.18 Derivative Financial Instrument and Hedge Accounting:

The Company enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Company does not enter into any derivative instruments for trading or speculative purposes.

#### **Recognition and measurement of fair value hedge:**

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

### 1.19 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 1.20 Operating Cycle:

Based on the nature of products / activities of the Company and the normal time between



## Notes to the Financial Statements (Contd.)

acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 1.21 Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

### 1.22 Borrowing Cost:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 1.23 Government grants and Subsidies:

Government grants are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to them and grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate

financial support to the Company with no future related costs are recognised in Statement Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a governments grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### 1.24 Offsetting of Financial Instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 1.25 Earnings per Share:

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 1.26 Use of Estimates:

The preparation of the financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the date of the financial statements and the reported amount of revenues

## Notes to the Financial Statements (Contd.)

and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

### 1.27 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.6)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.9)
- Estimation of taxes (Note 1.8)
- Estimation of impairment (Note 1.11)

### 1.28 Dividend distribution to equity shareholders

The Company recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.



## Notes to the Financial Statements (Contd.)

### 2. Property, Plant and Equipment

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
<b>Balance as at 31st March 2019</b>	<b>1,050.04</b>	<b>1,158.08</b>	<b>20.06</b>	<b>3,482.07</b>	<b>18.93</b>	<b>24.24</b>	<b>69.67</b>	<b>5,823.09</b>
Addition due to amalgamation of Subsidiary (refer note 51)	42.50	183.67	-	324.37	0.38	0.68	2.10	553.70
Additions	2.58	82.96	135.45	224.65	69.75	35.33	29.36	580.08
Disposals	-	-	-	1.96	-	0.03	10.97	12.96
<b>Balance as at 31st March 2020</b>	<b>1,095.12</b>	<b>1,424.71</b>	<b>155.51</b>	<b>4,029.13</b>	<b>89.06</b>	<b>60.22</b>	<b>90.16</b>	<b>6,943.91</b>
Additions	7.74	86.84	4.37	169.95	5.39	6.26	6.67	287.22
Addition on Acquisition of SCC (refer note 52)	579.76	197.20	-	630.18	-	-	-	1,407.14
Disposals	16.20	-	-	9.17	-	0.86	3.81	30.04
<b>Balance as at 31st March 2021</b>	<b>1,666.42</b>	<b>1,708.75</b>	<b>159.88</b>	<b>4,820.09</b>	<b>94.45</b>	<b>65.62</b>	<b>93.02</b>	<b>8,608.23</b>
Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
<b>Accumulated Depreciation</b>								
<b>Balance as at 31st March 2019</b>	-	<b>90.66</b>	<b>1.59</b>	<b>410.42</b>	<b>6.23</b>	<b>11.84</b>	<b>19.49</b>	<b>540.23</b>
Addition due to amalgamation of Subsidiary (refer note 51)	-	13.06	-	35.86	0.13	0.43	0.77	50.25
Additions	-	45.60	1.78	191.64	4.20	8.83	7.43	259.48
Disposals	-	-	-	0.09	-	0.01	3.73	3.83
<b>Balance as at 31st March 2020</b>	-	<b>149.32</b>	<b>3.37</b>	<b>637.83</b>	<b>10.56</b>	<b>21.09</b>	<b>23.96</b>	<b>846.13</b>
Additions	-	47.56	2.51	198.13	8.10	11.60	9.25	271.15
Disposals	-	-	-	3.26	-	0.63	2.18	6.07
<b>Balance as at 31st March 2021</b>	-	<b>196.88</b>	<b>5.88</b>	<b>832.70</b>	<b>18.66</b>	<b>32.06</b>	<b>31.03</b>	<b>1,117.21</b>
<b>Net Block</b>								
<b>Balance as at 31st March 2020</b>	1,095.12	1,275.39	152.14	3,391.30	78.50	39.13	66.20	6,097.78
<b>Balance as at 31st March 2021</b>	<b>1,666.42</b>	<b>1,511.87</b>	<b>154.00</b>	<b>3,987.39</b>	<b>75.79</b>	<b>33.56</b>	<b>61.99</b>	<b>7,491.02</b>

### 3. Right of Use Assets

Particulars	Building
<b>GROSS CARRYING VALUE</b>	
At 1st April 2019	-
Recognition on transition to Ind AS 116	0.52
At 31st March 2020	0.52
At 31st March 2021	0.52
<b>ACCUMULATED AMORTISATION</b>	
At 1st April 2019	-
Amortisation Expense	0.26
At 31st March 2020	0.26
Amortisation Expense	0.26
At 31st March 2021	0.52
<b>Net Carrying Value as at 31st March 2021</b>	<b>-</b>

## Notes to the Financial Statements (Contd.)

### 4. Intangible Assets

				(₹ in Million)
	Computer Software	Membership Fees	Website*	Total
<b>Gross Block</b>				
<b>Balance as at 31st March 2019</b>	<b>5.14</b>	<b>9.13</b>	<b>-</b>	<b>14.27</b>
Additions	4.36	-	-	4.36
Disposals	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>9.50</b>	<b>9.13</b>	<b>-</b>	<b>18.63</b>
Additions	0.70	-	-	0.70
Disposals	-	0.20	-	0.20
<b>Balance as at 31st March 2021</b>	<b>10.20</b>	<b>8.93</b>	<b>-</b>	<b>19.13</b>
<b>Accumulated Amortisation</b>				
<b>Balance as at 31st March 2019</b>	<b>2.70</b>	<b>5.25</b>	<b>-</b>	<b>7.95</b>
Additions	1.40	0.97	-	2.37
Disposals	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>4.10</b>	<b>6.22</b>	<b>-</b>	<b>10.32</b>
Additions	1.69	0.80	-	2.49
Disposals	-	(0.13)	-	(0.13)
<b>Balance as at 31st March 2021</b>	<b>5.79</b>	<b>7.15</b>	<b>-</b>	<b>12.94</b>
<b>Net Block</b>				
<b>Balance as at 31st March 2020</b>	<b>5.40</b>	<b>2.91</b>	<b>-</b>	<b>8.31</b>
<b>Balance as at 31st March 2021</b>	<b>4.41</b>	<b>1.78</b>	<b>-</b>	<b>6.19</b>

\* Amount below ₹ 5,000

### 5. Investments (Non-Current)

	As at 31st March 2021	As at 31st March 2020
<b>Particulars</b>		
<b>Quoted</b>		
<b>Investments in Equity Instruments - carried at FVTPL</b>		
100 (PY. : 100) Equity Shares of Beta Nepthol Limited of ₹ 10/- Each Fully Paid Up	0.00	0.00
4,00,000 (PY. : 4,00,000) Equity Shares of Bhageria Industries Limited of ₹ 5/- Each Fully Paid Up	63.04	30.60
	<b>63.04</b>	<b>30.60</b>
Less : Impairment Loss	0.00	0.00
<b>Total of Investments in Equity Instruments</b>	<b>63.04</b>	<b>30.60</b>
<b>Total of Carrying Value of Quoted Investments</b>	<b>63.04</b>	<b>30.60</b>
<b>Unquoted</b>		
<b>Investments in Equity Instruments</b>		
<b>Investment in Subsidiaries - carried at Cost</b>		
1,13,634 (PY. : 1,13,634) Equity Shares of SPS Processors Private Limited of ₹ 100/- Each Fully Paid Up.	40.91	40.91
10,000 (PY. : 10,000) Equity Shares of Bodal Chemicals Trading Private Limited of ₹ 10/- Each Fully Paid Up.	0.10	0.10
Equity Shares of Bodal Chemicals Trading (Shijiazhuang) Co. Limited	13.14	13.14
586 (PY. : 163) Equity Shares of Bodal Bangla Limited	5.14	1.39



## Notes to the Financial Statements (Contd.)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
1,49,60,000 (PY : 1,49,60,000) Equity Shares of Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited	317.94	317.94
<b>Investment in an Associate - carried at Cost</b>		
2,500 (PY : Nil) Equity Shares of Plutoeco Enviro Association of ₹ 10/- Each Fully Paid Up (Refer Note 43)	0.03	-
<b>Investments in Other Entities</b>		
250 (PY : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Limited of ₹ 100/- each Fully Paid Up	0.03	0.03
1,12,350 (PY : 1,12,350) Equity Shares of BEIL Infrastructure Ltd of ₹ 10/-each Fully Paid Up	1.12	1.12
100 (PY : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Limited of ₹ 10/- Each Fully Paid Up*	0.00	0.00
10 (PY : 10) Equity Shares of The Bhagoydaya Co-op. Bank Limited of ₹ 100/- Each Fully Paid Up	0.00	0.00
10,200 (PY : 10,200) Equity Shares of Panoli Enviro Technology Limited of ₹ 10/- Each Fully Paid Up	0.10	0.10
3,542 (PY : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Limited of ₹ 25/- Each Fully Paid Up	0.09	0.09
<b>Total of Investments in Equity Instruments (Unquoted)</b>	<b>378.60</b>	<b>374.82</b>
Less : Impairment Loss*	0.00	0.00
<b>Total of Carrying Value of Unquoted Investments</b>	<b>378.60</b>	<b>374.82</b>
<b>Total of Non-Current Investments</b>	<b>441.64</b>	<b>405.42</b>

\* Provision for impairment loss on 100 Equity Shares of Guj.Ind. Waste Mng. Co. Limited of ₹ 10/- Each Fully Paid Up amount below ₹ 5,000 denoted as 0.00

### 6. Loans (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(Unsecured and Considered Good)</b>		
Loans to Employees	21.08	15.99
Loans to Subsidiary Companies (refer note 43)	1,242.76	1,077.90
<b>Total</b>	<b>1,263.84</b>	<b>1,093.89</b>

### 7. Other Financial Assets (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposits	190.85	26.84
Margin Money Deposits with Bank with maturity after twelve months from the reporting date*	19.42	3.70
<b>Total</b>	<b>210.27</b>	<b>30.54</b>

\* Held as lien by bank against bank guarantees and letters of credit.

## Notes to the Financial Statements (Contd.)

### 8. Income Tax Assets (Net)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Income Tax Assets (Net)	152.24	104.75
<b>Total</b>	<b>152.24</b>	<b>104.75</b>

### 9. Other Non-Current Assets

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
(Unsecured and Considered Good)		
Capital Advances	91.76	147.50
Balance with Statutory Authorities	7.49	7.71
Prepaid Expenses	0.89	-
Gratuity Plan Assets (Net)	8.86	-
<b>Total</b>	<b>109.00</b>	<b>155.21</b>

**9.1** Capital Advances include ₹ 5.40 Million (PY. : ₹ 56.42 Million) to related parties. (refer note 43)

**9.2** Balance with statutory authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept. etc.

### 10. Inventories

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(Valued at the lower of Cost or Net Realisable Value)</b>		
a) Raw Materials	604.52	372.56
Raw Materials in Transit	128.71	87.13
	<b>733.23</b>	<b>459.69</b>
b) Finished Goods	454.29	400.61
Finished Goods in Transit	213.81	74.17
	<b>668.10</b>	<b>474.78</b>
c) Stock In Process	992.01	870.17
	<b>992.01</b>	<b>870.17</b>
d) Stock In Trade	2.66	2.30
	<b>2.66</b>	<b>2.30</b>
e) Packing Materials	12.80	10.00
Packing Materials in Transit	0.06	0.06
	<b>12.86</b>	<b>10.06</b>
f) Stock of Fuel	7.64	12.25
Fuel in Transit	0.52	-
	<b>8.16</b>	<b>12.25</b>
g) Stores and Spares	128.07	77.50
Stores and spares in Transit	0.20	-
	<b>128.27</b>	<b>77.50</b>
<b>Total</b>	<b>2,545.29</b>	<b>1,906.75</b>





## Notes to the Financial Statements (Contd.)

### 11. Trade Receivables

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Trade receivables		
Unsecured & Considered Good	3,955.52	3,713.50
Unsecured & Considered Doubtful	0.80	1.79
Less : Allowances for Credit Losses (refer note 39)	(0.80)	(1.79)
	3,955.52	3,713.50
Customers Bill Discounted	1,065.91	771.05
Other Trade Receivables	2,889.61	2,942.45
<b>Total</b>	<b>3,955.52</b>	<b>3,713.50</b>

**11.1** Trade Receivables include ₹ 556.89 Million (P.Y. : ₹ 458.80 Million) to related parties. (refer note 43)

### 12. Cash And Bank Balances

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Cash & Cash Equivalents		
Cash on Hand	4.22	2.19
Balance with Banks		
in Current Accounts	56.36	22.52
in Fixed Deposits	-	100.04
<b>Total</b>	<b>60.58</b>	<b>124.75</b>

### 13. Other Bank Balances

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Margin Money Deposits with Bank*	40.36	47.07
Unclaimed Dividend Accounts	3.36	3.35
<b>Total</b>	<b>43.72</b>	<b>50.42</b>

\* Held as lien by bank against bank guarantees and letters of credit.

### 14. Loans (Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
(Unsecured & Considered good)		
Loans to Employees	25.55	25.35
Inter-Corporate Loans	-	20.03
<b>Total</b>	<b>25.55</b>	<b>45.38</b>

## Notes to the Financial Statements (Contd.)

### 15. Other Financial Assets (Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Other Receivables	7.21	0.78
<b>Total</b>	<b>7.21</b>	<b>0.78</b>

15.1 Other receivables include accrued interest on deposits

### 16. Other Current Assets

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Export Incentives Receivables	3.73	48.05
Advance to Suppliers	251.37	256.24
Balance with Statutory Authorities	301.16	143.73
Pre-paid Expenses	23.64	14.31
Gratuity Planned Assets (Net)	20.32	3.88
Others	4.09	5.50
<b>Total</b>	<b>604.31</b>	<b>471.71</b>

16.1 Advance to Suppliers include ₹ 1.35 Million (P.Y. : ₹ Nil) to related parties (refer note 43)

16.2 Balance with statutory authorities includes balances with GST, Customs, Excise Dept. etc.

16.3 Others include Tour Advances, Discount Receivable, etc.

### 17. Equity Share Capital

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Authorised Share Capital</b>		
21,00,00,000 (P.Y. : 21,00,00,000) Equity Shares of ₹ 2/- each	420.00	420.00
2,75,00,000 (P.Y. : 2,75,00,000) Preference Share of ₹ 10/- each	275.00	275.00
	<b>695.00</b>	<b>695.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>		
12,23,30,165 (P.Y. : 12,23,30,165) Equity Shares of ₹ 2/- each	244.66	244.66
<b>Total</b>	<b>244.66</b>	<b>244.66</b>

17.1 Pursuant to the Scheme of Amalgamation u/s 52 of the Companies Act, 2013 for amalgamation of Trion Chemicals Private Limited (Transferor Company) with the Company, with effect from 1st April 2019 (appointed date), as approved by the Hon'ble NCLT, Ahmedabad Bench vide its order dated 31st December 2020; Authorised Share Capital of Trion Chemicals Private Limited of ₹ 17,50,00,000/- has been added in the Authorised Share Capital of the Company.

## Notes to the Financial Statements (Contd.)

### 17.2 Reconciliation of the number of Shares

Particulars	As at 31st March 2021	As at 31st March 2020
	No. of Shares	No. of Shares
<b>Equity Shares</b>		
Opening balance	12,23,30,165	12,21,88,765
Issue of Shares under ESOP	-	1,41,400
<b>Closing balance</b>	<b>12,23,30,165</b>	<b>12,23,30,165</b>

### 17.3 Rights, preferences and restrictions attached to shares

#### Equity shares

The Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

### 17.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares :</b>				
Mr. Suresh J. Patel	3,71,12,857	30.34	3,71,12,857	30.34
Mr. Bhavin S. Patel	1,04,96,342	8.58	1,04,96,342	8.58
Mr. Ankit S. Patel	72,61,072	5.94	72,61,072	5.94

**17.5** The Board of directors at its meeting held on 24th June 2021 has recommended a dividend of ₹ 0.80 (Eighty paise) per equity share for the financial year ended March 31, 2021. The proposal is subject to the approval of shareholders at the annual general meeting and has not been included as a liability in these financial statements.

## Notes to the Financial Statements (Contd.)

### 18. Other Equity

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Capital Reserves</b>		
At the commencement of the year	76.12	76.12
Add : Addition due to forfeiture of Share Warrants	431.25	-
At the end of the year	507.37	76.12
<b>Capital Redemption Reserve</b>	289.67	289.67
<b>Securities Premium</b>		
At the commencement of the year	2,406.17	2,381.92
Add : Premium on shares issued under ESOP	-	24.25
At the end of the year	2,406.17	2,406.17
<b>Employee Stock Options Outstanding Account (refer note 51)</b>	21.98	11.06
<b>General Reserve</b>	138.86	138.86
<b>Retained Earnings</b>		
At the commencement of the year	5,771.31	5,090.91
Add : Profit during the year	483.15	900.98
Add : Remeasurements of Net Defined Benefit Plans (Net of tax)	2.13	15.37
	<b>6,256.59</b>	<b>6,007.26</b>
Less : Appropriations :		
Dividend on Equity Shares	-	97.86
Interim Dividend on Equity Shares	-	97.86
Tax on Dividends	-	40.23
	-	<b>235.95</b>
At the end of the year	6,256.59	5,771.31
<b>Total</b>	<b>9,620.64</b>	<b>8,693.19</b>

#### 18.1 Nature and purpose of Reserves

##### Capital Reserves

Capital reserve is created and utilised in accordance with the provisions of the Act.

##### Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and it is a non-distributable reserve.

##### Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

##### Employee Stock Options Outstanding Account

The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Employee Stock Options Outstanding Account.

##### General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

##### Retained Earnings

Retained earnings represents the amount of profits of the Company earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.



## Notes to the Financial Statements (Contd.)

### 19. Borrowings (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>		
Term loan from Banks	1,064.00	0.18
<b>Total</b>	<b>1,064.00</b>	<b>0.18</b>
Current Maturities of Long Term Borrowings (Refer Note 24)	-	0.34

#### Nature of security and terms of repayment for non-current secured borrowings

Term loan amounting to ₹ 1064 Million (P.Y.: ₹ Nil) is secured by:

First paripassu mortgage and charge on all the Company's immovable properties (owned and/or leased) (except at those locations mentioned in Annexure given below), pertaining to the Company, present and future, together with all structures and appurtenances thereon, present and future.

First paripassu charge by way of hypothecation on all the Company's tangible movable assets (except at those locations mention security Annexure given below) including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets,, present and future.

First paripassu charge by way of hypothecation on all the Company's intangible assets, including but not limited to goodwill, uncalled capital, intellectual property rights and undertaking, present and future.

Second paripassu charge on all the Company's current assets and receivables, including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future.

First pari passu charge by way of equitable assignment of (i) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in Project Documents, duly acknowledged and consented to by relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in the clearances in respect of the Project; (iii) all the rights, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee (including contractor guarantees), performance bonds provided by any party under Project Documents, present and future; and (iv) all the rights, titles, interests, benefits, claims and demand whatsoever of the Company in respect of insurance contracts /policies procured by the the Company or procured by any of its contractors favouring the the Company for the Project / Insurance Proceeds in respect of the Project, present and future.

First pari passu charge by way of hypothecation on DSRA and other reserves created by for the Project.

#### Annexure - Units Not offered as Security

Unit-I - Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445.

Unit-II - Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.

Unit-III - Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445.

Unit-IV - Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445

Unit VI - Plot No. 606, 607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.

Unit IX - Block No. 598/A, Village: Piludra, Ta. Jambusar, Dist. Baruch, Gujarat.

Vehicle loan ₹ Nil (P.Y. ₹ 0.19 Million) is secured by Hire Purchase agreement for Vehicles and repayable in monthly instalments.

Term Loan is repayable in 23 quarterly instalments starting from June 2023. Last instalment due in December 2028. Rate of interest 6.70%. (P.Y.Nil) p.a. at year end.

## Notes to the Financial Statements (Contd.)

### 20. Provisions (Non-Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision For Gratuity (refer note 45 & 53)	37.88	-
<b>Total</b>	<b>37.88</b>	<b>-</b>

### 21. Deferred Tax Liabilities (Net)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	472.54	435.59
Expense claimed for tax purpose on payment basis	3.75	-
<b>Deferred Tax Assets</b>		
Expense claimed for tax purpose on payment basis	-	(1.75)
Related to carried forward loss and unabsorbed depreciation	-	(146.24)
Allowance for Doubtful Debts	(0.20)	(0.45)
Expenditure covered by section 35D of Income Tax Act, 1961	(3.26)	(6.51)
Fair Value of Quoted Equity Shares and Mutual Fund	(0.27)	(4.05)
Fair Value of Forward Contracts	(0.17)	(2.31)
<b>Total</b>	<b>472.39</b>	<b>274.28</b>

### 22. Borrowings (Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>		
<b>Repayable on Demand</b>		
Working Capital Loans from Banks	1,787.95	798.90
<b>Unsecured</b>		
Working Capital Loans from Banks	435.85	813.01
Loans From Directors	1.74	0.35
	2,225.54	1,612.26
Borrowing Bill Discounted (Secured)	1,065.91	771.05
<b>Total</b>	<b>3,291.45</b>	<b>2,383.31</b>

**22.1 Secured Loan :** Working Capital Loan from banks are secured by a first pari passu charge by way of hypothecation of inventories, book debts and bills drawn under letters of credit and confirmed contracts, stock received under LC, pledge of term deposits and collaterally secured by equitable mortgage of immovable property and hypothecation of P & M of Unit-7, Unit-8 and Unit-10 of the Company.

Rate of interest is from 0.66% to 8.75% (P.Y. 1.44% to 9.50%)





## Notes to the Financial Statements (Contd.)

### 23. Trade Payables

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	107.16	33.43
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	1,944.99	1,921.25
<b>Total</b>	<b>2,052.15</b>	<b>1,954.68</b>

**23.1** Trade Payables include ₹ 96.14 Million (PY. : ₹ 48.33 Million) to related parties (refer note 43)

### 24. Other Financial Liabilities (Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Current Maturities of Long Term Debt	-	0.34
Unclaimed Dividends	3.36	3.35
Trade Deposits	25.20	8.71
Payable for Purchase of Property, Plant & Equipment	38.94	25.22
Derivative Liabilities	0.68	9.19
Other Payables	7.76	0.05
<b>Total</b>	<b>75.94</b>	<b>46.86</b>

**24.1** Other Payables include interest payable and payable to employees.

### 25. Other Current Liabilities

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Received from Customers	41.39	47.91
Statutory Liabilities	60.04	69.74
Other Liabilities	0.07	-
<b>Total</b>	<b>101.50</b>	<b>117.65</b>

**25.1** Advance from customers include ₹ 6.00 Million (PY. : NIL) to related parties (refer note 43)

**25.2** Statutory liabilities represent amounts payable towards GST, TDS etc.

### 26. Provisions (Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Gratuity (refer note 45 & 53)	13.08	-
Provision for Leave Encashment (refer note 45 & 53)	11.32	-
<b>Total</b>	<b>24.40</b>	<b>-</b>

## Notes to the Financial Statements (Contd.)

### 27. Income Tax Liabilities (Net)

Particulars	(₹ in Million)	
	As at 31st March 2021	As at 31st March 2020
Income Tax Liabilities (Net)	15.00	93.85
<b>Total</b>	<b>15.00</b>	<b>93.85</b>

### 28. Revenue From Operations

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Sale of Products	11,244.08	12,106.30
Other Operating Income		
Export Incentives	45.08	109.88
Scrap Sales	8.15	12.19
Other Operating Income	-	7.59
<b>Total</b>	<b>53.23</b>	<b>129.66</b>
<b>Total Revenue From Operations</b>	<b>11,297.31</b>	<b>12,235.96</b>

### 29. Other Income

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Interest Income		
On Deposits	3.16	2.88
On Others*	99.64	95.98
Profit on Sale of Current Investments (Net)	0.02	0.98
Fair Value Gain on Investments measured through profit or loss	32.44	-
Reversal of Allowance for Doubtful Debts	0.98	1.69
Dividend Income	1.48	0.67
Exchange Rate Difference (Net)	37.84	3.88
Liabilities no Longer Required Written Back	-	5.14
Other Income	4.47	29.81
<b>Total</b>	<b>180.03</b>	<b>141.03</b>

\* Other interest income includes interest income received from Subsidiaries, Inter Corporate Loan, Electricity Companies, etc.

### 30. Cost Of Materials Consumed

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Opening Stock - Raw Materials	459.69	366.92
Add : Addition due to Amalgamation of Subsidiary (refer note 52)	-	36.13
Add : Addition due to Acquisition of SCC (refer note 53)	27.45	-
Add: Purchases during the year	7,931.48	7,663.00
	<b>8,418.62</b>	<b>8,066.05</b>
Less : Closing Stock - Raw Materials	733.23	459.69
<b>Total</b>	<b>7,685.39</b>	<b>7,606.36</b>



## Notes to the Financial Statements (Contd.)

### 31. Purchase of Stock in Trade

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Purchase of Stock in Trade	2.90	2.64
<b>Total</b>	<b>2.90</b>	<b>2.64</b>

### 32. Changes in Inventories of Finished Goods, Stock in Process & Stock in Trade

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Inventories at the end of the year</b>		
Finished Goods	668.10	474.78
Stock In Process	992.01	870.17
Stock - in Trade	2.66	2.30
<b>Total (A)</b>	<b>1,662.77</b>	<b>1,347.25</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	474.78	477.23
Stock In Process	870.17	920.69
Stock - in Trade	2.30	0.09
<b>Total (B)</b>	<b>1,347.25</b>	<b>1,398.01</b>
<b>Addition due to Amalgamation of Subsidiary Company (refer note 52)</b>		
Finished Goods	-	77.75
Stock In Process	-	0.73
<b>Total (C)</b>	<b>-</b>	<b>78.48</b>
<b>Addition due to Acquisition of SCC (refer note 53)</b>		
Finished Goods	7.44	-
Stock In Process	14.57	-
<b>Total (D)</b>	<b>22.01</b>	<b>-</b>
<b>Changes In Inventories Of Finished Goods, Stock In Process &amp; Stock in Trade (B)+(C)+(D)-(A)</b>	<b>(293.51)</b>	<b>129.24</b>

### 33. Employee Benefit Expenses

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Salaries, Wages & Bonus	622.15	710.91
Contribution to Provident & Other Funds (refer note 45)	33.95	36.03
Employee Share Based Payments (refer note 51)	10.91	10.47
Staff Welfare Expenses	39.33	40.89
<b>Total</b>	<b>706.34</b>	<b>798.30</b>

## Notes to the Financial Statements (Contd.)

### 34. Finance Costs

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Bank Interest	69.31	111.70
Other Interest Expenses	1.29	0.94
Amortisation of finance cost as per effective interest rate(EIR) method	-	11.01
Other Borrowing Cost	21.61	17.45
<b>Total</b>	<b>92.21</b>	<b>141.10</b>

### 35. Depreciation and Amortisation Expense

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation on Tangible Assets	277.15	259.48
Amortisation of Right of Use of Assets	0.26	0.26
Amortisation on Intangible Assets	2.49	2.37
<b>Total</b>	<b>279.90</b>	<b>262.11</b>

### 36. Bad Debts Written Off

Bad Debts written off during the year ended 31st March 2021, being one-off item in the history of the Company has been shown separately in the Statement of Profit and Loss.

### 37. Other Expenses

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Stores Consumption	55.98	75.62
Power & Fuel Consumption	609.28	651.91
Repairs to		
Machinery	217.38	228.29
Building	58.69	34.04
Others	1.61	0.03
Pollution Control Expenses	234.91	213.48
Rent & Taxes	10.28	8.49
Labour Charges	277.80	308.57
Insurance Expenses	26.82	25.14
Loss Due To Fire	-	0.05
Corporate Social Responsibility Expenses (refer note 49)	35.72	14.90
Directors' Sitting fees	0.72	0.58
Travelling & Vehicle Expense	19.51	38.85
Payment to Auditors (refer note 37.1)	2.27	2.41
Legal & Professional Fees	80.19	71.01
Loss on Sale of Property, Plant & Equipment	1.51	3.38
Provision for diminution in investments	0.00	-
Fair Value Loss on Investments Measured through Profit or Loss	-	24.80
Exchange Rate Difference (Net)	-	75.70
Packing Material Consumption	143.48	160.93
Freight & Handling Charges	207.53	191.23
Advertisement & Business Promotion Expenses	10.77	18.02
Sales Commission	70.21	117.42
Bad Debts written off	1.32	-
Allowance for Doubtful Debts	-	16.29
Other Expenses	128.27	96.28
<b>Total</b>	<b>2,194.25</b>	<b>2,377.42</b>



## Notes to the Financial Statements (Contd.)

### 37.1 Payment to Auditors include (excluding GST) as below:

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
I) As Statutory Auditors	2.20	2.30
II) Certification Matters	0.07	0.04
III) Income Tax Matters	-	0.03
IV) Out of Pocket Expense, etc.	-	0.04

### 38. Financial Instruments Classification by Category

Particulars	(₹ in Million)	
	As at 31st March 2021	As at 31st March 2020
<b>Financial Assets</b>		
<b>Financial Assets measured at fair value through profit and loss</b>		
Investments	63.04	30.60
<b>Financial Assets measured at amortised cost</b>		
Investments	378.60	374.82
Loans	1,289.39	1,139.27
Trade Receivables	3,955.52	3,713.50
Cash and Cash Equivalents	60.58	124.75
Other Bank Balances	43.72	50.42
Other Financial Assets	217.48	31.32
<b>Total Financial Assets</b>	<b>6,008.33</b>	<b>5,464.68</b>

Particulars	(₹ in Million)	
	As at 31st March 2021	As at 31st March 2020
<b>Financial Liabilities</b>		
<b>Financial Liabilities measured at fair value through profit and loss</b>		
Derivative Liabilities	0.68	9.19
<b>Financial Liabilities measured at amortised cost</b>		
Borrowings	4,355.45	2,383.49
Lease Liability	-	0.25
Trade Payables	2,052.15	1,954.68
Other Financial Liabilities	75.26	37.67
<b>Total Financial Liabilities</b>	<b>6,483.54</b>	<b>4,385.28</b>

### Fair Value Hierarchy

(₹ in Million)				
Financial Assets measured at fair value 31-Mar-2021	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Measured at fair value through profit or loss</b>				
Investments in quoted equity shares	63.04			63.04
<b>Financial Liabilities</b>				
Derivative Liabilities		0.68		0.68

## Notes to the Financial Statements (Contd.)

	(₹ in Million)			
Financial Assets measured at fair value 31-Mar-2020	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Measured at fair value through profit or loss</b>				
Investments in quoted equity shares	30.60			30.60
<b>Financial Liabilities</b>				
Derivative Liabilities		9.19		9.19

The Company has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ▶ the use of quoted market prices or dealer quotes for similar instruments
- ▶ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- ▶ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

### 39. Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the impact of hedge accounting in the financial statements

#### Risk

##### Credit Risk

##### Liquidity Risk

##### Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price





## Notes to the Financial Statements (Contd.)

### (A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company is making provision on trade receivables based on Expected Credit Loss Model (ECL) as below:

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

#### Reconciliation of loss allowance provision

(₹ in Million)		
Reconciliation of Loss Allowance	2020-21	2019-20
Opening Balance	1.79	3.46
Addition due to Amalgamation	-	0.27
Recognition of loss allowance measured as per ECL	173.58	14.60
Write off Bad Debts	(174.57)	(16.54)
Closing Balance (As reported in Note 11)	0.80	1.79

### (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Maturities of financial instruments as on 31-Mar-2021

(₹ in Million)		
	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	-	441.64
Trade Receivables	3,955.52	-
Other Bank Balances	43.72	-
Loans	25.55	1,263.84
Other Financial Assets	7.21	210.27
<b>Financial Liabilities</b>		
Borrowings	3,291.45	1,064.00
Trade Payables	2,052.15	-
Other Financial Liability	75.94	-

## Notes to the Financial Statements (Contd.)

### Maturities of financial instruments as on 31-Mar-2020

(₹ in Million)

	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	-	405.42
Trade Receivables	3,713.50	-
Other Bank Balances	50.42	-
Loans	45.38	1,093.89
Other Financial Assets	0.78	30.54
<b>Financial Liabilities</b>		
Borrowings	2,383.31	0.18
Lease Liability		0.25
Trade Payables	1,954.68	-
Other Financial Liability	46.86	-

### (C) Market Risk Management

#### i) Foreign Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EURO. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

#### (A) Foreign currency risk exposure

(₹ in Million)

Particulars	As at 31st March 2021		As at 31st March 2020	
	USD	EUR	USD	EUR
<b>Financial Assets</b>				
Trade Receivables	17.34	-	13.54	-
Loan	1.10	-	1.03	-
<b>Financial Liabilities</b>				
Trade Payables	4.73	0.00	4.53	0.03
Borrowings	27.92	-	20.36	-
<b>Net Exposure</b>	<b>(14.22)</b>	<b>(0.00)</b>	<b>(10.33)</b>	<b>(0.03)</b>

#### (B) Foreign currency forward contract outstanding as at the Balance Sheet date.

(₹ in Million)

	As at 31st March 2021		As at 31st March 2020	
	Sell	Buy	Sell	Buy
Forward contract USD	3.88	-	3.70	-

The forward contracts have been entered into to hedge the foreign currency risk on trade receivables and borrowings.



## Notes to the Financial Statements (Contd.)

### (C) Sensitivity (+/-5%)

(₹ in Million)

Currency	As at 31st March 2021			As at 31st March 2020		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(39.11)	(39.11)	5.00%	(26.53)	(26.53)
USD	-5.00%	39.11	39.11	-5.00%	26.53	26.53
EUR	5.00%	(0.00)	(0.00)	5.00%	(0.10)	(0.10)
EUR	-5.00%	0.00	0.00	-5.00%	0.10	0.10

### ii) Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March 2021 and 31st March 2020, the Company's borrowings at variable rate were mainly denominated in INR & USD.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Variable Rate borrowings	4,353.71	2,382.96
Fixed Rate Borrowings	-	0.52

At the end of reporting period the Company had the following variable rate borrowings.

(₹ in Million)

Particulars	As at 31st March 2021			As at 31st March 2020		
	Average Interest Rate	Balance	% of Total Loan	Average Interest Rate	Balance	% of Total Loan
Cash Credit Facility	7.77%	15.30	0.35%	8.77%	402.62	16.90%
Working Capital Loan Facility	6.98%	1,233.01	28.32%	8.33%	450.00	18.88%
Packing Credit Facility	1.37%	789.64	18.14%	3.13%	648.49	27.21%
Buyers Credit Facility	0.99%	185.85	4.27%	2.44%	110.80	4.65%
Bills Discounting Facility	1.37%	1,065.91	24.48%	3.13%	771.05	32.36%
Term Loan	6.70%	1,064.00	24.44%	-	-	0.00%
Net Exposure		4,353.71	100.00%		2,382.96	100.00%

## Notes to the Financial Statements (Contd.)

### Sensitivity (+/- 1%)

(₹ in Million)

Particulars	Movement in Rate	As at 31st March 2021	As at 31st March 2020
Interest Rates	1.00%	32.58	17.72
Interest Rates	-1.00%	(32.58)	(17.72)

### iii) Security Price Risk

The Company's exposure to securities price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

### Sensitivity (+/-5%)

(₹ in Million)

Particulars	Investment in Quoted Securities			
	As at 31st March 2021		As at 31st March 2020	
Increase/(decrease)	5%	-5%	5%	-5%
Impact on PAT	2.36	(2.36)	1.14	(1.14)

## 40. Capital Management

The Company's objectives when managing capital are to

- ▶ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ▶ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Net Debt (₹)	4,294.87	2,258.74
Total Equity (₹)	9,865.30	9,369.10
<b>Debt-Equity Ratio</b>	<b>0.44</b>	<b>0.24</b>

## 41. Income Taxes

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Current Tax	110.87	271.34
Taxes of earlier years	(154.80)	3.01
Deferred Tax	197.39	(115.51)
<b>Total Tax Expenses (excluding deferred tax benefit on OCI)</b>	<b>153.46</b>	<b>158.84</b>



## Notes to the Financial Statements (Contd.)

### Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Profit Before Tax	636.61	1,059.82
Statutory Tax Rate (%)	25.168%	25.168%
Tax at Statutory rate	160.22	266.74
Effect of income that is exempt from tax	(0.37)	(0.17)
Effect of expenses that are not deductible in determining taxable profit	17.03	16.88
Effect of tax on special rate income	(4.39)	3.33
Effect of tax deduction under section 35AC, 35(i) (ii) & 80G, 80GGB	-	(1.04)
Effect of deferred tax balances due to change in income tax rate from 34.944 % to 25.168% (effective 01.04.19)	-	(123.54)
Reversal of DTA on Amalgamation	146.23	-
Deferred Tax on other comprehensive income	(0.72)	(5.29)
Others	(9.74)	(1.08)
	<b>308.26</b>	<b>155.83</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(154.80)	3.01
Income tax expense recognised in profit or loss	153.46	158.84
Effective Tax Rate	<b>24.106%</b>	<b>14.987%</b>

Consequent to approval of Scheme of Amalgamation, the carried forward losses of Trion Chemicals Private Limited ("Trion"), have been considered by the Company. Accordingly, there is a reversal of current tax provision of the Company, for earlier year of ₹ 144.57 Million and deferred tax asset of ₹ 146.23 Million of Trion. The effect of these reversals have been given during the year ended 31st March 2021.

### 41.1 Movement in deferred tax assets and liabilities

(₹ in Million)

Particulars	As at April 1, 2020	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at March 31, 2021
<b>Deferred Tax Assets/(Liabilities)</b>				
Property, Plant and Equipment	(435.59)	(36.95)		(472.54)
Fair Value of Forward Contracts	2.31	(2.14)		0.17
Expense claimed for tax purpose on payment basis	1.75	(4.79)	(0.71)	(3.75)
Expenditure covered by section 35D of Income Tax Act, 1961	6.51	(3.25)		3.26
Related to carried forward loss and unabsorbed depreciation	146.24	(146.24)		-
Fair Value of Quoted Equity Shares and Mutual Fund	4.05	(3.78)		0.27
Allowance for Doubtful Debts	0.45	(0.25)		0.20
<b>Total</b>	<b>(274.28)</b>	<b>(197.40)</b>	<b>(0.71)</b>	<b>(472.39)</b>

## Notes to the Financial Statements (Contd.)

### 42 Segment Information

The Company's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per IND AS 108 – 'Operating Segments'. The Company is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

#### 1. Information about Geographical Areas

(₹ in Million)

Particulars	2020-21			2019-20		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	7,540.81	3,756.50	11,297.31	7,167.46	5,068.50	12,235.96
Carrying Cost of Segment Assets	15,623.31	1,376.70	17,000.01	13,109.76	1,130.40	14,240.16

#### 2. Information about Major Customers

No customers individually accounted for 10% or more revenue during financial year ending on 31st March 2021 and 31st March 2020

Particulars	2020-21	2019-20
Revenue from Top Customer	9%	6%
Revenue from Top 5 Customers	27%	23%

### 43. Related Party Transactions:

#### (a) List of Related Parties

##### I. Key Management Personnel (KMP)

1	Mr. Suresh J Patel	Chairman & Managing Director
2	Mr. Bhavin S. Patel	Executive Director
3	Mr. Ankit S. Patel	Executive Director
4	Mr. Mayur B. Padhya	Chief Financial Officer
5	Mr. Ashutosh B. Bhatt	Company Secretary
6	Mr. Nalin Kumar	Independent Director
7	Mrs.. Neha Huddar	Independent Director
8	Mr. Sunil K. Mehta	Independent Director
9	Mr. Parin D. Shah	Independent Director (Upto 5th July 2019)
10	Mr. Kishorkumar Radadiya	Director (w.e.f 1st Sep, 2019 & up to 29th Feb 2020)
11	Mr. Ramprasad Shrivastva	Independent Director (Upto 24th January 2021)
12	Mr. Mayank K. Mehta	Independent Director (w.e.f. 9th February 2021)
13	Mr. Rajarshi Ghosh	Director (w.e.f. 27th May 2020)



## Notes to the Financial Statements (Contd.)

### II. Enterprise under significant influence of key management personnel (Enterprise)

- 1 Shanti Inorgo Chem (Guj.) Private Limited

### III. Subsidiary Company (SC)

- 1 SPS Processors Private Limited
- 2 Bodal Chemicals Trading Private Limited
- 3 Bodal Chemicals Trading (Shijiazhuang) Co., Limited
- 4 Bodal Bangla Limited (w.e.f. 22nd September 2019)
- 5 Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited (w.e.f. 8th August 2019)
- 6 Senpa Dis Ticaret Anonim Sirketi (step down subsidiary w.e.f. 5th December 2019)

### IV. Associate Concern (AC)

- 1 Plutoeco Enviro Association (w.e.f. 27th October 2020)

#### a) Transactions with related parties

		(₹ in Million)	
Related party disclosure	Relationship	2020-2021	2019-2020
<b>Remuneration</b>			
Mr. Suresh J. Patel	KMP	16.20	16.20
Mr. Bhavin S. Patel	KMP	10.80	10.80
Mr. Ankit S. Patel	KMP	10.80	10.80
Mr. Rajarshi Ghosh	KMP	2.01	-
Mr. Kishorkumar Radadiya	KMP	-	1.66
Mr. Mayur B. Padhya	KMP	5.12	4.87
Mr. Ashutosh B. Bhatt	KMP	1.09	1.07
<b>Employees Stock Option</b>			
Mr. Mayur B. Padhya	KMP	-	0.76
Mr. Ashutosh B. Bhatt	KMP	-	0.14
<b>Director Commission</b>			
Mr. Suresh J. Patel	KMP	21.00	38.40
Mr. Bhavin S. Patel	KMP	13.50	27.50
Mr. Ankit S. Patel	KMP	13.50	27.50
<b>Directors' Sitting Fees</b>			
Mr. Nalin Kumar	KMP	0.20	0.18
Mrs. Neha Huddar	KMP	0.19	0.16
Mr. Sunil K. Mehta	KMP	0.20	0.16
Mr. Parin D. Shah	KMP	-	0.03
Mr. Ramprasad Shrivastava	KMP	0.10	0.05
Mr. Mayank Mehta	KMP	0.03	-
<b>Loan Given</b>			
SPS Processors Private Limited	SC	971.75	757.45
Bodal Chemicals Trading Private Limited	SC	9.64	321.45
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited	SC	-	70.97
<b>Advance Given</b>			
Plutoeco Enviro Association	AC	1.58	-

## Notes to the Financial Statements (Contd.)

(₹ in Million)

Related party disclosure	Relationship	2020-2021	2019-2020
<b>Investment Made</b>			
Bodal Bangla Limited	SC	3.75	-
Plutoeco Enviro Association	AC	0.03	-
<b>Loan Received Back</b>			
SPS Processors Private Limited	SC	781.76	122.44
Bodal Chemicals Trading Private Limited	SC	42.14	372.82
<b>Loan Received</b>			
Mr. Suresh J. Patel	KMP	20.90	55.00
Mr. Bhavin S. Patel	KMP	0.60	12.20
Mr. Ankit S. Patel	KMP	0.60	128.50
<b>Loan Repaid</b>			
Mr. Suresh J. Patel	KMP	19.45	54.99
Mr. Bhavin S. Patel	KMP	0.64	12.49
Mr. Ankit S. Patel	KMP	0.61	129.24
<b>Advance Received</b>			
Plutoeco Enviro Association	AC	6.00	-
<b>Purchases of Materials</b>			
Shanti Inorgo Chem (Guj.) Private Limited	Enterprise	2.98	9.92
SPS Processors Private Limited	SC	-	104.23
Bodal Chemicals Trading Private Limited	SC	132.57	66.23
<b>Purchases of Property, Plant &amp; Equipment</b>			
Shanti Inorgo Chem (Guj.) Private Limited	Enterprise	52.54	-
<b>Dividend Paid</b>			
Mr. Suresh J. Patel	KMP	-	59.38
Mr. Bhavin S. Patel	KMP	-	16.79
Mr. Ankit S. Patel	KMP	-	11.62
Mr. Mayur B. Padhya	KMP	-	0.29
Mr. Ashutosh B. Bhatt	KMP	-	0.00
<b>Interest Income</b>			
Bodal Chemicals Trading Private Limited	SC	0.93	11.53
SPS Processors Private Limited	SC	86.34	73.97
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited	SC	4.59	2.17
<b>Sales of Materials</b>			
Shanti Inorgo Chem (Guj.) Private Limited	Enterprise	12.90	38.26
SPS Processors Private Limited	SC	21.81	20.84
Bodal Chemicals Trading Private Limited	SC	-	0.13
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited	SC	667.82	395.07
Bodal Chemicals Trading (Shijiazhuang) Co., Limited	SC	227.74	48.58
<b>Related Party Balances as at the year end.</b>			
<b>Amount Payable</b>			
<b>As Unsecured Loan</b>			
Mr. Suresh J. Patel	KMP	1.63	0.19



## Notes to the Financial Statements (Contd.)

(₹ in Million)

Related party disclosure	Relationship	2020-2021	2019-2020
Mr. Bhavin S. Patel	KMP	0.02	0.06
Mr. Ankit S. Patel	KMP	0.09	0.10
<b>As Advances Received</b>			
Plutoeco Enviro Association	AC	6.00	-
<b>As Trade Payables</b>			
Bodal Chemicals Trading Private Limited	SC	66.72	0.82
Mr. Suresh J. Patel	KMP	12.52	16.63
Mr. Bhavin S. Patel	KMP	8.05	14.03
Mr. Ankit S. Patel	KMP	8.36	16.44
Mr. Rajarshi Ghosh	KMP	0.11	-
Mr. Kishorkumar Radadiya	KMP	-	0.15
Mr. Mayur B. Padhya	KMP	0.30	0.19
Mr. Ashutosh B. Bhatt	KMP	0.08	0.08
<b>As Investment</b>			
<b>As Equity shares</b>			
SPS Processors Private Limited	SC	40.91	40.91
Bodal Chemicals Trading Private Limited	SC	0.10	0.10
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited	SC	317.94	317.94
Bodal Chemicals Trading (Shijiazhuang) Co., Limited	SC	13.14	13.14
Bodal Bangla Limited	SC	5.14	1.39
Plutoeco Enviro Association	AC	0.03	-
<b>Amounts Receivable</b>			
<b>As Trade Receivables</b>			
Shanti Inorgo Chem (Guj.) Private Limited	Enterprise	3.21	11.58
SPS Processors Private Limited	SC	-	73.03
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited	SC	405.21	357.53
Bodal Chemicals Trading (Shijiazhuang) Co., Limited	SC	148.47	16.66
<b>As Advance to Suppliers</b>			
Shanti Inorgo Chem (Guj.) Private Limited	Enterprise	1.35	-
<b>As Capital Advance</b>			
Shanti Inorgo Chem (Guj.) Private Limited	Enterprise	3.88	56.42
Plutoeco Enviro Association	AC	1.58	-
<b>As Loan to Subsidiary</b>			
SPS Processors Private Limited	SC	1,161.37	971.38
Bodal Chemicals Trading Private Limited	SC	0.88	33.38
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Limited	SC	80.51	73.14

### Notes :-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

## Notes to the Financial Statements (Contd.)

### 44. Earnings per Share

(₹ in Million)

Particulars	2020-21	2019-20
Net Profit/(Loss) after Tax as per statement of Profit and Loss	483.15	900.98
Weighted average number of Equity Shares	12,23,30,165	12,21,88,765
Basic EPS (₹)	3.95	7.37
Diluted EPS (₹)	3.94	7.37
Nominal Value per Share (₹)	2	2

#### 44.1 Details used in calculation of Diluted EPS

(₹ in Million)

Particulars	2020-21	2019-20
Net Profit/(Loss) after Tax as per statement of Profit and Loss	483.15	900.98
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	12,23,30,165	12,21,88,765
Share deemed to be issued in respect of employee options	2,19,334	-
Weighted average number of Equity Shares used for diluted EPS	12,25,49,499	12,21,88,765

#### Notes :-

For the year ended 31st March 2021, number of options (Equity Share Warrants\* & Employee Stock Options@) to purchase equity shares had an anti-dilutive effect.

\* Refer note 55

@ Refer note 51

### 45. Employee Benefits

(₹ in Million)

Particulars	2020-21	2019-20
Defined Contribution Plan		
Employer's contribution to Provident Fund	26.14	24.69
Employer's contribution to E.S.I.C.	5.20	5.18

#### Defined Benefits Plan

**Gratuity:** The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Company's financial statements based on actuarial valuations being carried out as at 31st March 2021.

## Notes to the Financial Statements (Contd.)

### Balance sheet disclosures

- (a) The amounts disclosed in the consolidated balance sheet and the movements in the defined benefit obligation over the year:

(₹ in Million)

Particulars	2020-21	2019-20
<b>Liability at the beginning of the year</b>	57.99	64.77
Addition on Amalgamation	-	0.55
Interest Costs	3.80	4.76
Current Service Costs	8.35	10.47
Benefits paid	(1.97)	(1.30)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	-	(0.04)
- Financials	0.59	(19.70)
- Experience	(4.25)	(1.52)
<b>Liability at the end of the year</b>	<b>64.51</b>	<b>57.99</b>

- (b) Movements in the fair value of plan assets

(₹ in Million)

Particulars	2020-21	2019-20
<b>Fair value of plan assets at the beginning of the year</b>	61.87	50.54
Addition on Amalgamation		0.54
Interest Income	4.34	4.08
Expected return on plan assets	(0.81)	(0.59)
Contributions	30.26	8.60
Benefits paid	(1.97)	(1.30)
<b>Fair value of plan assets at the end of the year</b>	<b>93.69</b>	<b>61.87</b>

The entire funds on the plan assets are managed by insurer i.e. Life Insurance Corporation of India.

- (c) Net liability disclosed above relates to

(₹ in Million)

Particulars	2020-21	2019-20
Fair value of plan assets at the end of the year	93.69	61.87
Liability as at the end of the year	64.51	57.99
<b>Net (Liability)/Asset</b>	<b>29.18</b>	<b>3.88</b>
Non-Current Portion	8.86	3.89
Current Portion	20.32	-

- (d) Balance Sheet Reconciliation

(₹ in Million)

Particulars	2020-21	2019-20
<b>Opening Net liability / (Asset)</b>	<b>(3.89)</b>	<b>14.22</b>
Addition on Amalgamation	-	-
-Expenses recognised in the statement of P&L	7.81	11.15
-Expenses recognised in the OCI	(2.84)	(20.66)
-Employer's Contribution	(30.26)	(8.60)
<b>Amount recognised in the Balance Sheet</b>	<b>(29.18)</b>	<b>(3.89)</b>

## Notes to the Financial Statements (Contd.)

### Profit & Loss Disclosures

#### (a) Net interest Cost for Current period

(₹ in Million)

Particulars	2020-21	2019-20
Interest Cost	3.80	4.76
Interest Income	4.34	4.08
<b>Net interest Cost/(Income)</b>	<b>(0.54)</b>	<b>0.68</b>

#### (b) Expenses recognised in the profit & loss

(₹ in Million)

Particulars	2020-21	2019-20
Net Interest Cost	(0.54)	0.68
Current Service Costs	8.35	10.47
<b>Expenses recognised in the profit &amp; loss</b>	<b>7.81</b>	<b>11.15</b>

#### (c) Expenses recognised in the Other Comprehensive Income

(₹ in Million)

Particulars	2020-21	2019-20
<b>Remeasurement</b>		
Expected return on plan assets	0.81	0.59
Actuarial (Gain) or Loss	(3.66)	(21.26)
<b>Net (Income) / Expenses recognised in OCI</b>	<b>(2.85)</b>	<b>(20.67)</b>

### Sensitivity Analysis

(₹ in Million)

Particulars	2020-21	2019-20
<b>Projected Benefit obligation on current assumptions</b>		
<b>Data effect of change in Rate of</b>		
-Discounting by +0.5%	61.66	55.41
-Salary Increase by +0.5%	67.45	60.66
-Employee Turnover by +20%	65.25	58.68
<b>Data effect of change in Rate of</b>		
-Discounting by -0.5%	67.61	60.79
-Salary Increase by -0.5%	61.75	55.52
-Employee Turnover by -20%	63.73	57.21

### Significant Actuarial Assumptions

(₹ in Million)

Particulars	2020-21	2019-20
Discount Rate	6.75%	6.85%
Salary Escalation	4.00%	4.00%
Attrition Rate	2%-10%	2%-10%

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



## Notes to the Financial Statements (Contd.)

The rate used to discount other long term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post employment benefit obligation.

The estimated term of the Obligation is around 11.27 years (P.Y. 11.67 years). The yields on the government bonds as at the valuation date were 6.75% (P.Y. 6.85%).

### 46. Contingent Liabilities and Commitments

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(a) Contingent Liabilities</b>		
<b>1) Disputed matters in appeals/contested in respect of:</b>		
i. Income Tax	69.94	69.93
ii. Excise	25.23	31.67
iii. Service Tax	-	3.42
<b>2) Letter of Credit issued by bankers and outstanding</b>	214.92	107.39
<b>(b) Commitments</b>		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	208.25	26.09

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

### 47. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
a. Principal and interest amount remaining unpaid	107.16	33.43
b. Interest due thereon remaining unpaid	-	-
c. Interest paid by the Company 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	-	-
d. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
e. Interest accrued and remaining unpaid	-	-
f. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-



## Notes to the Financial Statements (Contd.)

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

### 48. Disclosure under Ind AS 116 'Leases'

(₹ in Million)

Particulars	2020-21	2019-20
Opening Balance	0.25	-
Lease Liabilities on account of adoption of Ind AS 116	-	0.52
Finance Costs incurred during the year	0.02	0.05
Net Payments of Lease Liabilities	(0.27)	(0.32)
Closing Balance	-	0.25

### 49. Corporate Social Responsibility Expenses

a. **Gross amount required to be spent by the Company during the year 2020-21 ₹ 35.57 Million (Previous year – ₹ 40.70 Million)**

b. **Amount spent during the year on :**

(₹ in Million)

Particulars	2020-21	2019-20
i) Construction / Acquisition of any Assets	-	-
ii) Purposes other than (i) above	35.72	14.90

c. **Amount unspent during the year ₹ Nil (P.Y. : ₹ 25.80 Million)**

50. The COVID pandemic is unprecedented and has affected the operations as well as results of the Company. The manufacturing facility of the Company which was shut down in the last week of March 2020 due to countrywide lockdown, resumed operations in a phased manner from the 11th May 2020. The Company has taken adequate precautions for safety and well-being of its employees on resumption of its plant operations.

The Company has taken into consideration the impact of the known and external events arising from COVID-19 pandemic while preparing the financial statements / information and have considered wherever applicable the possible effects on the carrying amounts of financial and non-financial assets. However, the impact assessment of COVID -19 is an on-going process, given the uncertainties associated with its nature and duration, hence the same may differ from that estimated as at the date of approval of these financial statements in relation to the recoverable amounts of the assets including investments, loans and other receivables. The Company will continue to closely monitor any material changes to future economic conditions and the consequent impact on its business, if any.

Figures of the year ended 31st March 2020 are not comparable with the year ended, due to reason stated above.

### 51 Share Based Payments

a) The Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Company, administers the Scheme and grants stock options to eligible directors



## Notes to the Financial Statements (Contd.)

or employees of the Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017 – II	1,62,900	21-05-2019	20-05-2021	50	68.09
ESOP 2017 - III	1,63,900	12-02-2020	12-02-2022	10	66.40

b) Compensation Expenses arising on account of the Share Based Payments

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Employee Share Based Payments (refer note 33)	10.91	10.47

The relevant details of the Scheme are as under:

Particulars	Grant II	Grant III
Date of Grant	21-05-2019	12-02-2020
Date of Board/NRC Approval	21-05-2019	12-02-2020
Date of Shareholders' Approval	23-09-2017	23-09-2017
No. of Options Granted	1,62,900	1,63,900
Method of Settlement	Equity	Equity
Vesting Period	1 Year	1 Year
Fair Value on the date of Grant (in ₹)	68.09	66.40
Exercise Period	1 Year	1 Year
Vesting Conditions	As per Policy approved by Shareholders	As per Policy approved by Shareholders

Set out below is a summary of options granted under the plan:

Particulars	Grant II	Grant III
Options Outstanding at the beginning of the year	1,62,900	1,63,900
Options granted during the year	-	-
Options exercised during the year	-	-
Options lapsed during the year	-	-
Options Outstanding at the end of the year	1,62,900	1,63,900

Particulars	Grant II	Grant III
Date of Grant	21-05-2019	12-02-2020
Stock Price at the date of grant (₹)	115.40	76.45
Exercise Price (₹)	50	10
Expected Volatility	42.83%	46.11%
Expected Life of the Option	1 Year	1 Year
Risk Free Interest Rate	7.30%	7.74%
Weighted average fair value of options granted during the year (₹)	68.09	66.40

## Notes to the Financial Statements (Contd.)

- 52.** Scheme of Amalgamation of Trion Chemicals Private Limited (a wholly owned subsidiary) with the Company had been approved by the Board of Directors of the Company at their meeting held on 27th May 2020 (the "Scheme"), with effect from appointed date of 1st April 2019 (Appointed date). The Scheme has been approved by Hon'ble NCLT, Ahmedabad Bench vide its order dated 31st December 2020 and a copy of the said order was filed with the Registrar of the Companies (ROC) on 9th January 2021 (Effective Date).

The Scheme has accordingly been given effect in the financial statements of the Company from the Appointed date. Accordingly the figures presented in the financial statement are after giving effect to the said Scheme. The Scheme of amalgamation being a common control transaction, as per the requirement of Appendix C of Ind AS 103 on Business Combination, the comparative figures have been restated for the accounting impact of the Scheme for the year ended 31st March 2020

- 53.** Pursuant to approval of the Board of Directors in its meeting held on 9th February 2021 and vide Business Transfer Agreement dated 9th February 2021, the Company w.e.f. 31st March 2021, acquired the Chemical Unit known as 'Siel Chemical Complex (SCC)' of Mawana Sugars Limited, located at Rajpura, Punjab, on a going concern basis at a lump sum consideration of ₹ 1,370 Million subject to adjustment of net working capital amounting to ₹ 114.44 Million related to said acquisition. The consideration was paid by the Company partly till 31st March 2021 and the balance subsequent to the year end. The Company is in the process of making the final determination of the fair value of the assets and liabilities acquired for the purpose of purchase price allocation. Pending, the final determination, the fair value of assets and liabilities acquired have been provisionally accounted for in accordance with Ind AS 103 "Business Combination".

Consequent to the acquisition of the SCC assets and liabilities as on 31st March 2021, the Balance Sheet as at 31st March 2021 is not comparable with previous period.

### Assets acquired and liabilities recognised at the date of acquisition

(₹ in Million)

<b>Non-Current Assets</b>	
Property, Plant & Equipment	1,368.35
Non-Current Financial Assets	167.87
Non-Current Assets	1.70
<b>Current Assets</b>	
Inventories	92.31
Trade Receivables	20.93
Cash & Cash Equivalents	24.90
Other Bank Balance	0.11
Loans	0.14
Other Current Financial Assets	7.03
Other Current Assets	10.75
<b>Total of Assets (A)</b>	<b>1,694.09</b>
<b>Non-Current Liabilities</b>	
Long-Term Provisions	37.88



## Notes to the Financial Statements (Contd.)

(₹ in Million)

<b>Current Liabilities</b>	
Trade Payables	90.12
Other Financial Liabilities	24.31
Other Current Liabilities	32.94
Short-Term Provisions	24.40
<b>Total of Liabilities (B)</b>	<b>209.65</b>
<b>Net Cash Outflow on acquisition (A) - (B)</b>	<b>1,484.44</b>

54. During the year the Company has added ₹ 3.76 Million as Capital in Bodal Bangla Limited (wholly owned subsidiary of the Company).

### 55. Money received against Share Warrants:

The Company has not received the balance subscription amount of ₹ 1,293.8 Million from the Warrant Holders before the extended due date i.e. 11th February 2021. Hence, the balance lying with the Company as 'Upfront Warrants Subscription Account', being amounts paid towards 25% of the issue price of the warrants, amounting to ₹ 431.25 Million, stand forfeited in terms of Regulation 169 (3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations, upon non conversion of warrants into Equity shares by the warrant holders. The forfeited amount has been transferred to the Capital Reserve account.

56. Disclosure pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

(₹ in Million)

Sr. No.	Name of Company (Subsidiary)	Outstanding Amount		Maximum amount outstanding during the year	
		As at 31st March 2021	As at 31st March 2020	2020-21	2019-20
1	SPS Processors Private Limited	1,161.37	971.38	1,257.66	971.38
2	Bodal Chemicals Trading Private Limited	0.88	33.38	34.60	209.56
3	Sen-Er Boya Kimya Tekstil San.Tic. Limited	80.51	73.14	80.51	73.14

- i) Loan to subsidiaries has been given for acquisition of assets and other business purposes.  
ii) The loanee does not have any investment in the shares of the Company.

There are no guarantees issued by the Company in accordance with section 186 of the Companies Act, 2013 read with rules issued thereunder.

57. The Code on Social Security, 2020 and Code of wages, 2019 relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Codes have been published in the Gazette of India. However, the date on which the Codes will come into effect has not been notified. The Company will assess the impact of the Codes when it comes into effect and will record any related impact in the period the Codes become effective.

## Notes to the Financial Statements (Contd.)

- 58.** Donation made to Political Party during the financial year 2020-21 under provisions of Section 182 of the Companies Act, 2013.

(₹ in Million)

<b>Name of Political Party</b>	<b>2020-21</b>	<b>2019-20</b>
Bhartiya Janata Party	1.10	0.01

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Bhavin S. Patel**  
Executive Director  
DIN: 00030464

**Mayur B. Padhya**  
Chief Financial Officer

**Ashutosh B. Bhatt**  
Company Secretary

Ahmedabad  
June 24, 2021



# Independent Auditor's Report

## To The Members of BODAL CHEMICALS LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of **BODAL CHEMICALS LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its associate, which comprise the Consolidated Balance Sheet as at 31st March, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of subsidiaries and associate referred to in the Other Matters section below, 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 Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) 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 31st March, 2021, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash

flows and their consolidated changes in equity 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 Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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><b>Timely recognition of revenue</b> (Refer Note 1.5 and Note 29 to the Consolidated Financial Statements)</p> <p>We focussed on this area as a Key audit matter due to the risk of incorrect timing of revenue recognition. Since the Group focuses on revenue as a key performance measure, it could create an incentive for revenue to be recognized though the performance obligations have not been satisfied by the Group.</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our audit procedures was a combination of test of controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>Evaluated the design of internal controls relating to recording of revenues at reporting periods.</li> <li>Selected a sample of invoices and tested the operating effectiveness of internal controls relating to revenue cut off's.</li> <li>Performed cut-off procedures (early and late cut off's) for sample of revenue transactions at year-end by testing the underlying invoices to the related delivery documents.</li> </ul>

## Independent Auditor's Report (Contd.)

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board' Report including Annexures to Board's Report, Corporate Governance Report and Management Discussion & Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's reports thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will 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, compare with the financial statements of subsidiaries and associate audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and 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. Other information so far as it relates to the subsidiaries and associate, is traced from their financial statements audited by other auditors.
- When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and its associate in accordance

with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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 Parent, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

### 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



## Independent Auditor's Report (Contd.)

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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent 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 the 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 ability of the Group and its associate 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 and its associate 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 entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the 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 consolidated 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 consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were

## Independent Auditor's Report (Contd.)

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

- (a) We did not audit the financial statements of 4 (four) subsidiaries, whose financial statements reflect total assets of ₹ 2,444.92 million as at 31st March, 2021, total revenues of ₹ 1,895.99 million and net cash inflows amounting to ₹ 40.13 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended 31st March, 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These 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 these subsidiaries and associate, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate is based solely on the reports of the other auditors.
- (b) We did not audit the information of 2 (two) subsidiaries, whose financial information reflect total assets of ₹ 162.47 million as at 31st March, 2021, total revenues of ₹ 164.02 million and net cash inflows amounting to ₹ 5.24 million for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and 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 these subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by

the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above 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 and the financial information certified by the Management.

- (c) As stated in Note 54(i) to the consolidated financial statement, pursuant to the Business Transfer Agreement with the Mawana Sugars Limited, the Parent Company has acquired w.e.f. 31st March 2021, the Chemical Unit known as 'Siel Chemical Complex (SCC)' of Mawana Sugars Limited. The assets and liabilities of the said unit as on 31.3.2021 have been provisionally accounted for in accordance with Ind AS 103 "Business Combination".

Our report on the consolidated financial statements is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements / information of the subsidiaries and associate referred to in the Other Matters section above 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 Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for

## Independent Auditor's Report (Contd.)

the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2021 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and associate company incorporated in India, none of the directors of the Group companies and its associate company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 and its associate;
  - ii) The Group and its associate did not have any material foreseeable losses 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 Parent and its subsidiary companies and associate company incorporated in India.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Varsha A. Fadte**

Partner

Chicalim, Goa,  
24th June 2021

(Membership No. 103999)  
UDIN: 21103999AAAAGY1871

# Annexure “A” to the Independent Auditor’s Report

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

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

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting of Bodal Chemicals Limited (hereinafter referred to as “Parent”) and its subsidiary companies, which includes internal financial controls over financial reporting of the Company’s associate company, which are companies incorporated in India, as of that date.

## **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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.

## **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards

and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its associate company, which are companies incorporated in India, 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 internal financial controls system over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India.

## **Meaning of Internal Financial Controls Over Financial Reporting**

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

## Annexure “A” to the Independent Auditor’s Report (Contd.)

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal

financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies 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 Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiary companies and one associate company, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm’s Registration No. 117366W/W-100018)

**Varsha A. Fadte**

Partner

Chicalim, Goa,  
24th June 2021

(Membership No. 103999)  
UDIN: 21103999AAAAGY1871

# Consolidated Balance Sheet as at 31st March 2021

		(₹ in Million)	
Particulars	Notes	As at 31st March 2021	As at 31st March 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	7,799.93	6,376.38
Capital Work-in-progress		144.46	68.58
Right of Use Assets	3	4.10	7.73
Goodwill on Consolidation		84.75	84.75
Intangible Assets	4	79.52	90.51
<b>Financial Assets</b>			
Investments	5	64.41	31.94
Loans	6	21.08	15.99
Other Financial Assets	7	219.72	36.50
Income Tax Assets (Net)	8	153.33	105.97
Deferred Tax Assets (Net)	9	64.84	153.50
Other Non-Current assets	10	132.38	155.22
<b>Total Non - Current Assets</b>		<b>8,768.52</b>	<b>7,127.07</b>
<b>Current Assets</b>			
Inventories	11	3,072.09	2,190.51
<b>Financial Assets</b>			
Trade Receivables	12	3,610.80	3,770.55
Customers Bill Discounted	12	1,065.92	771.05
Cash and Cash Equivalents	13	119.14	144.65
Other Bank Balances	14	43.72	50.41
Loans	15	28.26	48.10
Other Financial Assets	16	7.75	1.40
Other Current Assets	17	745.19	603.40
Assets held for sale		16.20	-
<b>Total Current Assets</b>		<b>8,709.07</b>	<b>7,580.07</b>
<b>TOTAL ASSETS</b>		<b>17,477.59</b>	<b>14,707.14</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	18	244.66	244.66
Other Equity	19	9,508.35	8,637.51
Money Received Against Share Warrants		-	431.25
<b>Equity attributable to the Equity holders of the parent</b>		<b>9,753.01</b>	<b>9,313.42</b>
Non-Controlling Interests		46.07	65.24
<b>Total Equity</b>		<b>9,799.08</b>	<b>9,378.66</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	1,064.00	0.19
Lease Liability		3.10	5.55
Provisions	21	37.88	1.37
Deferred Tax Liabilities (Net)	22	472.39	376.24
<b>Total Non-Current Liabilities</b>		<b>1,577.37</b>	<b>383.35</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	23	2,402.58	1,793.44
Customers Bill Discounted	23	1,065.91	771.05
Lease Liability		1.29	2.45
Trade Payables	24		
(a) Total outstanding dues of Micro Enterprises and Small Enterprises		108.59	32.85
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		2,115.67	2,064.48
Other Financial Liabilities	25	82.40	49.64
Other Current Liabilities	26	282.44	135.28
Provisions	27	24.40	-
Income Tax Liabilities (Net)	28	17.86	95.94
<b>Total Current Liabilities</b>		<b>6,101.14</b>	<b>4,945.13</b>
<b>Total Liabilities</b>		<b>7,678.51</b>	<b>5,328.48</b>
<b>Total Equity and Liabilities</b>		<b>17,477.59</b>	<b>14,707.14</b>

See Accompanying Notes forming part of the Financial Statements

1 to 57

As per our report of even date attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No.117366W/W-100018

**Varsha A. Fadte**  
Partner  
Membership No. 103999

Chicalim, Goa  
June 24, 2021

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Mayur B. Padhya**  
Chief Financial Officer

Ahmedabad  
June 24, 2021

**Bhavin S. Patel**  
Executive Director  
DIN : 00030464

**Ashutosh B. Bhatt**  
Company Secretary



# Consolidated Statement of Profit and Loss for the year ended 31st March 2021

(₹ in Million)

Particulars	Notes	Year ended 31st March 2021	Year ended 31st March 2020
<b>INCOME</b>			
Revenue from Operations	29	12,264.33	13,748.19
Other Income	30	159.34	103.98
<b>Total Income</b>		<b>12,423.67</b>	<b>13,852.17</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	31	7,637.59	8,078.77
Purchases of Stock-in Trade	32	644.29	712.02
Changes in Inventories of Finished Goods, Work in Process and Stock in Trade	33	(332.31)	41.91
Employee Benefits Expenses	34	777.48	871.27
Finance Costs	35	166.48	190.26
Depreciation and Amortisation expense	36	304.85	284.03
Bad Debts written off	37	173.25	-
Other Expenses	38	2,498.20	2,667.55
<b>Total Expenses</b>		<b>11,869.83</b>	<b>12,845.81</b>
<b>Profit Before Tax</b>		<b>553.84</b>	<b>1,006.36</b>
<b>Tax Expenses</b>	42		
Current Tax		126.93	276.50
(Short)/Excess Provision of Tax of Prior Years		(154.83)	3.01
Current Tax		(27.90)	279.51
Deferred Tax		184.07	(133.49)
<b>Total Tax Expense</b>		<b>156.17</b>	<b>146.02</b>
<b>Profit for the Year</b>		<b>397.67</b>	<b>860.34</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurements of the defined benefit plans		2.96	20.65
Income Tax relating to items that will not be reclassified to profit and loss account		(0.73)	(5.31)
		<b>2.23</b>	<b>15.34</b>
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of foreign subsidiaries		9.61	(17.94)
Income Tax relating to items that will be reclassified to profit and loss account		-	-
		<b>9.61</b>	<b>(17.94)</b>
<b>Other Comprehensive Income for the Year (net of tax)</b>		<b>11.84</b>	<b>(2.60)</b>
<b>Total Comprehensive Income for the Year</b>		<b>409.51</b>	<b>857.74</b>
<b>Profit for the Year Attributable to:</b>			
Owners of the Company		419.82	871.64
Non-controlling interest		(22.15)	(11.30)
		<b>397.67</b>	<b>860.34</b>
<b>Other Comprehensive Income for the Year Attributable to:</b>			
Owners of the Company		8.87	0.93
Non-controlling interest		2.97	(3.53)
		<b>11.84</b>	<b>(2.60)</b>
<b>Total Comprehensive Income for the Year Attributable to:</b>			
Owners of the Company		428.69	872.57
Non-controlling interest		(19.18)	(14.83)
		<b>409.51</b>	<b>857.74</b>
Earnings per equity share (Face value of ₹ 2)	45		
Basic (in ₹)		3.25	7.13
Diluted (in ₹)		3.24	7.13

See Accompanying Notes forming part of the Financial Statements

1 to 57

As per our report of even date attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No.117366W/W-100018

**Varsha A. Fadte**  
Partner  
Membership No. 103999

Chicalim, Goa  
June 24, 2021

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Mayur B. Padhya**  
Chief Financial Officer  
Ahmedabad  
June 24, 2021

**Bhavin S. Patel**  
Executive Director  
DIN : 00030464  
**Ashutosh B. Bhatt**  
Company Secretary



A) Equity Share Capital	As at 31st March 2021	As at 31st March 2020
Balance at the commencement of the year	244.66	244.38
Add : Issue of Shares under ESOP	-	0.28
Balance at the end of the year	<b>244.66</b>	<b>244.66</b>

(B) Other Equity	Reserves & Surplus							Non-Controlling Interests	Total (₹ in Million)	
	Capital Reserve on Conso- lidation	Capital Reserves	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings			
Balance as at 1st April 2019 (A)	0.18	76.12	289.67	2,381.91	18.06	138.86	5,078.84	-	9.28	7,992.92
Additions during the year:										
Profit for the year		-	-	-			871.64	-	(11.30)	860.34
Exchange differences in translating the financial statements of foreign subsidiaries								(17.94)		(17.94)
Other Comprehensive Income for the year, net of tax		-	-	-			18.87	-	(3.53)	15.34
Total Comprehensive Income for the Year 2019-20 (B)		-	-	-		-	890.51	(17.94)	(14.83)	857.74
Securities Premium on issue of shares (refer note 19)				24.25						24.25
Addition due to Employee share based expense (refer note 51)					(6.99)					(6.99)
Non-Controlling Interest on conversion of subsidiary into wholly-owned subsidiary									53.29	53.29
Addition due to Business Combination									17.50	17.50
Reductions during the year:									-	-
Dividends		-	-	-		-	(195.72)			(195.72)
Tax on Dividends		-	-	-		-	(40.24)			(40.24)
Total (C)	-	-	-	24.25	(6.99)	-	(235.96)	-	70.79	(47.91)
Balance as at 31st March 2020 (D) = (A+B+C)	0.18	76.12	289.67	2,406.16	11.07	138.86	5,733.39	(17.94)	65.24	8,702.75
Additions during the year:										
Profit for the year		-	-				419.82		(22.15)	397.67
Exchange differences in translating the financial statements of foreign subsidiaries								9.61		9.61
Other Comprehensive Income for the year, net of tax		-	-				(0.75)		2.97	2.22
Total Comprehensive Income for the Year 2020-21 (E)	-	-	-	-	-	-	419.07	9.61	(19.18)	409.50

## Consolidated Statement of Changes in Equity for the year ended 31st March 2021 (Contd.)

B) Other Equity	Reserves & Surplus						Items of Other Comprehensive Income	Non-Controlling Interests	Total
	Capital Reserve on Conso-lidation	Capital Reserves	Capital Redemption Reserve Fund	Securities Premium	Employee Stock Options Outstanding Account	General Reserve	Retained Earnings		
Addition due to forfeiture of Share Warrants		431.25							431.25
Addition due to Employee share based expense (refer note 51)					10.91				10.91
Reductions during the year		-	-	-	-	-	-		-
Dividends		-	-	-	-	-	-		-
Tax on Dividends		-	-	-	-	-	-		-
Total (F)	-	431.25	-	-	10.91	-	-	-	442.16
Balance as at 31st March 2021 (D+E+F)	0.18	507.37	289.67	2,406.16	21.98	138.86	6,152.46	(8.33)	9,554.41
C) Money Received against Share Warrants									(₹ in Million)
	As at							As at	
Balance at the commencement of the year								31st March 2021	31st March 2020
Addition during the year								431.25	-
Less : Forfeited during the year (refer note 55)								-	431.25
Balance at the end of the year								(431.25)	-
See Accompanying Notes forming part of the Financial Statements								-	431.25

As per our report of even date attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No.17366W/W-100018

**Varsha A. Fadte**  
Partner  
Membership No. 103999

Chicalim, Goa  
June 24, 2021

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Mayur B. Padhya**  
Chief Financial Officer

Ahmedabad  
June 24, 2021

**Bhavin S. Patel**  
Executive Director  
DIN: 00030464

**Ashutosh B. Bhatt**  
Company Secretary

## Consolidated Statement of Cash Flows for the year ended 31st March 2021

(₹ in Million)

PARTICULARS	Year 2020-21	Year 2019-20
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Tax and after Exceptional Items	553.84	1,006.36
Adjustment for		
Depreciation and Amortisation Expense	304.85	284.03
Gain on deletion of Lease Assets	(0.01)	-
Unrealised Foreign Exchange Gain	11.21	32.48
Fair Value (Gain) / Loss on Investments measured through profit or loss	(32.44)	24.80
Mark-to-market loss on derivative financial instruments	0.68	9.19
Allowance for doubtful trade receivables	(2.58)	19.32
Finance Costs	166.48	190.26
Expenses recognised in respect of share based payments	10.91	10.47
Loss / (Profit) on Sale of Property, Plant & Equipment (Net)	1.16	3.38
Interest and Dividend Income	(76.28)	(65.28)
Profit on Sale of Current Investments (Net)	(0.02)	(0.98)
Operating Profit before Working Capital Changes	937.80	1,514.03
Adjustment for :		
(Increase) in Trade Receivables	(124.87)	(889.72)
(Increase) / Decrease in Inventories	(881.58)	10.51
(Increase) / Decrease in Financial Assets	(173.76)	29.61
(Increase) / Decrease in Other Assets	(150.33)	25.82
Increase / (Decrease) in Trade Payables	124.42	(298.66)
Increase / (Decrease) in Other Financial Liabilities	15.06	(89.19)
Increase / (Decrease) in Other Liabilities and Provisions	220.63	(29.77)
Cash (used in) / generated from Operations	(32.63)	272.63
Income Taxes Paid (Net of Refund)	97.54	177.04
<b>Net Cash (used in) / generated from Operating Activities (A)</b>	<b>(130.17)</b>	<b>95.59</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment including Capital Work in Progress and capital advances	(1,781.26)	(520.98)
Sale proceeds of Property, Plant & Equipment	22.81	5.76
Loans to Related Party	0.21	1.38
Net Increase in Loans to Employees	(5.49)	(8.81)
Interest/Dividend received	74.53	65.28
Inter Corporate Loans received back	20.03	38.43
Bank Balances not considered as Cash and Cash Equivalents		
Placed	(32.89)	(27.66)
Matured	25.51	1.30
Advance for Investment	-	17.06
Investment in Current Investments	(80.00)	-
Proceeds from Sale of Current Investments	80.02	5.98
Investment in Subsidiary	-	(64.85)
Investment in Associate	(0.03)	-
Consideration for acquisition of control in subsidiary	-	(317.94)
<b>Net Cash used in Investing Activities (B)</b>	<b>(1,676.56)</b>	<b>(805.05)</b>

**Consolidated Statement of Cash Flows for the year ended 31st March 2021 (Contd.)**

		(₹ in Million)	
PARTICULARS		Year 2020-21	Year 2019-20
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Long Term Borrowings		1,064.00	-
Repayment of Long Term Borrowings		(0.90)	(155.49)
Increase/(Decrease) in Short Term Borrowings		887.66	903.14
Proceeds from issue of Equity Shares under ESOP		-	7.07
Money Received against Share Warrants		-	431.25
Lease Liability Paid		(3.34)	(2.43)
Finance Costs Paid		(166.21)	(189.50)
Dividend Paid on Equity Shares		0.01	(194.76)
Tax on Dividend Paid		-	(40.23)
<b>Net Cash from Financing Activities (C)</b>		<b>1,781.22</b>	<b>759.05</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; EQUIVALENTS</b>		<b>(25.51)</b>	<b>49.59</b>
Cash & Cash Equivalents at the beginning of the year		144.65	77.86
Cash & Cash Equivalents of the acquired subsidiary		-	17.20
<b>Cash &amp; Cash Equivalents at the end of the year</b>		<b>119.14</b>	<b>144.65</b>

Note i): The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Statement of Cash Flows'.

Note ii): Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, are given below.

	(₹ in Million)	
	Non-Current (Refer Note 20)	Current (Refer Note 23)
Borrowing as on 31st March 2020 including Current Maturity of Long-term Borrowings	0.90	2,564.49
Cash Flows	1,063.10	887.66
Non Cash Changes - Foreign Exchange Movement	-	16.34
Borrowing as on 31st March 2021 including Current Maturity of Long-term Borrowings	<b>1,064.00</b>	<b>3,468.49</b>

See accompanying notes forming part of the financial statements

1 to 57

As per our report of even date attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
Firm Registration No.117366W/W-100018

**Varsha A. Fadte**  
Partner  
Membership No. 103999

Chicalim, Goa  
June 24, 2021

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Mayur B. Padhya**  
Chief Financial Officer  
Ahmedabad  
June 24, 2021

**Bhavin S. Patel**  
Executive Director  
DIN : 00030464  
**Ashutosh B. Bhatt**  
Company Secretary

# Notes to the Consolidated Financial Statements

## COMPANY BACKGROUND

The consolidated financial statements comprise financial statements of Bodal Chemicals Ltd. ('the Parent/ Company'), its subsidiaries (collectively, 'the Group') for the year ended 31st March 2021.

The Parent is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956. The registered office of the Parent is located at Plot No. 123-124, Phase – I, G.I.D.C., Vatva, Ahmedabad - 382445, India.

The Group is engaged in the business of manufacturing of Dyes, Dye Intermediates and Basic Chemicals. Further details about the business operations of the Group are provided in Note 43 – Segment Information

### 1 Significant Accounting Policies:

#### 1.1 Statement of compliance:

The consolidated financial statements of the Group are prepared in accordance with and in compliance, in all material aspects, with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read along with Companies (Indian Accounting Standards) Rules, as amended and other provisions of the Act. The presentation of the consolidated Financial Statements is based on Ind AS Schedule III of the Act.

#### 1.2 Basis of Preparation of Financial Statements:

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy.

In addition, the consolidated financial statements are presented in INR and all values are rounded to the nearest Million except when otherwise indicated.

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 another 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 value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- ▶ Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- ▶ Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### 1.3 Basis of Consolidation:

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.



## Notes to the Consolidated Financial Statements (Contd.)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit and Loss from the date the Group gains control until the date

when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The excess of cost to the Group of its investments in the subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. The Goodwill is determined separately for each subsidiary company and such amounts are not set off between different entities.

Following subsidiary companies / associate have been considered in the preparation of the consolidated financial statements:

Sr. No.	Name of Subsidiary	Country of Incorporation	Extent of Holding/ Voting Power (%) as on 31st March 2021	Extent of Holding/ Voting Power (%) as on 31st March 2020
1	SPS Processors Pvt. Ltd.	India	70.00%	70.00%
3	Bodal Chemicals Trading Pvt. Ltd.	India	100.00%	100.00%
4	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	China	100.00%	100.00%
5	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (w.e.f 8th August, 2019)	Turkey	80.00%	80.00%
6	Bodal Bangla Ltd. (w.e.f. 22nd September 2019)	Bangladesh	100.00%	100.00%
7	Senpa Dis Ticaret Anonim Sirketi (100% subsidiary of Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.)	Turkey	80.00%	80.00%
8	Plutoeco Enviro Association (w.e.f. 27th October 2020)	India	25.00%	25.00%



## Notes to the Consolidated Financial Statements (Contd.)

### 1.4 Changes in the Group's ownership interests in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 1.5 Revenue Recognition:

#### a) Revenue from contracts with customer

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration

becomes unconditional, as only the passage of time is required before payment is due.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract with customers are for short-term, at an agreed price. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Group only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

#### b) Other income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. 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 that asset's net carrying amount on initial recognition.

### 1.6 Lease

#### (i) Under Ind AS 116 Leases:

Effective from 1st April 2019, the Group adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing as on 1st April 2019 using the modified retrospective method on the date of initial application i.e. 1st April 2019.



## Notes to the Consolidated Financial Statements (Contd.)

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be amortised over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate

implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

(ii) Under Ind AS 17 Leases:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

### 1.7 Foreign currencies:

In preparing the consolidated financial statements of each individual entity of the Group, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

The translation of financial statements of the foreign subsidiaries to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the Balance Sheet date and for revenue, expense and cash-flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in currency translation reserves under other components of equity. When a subsidiary is disposed off, in full, the relevant amount is transferred to net profit in the statement

## Notes to the Consolidated Financial Statements (Contd.)

of comprehensive income. However when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

### 1.8 Employee Benefits:

#### **Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any

surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs.

#### **Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

### 1.9 Share Based Payments

Equity-settled share based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity settled share based payments transactions are set out in Note 51.

The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in Statement of Profit and Loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the Employee Stock Options Outstanding Account.

## Notes to the Consolidated Financial Statements (Contd.)

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### 1.10 Taxation:

Income tax expense represents the sum of the current tax and deferred tax.

#### Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 1.11 Property, plant and equipment:

Property, plant and equipment for use in the production or supply of goods or services, or for administrative purposes, are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

#### Depreciation Methods, Estimated Useful Lives and Residual Value

Depreciation is recognised so as to write off the cost of assets (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising

## Notes to the Consolidated Financial Statements (Contd.)

on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

### Useful lives of tangible assets

Estimated useful lives of the tangible assets are as follows:

Buildings	30-60 years
Plant & Machinery	20 years
Furniture & Fixtures	10 years
Vehicles	8-10 years
Office Equipments	3-5 years

Capital work in progress is stated at cost less accumulated impairment loss, if any.

### 1.12 Intangible Assets:

#### Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### De-recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible assets are amortised on a straight-line basis over their technically assessed useful lives, as mentioned below:

Intangible Assets	Estimated Useful Lives (Years)
Software	5
License/Membership Fees	10
Website	5

### 1.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## Notes to the Consolidated Financial Statements (Contd.)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 1.14 Inventories:

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value after providing for obsolescence, if any. The comparison of cost and net realisable value is made on an item-by item basis.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, components and consumables, First-in-First-Out (FIFO) method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads as applicable and other costs incurred in bringing the inventories to their present location and condition.

Materials in transit are valued at cost-to-date.

### 1.15 Provision, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will

be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability exists when there is a possible but not probable obligation or a present obligation that may, but probably will not; require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

### 1.16 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 another 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 at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market for the asset or liability, or



## Notes to the Consolidated Financial Statements (Contd.)

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

The principal or the most advantageous market must be accessible by the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.17 Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

### 1.18 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Notes to the Consolidated Financial Statements (Contd.)

For the impairment policy on financial assets measured at amortised cost, refer paragraph of Impairment of financial assets.

A financial asset that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, refer paragraph of Impairment of financial assets.

All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument,

or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### Financial assets at fair value through profit or loss (FVTPL)

A financial asset that does not meet the amortised cost criteria or FVTOCI criteria (see above) is measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Impairment of financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired



## Notes to the Consolidated Financial Statements (Contd.)

financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Group always measures the loss allowance at

an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### **Derecognition of financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

## Notes to the Consolidated Financial Statements (Contd.)

### 1.19 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement

recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Costs' line item.

### 1.20 Derivative Financial Instrument and Hedge Accounting:

The Group enters into forward exchange contracts to hedge against its foreign currency exposures relating to the firm commitments. The Group does not enter into any derivative instruments for trading or speculative purposes

#### **Recognition and measurement of fair value hedge:**

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and is subsequently measured at fair value at each reporting date. Gain or loss arising from changes in the fair value of derivative financial instrument is recognised in the Statement of Profit and Loss. Derivative financial instrument is recognised as a financial asset in the Balance Sheet if its fair value as at reporting dates is positive as compared to carrying value and as a financial liability if its fair value as at reporting date is negative as compared to carrying value.

### 1.21 Cash Flow Statement:

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

### 1.22 Operating Cycle:

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 1.23 Cash and Cash Equivalents:

The Group considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an

## Notes to the Consolidated Financial Statements (Contd.)

insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

### 1.24 Borrowing Cost:

Borrowing costs attributable to the acquisition, construction or production of qualifying assets, are added to the cost of those assets, up to the date when the assets are ready for their intended use. All other borrowing costs are expensed in the period they occur.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 1.25 Segment Reporting:

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

### 1.26 Government grant and Subsidies:

Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to them and grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Balance Sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already

incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Statement Profit and Loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government's grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

### 1.27 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 1.28 Earnings per Share:

Basic earnings per equity share is computed by dividing the net profit/(loss) attributable to the equity holders of the Group by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Group by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

### 1.29 Use of Estimates:

The preparation of the consolidated financial statements in conformity with Ind-AS requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities (including contingent liabilities) on the

## Notes to the Consolidated Financial Statements (Contd.)

date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. The management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

### 1.30 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Revisions to accounting estimates are recognised prospectively.

The areas involving critical estimates or judgments are:

- Estimation of defined benefit obligation (Note 1.8)
- Estimation of Useful life of Property, plant and equipment and intangibles (Note 1.11)
- Estimation of taxes (Note 1.10)
- Estimation of impairment (Note 1.13)
- Estimation of provision and contingent liabilities (Note 1.15)

### 1.31 Business Combinations and Goodwill

The Group accounts for its business combinations under acquisition method of accounting.

Acquisition related costs are recognised in Statement of Profit and Loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

If the initial accounting for a business combination is incomplete as at the reporting date in which the

combination occurs, the identifiable assets and liabilities acquired in a business combination are measured at their provisional fair values at the date of acquisition. Subsequently adjustments to the provisional values are made within the measurement period, if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date; otherwise the adjustments are recorded in the period in which they occur.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

## Notes to the Consolidated Financial Statements (Contd.)

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Changes in ownership that do not result in a change of control are accounted for as equity transactions and therefore do not have any impact on goodwill. The difference between consideration and the non-controlling share of net assets acquired is recognised within equity.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts, with adjustments only to harmonise accounting policies.

### **1.32 Dividend distribution to equity shareholders**

The Group recognises a liability to make dividend distributions to its equity holders when the distribution is authorised and the distribution is no longer at its discretion. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

In case of Interim Dividend, the liability is recognised on its declaration by the Board of Directors.



## Notes to the Consolidated Financial Statements (Contd.)

## 2. Property, Plant and Equipment

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Balance as at 31st March 2019	1,126.33	1,385.29	20.06	4,033.92	19.58	25.28	85.25	6,695.71
Addition due to Business Combination (refer note 54(ii))	-	1.40	-	2.52	3.65	-	-	7.57
Additions	2.58	84.81	135.46	238.92	69.75	35.65	30.05	597.22
Disposals	-	-	-	1.96	-	0.03	10.97	12.96
Balance as at 31st March 2020	1,128.91	1,471.50	155.52	4,273.40	92.98	60.90	104.33	7,287.54
Translation Reserve	-	(0.31)	-	(0.56)	(0.81)	-	-	(1.68)
Additions	7.74	86.84	4.37	214.29	5.85	7.19	6.75	333.03
Addition on acquisition (refer note 54(i))	579.76	197.20	-	630.18	-	-	-	1,407.14
Disposals	16.20	-	-	33.81	0.01	0.86	7.81	58.69
Balance as at 31st March 2021	1,700.21	1,755.23	159.89	5,083.50	98.01	67.23	103.27	8,967.34

(₹ in Million)

Particulars	Land (Freehold)	Factory Building	Office Building	Plant & Machinery	Furniture & Fixture	Office Equipment	Vehicles	Total
Accumulated Depreciation								
Balance as at 31st March 2019	-	108.53	1.59	485.43	6.41	12.50	24.62	639.08
Addition due to Business Combination	-	0.44	-	1.03	0.69	-	-	2.16
Additions	-	47.03	1.78	202.85	4.56	9.05	8.48	273.75
Disposals	-	-	-	0.09	-	0.01	3.73	3.83
Balance as at 31st March 2020	-	156.00	3.37	689.22	11.66	21.54	29.37	911.16
Translation Reserve	-	(0.20)	-	(0.26)	(0.25)	-	-	(0.71)
Additions	-	49.02	2.51	209.52	8.41	11.81	10.41	291.68
Disposals	-	-	-	27.92	-	0.63	6.17	34.72
Balance as at 31st March 2021	-	204.82	5.88	870.56	19.82	32.72	33.61	1,167.41
Net Block								
Balance as at 31st March 2019	1,126.33	1,276.76	18.47	3,548.49	13.17	12.78	60.63	6,056.63
Balance as at 31st March 2020	1,128.91	1,315.50	152.15	3,584.18	81.32	39.36	74.96	6,376.38
Balance as at 31st March 2021	1,700.21	1,550.41	154.01	4,212.94	78.19	34.51	69.66	7,799.93

## 3. Right of Use Assets

Particulars	Building
GROSS CARRYING VALUE	
At 1st April 2019	-
Recognition on transition to Ind AS 116	9.68
At 31st March 2020	9.68
Deletion	(0.44)
At 31st March 2021	9.24
ACCUMULATED AMORTISATION	
At 1st April 2019	-
Amortisation Expense	1.95
At 31st March 2020	1.95
Amortisation Expense	1.84
Translation Reserve	1.35
At 31st March 2021	5.14
Net carrying value as at 31st March 2021	4.10

(₹ in Million)



## Notes to the Consolidated Financial Statements (Contd.)

### 4. Intangible Assets

Particulars	Computer Software	Membership Fees	Website*	Rights	Other Intangible	Customer Relationship	Brand / Trademark	Non-Complete	Total
(₹ in Million)									
<b>Gross Block</b>									
Balance as at 31st March 2019	5.15	9.13	-	-	-	-	-	-	14.28
Addition due to Business Combination (refer note 54(ii))	-	-	-	-	-	4.80	51.60	31.10	87.50
Additions	4.34	-	-	0.15	0.51	-	-	-	5.00
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>9.49</b>	<b>9.13</b>	<b>-</b>	<b>0.15</b>	<b>0.51</b>	<b>4.80</b>	<b>51.60</b>	<b>31.10</b>	<b>106.78</b>
Translation Reserve	-	-	-	(0.03)	(0.17)	-	-	-	(0.20)
Additions	0.70	-	-	0.06	-	-	-	-	0.76
Disposals	-	0.20	-	-	-	-	-	-	0.20
<b>Balance as at 31st March 2021</b>	<b>10.19</b>	<b>8.93</b>	<b>-</b>	<b>0.18</b>	<b>0.34</b>	<b>4.80</b>	<b>51.60</b>	<b>31.10</b>	<b>107.14</b>
<b>Accumulated Amortisation</b>									
Balance as at 31st March 2019	2.70	5.24	-	-	-	-	-	-	7.94
Additions	1.40	0.97	-	0.01	0.12	0.32	3.44	2.07	8.33
Disposals	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	<b>4.10</b>	<b>6.21</b>	<b>-</b>	<b>0.01</b>	<b>0.12</b>	<b>0.32</b>	<b>3.44</b>	<b>2.07</b>	<b>16.27</b>
Translation Reserve	-	-	-	(0.01)	(0.09)	-	-	-	(0.10)
Additions	1.68	0.81	-	0.02	0.07	0.48	5.16	3.11	11.33
Disposals	-	(0.12)	-	-	-	-	-	-	(0.12)
<b>Balance as at 31st March 2021</b>	<b>5.78</b>	<b>7.14</b>	<b>-</b>	<b>0.02</b>	<b>0.10</b>	<b>0.80</b>	<b>8.60</b>	<b>5.18</b>	<b>27.62</b>
<b>Net Block</b>									
Balance as at 31st March 2020	5.39	2.92	-	0.14	0.39	4.48	48.16	29.03	90.51
Balance as at 31st March 2021	4.41	1.79	-	0.16	0.24	4.00	43.00	25.92	79.52

\*Amount below ₹ 5,000



## Notes to the Consolidated Financial Statements (Contd.)

### 5. Investments (Non-Current)

(₹ in Million)		
Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
<b>Quoted</b>		
<b>Investments in Equity Instruments - carried at FVTPL</b>		
100 (PY. : 100) Equity Shares of Beta Nepthol Ltd. of ₹ 10/- Each Fully Paid Up	0.00	0.00
4,00,000 (PY. : 4,00,000) Equity Shares of Bhageria Industries Ltd. of ₹ 5/- Each Fully Paid Up	63.04	30.60
	<b>63.04</b>	<b>30.60</b>
Less : Impairment Loss	0.00	0.00
<b>Total of Investments in Equity Instruments</b>	<b>63.04</b>	<b>30.60</b>
<b>Total of Carrying Value of Quoted Investments</b>	<b>63.04</b>	<b>30.60</b>
<b>Unquoted</b>		
<b>Investments in Equity Instruments</b>		
<b>Investment in Associate Concern</b>		
2,500 (PY. : Nil) Equity Shares of Plutoeco Enviro Association of ₹ 10/- Each Fully Paid Up	0.03	-
<b>Investments in other entities</b>		
250 (PY. : 250) Equity Shares of Green Environment Ser. Co-op.Soc. Ltd. of ₹ 100/- each Fully Paid Up	0.03	0.03
1,12,350 (PY. : 1,12,350) Equity Shares of Bharuch Enviro Infrastructure Ltd.of ₹ 10/-each Fully Paid Up	1.12	1.12
100 (PY. : 100) Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up*	0.00	0.00
10 (PY. : 10) Equity Shares of The Bhagoydaya Co-op. Bank Ltd. of ₹ 100/- Each Fully Paid Up	0.00	0.00
10,200 (PY. : 10,200) Equity Shares of Panoli Enviro Technology Ltd. of ₹ 10/- Each Fully Paid Up	0.10	0.10
3,542 (PY. : 3,542) Equity Shares of Makarpura Ind.Est. Co-op. Bank Ltd. of ₹ 25/- Each Fully Paid Up	0.09	0.09
<b>Total of Investments in Equity Instruments (Unquoted)</b>	<b>1.37</b>	<b>1.34</b>
Less : Impairment Loss*	0.00	0.00
<b>Total of Carrying Value of Unquoted Investments</b>	<b>1.37</b>	<b>1.34</b>
<b>Total of Non-Current Investments</b>	<b>64.41</b>	<b>31.94</b>

\* Provision for impairment loss on 100 Equity Shares of Guj.Ind. Waste Mng. Co. Ltd. of ₹ 10/- Each Fully Paid Up  
Amount below ₹ 5,000 denoted as 0.00

### 6. Loans (Non-Current)

(₹ in Million)		
Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
<b>(Unsecured and Considered Good)</b>		
Loans to Employees	21.08	15.99
<b>Total</b>	<b>21.08</b>	<b>15.99</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 7. Other Financial Assets (Non-Current)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
Security Deposits	199.38	31.98
Margin Money Deposits with bank with maturity after twelve months from the reporting date*	20.34	4.52
<b>Total</b>	<b>219.72</b>	<b>36.50</b>

\* Held as lien by bank against bank guarantees and letters of credit.

### 8. Income Tax Assets (Net)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
Income Tax Assets (Net)	153.33	105.97
<b>Total</b>	<b>153.33</b>	<b>105.97</b>

### 9. DEFERRED TAX ASSETS (NET)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
<b>Deferred Tax Assets</b>		
Property, Plant and Equipment	6.16	25.39
Allowance for Doubtful Debts	0.55	5.56
Unabsorbed Depreciation & c/f loss	52.15	163.61
Impact of IND AS 116	-	0.06
Other Adjustments	0.64	1.02
Expense claimed for tax purpose on payment basis	0.15	0.20
Unused Tax Credit	4.72	4.72
Expenditure covered by section 43B of Income Tax Act, 1961	0.47	0.29
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	-	(47.26)
Expense claimed for tax purpose on payment basis	-	(0.09)
<b>Total</b>	<b>64.84</b>	<b>153.50</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 10. OTHER NON-CURRENT ASSETS

(₹ in Million)

Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
(Unsecured and Considered Good)		
Capital Advances	116.11	147.50
Balance With Statutory Authorities	12.61	7.72
Pre-paid Expenses	0.89	-
Gratuity Planned Assets (Net)	2.77	-
<b>Total</b>	<b>132.38</b>	<b>155.22</b>

**10.1** Capital Advances include ₹ 5.46 Million (PY. : ₹ 56.42 Million) to related parties. (refer note 44)

**10.2** Balance with Statutory Authorities includes balances with GST, Excise, Service Tax, Sales Tax, Customs Dept., etc.

### 11. Inventories

(₹ in Million)

Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
<b>(Valued at the lower of cost or net realisable value)</b>		
a) Raw Materials	715.00	478.81
Raw Materials in Transit	324.58	87.13
	<b>1,039.58</b>	<b>565.94</b>
b) Finished Goods	499.76	479.31
Finished Goods in Transit	213.81	74.17
	<b>713.57</b>	<b>553.48</b>
c) Stock In Process	1,020.05	900.34
	<b>1,020.05</b>	<b>900.34</b>
d) Stock In Trade	137.20	62.68
	<b>137.20</b>	<b>62.68</b>
e) Packing Materials	14.54	10.67
Packing Materials in Transit	0.06	0.06
	<b>14.60</b>	<b>10.73</b>
f) Stock of Fuel	15.15	16.69
Fuel in Transit	0.51	-
	<b>15.66</b>	<b>16.69</b>
g) Stores and Spares	131.24	80.65
Stores and spares in Transit	0.19	-
	<b>131.43</b>	<b>80.65</b>
<b>Total</b>	<b>3,072.09</b>	<b>2,190.51</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 12. TRADE RECEIVABLES

(₹ in Million)

Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
Trade receivables		
Unsecured & Considered Good	4,676.71	4,541.60
Unsecured & Considered Doubtful	6.11	9.69
Less : Allowances for Credit Losses (refer note 40)	(6.11)	(9.69)
	<b>4,676.71</b>	<b>4,541.60</b>
Customers Bill Discounted	1,065.92	771.05
Other Trade Receivables	3,610.80	3,770.55
<b>Total</b>	<b>4,676.72</b>	<b>4,541.60</b>

12.1 Trade Receivables include ₹ 3.21 Million (P.Y. : ₹ 11.58 Million) to related parties. (refer note 44)

### 13. Cash And Bank Balances

(₹ in Million)

Particulars	Year ended 31st March 2021	Year Ended 31st March 2020
<b>Cash &amp; Cash Equivalents</b>		
Cash on hand	6.05	4.13
Balance with Banks		
in Current Accounts	74.19	40.48
in Fixed Deposits	38.90	100.04
<b>Total</b>	<b>119.14</b>	<b>144.65</b>

### 14. Other Bank Balances

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Margin Money Deposits with bank *	40.36	47.06
Unclaimed Dividend Accounts	3.36	3.35
<b>Total</b>	<b>43.72</b>	<b>50.41</b>

\* Held as lien by bank against bank guarantees and letters of credit.

### 15. Loans (Current)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
(Unsecured & considered good)		
Loans to Employees	25.91	25.51
Loan to Related Party	-	0.21
Inter-Corporate Loans	2.35	22.38
<b>Total</b>	<b>28.26</b>	<b>48.10</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 16. Other Financial Assets (Current)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Other Receivables	7.75	1.40
<b>Total</b>	<b>7.75</b>	<b>1.40</b>

16.1 Other receivables include accrued interest on deposits

### 17. Other Current Assets

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Export Incentives Receivables	3.73	48.05
Advance to Suppliers	331.98	309.13
Balance with Statutory Authorities	356.98	224.21
Pre-paid Expenses	27.68	16.51
Gratuity Planned Assets (Net)	20.08	-
Others	4.74	5.50
<b>Total</b>	<b>745.19</b>	<b>603.40</b>

17.1 Balance with statutory authorities includes balances with GST, Excise Dept. etc.

17.2 Others include Tour Advances, Discount Receivable, etc.

### 18. Equity Share Capital

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Authorised Share Capital</b>		
21,00,00,000 (P.Y. : 21,00,00,000) Equity Shares of ₹ 2/- each	420.00	420.00
2,75,00,000 (P.Y. : 2,75,00,000) Preference Share of ₹ 10/- each	275.00	275.00
	<b>695.00</b>	<b>695.00</b>
<b>Issued, Subscribed &amp; Paid up Share Capital</b>		
12,23,30,165 (P.Y. : 12,23,30,165) Equity shares of ₹ 2/- each	244.66	244.66
<b>Total</b>	<b>244.66</b>	<b>244.66</b>

18.1 Pursuant to the Scheme of Amalgamation u/s 52 of the Companies Act, 2013 for amalgamation of Trion Chemicals Pvt. Ltd. (Transferor Company) with the Parent Company, with effect from 1st April 2019 (appointed date), as approved by the Hon'ble NCLT, Ahmedabad Bench vide its order dated 31st December 2020; Authorised Share Capital of Trion Chemicals Pvt. Ltd. of ₹ 175.00 Million has been added in the Authorised Share Capital of the Parent Company.

## Notes to the Consolidated Financial Statements (Contd.)

### 18.2 Reconciliation of the number of Shares

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
	No. of Shares	No. of Shares
<b>Equity Shares</b>		
Opening balance	122,330,165	122,188,765
Issue of Shares under ESOP	-	141,400
<b>Closing balance</b>	<b>122,330,165</b>	<b>122,330,165</b>

### 18.3 Rights, preferences and restrictions attached to shares

#### Equity shares

The Parent Company has only one class of equity shares having a par value of ₹ 2/- per share. Each shareholder is eligible for one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the parent company, after distribution of all preferential amounts, in proportion of their shareholding. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

### 18.4 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company.

Name of Shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% held	No. of Shares	% held
<b>Equity Shares :</b>				
Mr. Suresh J. Patel	3,71,12,857	30.34	3,71,12,857	30.34
Mr. Bhavin S. Patel	1,04,96,342	8.58	1,04,96,342	8.58
Mr. Ankit S. Patel	72,61,072	5.94	72,61,072	5.94

**18.5** The Board of directors of the Parent Company at its meeting held on 24th June 2021 has recommended a dividend of ₹ 0.80 (Eighty paisa) per equity share for the financial year ended 31st March 2021. The proposal is subject to the approval of shareholders at the annual general meeting and has not been included as a liability in these financial statements.



## Notes to the Consolidated Financial Statements (Contd.)

### 19. Other Equity

Particulars	(₹ in Million)	
	As at 31st March 2021	As at 31st March 2020
<b>Capital Reserves on Consolidation</b>	<b>0.18</b>	<b>0.18</b>
<b>Capital Reserves</b>		
At the commencement of the year	76.12	76.12
Add : Addition due to forfeiture of Share Warrants	431.25	-
At the end of the year	<b>507.37</b>	<b>76.12</b>
<b>Capital Redemption Reserve</b>	<b>289.67</b>	<b>289.67</b>
<b>Securities Premium</b>		
At the commencement of the year	2,406.16	2,381.91
Add : Premium on shares issued under ESOP	-	24.25
At the end of the year	2,406.16	2,406.16
<b>Employee Stock Options Outstanding Account (refer note 51)</b>	<b>21.98</b>	<b>11.07</b>
<b>General Reserve</b>	<b>138.86</b>	<b>138.86</b>
<b>Retained Earnings</b>		
At the commencement of the year	5,733.39	5,078.84
Add : Profit during the year	419.82	871.64
Add : Remeasurements of Net Defined Benefit Plans (Net of tax)	(0.75)	18.87
	6,152.46	5,969.35
Less : Appropriations :		
Dividend on Equity Shares	-	97.86
Interim Dividend on Equity Shares	-	97.86
Tax on Dividends	-	40.24
	-	235.96
At the end of the year	<b>6,152.46</b>	<b>5,733.39</b>
<b>Other Comprehensive Income</b>		
Foreign Currency Translation Reserve	(8.33)	(17.94)
<b>Total</b>	<b>9,508.35</b>	<b>8,637.51</b>

#### 19.1 Nature and purpose of Reserves

##### Capital Reserves on Consolidation

Capital Reserve on Consolidation represents the additional net assets received by the Parent pursuant to acquisition of 70% holding in SPS Processors Pvt. Ltd.

##### Capital Reserves

Capital reserve is utilised in accordance with provision of the Act.

##### Capital Redemption Reserve

Capital redemption reserve created during redemption of Preference Shares and it is a non-distributable reserve.

##### Securities Premium

Securities Premium has been created consequent to issue of shares at premium. These reserves can be utilised in accordance with Section 52 of the Companies Act, 2013.

##### General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes.

##### Retained Earnings

Retained earnings represents the amount of profits of the Group earned till date net of appropriation that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.

##### Foreign Currency Translation Reserve

The exchange differences arising from the translation of financial statements of foreign subsidiaries with functional currency other than the Indian rupee is recognised in other comprehensive income and is presented within equity.



## Notes to the Consolidated Financial Statements (Contd.)

### 20. Borrowings (Non-Current)

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Secured</b>		
Term loan from Banks	1,064.00	0.19
<b>Total</b>	<b>1,064.00</b>	<b>0.19</b>
Current Maturities of Long Term Borrowings (Refer Note 25)	-	0.71

#### 20.1 Nature of Security and terms of repayment for Long Term secured borrowings

##### Nature of security and terms of repayment for non-current secured borrowings

Term loan amounting to ₹ 1064 Million (P.Y.: ₹ Nil) is secured by:

First paripassu mortgage and charge on all the Parent Company's immovable properties (owned and/or leased) (except at those locations mentioned in Annexure given below), pertaining to the Parent Company, present and future, together with all structures and appurtenances thereon, present and future.

First paripassu charge by way of hypothecation on all the Parent Company's tangible movable assets (except at those locations mention security Annexure given below) including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future.

First paripassu charge by way of hypothecation on all the Parent Company's intangible assets, including but not limited to goodwill, uncalled capital, intellectual property rights and undertaking, present and future.

Second paripassu charge on all the Parent Company's current assets and receivables, including book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future.

First pari passu charge by way of equitable assignment of (i) all the rights, title, interest, benefits, claims and demands whatsoever of the Parent Company in Project Documents, duly acknowledged and consented to by relevant counter-parties to such Project Documents, all as amended, varied or supplemented from time to time; (ii) all the rights, title, interest, benefits, claims and demands whatsoever of the Parent Company in the clearances in respect of the Project; (iii) all the rights, title, interest, benefits, claims and demands whatsoever of the Parent Company in any letter of credit, guarantee (including contractor guarantees), performance bonds provided by any party under Project Documents, present and future; and (iv) all the rights, titles, interests, benefits, claims and demand whatsoever of Borrower in respect of insurance contracts /policies procured by the Parent Company or procured by any of its contractors favouring the Parent Company for the Project / Insurance Proceeds in respect of the Project, present and future.

First pari passu charge by way of hypothecation on DSRA and other reserves created by for the Project.

##### Annexure - Units Not offered as Security

Unit-I - Plot No. 110, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445.

Unit-II - Plot No. 123&124 & C-1-B/111-114, Phase-I, G.I.D.C., Vatva, Ahmedabad-382 445.

Unit-III - Plot No. 2102, Phase-III, G.I.D.C., Vatva, Ahmedabad-382 445.

Unit-IV - Plot No. 252,253 & C-1/254, Phase-II, G.I.D.C., Vatva, Ahmedabad-382 445

Unit VI - Plot No. 606, 607, G.I.D.C., Panoli, Nr. Ankleshwar, Dist. Bharuch, Gujarat.

Unit IX - Block No. 598/A, Village: Piludra, Ta. Jambusar, Dist. Bharuch, Gujarat.

Vehicle loan ₹ Nil (P.Y. ₹ 0.19 Million) is secured by Hire Purchase agreement for Vehicles and repayable in monthly instalments.

Term Loan is repayable in 23 quarterly instalments starting from June 2023. Last instalment due in December, 2028. Rate of interest 6.70%. (P.Y.Nil) p.a. at year end.



## Notes to the Consolidated Financial Statements (Contd.)

### 21. Provisions (Non-Current)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Provision for Gratuity (refer note 46 & 54(i))	37.88	1.37
<b>Total</b>	<b>37.88</b>	<b>1.37</b>

### 22. Deferred Tax Liabilities (Net)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Deferred Tax Liabilities</b>		
Property, Plant and Equipment	472.54	388.33
Others	-	2.96
Expense claimed for tax purpose on payment basis	3.75	(1.73)
Allowance for Doubtful Debts	(0.20)	(0.45)
Expenditure covered by section 35D of Income Tax Act, 1961	(3.26)	(6.51)
Employees Stock Options Outstanding	(0.27)	(4.05)
Fair Value of Forward Contracts	(0.17)	(2.31)
<b>Total</b>	<b>472.39</b>	<b>376.24</b>

### 23. Borrowings (Current)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
<b>Secured</b>		
Working Capital Loans from Banks	1,919.91	886.76
<b>Unsecured</b>		
Working Capital Loans from Banks	435.85	813.01
Loans From Directors	46.82	93.67
	2,402.58	1,793.44
Borrowing Bill Discounted (Secured)	1,065.91	771.05
<b>Total</b>	<b>3,468.49</b>	<b>2,564.49</b>

**23.1 Secured Loan :** Working Capital Loan from banks are secured by a first pari passu charge by way of hypothecation of inventories, book debts and bills drawn under letters of credit and confirmed contracts, stock received under LC, pledge of term deposits and collaterally secured by equitable mortgage of immovable property and hypothecation of P & M of Unit-7, Unit-8 and Unit-10 of the Parent Company.

Rate of interest is from 0.66% to 8.75% (P.Y. 1.44% to 9.50%)

## Notes to the Consolidated Financial Statements (Contd.)

### 24. Trade Payables

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
(a) Total outstanding dues of Micro Enterprises and Small Enterprises	108.59	32.85
(b) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	2,115.67	2,064.48
<b>Total</b>	<b>2,224.26</b>	<b>2,097.33</b>

24.1 Trade Payables include ₹ 30.02 Million (P.Y. : ₹ 47.97 Million) to related parties (refer note 44)

### 25. Other Financial Liabilities (Current)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Current Maturities of Long Term Debt	-	0.71
Trade Deposits	25.20	8.71
Unclaimed Dividends	3.36	3.35
Payable for Purchase of Property, Plant and Equipment	44.30	26.59
Derivative Liabilities	0.68	9.19
Other Payables	8.86	1.09
<b>Total</b>	<b>82.40</b>	<b>49.64</b>

25.1 Other Payables include interest payable and payable to employees.

### 26. Other Current Liabilities

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Advance Received from Customers	212.57	50.15
Statutory Liabilities	69.80	84.79
Other Liabilities	0.07	0.34
<b>Total</b>	<b>282.44</b>	<b>135.28</b>

26.1 Advance from Customers include ₹ 6.00 Million (P.Y. : ₹ Nil) to related parties (refer note 44)

26.2 Statutory liabilities represent amounts payable towards GST, TDS etc.

### 27. Provisions (Current)

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Provision for Gratuity (refer note 46 & 54(i))	13.08	-
Provision for Leave Encashment (refer note 46 & 54(i))	11.32	-
<b>Total</b>	<b>24.40</b>	<b>0.00</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 28. Income Tax Liabilities (Net)

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Income Tax Liabilities (Net)	17.86	95.94
<b>Total</b>	<b>17.86</b>	<b>95.94</b>

### 29. Revenue From Operations

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
<b>Sale of products</b>	<b>12,209.29</b>	<b>13,617.09</b>
<b>Other Operating Income</b>		
Export Incentives	45.08	109.88
Insurance claim for Goods Burnt	-	1.34
Scrap Sales	9.96	13.62
Other Operating Income	-	6.26
<b>Total</b>	<b>55.04</b>	<b>131.10</b>
<b>Total Revenue From Operations</b>	<b>12,264.33</b>	<b>13,748.19</b>

### 30. Other Income

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Interest Income		
On Deposits	3.18	2.89
On Others*	73.10	62.39
Profit on Sale of Current Investments (Net)	0.02	0.98
Fair Value Gain on Investments measured through profit or loss	32.44	-
Reversal of Allowance for Doubtful Debts	3.58	-
Profit on Sale of Property, Plant & Equipment (Net)	0.35	-
Dividend Income	1.48	0.67
Exchange Rate Difference (Net)	39.87	-
Other Income	5.32	37.05
<b>Total</b>	<b>159.34</b>	<b>103.98</b>

\* Other interest income includes interest income received from Inter Corporate Loan, Electricity Companies, etc.

### 31. Cost Of Materials Consumed

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Opening Stock	565.94	421.92
Addition due to acquisition of subsidiary (refer note 54(ii))	-	124.69
Add : Addition due to Acquisition of SCC (refer note 54(i))	27.45	-
Add: Purchases during the year	8,083.78	8,098.10
	<b>8,677.17</b>	<b>8,644.71</b>
Less : Closing Stock	1,039.58	565.94
<b>Total</b>	<b>7,637.59</b>	<b>8,078.77</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 32. Purchase of Stock in Trade

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Purchase of Stock in Trade	644.29	712.02
<b>Total</b>	<b>644.29</b>	<b>712.02</b>

### 33. Changes in Inventories of Finished Goods, Stock in Process & Stock in Trade

Particulars	(₹ in Million)	
	As at 31st March 2021	As at 31st March 2020
<b>Inventories at the end of the year</b>		
Finished Goods	713.57	553.48
Stock In Process	1,020.05	900.34
Stock - in Trade	137.20	62.68
<b>Total (A)</b>	<b>1,870.82</b>	<b>1,516.50</b>
<b>Inventories at the beginning of the year</b>		
Finished Goods	553.48	577.10
Stock In Process	900.34	973.94
Stock - in Trade	62.68	7.37
<b>Total (B)</b>	<b>1,516.50</b>	<b>1,558.41</b>
<b>Addition due to Acquisition of SCC (refer note 54(i))</b>		
Finished Goods	7.44	-
Stock In Process	14.57	-
<b>Total (C)</b>	<b>22.01</b>	<b>-</b>
<b>Changes in Inventories (B)+(C)-(A)</b>	<b>(332.31)</b>	<b>41.91</b>

### 34. Employee Benefit Expenses

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Salaries, Wages & Bonus	687.61	778.30
Contribution to Provident & Other Funds (refer note 46)	35.78	37.67
Employee Share Based Payments (refer note 51)	10.91	10.47
Staff Welfare Expenses	43.18	44.83
<b>Total</b>	<b>777.48</b>	<b>871.27</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 35. Finance Costs

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Bank Interest	69.31	111.83
Other Interest Expenses	73.99	49.34
Amortisation of Borrowing Cost	-	11.09
Other Borrowing Cost	23.18	18.00
<b>Total</b>	<b>166.48</b>	<b>190.26</b>

### 36. Depreciation and Amortisation Expense

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Depreciation on Tangible Assets	291.68	273.75
Amortisation of Right of Use of Assets	1.84	1.95
Amortisation on Intangible Assets	11.33	8.33
<b>Total</b>	<b>304.85</b>	<b>284.03</b>

### 37. Bad Debts Written Off

Bad Debts written off during the year ended 31st March 2021, being one-off item in the history of the Parent Company has been shown separately in the Statement of Profit and Loss.

### 38. Other Expenses

Particulars	(₹ in Million)	
	Year ended 31st March 2021	Year ended 31st March 2020
Stores Consumption	58.66	77.51
Power & Fuel Consumption	762.33	819.41
Repairs to		
Machinery	239.90	252.10
Building	58.73	35.16
Others	3.02	0.25
Pollution Control Expenses	238.52	214.46
Rent & Taxes	12.88	11.12
Labour Charges	295.61	328.18
Insurance Expenses	28.55	26.80
Corporate Social Responsibility Expenses	35.72	14.90
Directors' Sitting fees	0.72	0.58
Travelling & Vehicle Expense	22.26	43.34
Payment to Auditors	3.44	3.81
Legal & Professional Fees	83.53	73.54
Loss on Sale of Property, Plant & Equipment	1.51	3.38
Fair Value Loss on Investments measured through profit or loss	-	24.80
Exchange Rate Difference (Net)	37.60	89.60
Packing Material Consumption	147.16	165.69
Freight & Handling Charges	233.86	204.29
Advertisement & Business Promotion Expenses	12.50	19.52
Sales Commission	77.95	126.01
Bad Debts written off	1.32	-
Allowance for Doubtful Debts	-	19.32
Other Expenses	142.43	113.78
<b>Total</b>	<b>2,498.20</b>	<b>2,667.55</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 39. Fair Value Measurement

The carrying value of financial instrument classification by categories

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Financial Assets</b>		-
<b>Financial Assets measured at fair value through profit and loss</b>		
Investments in Quoted Equity Shares	63.04	30.60
<b>Financial Assets measured at amortised cost</b>		
Investments in Unquoted Equity Shares	1.37	1.34
Loans	49.34	64.09
Trade Receivables	4,676.72	4,541.60
Cash and Cash Equivalents	119.14	144.65
Other Bank Balances	43.72	50.41
Other Financial Assets	227.47	37.90
<b>Total Financial Assets</b>	<b>5,180.80</b>	<b>4,870.59</b>

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Financial Liabilities</b>		-
<b>Financial Liabilities measured at fair value through profit and loss</b>		
Derivative Liabilities	0.68	9.19
<b>Financial Liabilities measured at amortised cost</b>		
Borrowings	4,532.49	2,564.68
Lease Liability	4.39	8.00
Trade Payables	2,224.26	2,097.33
Other Financial Liabilities	81.72	40.45
<b>Total Financial Liabilities</b>	<b>6,843.54</b>	<b>4,719.65</b>

### Fair Value Hierarchy

(₹ in Million)

Financial Assets measured at fair value 31st March 2021	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
<b>Measured at fair value through profit or loss</b>				
Investments in quoted equity shares	63.04			63.04
<b>Financial Liabilities</b>				
Derivative Liabilities		0.68		0.68





## Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)				
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets measured at fair value 31st March 2020</b>				
<b>Financial Assets</b>				
<b>Measured at fair value through profit or loss</b>				
Investments in quoted equity shares	30.60			30.60
<b>Financial Liabilities</b>				
Derivative Liabilities		9.19		9.19

The Group has disclosed financial instruments such as cash and cash equivalents, other bank balances, trade receivables, loans, other financial assets, borrowings, trade payables and other financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs).

### Valuation technique used to determine fair value:

Specific valuation techniques used to value financial instruments include:

- ▶ the use of quoted market prices or dealer quotes for similar instruments
- ▶ the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- ▶ The fair value of investments in Mutual Fund Units is based on Net Asset Value ("NAV") as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet Date. NAV represents the price at which the issuer will issue further units of Mutual Fund and the price at which issuers will redeem such units from investors.

## 40. Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements

### Risk

#### Credit Risk

#### Liquidity Risk

#### Market Risk

- Foreign Exchange Risk
- Interest Rates
- Security Price

## Notes to the Consolidated Financial Statements (Contd.)

### A) Credit Risk Management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Group is making provision on trade receivables based on Expected Credit Loss Model (ECL) as below:

No. of Days for which amount is due	<=60 Days	61-120 Days	121-180 Days	181-360 Days	>360 Days
% of Provision	0%	0.25%	0.50%	0.75%	1%

#### Reconciliation of loss allowance provision

(₹ in Million)

Reconciliation of Loss Allowance	2020-21	2019-20
Opening Balance	9.69	4.92
Addition due to Acquisition of Subsidiary	-	2.00
(Reversal) / Recognition of loss allowance measured as per ECL	170.99	19.32
Write off Bad Debts	(174.57)	(16.55)
Closing Balance (As reported in Note 12)	6.11	9.69

### (B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability at all times.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Maturities of financial instruments as on 31-Mar-2021

(₹ in Million)

	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	-	64.41
Trade Receivables	4,676.72	-
Other Bank Balances	43.72	-
Loans	28.26	21.08
Other Financial Assets	7.75	219.72
<b>Financial Liabilities</b>		
Borrowings	3,468.49	1,064.00
Lease Liability	1.29	3.10
Trade Payables	2,224.26	-
Other Financial Liability	82.40	-



## Notes to the Consolidated Financial Statements (Contd.)

### Maturities of financial instruments as on 31st March 2020

(₹ in Million)

	Within 12 months	After 12 months
<b>Financial Assets</b>		
Investments	-	31.94
Trade Receivables	4,541.60	-
Other Bank Balances	50.41	-
Loans	48.10	15.99
Other Financial Assets	1.40	36.50
<b>Financial Liabilities</b>		
Borrowings	2,564.49	0.19
Lease Liability	5.55	2.45
Trade Payables	2,097.33	-
Other Financial Liability	49.64	-

### (C) Market Risk Management

#### i) Foreign Currency Risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, TL, RMB and TAKA. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

#### (A) Foreign currency risk exposure

(₹ in Million)

Particulars	As at 31st March 2021				
	USD	EUR	TL	RMB	TAKA
<b>Financial Assets</b>					
Trade Receivables	9.80	-	50.15	3.78	-
Cash & Cash Equivalents	-	-	4.40	0.35	3.52
Other Receivables	-	-	0.80	-	-
<b>Financial Liabilities</b>					
Trade Payables	4.73	0.00	4.50	0.09	-
Other Payables	-	-	0.12	-	-
Lease Liability	-	-	0.50	-	-
Borrowings	27.92	-	19.98	-	-
<b>Net Exposure</b>	<b>(22.85)</b>	<b>(0.00)</b>	<b>30.25</b>	<b>4.04</b>	<b>3.52</b>

Amount below ₹ 5,000 denoted as 0.00

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Particulars	As at 31st March 2020				
	USD	EUR	TL	RMB	TAKA
<b>Financial Assets</b>					
Trade Receivables	8.59	-	47.56	0.14	-
Cash & Cash Equivalents	-	-	0.86	0.05	1.30
Other Receivables	-	-	0.01	-	-
<b>Financial Liabilities</b>					
Trade Payables	4.53	0.03	0.27	0.03	-
Other Payables	-	-	0.09	-	-
Lease Liability	-	-	0.63	-	-
Borrowings	20.36	-	15.90	-	-
<b>Net Exposure</b>	<b>(16.30)</b>	<b>(0.03)</b>	<b>31.54</b>	<b>0.15</b>	<b>1.30</b>

### (B) Foreign currency forward contract outstanding as at the Balance Sheet date.

(₹ in Million)

	As at 31st March 2021		As at 31st March 2020	
	Sell	Buy	Sell	Buy
Forward contract USD	3.88	-	3.70	-

The forward contracts have been entered into to hedge the foreign currency risk on trade receivables and borrowings.

### (C) Sensitivity (+/-5%)

(₹ in Million)

Currency	2020-21			2019-20		
	Movement in Rate	Impact on PAT	Impact on Other Equity	Movement in Rate	Impact on PAT	Impact on Other Equity
USD	5.00%	(62.84)	(62.84)	5.00%	(43.22)	(43.22)
USD	-5.00%	62.84	62.84	-5.00%	43.22	43.22
EUR	5.00%	0.00	0.00	5.00%	(0.10)	(0.10)
EUR	-5.00%	0.00	0.00	-5.00%	0.10	0.10
TL	5.00%	10.03	10.03	5.00%	13.44	13.44
TL	-5.00%	(10.03)	(10.03)	-5.00%	(13.44)	(13.44)
RMB	5.00%	1.69	1.69	5.00%	0.06	0.06
RMB	-5.00%	(1.69)	(1.69)	-5.00%	(0.06)	(0.06)
TAKA	5.00%	0.11	0.11	5.00%	0.04	0.04
TAKA	-5.00%	(0.11)	(0.11)	-5.00%	(0.04)	(0.04)

### ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 31st March 2021 and 31st March 2020, the Group's borrowings at variable rate were mainly denominated in INR & USD.



## Notes to the Consolidated Financial Statements (Contd.)

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Variable Rate borrowings	4,485.67	2,470.82
Fixed Rate Borrowings	-	0.90

At the end of reporting period the Group had the following variable rate borrowings.

(₹ in Million)

Particulars	As at 31st March 2021			As at 31st March 2020		
	Average Interest Rate	Balance	%of Total Loan	Average Interest Rate	Balance	%of Total Loan
Cash Credit Facility	7.77%	15.30	0.34%	8.77%	402.62	16.29%
Short Term Financing Facility	11.36%	131.96	2.94%	12.92%	87.86	3.56%
Working Capital Loan Facility	6.98%	1,233.01	27.49%	8.33%	450.00	18.21%
Packing Credit Facility	1.37%	789.64	17.60%	3.13%	648.48	26.25%
Buyers Credit Facility	0.99%	185.85	4.14%	2.44%	110.81	4.48%
Bills Discounting Facility	1.37%	1,065.91	23.76%	3.13%	771.05	31.21%
Term Loan	6.70%	1,064.00	23.72%	-	-	0.00%
<b>Net Exposure</b>		<b>4,485.67</b>	<b>100.00%</b>		<b>2,470.82</b>	<b>100.00%</b>

### Sensitivity (+/- 1%)

(₹ in Million)

Particulars	Movement in Rate	As at 31st March 2021	As at 31st March 2020
Interest Rates	1.00%	33.57	18.49
Interest Rates	-1.00%	(33.57)	(18.49)

### iii) Security Price Risk

The Group's exposure to securities price risk arises from investments held by the Group and classified in the balance sheet at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group..

### Sensitivity (+/-5%)

(₹ in Million)

Particulars	Investment in Quoted Securities			
	As at 31st March 2021		As at 31st March 2020	
Increase/(decrease)	5%	-5%	5%	-5%
Impact on PAT	2.36	(2.36)	1.14	(1.14)

## Notes to the Consolidated Financial Statements (Contd.)

### 41. Capital Management

The Group's objectives when managing capital are to

- ▶ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- ▶ Maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests)

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Net Debt	4,413.35	2,420.03
Total Equity	9,799.08	9,378.66
<b>Debt-Equity Ratio</b>	<b>0.45</b>	<b>0.26</b>

### 42. Income Taxes

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Current Tax	126.93	276.50
Taxes of earlier years	(154.83)	3.01
Deferred Tax	184.07	(133.49)
<b>Total Tax Expenses (excluding deferred tax benefit on OCI)</b>	<b>156.17</b>	<b>146.02</b>

#### Reconciliation of tax expenses and the accounting profit multiplied by Tax Rate

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
Profit Before Tax	553.84	1,006.36
Statutory Tax Rate (%)	25.168%	25.168%
Tax at Statutory rate	<b>139.39</b>	<b>253.28</b>
Effect of income that is exempt from tax	(0.37)	(0.17)
Effect of expenses that are not deductible in determining taxable profit	16.97	17.58
Tax effect of Income not chargeable to tax in calculating taxable income	-	(0.73)
Effect of tax on special rate income	(4.39)	3.34
Effect of tax deduction under section 35AC, 35(i) (ii) & 80G, 80GGB	-	(1.04)
Effect of deferred tax balances due to change in income tax rate	0.00	(123.54)
Reversal of DTA on Amalgamation	146.23	-
Deferred Tax on other comprehensive income	(0.74)	(5.20)
Effect of Interest on Tax	-	0.04
Others	13.91	(0.55)
	<b>311.00</b>	<b>143.01</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(154.83)	3.01
Income tax expense recognised in profit or loss	<b>156.17</b>	<b>146.02</b>
<b>Effective Tax Rate</b>	<b>28.198%</b>	<b>14.510%</b>



## Notes to the Consolidated Financial Statements (Contd.)

Consequent to approval of Scheme of Amalgamation, the carried forward losses of Trion Chemicals Pvt. Ltd. ("Trion"), have been considered by the Parent Company. Accordingly, there is a reversal of current tax provision of the Parent Company, for earlier year of ₹ 144.57 Million and deferred tax asset of ₹ 146.23 Million of Trion. The effect of these reversals have been given during the year ended 31st March 2021.

### 42.1 Movement in deferred tax liabilities

(₹ in Million)

Particulars	As at April 1, 2020	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at March 31, 2021
<b>Deferred Tax Assets/(Liabilities)</b>				
Property, Plant and Equipment	(388.33)	(84.21)	-	(472.54)
Others	(2.96)	2.96	-	-
Fair Value of Forward Contracts	2.31	(2.14)	-	0.17
Expense claimed for tax purpose on payment basis	1.73	(4.76)	(0.72)	(3.75)
Expenditure covered by section 35D of Income Tax Act, 1961	6.51	(3.25)	-	3.26
Fair Value of Quoted Equity Shares and Mutual Fund	4.05	(3.78)	-	0.27
Allowance for Doubtful Debts	0.45	(0.25)	-	0.20
<b>Total</b>	<b>(376.24)</b>	<b>(95.43)</b>	<b>(0.72)</b>	<b>(472.39)</b>

### 42.2 Movement in deferred tax assets

(₹ in Million)

Particulars	As at April 1, 2020	Credit / (charge) in the Statement of Profit and Loss	Credit / (charge) in Other Comprehensive Income	As at March 31, 2021
<b>Deferred Tax Assets/(Liabilities)</b>				
Property, Plant and Equipment	(21.87)	28.03	-	6.16
Unabsorbed Depreciation & c/f loss	163.61	(111.46)	-	52.15
Impact of IND-AS 116	0.06	(0.06)	-	-
Others	1.02	(0.38)	-	0.64
Fair Value of Forward Contracts	-	-	-	-
Expense claimed for tax purpose on payment basis	0.11	0.06	(0.02)	0.15
Expenditure covered by section 35D of Income Tax Act, 1961	-	-	-	-
Unused Tax Credit	4.72	-	-	4.72
Expenditure covered by section 43B of Income Tax Act, 1961	0.29	0.18	-	0.47
Allowance for Doubtful Debts	5.56	(5.01)	-	0.55
<b>Total</b>	<b>153.50</b>	<b>(88.64)</b>	<b>(0.02)</b>	<b>64.84</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 43. Segment Information

The Group's primary segment is identified as business segment based on nature of products, risks, returns and the internal business reporting system and secondary segment is identified based on the geographical location of the customers as per IND AS 108 – 'Operating Segments'. The Group is principally engaged in a single business segment viz., "Dyes, Dyes Intermediates and Basic Chemicals".

The geographical segment has been considered for disclosure as secondary segment.

Two secondary segments have been identified based on the geographical locations of customers i.e. domestic and export. Information about geographical segments are as below.

#### 1. Information about Geographical Areas

(₹ in Million)

Particulars	2020-21			2019-20		
	Domestic Operations	External Operations	Total	Domestic Operations	External Operations	Total
Segment Revenue	8,511.32	3,753.01	12,264.33	8,603.65	5,144.54	13,748.19
Carrying Cost of Segment Assets	15,712.93	1,764.66	17,477.59	13,194.33	1,512.81	14,707.14

#### 2. Information about Major Customers

Particulars	2020-21	2019-20
Revenue from Top Customer	9%	6%
Revenue from Top 5 Customers	27%	23%

### 44. Related Party Transactions:

#### (a) List of Related Parties

##### I. Key Management Personnel (KMP)

1	Mr. Suresh J Patel	Chairman & Managing Director
2	Mr. Bhavin S. Patel	Executive Director
3	Mr. Ankit S. Patel	Executive Director
4	Mr. Mayur B. Padhya	Chief Financial Officer
5	Mr. Ashutosh B. Bhatt	Company Secretary
6	Mr. Nalin Kumar	Independent Director
7	Mrs. Neha Huddar	Independent Director
8	Mr. Sunil K. Mehta	Independent Director
9	Mr. Parin D. Shah	Independent Director (Upto 5th July 2019)
10	Mr. Kishorkumar Radadiya	Director (w.e.f 1st September 2019 & up to 29th February 2020)
11	Mr. Ramprasad Shrivastva	Independent Director (Upto 24th January 2021)
12	Mr. Mayank K. Mehta	Independent Director (w.e.f. 9th February 2021)
13	Mr. Rajarshi Ghosh	Director (w.e.f. 27th May 2020)



## Notes to the Consolidated Financial Statements (Contd.)

### II. Enterprise under significant influence of key management personnel (Enterprise)

1 Shanti Inorgo Chem (Guj.) Pvt. Ltd.

### III. Associate Concern (AC)

1 Plutoeco Enviro Association (w.e.f. 27th October 2020)

#### a) Transactions with related parties

(₹ in Million)			
Related party disclosure	Relationship	2020-2021	2019-2020
<b>Remuneration</b>			
Mr. Suresh J. Patel	KMP	16.20	16.20
Mr. Bhavin S. Patel	KMP	10.80	10.80
Mr. Ankit S. Patel	KMP	10.80	10.80
Mr. Rajarshi Ghosh	KMP	2.01	-
Mr. Kishorkumar Radadiya	KMP	-	1.66
Mr. Mayur B. Padhya	KMP	5.12	4.87
Mr. Ashutosh B. Bhatt	KMP	1.09	1.07
<b>Employees Stock Option</b>			
Mr. Mayur B. Padhya	KMP	-	0.76
Mr. Ashutosh B. Bhatt	KMP	-	0.14
<b>Director Commission</b>			
Mr. Suresh J. Patel	KMP	21.00	38.40
Mr. Bhavin S. Patel	KMP	13.50	27.50
Mr. Ankit S. Patel	KMP	13.50	27.50
<b>Directors' Sitting Fees</b>			
Mr. Nalin Kumar	KMP	0.20	0.18
Mrs. Neha Huddar	KMP	0.19	0.16
Mr. Sunil K. Mehta	KMP	0.20	0.16
Mr. Parin D. Shah	KMP	-	0.03
Mr. Ramprasad Shrivastva	KMP	0.10	0.05
Mr. Mayank Mehta	KMP	0.03	-
<b>Advance Given</b>			
Plutoeco Enviro Association	AC	1.58	-
<b>Loan Received</b>			
Mr. Suresh J. Patel	KMP	20.90	55.00
Mr. Bhavin S. Patel	KMP	0.60	12.20
Mr. Ankit S. Patel	KMP	0.60	128.50
<b>Loan Repaid</b>			
Mr. Suresh J. Patel	KMP	19.45	54.99
Mr. Bhavin S. Patel	KMP	0.64	12.49
Mr. Ankit S. Patel	KMP	0.61	129.24
<b>Advance Received</b>			
Plutoeco Enviro Association	AC	6.00	-
<b>Purchases of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	2.98	9.92

## Notes to the Consolidated Financial Statements (Contd.)

(₹ in Million)

Related party disclosure (Contd.)	Relationship	2020-2021	2019-2020
<b>Amortisation of Right of Use of Assets</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.10	0.30
<b>Interest Expense on Lease Liability</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.00	0.08
<b>Purchases of Property, Plant &amp; Equipment</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	52.54	-
<b>Dividend Paid</b>			
Mr. Suresh J. Patel	KMP	-	59.38
Mr. Bhavin S. Patel	KMP	-	16.79
Mr. Ankit S. Patel	KMP	-	11.62
Mr. Mayur B. Padhya	KMP	-	0.29
Mr. Ashutosh B. Bhatt	KMP	-	0.00
<b>Sales of Materials</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	12.90	38.26
<b>Related Party Balances as at the year end.</b>			
<b>Amount Payable</b>			
<b>As Unsecured Loan</b>			
Mr. Suresh J. Patel	KMP	1.63	0.19
Mr. Bhavin S. Patel	KMP	0.02	0.06
Mr. Ankit S. Patel	KMP	0.09	0.10
<b>As Advances Received</b>			
Plutoeco Enviro Association	AC	6.00	-
<b>As Trade Payables</b>			
Mr. Suresh J. Patel	KMP	12.52	16.63
Mr. Bhavin S. Patel	KMP	8.05	14.03
Mr. Ankit S. Patel	KMP	8.36	16.44
Mr. Rajarshi Ghosh	KMP	0.11	-
Mr. Kishorkumar Radadiya	KMP	-	0.15
Mr. Mayur B. Padhya	KMP	0.30	0.19
Mr. Ashutosh B. Bhatt	KMP	0.08	0.08
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	0.60	0.47
<b>As Investment</b>			
<b>As Equity shares</b>			
Plutoeco Enviro Association	AC	0.03	-
<b>Amounts Receivable</b>			
<b>As Trade Receivables</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.21	11.58
<b>As Capital Advance</b>			
Shanti Inorgo Chem (Guj.) Pvt. Ltd.	Enterprise	3.88	56.42
Plutoeco Enviro Association	AC	1.58	-

### Notes :-

- (i) No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.



## Notes to the Consolidated Financial Statements (Contd.)

### 45. Earnings per Share

Particulars	2020-21	2019-20
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ in Million)	419.82	871.64
Weighted average number of Equity Shares	122,330,165	122,188,765
Basic EPS (₹)	3.25	7.13
Diluted EPS (₹)	3.24	7.13
Nominal Value per Share (₹)	2	2

#### 45.1 Details used in calculation of Diluted EPS

Particulars	2020-21	2019-20
Net Profit/(Loss) after Tax as per statement of Profit and Loss (₹ in Million)	419.82	871.64
Nominal Value per Share (₹)	2	2
Weighted average number of Equity Shares used for Basic EPS	122,330,165	122,188,765
Share deemed to be issued in respect of employee options	219,334	-
Weighted average number of Equity Shares used for diluted EPS	122,549,499	122,188,765

#### Notes :-

For the year ended 31st March 2021, number of options (Equity Share Warrants\* & Employee Stock Options@) to purchase equity shares had an anti-dilutive effect.

\* Refer note 55

@ Refer note 51

### 46. Employee Benefits

Particulars	2020-21	2019-20
<b>Defined Contribution Plan</b>		
Employer's contribution to Provident Fund	27.25	25.56
Employer's contribution to E.S.I.C.	5.63	5.58

#### Defined Benefits Plan

**Gratuity:** The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of qualifying insurance policy.

The following table sets out the funded status of the gratuity plan and the amounts recognised in the Group's financial statements based on actuarial valuations being carried out as at 31st March 2021.

## Notes to the Consolidated Financial Statements (Contd.)

### Balance sheet disclosures

- (a) The amounts disclosed in the consolidated balance sheet and the movements in the defined benefit obligation over the year:

(₹ in Million)

Particulars	2020-21	2019-20
<b>Liability at the beginning of the year</b>	63.25	66.37
Addition due to acquisition of Subsidiary	-	2.75
Interest Costs	3.89	4.84
Current Service Costs	9.45	11.83
Benefits paid	(1.97)	(1.30)
Actuarial (Gain)/Loss on obligations due to change in		
- Demography	-	(0.04)
- Financials	0.79	(19.79)
- Experience	(4.57)	(1.41)
<b>Liability at the end of the year</b>	<b>70.84</b>	<b>63.25</b>

- (b) Movements in the fair value of plan assets

(₹ in Million)

Particulars	2020-21	2019-20
<b>Fair value of plan assets at the beginning of the year</b>	61.88	51.09
Addition on Amalgamation		-
Interest Income	4.34	4.08
Expected return on plan assets	(0.82)	(0.59)
Contributions	30.26	8.60
Benefits paid	(1.97)	(1.30)
<b>Fair value of plan assets at the end of the year</b>	<b>93.69</b>	<b>61.88</b>

- (c) Net liability disclosed above relates to

(₹ in Million)

Particulars	2020-21	2019-20
Fair value of plan assets at the end of the year	93.69	61.88
Liability as at the end of the year	70.84	63.25
<b>Net (Liability)/Asset</b>	<b>22.85</b>	<b>(1.37)</b>
Non-Current Portion	2.77	(1.37)
Current Portion	20.08	0.00

- (d) Balance Sheet Reconciliation

(₹ in Million)

Particulars	2020-21	2019-20
<b>Opening Net liability / (Asset)</b>	<b>1.37</b>	<b>15.28</b>
Addition due to acquisition of Subsidiary	-	2.75
-Expenses recognised in the statement of P&L	9.00	12.59
-Expenses recognised in the OCI	(2.96)	(20.65)
-Employer's Contribution	(30.26)	(8.60)
<b>Amount recognised in the Balance Sheet</b>	<b>(22.85)</b>	<b>1.37</b>



## Notes to the Consolidated Financial Statements (Contd.)

### Profit & Loss Disclosures

#### (a) Net interest Cost for Current period

(₹ in Million)

Particulars	2020-21	2019-20
Interest Cost	3.89	4.84
Interest Income	4.34	4.08
<b>Net interest Cost/(Income)</b>	<b>(0.45)</b>	<b>0.76</b>

#### (b) Expenses recognised in the profit & loss

(₹ in Million)

Particulars	2020-21	2019-20
Net Interest Cost	(0.45)	0.76
Current Service Costs	9.45	11.83
<b>Expenses recognised in the profit &amp; loss</b>	<b>9.00</b>	<b>12.59</b>

#### (c) Expenses recognised in the Other Comprehensive Income

(₹ in Million)

Particulars	2020-21	2019-20
<b>Remeasurement</b>		
Expected return on plan assets	0.82	0.59
Actuarial (Gain) or Loss	(3.78)	(21.24)
<b>Net (Income) / Expenses recognised in OCI</b>	<b>(2.96)</b>	<b>(20.65)</b>

### Sensitivity Analysis

(₹ in Million)

Particulars	2020-21	2019-20
<b>Projected Benefit obligation on current assumptions</b>		
<b>Data effect of change in Rate of</b>		
-Discounting by +0.5%	63.38	56.73
-Salary Increase by +0.5%	69.36	62.13
-Employee Turnover by +20%	67.06	60.07
<b>Data effect of change in Rate of</b>		
-Discounting by -0.5%	69.51	62.26
-Salary Increase by -0.5%	63.48	56.85
-Employee Turnover by -20%	65.52	58.60

### Significant Actuarial Assumptions

Particulars	2020-21	2019-20
Discount Rate	6.75%	6.85%
Salary Escalation	4.00%	4.00%
Attrition Rate	2%-10%	2%-10%

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

## Notes to the Consolidated Financial Statements (Contd.)

The rate used to discount other long term employee benefit obligation (both funded and unfunded) shall be determined by reference to market yield at the Balance Sheet date on high quality corporate bonds. In countries where there is no deep market in such bonds the market yields (at the Balance Sheet Date) on government bonds shall be used. The currency and term of the corporate bond or government bond shall be consistent with currency and estimated term of the post employment benefit obligation.

The estimated term of the Obligation is around 11.27 years (P.Y. 11.67 years). The yields on the government bonds as at the valuation date were 6.75% (P.Y. 6.85%).

### 47. Group Information

Sr. No.	Name of Company	Principal Place of Business	Effective proportion of Ownership Interest (%) (31st March 2021)	Effective proportion of Voting Power Held (%) (31st March 2021)
1	SPS Processors Pvt. Ltd. – Subsidiary	India	70.00%	70.00%
2	Bodal Chemicals Trading Pvt. Ltd.	India	100.00%	100.00%
3	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	China	100.00%	100.00%
4	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (w.e.f 8th August 2019)	Turkey	80.00%	80.00%
5	Bodal Bangla Ltd. (w.e.f. 22nd September 2019)	Bangladesh	100.00%	100.00%
6	Plutoeco Enviro Association (w.e.f. 27th October 2020)	India	25.00%	25.00%

Sr. No.	Name of Company	Principal Place of Business	Effective proportion of Ownership Interest (%) (31st March 2020)	Effective proportion of Voting Power Held (%) (31st March 2020)
1	SPS Processors Pvt. Ltd. – Subsidiary	India	70.00%	70.00%
2	Bodal Chemicals Trading Pvt. Ltd.	India	100.00%	100.00%
3	Bodal Chemicals Trading (Shijiazhuang) Co., Ltd.	China	100.00%	100.00%
4	Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd. (w.e.f 8th August 2019)	Turkey	80.00%	80.00%
5	Bodal Bangla Ltd. (w.e.f. 22nd September 2019)	Bangladesh	100.00%	100.00%

### 48. Contingent Liabilities and Commitments

(₹ in Million)

Particulars	As at 31st March 2021	As at 31st March 2020
<b>(a) Contingent Liabilities</b>		
<b>1) Disputed matters in appeals/contested in respect of:</b>		
i. Income Tax	69.94	69.93
ii. Excise	25.23	31.67
iii. Service Tax	-	3.42

Future cash outflows in respect of the above are determinable only on receipt of Judgments /decisions pending with various forums/authorities. Based on the decisions of the Appellate authorities and the interpretations of other relevant provisions, the Group has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.





## Notes to the Consolidated Financial Statements (Contd.)

<b>2) Letter of Credit issued by bankers and outstanding</b>	214.92	107.39
<b>(b) Commitments</b>		
i. Estimated amount of Contracts remaining to be executed on capital account and not provided for, net of advances.	208.25	26.09

### 49. Disclosure under Ind AS 116 'Leases'

(₹ in Million)

Particulars	2020-21	2019-20
Opening Balance	8.00	-
Lease Liabilities on account of adoption of Ind AS 116	-	1.36
Addition due to Business Combination	-	8.31
Finance Costs incurred during the year	0.48	0.76
Deletion of Right of Use Assets	(0.44)	-
Gain on termination of Lease Assets	(0.01)	-
Foreign Currency Translation Reserve	(1.87)	-
Net Payments of Lease Liabilities	(1.77)	(2.43)
Closing Balance	4.39	8.00

50. The COVID pandemic is unprecedented and has affected the operations as well as results of the Group. The manufacturing facility of the Group which was shut down in the last week of March 2020 due to countrywide lockdown, resumed operations in a phased manner from the 11th May 2020. The Group has taken adequate precautions for safety and well-being of its employees on resumption of its plant operations.

The Group has taken into consideration the impact of the known and external events arising from COVID-19 pandemic while preparing the financial statements / information and have considered wherever applicable the possible effects on the carrying amounts of financial and non-financial assets. However, the impact assessment of COVID -19 is an on-going process, given the uncertainties associated with its nature and duration, hence the same may differ from that estimated as at the date of approval of these financial statements in relation to the recoverable amounts of the assets including investments, loans and other receivables. The Group will continue to closely monitor any material changes to future economic conditions and the consequent impact on its business, if any.

Figures of the year ended 31st March 2020 are not comparable with the year ended, due to reason stated above.

### 51. Share Based Payments

- a) The Parent Company initiated the "ESOP 2017" for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Annual General Meeting held on 23rd September 2017. The Scheme covers eligible employees (except promoters or those belonging to the promoters' group, independent directors and directors who either by himself or through his relatives or through any body-corporate, directly or indirectly holds more than 10% of the outstanding Shares of the Parent Company). Under the Scheme, the Nomination and Remuneration Committee of directors of the Parent Company, administers the Scheme and grants stock options to eligible directors or employees of the Parent Company. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 1,000,000 options.

Option	Number of shares granted	Grant Date	Expiry Date	Exercise Price (₹)	Fair Value of the option (₹)
ESOP 2017 – II	162,900	21st May 2019	20th May 2021	50	68.09
ESOP 2017 - III	163,900	12th February 2020	12th February 2022	10	66.40

## Notes to the Consolidated Financial Statements (Contd.)

b) Compensation Expenses arising on account of the Share Based Payments

(₹ in Million)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Employee Share Based Payments (refer note 34)	10.91	10.47

The relevant details of the Scheme are as under:

Particulars	Grant II	Grant III
Date of Grant	21st May 2019	12th February 2020
Date of Board/NRC Approval	21th May 2019	12th February 2020
Date of Shareholders' Approval	23rd September 2017	23rd September 2017
No. of Options Granted	162,900	163,900
Method of Settlement	Equity	Equity
Vesting Period	1 Year	1 Year
Fair Value on the date of Grant (₹)	68.09	66.40
Exercise Period	1 Year	1 Year
Vesting Conditions	As per Policy approved by Shareholders	As per Policy approved by Shareholders

Set out below is a summary of options granted under the plan:

Particulars	Grant II	Grant III
Options Outstanding at the beginning of the year	162,900	163,900
Options granted during the year	-	-
Options exercised during the year	-	-
Options lapsed during the year	-	-
Options Outstanding at the end of the year	162,900	163,900

Particulars	Grant II	Grant III
Date of Grant	21st May 2019	12th February 2020
Stock Price at the date of grant (₹)	115.40	76.45
Exercise Price (₹)	50	10
Expected Volatility	42.83%	46.11%
Expected Life of the Option	1 Year	1 Year
Risk Free Interest Rate	7.30%	7.74%
Weighted average fair value of options granted during the year (₹)	68.09	66.40

## Notes to the Consolidated Financial Statements (Contd.)

### 52. Additional information, as required under Schedule III to the Companies Act, 2013 of enterprises Consolidated as Subsidiary / Associate

Name of Entities	Net Assets i.e. total assets minus total liabilities		Share in Profit / (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consolidated net assets	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)	As % of consolidated profit or loss	Amount (₹ in Million)
<b>Parent</b>								
Bodal Chemicals Ltd.	101.15%	9,865.30	121.50%	483.15	17.99%	2.13	118.50%	485.28
<b>Subsidiary</b>								
SPS Processors Pvt. Ltd.	-0.01%	(0.94)	-7.65%	(30.44)	1.86%	0.22	-7.38%	(30.22)
Bodal Chemicals Trading (Shijiazhuang) Co., Ltd	0.16%	15.95	3.02%	12.00	-41.30%	(4.89)	1.74%	7.11
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd.	1.72%	167.73	-17.26%	(68.63)	122.72%	14.53	-13.21%	(54.10)
Bodal Chemicals Trading Pvt. Ltd.	0.05%	4.88	0.03%	0.13	0.00%	-	0.03%	0.13
Bodal Bangla Ltd.	0.03%	3.02	-0.43%	(1.72)	-1.27%	(0.15)	-0.46%	(1.87)
<b>Associate</b>								
Pluto Eco Enviro Association	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Inter-company eliminations & Consolidation adjustments	-3.11%	(302.93)	0.80%	3.18	0.00%	-	0.78%	3.18
<b>Total</b>	<b>100.00%</b>	<b>9,753.01</b>	<b>100.00%</b>	<b>397.67</b>	<b>100.00%</b>	<b>11.84</b>	<b>100.00%</b>	<b>409.51</b>

53. Scheme of Amalgamation of Trion Chemicals Pvt. Ltd. (a wholly owned subsidiary) with the Parent Company had been approved by the Board of Directors of the Parent Company at their meeting held on 27th May 2020 (the "Scheme"), with effect from appointed date of 1st April 2019 (Appointed date). The Scheme has been approved by Hon'ble NCLT, Ahmedabad Bench vide its order dated 31st December 2020 and a copy of the said order was filed with the Registrar of the Companies (ROC) on 9th January 2021 (Effective Date).

### 54. Business Combinations

- (i) Pursuant to approval of the Board of Directors in its meeting held on 9th February 2021 and vide Business Transfer Agreement dated 9th February 2021, the Parent Company w.e.f. 31st March 2021, acquired the Chemical Unit known as 'Siel Chemical Complex (SCC)' of Mawana Sugars Ltd., located at Rajpura, Punjab, on a going concern basis at a lump sum consideration of ₹ 1,370 Million subject to adjustment of net working capital amounting to ₹114.44 Million related to said acquisition. The consideration was paid by the Parent Company partly till 31st March 2021 and the balance subsequent to the year end. The Parent Company is in the process of making the final determination of the fair value of the assets and liabilities acquired for the purpose of purchase price allocation. Pending, the final determination, the fair value of assets and liabilities acquired have been provisionally accounted for in accordance with Ind AS 103 "Business Combination".

Consequent to the acquisition of the SCC assets and liabilities as on 31st March 2021, the Balance Sheet as at 31st March 2021 is not comparable with previous period.

## Notes to the Consolidated Financial Statements (Contd.)

### Assets acquired and liabilities recognised at the date of acquisition

(₹ in Million)

<b>Non-Current Assets</b>	
Property, Plant & Equipment	1,368.35
Non-Current Financial Assets	167.87
Non-Current Assets	1.70
<b>Current Assets</b>	
Inventories	92.31
Trade Receivables	20.93
Cash & Cash Equivalents	24.90
Other Bank Balance	0.11
Loans	0.14
Other Current Financial Assets	7.03
Other Current Assets	10.75
<b>Total of Assets (A)</b>	<b>1,694.09</b>
<b>Non-Current Liabilities</b>	
Long-Term Provisions	37.88
<b>Current Liabilities</b>	
Trade Payables	90.12
Other Financial Liabilities	24.31
Other Current Liabilities	32.94
Short-Term Provisions	24.40
<b>Total of Liabilities (B)</b>	<b>209.65</b>
<b>Net Cash Outflow on acquisition (A) - (B)</b>	<b>1,484.44</b>

- (ii) During the previous year ended 31st March 2020, the Group had acquired 80% stake in Sen-er Boya Kimya Tekstil San.Tic. Ltd.(Sen-er) and Sen-er became subsidiary company of the Parent. The Parent Company had accounted for the said acquisition in its books as a business acquisition in terms of Ind AS 103 - 'Business Combinations'. Such Business Combination required that the assets and liabilities of Sen-er be accounted at fair value in the Consolidated Financial Statements at acquisition date. The acquisition date for the business combination was 9th August 2019 and accordingly, it had been accounted on the provisional fair values bases. During the current financial year, the Company has finalised the fair valuation of assets and liabilities which had been accounted on provisional basis in previous year. The determination of such fair value have been carried out by the independent agency appointed by the Parent. In accordance with the paragraph 49 of Ind AS 103 - "Business Combinations", the consolidated financial statements have been revised for the comparative year. The financial effect of the revision [increase/ (decrease)] to the figures in the Consolidated financial statements are given below:

(₹ in Million)

<b>Particulars</b>	<b>Year ended 31st March 2020</b>
Depreciation	5.83
Profit / (loss) Before Tax	(5.83)
Profit / (loss) After Tax	(5.83)
Total Comprehensive Income/(Loss)	(5.83)
Owners' profit/(loss)	(4.67)
Non-controlling Interest profit/(loss)	(1.17)



## Notes to the Consolidated Financial Statements (Contd.)

### Consolidated Statement of Assets and Liabilities

Particulars	(₹ in Million)
	Year ended 31st March 2020
Intangible Assets	81.67
Goodwill	(70.00)
Non-Controlling Interest	16.33
Other Equity	(4.67)

### Assets acquired and liabilities recognised at the date of acquisition

	(₹ in Million)
<b>Non-Current Assets</b>	
Property, Plant & Equipment	13.91
Intangible Assets	87.50
Non-Current Assets	1.31
<b>Current Assets</b>	
Inventories	124.69
Trade Receivables	371.64
Cash & Cash Equivalents	17.20
<b>Total of Assets (A)</b>	<b>616.25</b>
<b>Non-Current Liabilities</b>	
Non-Current Liabilities	7.37
<b>Current Liabilities</b>	
Trade Payables	163.61
Borrowings	40.80
Other Current Liabilities	84.77
<b>Total of Liabilities (B)</b>	<b>296.55</b>
<b>Net Cash Outflow on acquisition (A) - (B)</b>	<b>319.70</b>

### Non –controlling interests

The non – controlling interest (20% ownership interest in Sen-er) is recognised at the acquisition date and amounted to ₹ 63.94 Million.

	(₹ in Million)
<b>Goodwill arising on acquisition</b>	
Consideration transferred	317.94
Less: Fair Value of identifiable net assets acquired	255.76
<b>Goodwill arising on acquisition</b>	<b>62.18</b>

### 55. Money received against Share Warrants:

The Parent Company has not received the balance subscription amount of ₹ 1,293.8 Million from the Warrant Holders before the extended due date i.e. 11th February 2021. Hence, the balance lying with the Group as 'Upfront Warrants Subscription Account', being amounts paid towards 25% of the issue price of the warrants, amounting to ₹ 431.25 Million, stand forfeited in terms of Regulation 169 (3) of the SEBI (Issue of Capital and Disclosures Requirements) Regulations, upon non conversion of warrants into Equity shares by the warrant holders. The forfeited amount has been transferred to the Capital Reserve account.

## Notes to the Consolidated Financial Statements (Contd.)

- 56.** The Code on Social Security, 2020 and Code of wages, 2019 relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Codes have been published in the Gazette of India. However, the date on which the Codes will come into effect has not been notified. The Group will assess the impact of the Codes when it comes into effect and will record any related impact in the period the Codes become effective.
- 57.** Donation made to Political Party during the financial year 2020-21 under provisions of Section 182 of the Companies Act, 2013.

		(₹ in Million)	
<b>Name of Political Party</b>	<b>2020-21</b>	<b>2019-20</b>	
Bhartiya Janata Party	1.10	0.01	

For and on behalf of the Board of Directors

**Suresh J. Patel**  
Chairman & Managing Director  
DIN : 00007400

**Bhavin S. Patel**  
Executive Director  
DIN: 00030464

**Mayur B. Padhya**  
Chief Financial Officer

**Ashutosh B. Bhatt**  
Company Secretary

Ahmedabad  
June 24, 2021







**Bodal Chemicals Ltd.**  
COLOURS. INTEGRATION. INNOVATION.

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