

ANNUAL REPORT
&
ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 2022

DEEPAK INDUSTRIES LIMITED

Corporate Information

Shri Pradip Kumar Daga <i>Chairman cum Managing Director</i>	BOARD OF DIRECTORS
Shri Yashwant Kumar Daga <i>Vice Chairman cum Joint Managing Director</i>	
Shri Sujit Chakravorti	
Shri Anand Prasad Agarwalla	
Smt. Meera Dokania Shri G. A. Narayanan	
Shri Roshan Dave	COMPANY SECRETARY & COMPLIANCE OFFICER
Lodha & Co. <i>Chartered Accountants</i>	STATUTORY AUDITOR
State Bank of India UCO Bank	BANKERS
16, Hare Street 2 nd Floor, Kolkata - 700001 Ph. : (033) 2248-2391/2/3 Fax : (033) 2248-9382 Email : secretary@dil-india.com Website : www.dil-indiacom	REGISTERED OFFICE
Maheshwari Datamatics Pvt. Ltd. 25 R. N Mukherjee Road, 5th Floor, Kolkata-700001 Ph.: (033) 2248-2248, 2243-5029 E-mail: mdpldc@yahoo.com	SHARE TRANSFER AGENT
L63022WB1954PLC021638	CIN :

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DEEPAK INDUSTRIES LIMITED

REGD.OFFICE:16, HARE STREET, 2ND FLOOR, KOLKATA-700001

Phone (033) 2248-2391/2/3

E-mail : secretary@dil-india.com, Website : www.dil-india.com

CIN : L63022WB1954PLC021638

NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the members of “**DEEPAK INDUSTRIES LIMITED**” will be held on Monday the **08th August, 2022** at **3.30 P.M.** at its registered office -16, Hare Street, 2nd Floor, Kolkata-700001 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements and Reports of the Board of Directors and Auditors thereon:

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 with the reports of the Board of Directors’ and Auditors thereon.

2. Declaration of Dividend:

To declare a dividend of Rs. 10/- (Rupees Ten only) per equity share of ₹ 10/- each for the financial year ended 31st March, 2022.

3. Appointment of a Director:

To appoint a Director in place of Shri Yashwant Kumar Daga (DIN: 00040632), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

4. Re-appointment of M/s. Lodha & Co. Chartered Accountants (Firm Registration No. 301051E), as Statutory Auditors of the Company for a second term of five consecutive years and to fix their remuneration:

To consider and, if thought fit, to pass with the or without modifications, the following resolutions as an Ordinary Resolution:

RESOLVED THAT pursuant to section 139, 142 and other applicable provision of the Companies Act, read with the Companies (Audit and Auditors) Rules, 2014, **M/s. Lodha & Co.**, Chartered Accountants, (Firm Registration No. 301051E) Kolkata, be and is hereby re-appointed as the statutory auditors of the of the Company for a second term of 5 (five) consecutive years from the conclusion of the this Annual General Meeting until the conclusion of the 72nd Annual General Meeting to be held in the year 2027 at a remuneration of ₹ 11.00 lacs plus taxes as applicable and out of pocket expenses incurred in connection with the audit of the Company for the financial year ending on 31.03.2023 and further increments for the remaining tenure of the appointment, as may be recommended by Audit Committee and as may be mutually agreed

between the Board of Directors of the Company and the Statutory Auditors from time to time.”

SPECIAL BUSINESS:

5. Approval of remuneration to the Cost Auditor of the Company for the Financial Year 2022-23:

To consider and, if thought fit, to pass with the or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of ₹ 55,000/- (Rupees Fifty Thousand Only) per annum plus applicable taxes and out of pocket expenses actually incurred during the course of audit to M/s. SPK Associates, Cost Accountants (Registration No: 000040), Kolkata appointed as Cost Auditor, by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2022-23 be and is hereby approved .

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

6. To approve alteration in the Articles of Association of Company by inserting new clause 38(3) after existing clause 38(2):

To consider and, if thought fit, to pass with the or without modifications, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with the rules made thereunder, including any amendment (s), statutory modification(s) or re-enactment(s) thereof for the time being in force, the consent of the members be and is hereby accorded for alteration of Articles of Association of the Company by adding the following new clause no. 38 (3) after the existing Clause no. 38(2):

38(3).“If any member amongst the ‘promoters/ promoters group’ desires to part with or transfer, in any manner including transfer without consideration, its shareholding or any part thereof in the equity share capital of the Company to any person

including its family members who are not promoters, such member shall give first option to the other promoters group, who are enlisted in the immediately preceding Annual Return of the Company or as mentioned in filings done with the stock exchange (s) where shares of the Company is listed, SEBI, any other authorities etc., for the purchase of such shares at such rates as may be agreed to between the parties or decided upon by arbitration. The member desiring to part with or transfer its shares or any part thereof shall give to the other promoter member a written notice of such intention specifying the number of shares and the rate at which it is willing to sell the same and if the other Promoter within 30 days of the receipt of such notice, agrees, to such proposal for purchase of such shares, the member giving the notice shall be bound to sell and transfer such shares to the concerned member/members at the rate specified in such notice. If the other member(s) is/are willing to purchase the shares but considers the rate proposed to be too high or unacceptable, it shall within 30 days from the receipt of the notice, give written intimation to the party giving notice of its intention to purchase the shares and the question of rate shall be referred to arbitration of a sole arbitrator nominated by both the parties with mutual consent in accordance with the provisions of the Arbitration and Conciliation Act, 1996. The venue and Seat of Arbitration shall be Kolkata and the Courts of Kolkata shall have exclusive jurisdiction to the subject matter of dispute arising

out of or in connection to the same. If the party receiving a notice within 30 days of its receipt, fails to accept the proposal for purchase of the shares, the member giving the notice will be free to sell the shares to any other party but only at a rate not less than the rate specified in such notice.”

‘Promoter’ shall mean as defined under Section 2 (69) of the Companies Act, 2013 or as mentioned in filings done with the stock exchange (s) where shares of the Company is listed, SEBI, any other authorities etc.

“RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any Director(s) of the Company for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to do all acts, deeds, matters and things that may be necessary, expedient or incidental for the purpose of giving effect to this resolution and to settle any question or difficulty in connection herewith and incidental thereto.

By order of the Board

Place : Kolkata
Dated” 23.05.2022

For Deepak Industries Limited

Sd/-
Registered Office:
16, Hare Street
Kolkata-700001

Roshan Davve
Company Secretary
ACS: 27185

NOTES

- 1) ***A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. The proxy forms should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before commencement of the meeting.***

In terms of Rules 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint single person as proxy and such persons cannot act a proxy for any other person or shareholder.

- 2) A Statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating

to Special Business at the meeting, is annexed hereto.

- 3) The Equity Share Transfer Registers of the Company will remain closed from 02.08.2022 to 08.08.2022 (both days inclusive) for the purpose of Annual General Meeting.
- 4) Subject to the provisions of Section 123 of the Companies Act, 2013, dividend on Equity Shares for the financial year ended 31st March, 2022 as recommended by the Board, if declared, will be payable on or after 08th August, 2022 to those Members whose names appear on the Register of Members of the Company as on 08th July, 2022 or to their mandates. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership details to be furnished by NSDL and CDSL for the purpose.
- 5) Members are requested to note that dividends, if not encashed for a consecutive period of 7 (Seven) years from the date of transfer to Unpaid Dividend Account of the Company are liable to be transferred to the Investor Education and Protection Fund

- (IEPF). Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company within the stipulated timeline.
- It is in the Member's interest to claim any unencashed dividends for Electronic Clearing Service, so that dividends paid by the Company are credited to the Member's account on time.
- 6) Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 the company has uploaded details of unpaid and unclaimed dividend amounts lying with the Company as on 28th September, 2021 (the date of the last Annual General Meeting) on the website of the company www.dil-india.com and also on the website of the Ministry of corporate affairs
 - 7) Members who have not yet encashed the dividend from the financial year ended March 31, 2016 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agents. It may be noted that once the unclaimed dividend is transferred to IEPF as above, no claim shall rest with the Company in respect of such amount. The details of the unclaimed dividends are available on the Company's website at www.dil-india.com and Ministry of Corporate Affairs at www.mca.gov.in. Members are requested to contact Maheshwari Datamatics, 25, R N Mukherjee Road, 5th Floor, Kolkata-700001, email [id-mdpldc@yahoo.com](mailto:mdpldc@yahoo.com) the Registrar and Share Transfer Agents of the Company, to claim the unclaimed / unpaid dividends
 - 8) The Company's shares are enlisted with NSDL and CDSL for participation into Electronic Depository System operated by them. Its shares are compulsorily to be traded in Electronic Form and the security bears Code ISIN INE 485J01016.
 - 9) Members are requested to notify immediately any change of their address, if any, to the Company in case shares are held in physical form or to the DP's, where the account is maintained, if held in demat form
 - 10) As required by Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Directors seeking appointment or re-appointment at this Annual General Meeting are given in the annexure to the Notice of the Annual General Meeting.
 - 11) To comply with the provision of Section 88 of the Companies Act, 2013 read with Rule 3 of the Companies (Management and Administration) Rules 2014, the Company shall be required to update its database by incorporating members' designated e-mail ID in its records.
 - 12) Members are requested to quote folio numbers in all their correspondence. Equity Share of the Company are under compulsory Demat trading by all investors. Considering the advantage of scripts trading, members are encouraged to consider dematerialization of their shareholding so as to avoid inconvenience in future.
 - 13) Members/Proxies should bring the attendance slip duly filled in for attending the Meeting.
 - 14) Corporate members intending to send their authorized representative to attend the meeting are requested to send to the Company a certified copy of Board Resolution authorizing and deposited at the Registered Office of the Company or by email through its registered email address to drolipravin@yahoo.co.in with a copy marked to secretary@dil-india.com **not less than 48 hours** before commencement of the meeting for their representative to attend and vote on their behalf at the Meeting.
 - 15) **Registration of e-mail addresses**- Eligible members whose e-mail addresses are not registered with the Company / Depository Participants, are requested to provide the same to the Registrar and Transfer Agent by visiting this link - <http://mdpl.in/form>.
 - 16) In compliance with the MCA Circulars This AGM notice along with the Annual Report is sent only through electronic mode only to those Members whose e-mail addresses are registered with the Company/ Depository Participant (DP)/Depository/ Maheshwari Datamatics Private Limited (MDPL), the Company's Registrar & Transfer Agent (RTA). The AGM notice and Annual Report of the Company are made available on the Company's website at www.dil-india.com and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., CSE Limited - <https://www.cse-india.com>.
 - 17) Electronic copy of the Notice of this meeting inter alia indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purpose and hard copy of the same is being sent to the members whose e-mail IDs are not registered with the Company/Depository Participant(s) for communication purpose. Notice of the Annual General Meeting and the Annual Report for 2021-22 of the Company inter alia

indicating the process and manner of e-voting along with Attendance Slip and Proxy Form will also be available on Company's website at www.dil-india.com.

- 18) All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (11.00am to 1.00pm) on all working days except Saturdays, up to the date of the Annual General Meeting of the Company.
- 19) Members desiring any information as regard accounts are requested to intimate the company at least 7 working days before the meeting to enable the management to keep the information required readily available at the meeting.
- 20) As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form; the nomination form may be filed with the respective DP.
- 21) To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/ LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc). Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice.
- 22) **TDS on Dividend**
Effective April 1, 2020, dividend income will be taxable in the hands of shareholders. Hence the Company is required to deduct tax at source [TDS] from the amount of dividend paid to shareholders at the prescribed rates. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to secretary@dil-india.com on or before 08th August, 2022 (record date). Further no tax shall be deducted on the dividend payable to a resident individual shareholder if the total amount of dividend to be received from the Company during the Financial Year 2022-23 does

not exceed ₹ 5,000/-. Shareholders may note that in case PAN is not updated with the Depository Participant/Registrar of the Company, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e. tax treaty between India and their country of residence. Non-resident shareholders are required to provide details on applicability of beneficial tax rates and provide following documents:

- Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self-attested by the member.
- Copy of Tax Residency Certificate [TRC] for the FY 2022-23 obtained from the revenue authorities of country of tax residence duly attested by the member.
- Self Declaration in Form 10-F - No-PE [permanent establishment] certificate - Self Declaration of beneficial ownership by the non-resident shareholder
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities.

The members/shareholders are required to provide above documents/declarations by visiting the link of our Registrar and Share transfer Agent M/s. Maheshwari Datamatics Private Limited <https://mdpl.in/form> 08th August, 2022. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the provisions of the Income Tax Act, 1961.

- 23) **Updation of Members' details:** The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, E-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Maheshwari Datamatics Pvt. Ltd. its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.
- 24) Shri Pravin Kumar Drolia, Practicing Company Secretary (Membership No. FCS 2366 and Certificate of Practice No. 1362) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.

General Information and Instructions Relating to remote e-voting

VOTING THROUGH ELECTRONIC MEANS:

- a) In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, Regulation 44 of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is providing its members, the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services. The facility of casting votes by a member using remote e-voting as well as physical ballot will be provided by Company during the AGM.
- b) The remote e-voting period commences on 05th August, 2022 (9:00 am) and ends on 07th August 2022(5:00 pm). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, 01st August, 2022 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (i) Shareholders who have already voted prior to the meeting date would not be **entitled to vote at the meeting venue by physical ballot.**
- (ii) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on 'e-Voting facility provided by Listed Companies', e-Voting process has been enabled to all the Individual demat account holders by way of single login credential through their demat account(s) / websites of Depositories / Depository Participant(s) (DPs) in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.
- (iii) Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and **for Individual shareholders holding securities in Demat mode** is given below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting</p>

Type of shareholders	Login Method
	service provider website for casting your vote during the remote e-Voting period.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note:

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

(iv) Login method for e-Voting for Physical shareholders and shareholders other than individual holding in Demat form.

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

- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>(i) Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>(ii) Shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/ RTA.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>(iii) Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>(iv) If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</p>

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

"YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer or to the Company at the email address viz; droliapravin@yahoo.co.in or secretary@dil-india.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of email IDs for remote e-voting for the resolutions set out in this notice:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at secretary@dil-india.com /RTA email id at mdpldc@yahoo.com
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting through Depository.

If you have any queries or issues regarding remote e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

OTHER GUIDELINES

- i) Any person, who acquires shares of the Company and becomes a member of the Company after mailing of the Notice and is holding shares as on the cut off date, may obtain the login ID and password by sending an email to mdpldc@yahoo.com.
- ii) A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on cut off date only shall be entitled to avail the facility of remote e-voting or voting at the meeting.
- ii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542) or contact Shri Ravi Kumar Bhal, Compliance Officer, M/s. Maheshwari Datamatics Private Limited, 23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001, Telephone : (033)22435029, (033)22433809, (033) 22482248, **Mobile - 80170 58433, E-mail – mdpldc@yahoo.com.**

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No-4: Re-appointment of M/s. Lodha & Co. Chartered Accountants (Firm Registration No. 301051E), as Statutory Auditors of the Company for a second term of five consecutive years and to fix their remuneration:

At the 62nd AGM of the Company held in the year, 2017, the shareholders had approved the appointment of M/s. Lodha & Co. Chartered Accountants (Firm Registration No. 301051E), as Statutory Auditors of the Company, to hold office till the conclusion of the 67th Annual General Meeting to be held in the year 2022.

The Board of Directors at their meeting held on May 23, 2022, based on recommendations of the Audit Committee, have approved the re-appointment of **M/s. Lodha & Co.**, Chartered Accountants, as the Statutory Auditors of the Company for a term of 5 (five) years i.e. from the conclusion of this AGM till the conclusion of the Annual General Meeting to be held in the year 2027. The re-appointment is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), **M/s. Lodha & Co.**, Chartered Accountants, have provided their consent and eligibility certificate to that effect, their re-appointment, if made, would be in compliance with the applicable laws.

The remuneration to be paid to Statutory Auditors during the second term shall be ₹ 11.00 lacs plus taxes as applicable and out of pocket expenses incurred in connection with the audit of the Company for the financial year ending on 31.03.2023. The remuneration payable to the statutory auditor for the remaining period of the proposed re-appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be mutually agreed between the Board of Directors and Statutory Auditors, from time to time.

The Board recommends the passing of the resolution set out at Item No.4 of the accompanying Notice.

None of the Directors and/or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No.4 of the Notice.

Item No 5: Approval of remuneration to the Cost Auditor of the Company for the Financial Year 2022-23:

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on May 23, 2022, approved the appointment of M/s. SPK Associates, Cost Accountants (Registration No: 000040), Kolkata as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2022-23.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditor require approval by the Members of the Company. Accordingly, approval of the Members is sought as referred to in the Resolution at Item No.5 of the Notice for the payment of remuneration amounting to ₹ 55,000/- (Rupees Fifty Five Thousand only) per annum plus applicable taxes and out of pocket expenses actually incurred for Cost Audit for the financial year ending March 31, 2023.

The Board recommends the Resolution as set out in Item No. 5 of the Notice for approval of Members.

None of the Directors and/or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No.5 of the Notice.

Item No 6: To approve alteration in the Articles of Association of Company by inserting new clause 38(3) after existing clause 38(2):

It is desirable in the interest of the Company that shareholding of promoter group remains within the group and for the purpose an amendment to the articles of association is proposed by inserting clause 38(3) after the existing clause 38(2).

Pursuant to Section 14 of the Companies Act, 2013, members approval by way of passing of a Special Resolution is required for inserting new clause 38(3) after the existing clause 38(2) of the Articles of Association of the Company.

A copy of the Articles of Association of the Company would be available for inspection by the members at the Registered Office of the Company, Monday to Friday between 11.00 a.m. to 1.00 p.m., including and upto the date of Annual General Meeting.

Accordingly, the Board recommends passing of the Special Resolution in relation to Item No. 6 of the notice, for the approval by the shareholders of the Company.

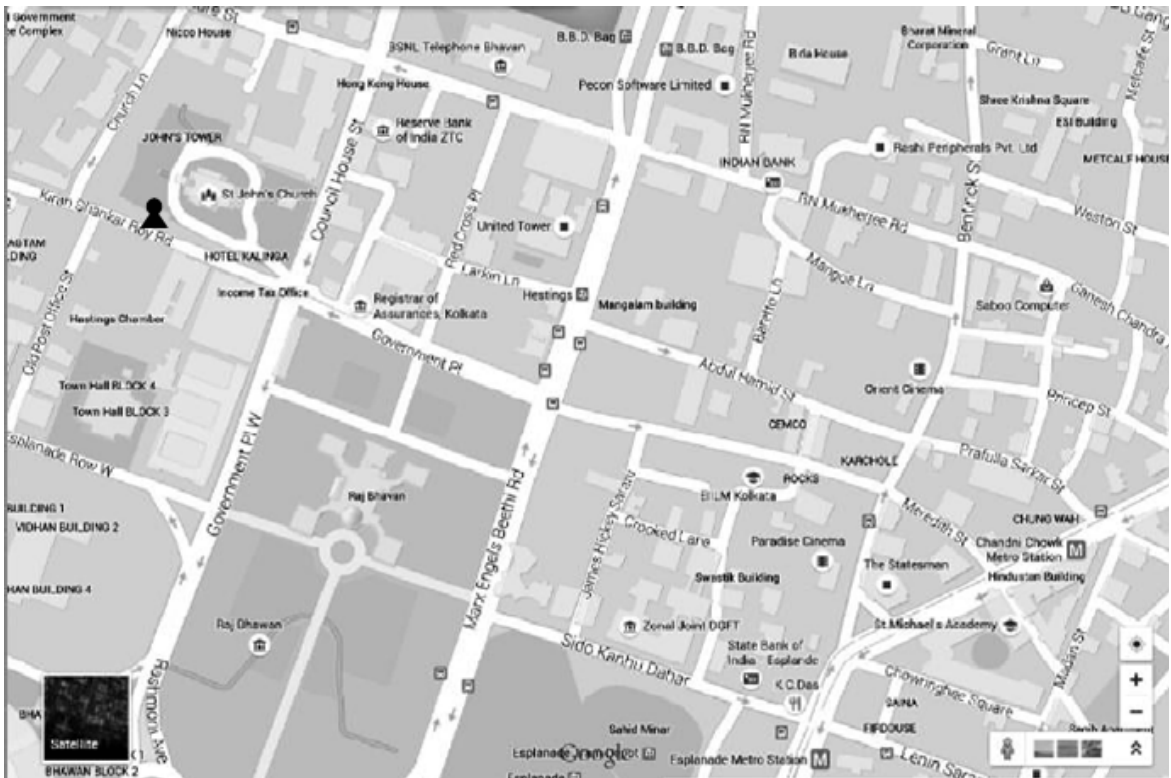
Except Mr. Pradip Kumar Daga and Mr. Yashwant Kumar Daga and their respective relatives, to the extent of their shareholding, if any, no other Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN THE 67th ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of The Director	Shri Yashwant Kumar Daga
DIN	00040632
Date of Birth/ Age	07/03/1961
Date of Appointment on the Board of the Company	15/11/2014
Qualification	B.com (Hons)
Nature of Expertise in Specific Functional Areas	Engineering, Solar and Hydro Power, Tea and Textile.
Number of Board Meetings attended during the year	5
List of Other listed Companies in which Directorship held	<ol style="list-style-type: none"> 1. Deepak Spineers Limited 2. Longview Tea Company Limited 3. Mint Investments Limited 4. Magadh Sugar & Energy Limited 5. HGI Industries Limited
Chairmanship/ Membership of the Committees of the Board of Directors of Other Companies in which he is a Director (only Audit Committee and Stakeholders Relationship Committee considered)	<ol style="list-style-type: none"> 1. Deepak Spineers Limited (Audit Committee- Member, Stakeholders Relationship Committee- Member) 2. Longview Tea Company Limited (Stakeholders Relationship Committee- Chairman) 3. Mint Investments Limited (Audit Committee- Member, Stakeholders Relationship Committee- Member) 4. Magadh Sugar & Energy Limited (Audit Committee-Member, Stakeholders Relationship Committee- Member) 5. HGI Industries Limited (Audit Committee - Member, Stakeholders Relationship Committee- Member)
Disclosure of Relationship between Directors inter-se and Key Managerial Personnel	Son of Shri Pradip Kumar Daga, CMD
Details of Shareholding, if any in the Company as on 31 st March, 2022	5,24,313
Terms and conditions of appointment / reappointment along with details of remuneration last drawn by such person	Terms and conditions of reappointment are as per Nomination and Remuneration Policy of the Company and shareholders resolution passed in the Extra-Ordinary General Meeting held on 28.09.2019. Remuneration drawn by him for the financial year 2021-22 was ₹ 156.68/- (Lacs).
List of entities from which the person has resigned in the past three years.	NIL

ROAD MAP TO THE VENUE OF 67TH AGM OF “DEEPAK INDUSTRIES LTD.”



DEEPAK INDUSTRIES LIMITED

Regd. Office : 16, Hare Street, 2nd Floor, Kolkata - 700001

Deepak Industries Limited

Reg. Office: 16, Hare Street, 2nd Floor, Kolkata-700001, CIN : L63022WB1954PLC021638

ATTENDANCE SLIP

Only Shareholders or the Proxies will be allowed to attend the meeting.

D.P. ID* Folio No.....

Client ID* Number of Shares held.....

I/ We hereby record my/our presence at the 67th Annual General meeting of the Company being held on Monday, the 08th August, 2022 at 3.30 P.M.

Signature of Shareholder: (1) (2) (3)

Signature of the Proxy holder:

*Applicable for investors holding shares in electronic form.

Note: Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue.

PROXY FORM- MGT-11

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2020]

Name of the member(s)	
Registered Address	
Email ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) of Equity shares of the above named Company, hereby appoint.

- Name..... Address.....
E-mail ID Signature or failing him.
- Name..... Address.....
E-mail ID Signature or failing him.
- Name..... Address.....
E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/ our behalf at the 67th Annual General Meeting of the Company as my/our proxy to attend and vote (on poll) for me /us and on my / our behalf at the 67th Annual General Meeting of the Company to be held at its Registered office of the Company at 16, Hare Street, 2nd Floor Kolkata - 700 001 on Monday, 08th August, 2022 at 3.30 PM and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	RESOLUTIONS	No. of Shares	I/We assent to the Resolution (FOR)	I /We dissent to the Resolution (AGAINST)
ORDINARY BUSINESS				
1.	To Consider and adopt Audited Financial Statements as on 31 st March, 2022 and, Reports of the Board of Directors and Auditors thereon.			
2.	To declare a dividend of Rs. 10/- (Rupees Ten only) per equity share of Rs. 10/- each for the financial year ended 31st March, 2022.			
3.	Appoint a Director in place of Shri Yashwant Kumar Daga (DIN: 00040632), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.			
4.	Re-appointment of M/s. Lodha & Co. Chartered Accountants (Firm Registration No. 301051E), as Statutory Auditors of the Company for a second term of five consecutive years and to fix their remuneration:			
SPECIAL BUSINESS				
5.	Approval of the remuneration of the Cost Auditor for Financial Year 2022-23			
6.	Approve of alteration in the Articles of Association of Company by inserting new clause 38(3) after existing clause 38(2)			

Signed this day of 2022

Signature of Shareholder :

Signature of the Proxy holder:

Affix
Revenue
Stamp

Note:

- This form of proxy in order to be effective should be completed and deposit at the Registered office of the Company, not less than 48 hours before the commencement of the meeting.**
- For the resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- It is optional to put a 'x' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Please complete all details including details of member(s) in above box before submission.

Directors' Report For the year ended 31st March, 2022

Dear Shareholders,

The Board of Directors of your Company have pleasure in presenting their **67th Annual Report** on the business and operations of the company together with Audited financial statement for the year ended 31st March, 2022.

FINANCIAL SUMMARY

(₹ In lacs)

Particulars	2021-22	2020-21
Revenue from Operation	63,369.73	42,756.27
Other Income	1,316.54	1,165.27
Profit / (Loss) Before Depreciation Financial Cost and Tax	14,321.04	10,169.97
Less : Financial Cost	585.06	741.54
Profit / (Loss) Before Depreciation	13,735.98	9,428.43
Less : Depreciation	2,598.95	2,008.04
Profit / (Loss) Before Taxation	11,137.03	7,420.39
Less : Taxation Expenses		
a) Current Tax	2,965.44	1,896.35
b) Deferred Tax	(134.12)	16.88
Profit After Taxation	8,305.71	5,507.16
Other Comprehensive Income		
i) Items that will not be classified to Profit and Loss Account	27.74	3.72
ii) Income Tax relating to items that will not be reclassified to Profit & Loss	(6.98)	(0.94)
Other Comprehensive Income for the year (Net of Tax)	20.76	2.78
Basic and Diluted Earnings Per Share (₹)	209.93	139.20
Paid up Share Capital	395.64	395.64
Other Equity	44,048.43	35,919.78
Total Equity	44,444.07	36,315.42

PERFORMANCE REVIEW:

The company has posted another good year of performance by achieving highest turnover and profits. The demand for the Company's products is stable in spite of Covid related lockdowns in the first quarter and challenges being faced in the supply chain.

The revenue from continuing operations for the Company for the year 2021-22 stood at ₹ 633.70 crore as against ₹ 427.56 crore in the previous year, reflecting a year of unprecedented changes brought about by the pandemic. The Company's profit before tax stood at ₹ 111.37 crore compared to ₹ 74.20 crore in 2020-.21 Profit after tax for the year was ₹ 83.06 crore as compared to ₹ 55.07 crore last year. The earnings per share for 2021-22 stood at ₹209.93 per share as compared to ₹ 139.20 per share in last year.

Generation from Solar Power plant was satisfactory.

There has been no change in the nature of business of the Company during the year.

There have been no material changes affecting the financial position of the Company during the year.

FUTURE EXPANSION

During the year your Company has acquired on a going concern basis M/s. Lotus Auto Engineering Limited (LAEL), manufacturing company as per the provisions of the Insolvency and Bankruptcy Code, 2016. Pursuant to this, the Company has invested ₹ 3,800 lakhs and the Equity share and Fully convertible secured Debenture of the Company have been issued on provisional basis by the liquidator. The matter of the closure of liquidation process is pending for approval from the Adjudicating Authority (AA). Therefore the said company has not been considered for consolidation during the financial year under review.

SHARE CAPITAL

During the year under review, there was no change in share capital of the Company .

DIVIDEND

You are aware of the consistent track record of dividend payment by your Company. In keeping with this trend, the Board of Directors is pleased to recommend a Final Dividend of ₹ 10/- per equity shares for the financial year 2021-22. The final dividend is subject to approval of the Shareholders at the ensuing Annual General Meeting of the Company. The final dividend once approved by

Directors' Report (Contd.)

Shareholders will be paid within the stipulated time subject to deduction of tax at source.

SUBSIDIARY & ASSOCIATES COMPANIES

The Company has no Subsidiary, Associates and Joint Venture as on 31st March, 2022.

ANNUAL RETURN:

As required under Section 92(3) of the Companies Act, 2013 and read with Rule 12(1) of the Companies (Management and Administration) Amendment rules, 2020, Annual Return for the financial year 2021-22 is available on the Company's website under investor relations tab at www.dil-india.com.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board consists of the Executive Directors, Non-Executive Directors (including Independent Directors). Pursuant to Section 150 and 152 of Companies Act, 2013 and Articles of Association of the Company, Shri Yashwant Kumar Daga (DIN 00040632), retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. The brief resume and other details as required under the Listing Regulations are provided in the Notice of the 67th Annual General Meeting.

Shri Ganapathy Anantha Narayanan (DIN 09491346), was appointed as an Additional Director by Board of Directors in their meeting held on 12.02.2022 for terms of five consecutive years and was confirmed as Independent Non-Executive Director of the Company by the shareholders through postal ballot on 8th April 2022.

Further, designation of Smt. Meera Dokania (Din: 07094376) has changed from Non-Executive Independent Director to Non-Executive Non-Independent Director w.e.f. May 23, 2022.

During the year, the Company had 4 Key Managerial Personnel, being Shri Pradip Kumar Daga, Chairman cum Managing Director, Shri Yashwant Kumar Daga, Vice Chairman cum joint Managing Director, Shri Maneesh Khanna, CFO, and Shri Roshan Davve Company Secretary.

Statement on declaration given by Independent Directors
Declarations have been received from all Independent Directors confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, and the Listing Regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board has carried out an annual evaluation of

its own performance, the Directors individually as well as the evaluation of the working of various Committees. The Independent Directors also carried out the evaluation of the Chairman and the Non-Independent Directors, the details of which are covered in the Corporate Governance Report.

Induction and training of Board members

The process followed by the Company for induction and training to Board members has been explained in the corporate Governance Report.

DIRECTORS RESPONSIBILITY STATEMENT

As required by Section 134(3)(c) of the Companies Act, 2013 your Directors state that

- a) In the preparation of the Annual Accounts for the year ended 31st March, 2022, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- b) The Accounting Policies adopted in the preparation of the annual accounts have been applied consistently except as otherwise stated in the Notes to Financial Statements and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2021-22 and of the profit for the year ended 31st March, 2022
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts for the year ended 31st March, 2022, have been prepared on a going Concern basis.
- e) That proper internal financial control was in place and that the financial controls were adequate and were operating effectively.
- f) That system to ensure compliance with the provisions of all applicable laws was in place and were adequate and operating effectively.

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

Pursuant to provisions of Section 178 of Companies Act, 2013 and pursuant to Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company, based on the recommendation of the Nomination and Remuneration Committee, has formulated a Remuneration Policy.

Directors' Report (Contd.)

The criteria for identification of the Board Member including that for determining the qualification, positive attributes, independence etc. are summarily given hereunder

- a) The Board Members shall possess appropriate skills, qualification, characteristics and experience. The objective is to have a Board with diverse background and experience in business, government, academics, technology, human resources, social responsibilities, finance, law etc. and in such other area as may be considered relevant or desirable to conduct the Company's business in a holistic manner.
- b) Independent directors shall be persons of integrity and possess expertise and experience and/or someone who the Committee/Board believes could contribute to the growth/philosophy/ strategy of the Company.
- c) In evaluating the suitability of Individual Board Members, the Committee takes into account many factors, including General Understanding of the Company's business dynamics, Global business, Social Perspective, Educational and Professional Background and Personal Achievements.
- d) Directors should possess high level of personal and professional ethics, integrity and values. Each should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituent.
- e) Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- f) The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.

TRANSFER TO RESERVE

No amount is proposed to be transferred to General Reserve.

DEPOSITS

The Company has neither accepted nor renewed any deposits during the year under review.

AUDITORS

STATUTORY AUDIT

M/s. Lodha & Co., Chartered Accountants, were appointed as the Statutory Auditor of the Company in its Annual General Meeting held on 10th August, 2017 in terms of Section 139 of the Companies Act, 2013 till the conclusion of Annual General Meeting to be held in 2022.

M/s. Lodha & Co., Chartered Accountants are eligible to be re-appointed for a further term of 5 (five) consecutive years, in terms of provisions of Sections 139 and 141 of the Act.

Accordingly, the Board of Directors of the Company at their meeting held on May 23, 2022 on the recommendation of the Audit Committee and subject to the approval of the shareholders of the Company at the ensuing AGM, have approved the re-appointment of **M/s. Lodha & Co.**, Chartered Accountants (Firm Registration No. 301051E), as the Statutory Auditors, for a further period of 5 (five) years from the conclusion of the this AGM.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Act and Rules issued thereunder, from **M/s. Lodha & Co.**, Chartered Accountants (Firm Registration No. 301051E), They have confirmed to hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

The Auditors have issued an unmodified opinion on the Financial Statements, for the financial year ended March 31, 2022. The said Auditors' Report(s) for the financial year ended March 31, 2022 on the financial statements of the Company forms part of this Annual Report.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri Pravin Kumar Drolia a Company Secretaries in Practice, Kolkata, to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Auditor has submitted an unqualified Secretarial Audit Report for the Financial year 2021-22. The Report of the Secretarial Audit is annexed herewith as "**Annexure B**".

COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 the Board of Directors on the recommendation of the Audit Committee appointed **M/s SPK Associates**, Cost Accountants (ICWAI Firm's Registration no. 000040), Cost

Directors' Report (Contd.)

Accountant, Kolkata, as the Cost Auditor of the Company for the year under review relating to manufacturing activities by the Company. The remuneration proposed to be paid to the Cost Auditor requires ratification of the shareholders of the Company. In view of this, your ratification for payment of remuneration to the Cost Auditor is being sought at the ensuing Annual General Meeting.

A certificate from **M/s SPK Associates** Cost Accountant has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limit specified under Section 141 of the Act and Rules framed thereunder.

The Audit Committee has also received a Certificate from the Cost Auditor for their independence and arm's length relationship with the Company.

The Company submits its Cost Audit Report with the Ministry of Corporate Affairs within the stipulated time period.

FINANCE

The present bankers of the Company are State Bank of India, and UCO Bank providing credit facilities to the Company. The Directors express their appreciation for the assistance and co-operation provided by them.

CREDIT RATING

The Company continues to have the domestic credit rating of long-term rating at [ICRA]AA- (pronounced ICRA double A minus) ("Rating"). The Rating Committee of ICRA, after due consideration has also reaffirmed the short-term rating at [ICRA] A1+ (pronounced ICRA A one plus). The outlook on the long-term rating has been revised to Positive from Stable from ICRA as per letter dated April 18, 2022.

INSURANCE

Adequate insurance cover has been taken for properties of the Company including Buildings, Plant and Machineries and Stocks against fire, and other risks as considered necessary.

INTERNAL CONTROL SYSTEMS AND AUDIT

Responsibility for the Internal Control system lies with the Board of Directors as a whole, which establishes policies and periodically verifies its adequacy and effective functioning. The internal control system is first of all a "management" tool, in that it is useful and necessary for the Board of Directors, Executive Directors and managers in general for correctly and effectively performing the tasks assigned them. The internal control system permits monitoring of compliance with the rules and procedures governing performance of all the Company's business activities.

Your Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. The Systems have been laid to ensure that all transactions are executed in accordance with management's general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with terms of employment or except as specifically permitted.

Your Company has appointed an Internal Auditor as Independent Auditor who directly reports to Audit Committee of the Board. An Internal Auditor constantly evaluates the risk management and Internal Control system and also suggests the ways to improve the same. The Report of the Internal Auditor facilitates to take corrective action in respective areas and thereby strengthens the controls.

ENVIRONMENT

The Company is conscious of clean environment and safety operations. It ensures safety of all concerned, compliance with environmental regulations and preservation of natural resources.

DISCLOSURE OF PARTICULARS WITH REGARD TO CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGES AND OUTGO

The particulars as prescribed under sub-section (3) of the Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are given at "**Annexure A**" to the Directors' Report.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

The details of the number of meetings of the Board held during the financial year 2021-22 forms part of the Corporate Governance Report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS

No significant and material order passed by the regulators, courts, tribunal impacting the going concern status and company's operations in future.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has framed a Vigil Mechanism/Whistle Blower Policy to deal with unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, if any. The Vigil Mechanism/Whistle Blower Policy has also been uploaded on the website of the Company www.dil-india.com

Directors' Report (Contd.)

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

Your Company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. Your company has put in place a "Policy on Prevention of Sexual Harassment" as per the Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013. The said policy is available on your Company's website www.dil-india.com and a link to the said policy has been provided. No cases have been filed under the act as the company is keeping the working environment healthy.

POLICY ON MATERIALITY OF AND DEALING WITH THE RELATED TRANSACTIONS

The Company's Policy on Materiality of and Dealing with Related Party Transactions' was reviewed and revised on 23rd May, 2022 to bring it in conformity with the Listing Regulations. The said policy may be referred to at the Company's website at : www.dil-india.com.

RISK MANAGEMENT POLICY

Several factors such as advancement in technology, prevalent geo-political environment, stringent regulatory and environmental requirements have consequential impacts across the value chain of a business. The Company has an efficient Risk Management framework to identify and evaluate business risks and opportunities. The Audit Committee has been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures. On the recommendations of Audit Committee, Board of Directors has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. The Company has adequate internal control systems and procedures to combat risks. The risk management procedures are reviewed by the Audit Committee and the Board of Directors on a quarterly basis at the time of review of the quarterly financial results of the Company.

NOMINATION AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for the selection and appointment of Directors KMP Senior Management Personnel and their remuneration. The extract of Company's Remuneration Policy are attached as 'Annexure-C' and forms part of this report of the Board of Directors. The Remuneration Policy is also posted on the Company's website and may be accessed at the link: www.dil-india.com.

OTHER POLICIES

Pursuant to the requirement of Listing Regulations, the Board of Directors has adopted a Policy for Preservation

of Documents, Archival Policy and Policy for determining Materiality of Events/ Information. The said policy may be referred to at the Company's website at www.dil-india.com.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

1. Audit Committee.
2. Nomination and Remuneration Committee.
3. Stakeholders' Relationship Committee.
4. Corporate Social Responsibility Committee.

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company's social initiatives empower society at a large and provide a holistic growth platform. The Company believes that Corporate Social Responsibility (CSR) projects undertaken by it should be sustainable with the long-term purpose of improving the quality of living for the less privileged. The funds on CSR projects / activities are spent very carefully to ensure that the desired objectives are achieved.

The Board of Directors of the Company has approved a Corporate Social Responsibility (CSR) Policy based on the recommendation of the CSR Committee. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure-D**.

The Board of Directors has formed a committee on CSR in accordance with the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee, number and dates of meetings held, composition and attendance of the Directors during the financial year ended 31st March, 2022 are given separately in the Corporate Governance Report.

The CSR policy of the Company is available on the Company's website and can be accessed at

<http://www.dil-india.com/investors/CSR%20POLICY%20DIL.pdf>.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

Directors' Report (Contd.)

The Board of Directors and the designated employees have confirmed compliance with the Code. The policy on Prevention of Insider Trading as approved by the Board is uploaded on the Company's website www.dil-india.com.

RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Your Directors draw attention of the members to **Note 40 to the Notes on Accounts to the Financial Statement** which sets out related party disclosures.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted along with a statement giving details of all related party transactions is placed before the Audit Committee.

The policy on Related Party Transactions is uploaded on the Company's website www.dil-india.com

None of the Directors has any pecuniary relationship or transaction vis-à-vis the Company except the salary and professional services at arm's length basis.

Shri Anand Prasad Agarwalla, Independent Director of the Company is a solicitor and advocate and he provides legal professional services to the Company time to time as required by the Company. The transaction with the said director and his advocate son for legal services are on arm's length basis and in the ordinary course of business.

Shri Yashwant Kumar Daga, VCJMD of the Company who is one of the promoter of the Company and holds more than 10% share in the company has been paid remuneration during the year ₹ **156.68/- lakhs**.

RISK MANAGEMENT

The Company has laid down the procedures to inform to the Board about the risk assessment and minimization procedures, which shall be responsible for framing, implementing and monitoring the risk management plan of the company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of Loans, Guarantees and Investment covered under the provision of section 186 of the Companies Act,

2013 is given in the Financial Statement forming part of the Annual Report.

REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a Report on Corporate Governance together with Practicing Company Secretary Certificate regarding Compliance of Conditions of Corporate Governance are attached as "**Annexure-E**", forming parts of this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In accordance with Regulation 34 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 a Management Discussion and Analysis Report is attached as "**Annexure-F**" forming part of this report.

BUSINESS RESPONSIBILITY REPORT

In terms of SEBI (LODR) Regulations 2015, Top 1000 listed entities are required to submit as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, Social and Corporate perspective. Your Company does not fall under this Category. However, BR Report on environment, human resources and principle wise performance in short forms part of the Management discussion and analysis report.

DIVIDEND DISTRIBUTION POLICY:

In accordance with the Regulation 43A of the Listing Regulations the Company does not fall under this category.

SEPARATE MEETING OF INDEPENDENT DIRECTOR:

In terms of requirement of Schedule IV of the Companies Act, 2013, the Independent Director had a separate meeting on 12th February, 2022, without attendance of Non-Independent Director and Members of Management all of Independent Director were present at the separate meeting.

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

Disclosure pertaining to remuneration and other details as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as **Annexure – G** which is annexed hereto and forms part of the Directors' Report. Directors of your company for the year ended 31st March, 2022.

The information required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of

Directors' Report (Contd.)

this report is given in separate annexure to this Report. The said annexure is not being sent along with this Report to the Members of the Company in line with the provisions of Section 136 of the Companies Act, 2013. Any member interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

INVESTOR EDUCATION AND PROTECTION FUND

The company was and is not required to transfer any amount to such Fund.

KEY FINANCIAL RATIOS

Key Financial Ratios for the financial year ended 31st March, 2022, are provided in the Management Discussion and Analysis Report given in "Annexure – F", which is annexed hereto and forms a part of the Board's Report.

GREEN INITIATIVES

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

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

Pursuant to the MCA Circulars and SEBI Circulars, in view of the prevailing situation of the Pandemic, owing to the difficulties involved in dispatching of the physical copies of the Notice of the 67th AGM and the Annual Report of the Company for the financial year ended 31st March, 2022 including therein the Audited Financial Statements for the year 2021-2022, the afore-mentioned documents are being sent only by email to the Members.

APPRECIATION

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-ordination received from Banks for continued enthusiasm, total commitment, dedication and efforts of the executives and employees of the Company at all levels, who contributed to the efficient operation and management of the Company. We are also deeply grateful for the continued confidence and faith reposed on us by the shareholders.

By order of the Board
For Deepak Industries Limited

Pradip Kumar Daga
*Chairman cum Managing
Director*
DIN 00040692

Yashwant Kumar Daga
*Vice-Chairman-cum-
Joint Managing Director*
DIN 00040632

Sujit Chakravorti
Director
DIN 00066344

Registered Office :

16, Hare Street 2nd Floor
Kolkata – 700 001
Dated, 23rd day of May, 2022

Anand Prasad Agarwalla
Director
DIN 00312652

Meera Dokania
Director
DIN 07094376

G A Narayanan
Director
DIN 09491346

Annexure - 'A' to the Director's Report

Energy Conservation activities at Fbd. Plant (P-1) during the year 2021-22

- 1 Maintained near Unity power factor of Electricity Board power supply.
- 2 Minimize the air leakage in shop floor by continuous monitoring and rectification of air leakages.
- 3 Provided Led Tube lights (2 X 18 watt)- 50 Nos.in place T-5 (2 X 28 watt) light fittings.
- 4 Provided LED Overhead lights -80 Watt-30 nos. in place of 250 Watt light.
- 5 Provided LED panel light 30 watt - 20 nos. in place of 96 watt T5 lights.
- 6 Provided 5-star rating ,inverter type air conditioner in place of 3-star rating air condition in admn. Block.
- 7 Provided energy saving blow gun nozzles and air gauge unit
- 8 Provided VFD in Electrical panels of Hobbing machine H-400-I, Simputensli Chemfering machine, LS-200 Gear Shaper-II, LS-200 Gear Shaper-III,LS-200 Gear Shaper -VI, WS-I Gear Shaper -XII for Energy saving.

Energy `Conservation activities at Rudrapur Plant (P-2) during the year 2021-22

- 1 Maintained Unity power factor of Electricity Board power supply.
- 2 provided single fan motor(2.2 Kw) for Blower Fan of Furnaces Preheating 1 & Tempering 1 in place of 02 individual motor (2.2KW×2).
- 3 Reduce the compressed air pressure Loading hrs by provided air booster for high pressure machine i.e. Rotary Furnace.
- 4 Provided IE-3 Energy efficient motors -7.5 HP -01 nos. for water drainage system.
- 5 Provided 40 watt LED Lights lights -15 nos for QA & Rolling section.
- 6 Provided Automatic coolant mixing system for Grinding machines & turning machine
- 7 Provided 5-star rating air conditioner in place of 3-star rating air condition in admn. Block.
- 8 Minimize the air leakage in shop floor by continuous monitoring and rectification of air leakages.
- 9 provided single fan motor(2.2 Kw) for Blower Fan of Furnaces Preheating 3 & Tempering 3 in place of 02 individual motor (2.2KW×2).

Energy `Conservation activities at Baghola Plant (P-3) during the year 2021-2022

- 1 Maintained Unity power factor of Electricity Board power supply.
- 2 Provided IE-3 Energy efficient motors -25 HP -01 no. on Exhaust ducting of CGCF
- 3 Provided 36 Watt LED Lights street lights -16 nos.
- 4 Provided 06 nos. oil spinning system on Hobbing and grinding machines.
- 5 Provided IE-3 Energy efficient motors -5 HP -02 nos. on Blower of STP.

B) Technology absorption

i) The Efforts Made Towards Technology Absorption;

Company had introduced following technologies in last few years to improve the product quality & productivity with reduction in operator fatigue & consumable cost -

Production side:

1. CNC Gear Hobbing Machine with Automation
2. CNC Gear Shaping Machine with Automation
3. CNC Vertical Milling Center
4. CNC Drill Tap Center
5. CNC Gear Tooth Rounding
6. CNC Duck Chamfering with Automation
7. NC Gear Tooth Edge Chamfering
8. CNC Gear Shaving with Automation
9. NC Swaging

Annexure - 'A' to the Director's Report (Contd.)

10. Hydro-Pneumatic Press
11. Dot Pin Marking
12. Laser Marking
13. SQF PNG heated with Allied Equipment
14. Endo Gas Generator PNG heated
15. CGCF with Robots Automation for Press Quench part
16. Hanger Type Shot blasting
17. Auto Straitening of Shafts
18. Shot Peening
19. CNC Bore Grinder
20. CNC Lath for Hard Part Tuning
21. CNC Face Grinder
22. CNC Cylindrical Grinder
23. CNC Gear Tooth Grinder

Quality Equipment & Production machines Adds On

1. CNC Gear Tester
2. CNC Co-ordinate Measuring Machine
3. CNC Roundness Tester
4. CNC Shaft Scan
5. CNC Contour Tester
6. CNC Roughness Tester
7. NC Profile Projector
8. Electronic Display Unit with Compressed Air Saving
9. NC Multi Gauging Equipment
10. Introduce IPG with Interlock to Minimize Rejection
11. Introduce PPG with Interlock to Minimize Rejection

Packaging

1. NC Component Washer
2. Battery Operated Pet Strapping

Service Support

1. CNC HOB Re-sharpener
2. CNC Shaving Cutter Re-sharpener
3. EDM
4. Universal Grinder

Utilities

1. Chip Compactor
2. Energy Efficient Bin Washer
3. Oil Spinner for cutting oil conservation.

ii). Benefit derived

1. Automation in Process
2. Elimination of operator skill dependency
3. Multiple machining operations in one setup

Annexure - 'A' to the Director's Report (Contd.)

4. Utilizing Latest technology for cycle time reduction
5. Quality Assurance
6. Energy efficient and technology up gradation
7. Reduce wastage
8. Enhancement of plant capacity at available floor space

NEW ALLENBERRY WORKS : FARIDABAD (PROP. DEEPAK INDUSTRIES LTD)

Details of Machines Imported During the F.Y. 2021-22

S. NO.	NAME OF THE SUPPLIER	QTY.	DESCRIPTION OF MACHINE
1	AE MACHINE TOOLS INC. USA	1	USED SECOND HAND CNC GEAR HOBBIING MACHINE MODEL: 200GP MAKE: GLEASON
2	AE MACHINE TOOLS INC. USA	1	USED SECOND HAND CNC GEAR HOBBIING MACHINE MODEL: 200GP MAKE: GLEASON
3	REISHAUER AG	1	CNC GEAR GRINDING MACHINE MODEL-RZ260

C) Foreign Exchange earning and outgo

NEW ALLENBERRY WORKS : FARIDABAD (PROP: DEEPAK INDUSTRIES LIMITED)

SUMMARY OF C.I.F VALUE OF IMPORTS FOR THE YEAR ENDED AS ON 31.03.2022

PLANT & MACHINERY	74,49,242.00
STORE SPARES & M/C SPARES	<u>2,86,67,924.73</u>
TOTAL (A)	<u>3,61,17,166.73</u>

EXPENDITURE IN FOREIGN CURRENCY

MACHINE MAINTENANCE	78,53,160.32
TOTAL (B)	<u>78,53,160.32</u>

TOTAL OUTGO	<u>TOTAL (A+B)</u>	<u>4,39,70,327.05</u>
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FOREIGN CURRENCY INCOMING DURING THE F.Y. 2021-22	<u>6,23,08,818.00</u>
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NEW ALLENBERRY WORKS : BAGHOLA (PROP: DEEPAK INDUSTRIES LIMITED)

SUMMARY OF C.I.F VALUE OF IMPORTS FOR THE YEAR ENDED AS ON 31.03.2022

PLANT & MACHINERY	8,77,80,629.62
STORE SPARES & M/C SPARES	59,60,840.90
RAW MATERIAL	<u>1,55,99,298.28</u>
TOTAL (A)	<u>10,93,40,768.80</u>

EXPENDITURE IN FOREIGN CURRENCY

MISC MAINTENANCE	3,60,375.18
TOTAL (B)	<u>3,60,375.18</u>
TOTAL (A+B)	<u>10,97,01,143.98</u>

Annexure - 'B' to the Director's Report

CS PRVAIN KUMAR DROLIA
(Company Secretary in whole time practice)
13, Selimpur Road, Block: D, Kolkata - 700031
Mobile: 09831196869; Email: droliapravin12@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended 31st day of March, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

The Members,
DEEPAK INDUSTRIES LTD,
16, HARE STREET, 2nd Floor,
Kolkata-700001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DEEPAK INDUSTRIES LTD** (CIN: L63022WB1954PLC021638) (hereinafter called "the Company"). The 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 books, papers, minute books, forms and returns filed and other records maintained by the **DEEPAK INDUSTRIES LTD** and also the information provided by the Company, its officers, and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion the Company has, during the audit period covering the financial year ended 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- I. The Companies Act, 2013(the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- III. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other regulations as applicable and circulars/ guidelines issued thereunder.
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial borrowing;(not applicable during the period under review)
- V. The following Regulations (as amended from time to time) 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 till date;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

[The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company for the financial year ended 31-03-2022, as the Company has not undertaken any activities under the said Regulations and Laws: -

- (a) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; as amended till date
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

Annexure - 'B' to the Director's Report (Contd.)

- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (e) The Securities and Exchange Board of India (Issue and listing of Non-Convertible Securities) Regulations, 2021

VI. The following Industry Specific laws applicable to the Company as per management perception:

- a. The Payment of Wages Act, 1936
- b. The Minimum Wages Act, 1948
- c. Employee State Insurance Act, 1948
- d. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- e. The Payment of Bonus Act, 1965
- f. The Payment of Gratuity Act, 1972
- g. The Income Tax Act 1961
- i. Negotiable Instruments Act, 1881
- j. Profession Tax Act

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

- (i) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (ii) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India in respect of holding of Board Meeting and Member's meeting,

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

I further report that:

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as also represented by the management. All decisions of the Board were unanimous and the same was captured and recorded as part of the Minutes. I further report that during the audit period, the Company has not made any:

- (i) Public/Right/ Preferential issue of Shares/Debentures/Sweat Equity or any other Security.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger /Amalgamation/Reconstruction etc.
- (v) Foreign technical collaborations.

For Pravin Kumr Drolia
(Company Secretary in whole time practice)
Sd/-

Pravin Kumar Drolia
Proprietor

FCS: 2366, CP 1362

Peer view registration: 1928/2022

UDIN:F002366D000342860

Place: Kolkata
Date: 23-05-2022

Note:

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

Annexure - 'B' to the Director's Report (Contd.)

Annexure A

CS PRAVIN KUMAR DROLIA
(Company Secretary in whole time practice)
13, Selimpur Road, Block: D, Kolkata - 700031
Mobile: 09831196869; Email: droliapravin12@gmail.com

The Members,
DEEPAK INDUSTRIES LTD,
16, HARE STREET, 2nd Floor,
Kolkata-700001

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express as 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 the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed 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. Where ever 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 provisions 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. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR Prvain Kumar Drolia
(Company Secretary in whole time practice)
Sd/-

Pravin Kumar Drolia
Proprietor

FCS: 2366, CP 1362
Peer view registration: 1928/2022
UDIN:F002366D000342860

Place: Kolkata
Date: 23-05-2022

Annexure - 'C' to the Director's Report

EXTRACT FROM NOMINATION AND REMUNERATION POLICY

Objective and Purpose of the Policy:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry to which the Company belongs.
- To carry out evaluation of the performance of Directors.
- To provide them reward, linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Constitution of the Nomination and Remuneration Committee:

The Board has constituted Nomination and Remuneration Committee on 30th May 2014. The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirements.

Definitions:

- 'Board' means Board of Directors of the Company.
- 'Directors' means Directors of the Company.
- 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board. In accordance with provisions of Section 178 of the Companies Act, 2013 and the Listing Regulations
- 'Company' means Deepak Industries Limited.
- 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013. and in Regulation 16 of SEBI Listing Regulations
- 'Key Managerial Personnel (KMP)' means-
 - (i) Chief Executive officer or the Managing Director or the Manager
 - (ii) Whole-time Director
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;

- (v) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
- (vi) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

- 'Senior Management Personnel' means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the chief executive officer/managing director/ whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:

The Policy is applicable to Directors (Executive and Non-Executive), Key Managerial Personnel (KMP) and Senior Management Personnel

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- For every appointment of independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may
 - a) Use the services of an external agency, if required;
 - b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) Consider the time commitments of the candidates.

Annexure - 'C' to the Director's Report (Contd.)

- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy and recommend to the Board, their appointment and removal.
- Carry out the evaluation of performance of Directors.
- Recommend to the Board, a policy relating to remuneration for the directors, KMP and other employees and recommend to the Board, amendments to such policy as and when required.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management. Deepak Industries Limited CIN No. : L63022WB1954PLC021638

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Guiding Principles

- Remuneration policy and arrangements for Directors, KMPs and Senior Management Personnel, shall be determined by the Committee on the basis of Company's financial position, pay and employment conditions prevailing in peer companies or elsewhere in competitive market to ensure that the remuneration and the other terms of employment shall be competitive to ensure that the Company can attract, retain and motivate competent executives.
- Remuneration packages may be composed of fixed and incentive pay depending on short and long term performance objectives appropriate to the working of the Company.
- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.
- Appointment criteria and qualifications:
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is

sufficient / satisfactory for the concerned position.

3. The Company may appoint or continue the employment of any person as Managing Director/Whole-time Director/ Manager who has attained the age of seventy years and the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
4. Every whole-time Key Managerial Personnel of the Company shall be appointed by means of a resolution of the Board containing the terms and conditions of the appointment, including the remuneration. Provided that the appointment of managing director/whole time director/ manager shall require approval of shareholders as per the provisions of the Companies Act, 2013.
5. A whole time KMP shall not hold office in more than one company except in its subsidiary company, if any, at the same time. However, such KMP can be a director of any Company with the permission of the Board.
6. The Managing Director or Manager of the Company may be the Managing Director or Manager of one and not of not more than one other Company and such appointment should be approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

• **Term / Tenure:**

1. Managing Director/Whole-time Director: - The Company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for

Annexure - 'C' to the Director's Report (Contd.)

re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. - No Independent Director shall hold office for more than two consecutive terms,

3. Key Managerial Personnel (KMP)-

If the office of any whole time KMP is vacated, the resulting vacancy shall be filled up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

• Evaluation:

The Committee shall carry out evaluation of performance of every Director, at regular interval (yearly).

• Removal:

Due to reasons for disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of any Act, rules and regulations, their service contract or evaluation of their performance.

- Retirement: The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to such approvals, as may be required in this regard.

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTORS, DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

1. The remuneration / compensation / commission etc. to the Directors will be determined by the Committee. It shall be fixed as per the statutory provisions of the Companies Act, 2013 and the rules made there under

for the time being in force and in accordance with and subject to the relevant provisions of the Articles of Association of the Company. The Committee shall recommend the remuneration / compensation / commission etc. to be paid to the Directors to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

2. Increments to the existing remuneration / compensation structure of the Directors may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of managerial person
3. The Non- Executive / Independent Directors may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.
4. Commission to Non-executive Directors may be paid within the monetary limit approved by shareholders, as per the applicable provisions of the Companies Act, 2013.
5. The remuneration / compensation / commission etc. to the KMP and Senior Management Personnel will be determined based on the Company's financial position, trends and practices on remuneration prevailing in peer companies, in the industry to which the company belongs and performance of such KMP and Senior Management Personnel
6. Where any insurance is taken by the Company on behalf of its Whole-time Director, Managing Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
7. An Independent Director shall not be entitled to any stock option of the Company.

Annexure - 'D' to the Director's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company has set high ethical standards for all its dealings and believes in inspiring trust and confidence. We strongly believe that, we exist not only for doing good business, but equally for the betterment of the Society. The Company has implemented its CSR policy / charter to focus on the following areas inter-alia:

- Education;
- Health;
- Environmental Sustainability;

2. Composition of the CSR Committee:

Name of the Director	Designation	Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Shri Pradip Kumar Daga	Chairman	Executive Non-Independent Director	1	-
Shri Yashwant Kumar Daga	Member	Executive Non-Independent Director		1
Shri Anand Prasad Agarwalla	Member	Independent Director		1
Shri Sujit Chakravorti	Member	Independent Director		-

3. The web-link where Composition of CSR committee, CSR Policy approved by the board are disclosed on the website of the Company:

The web links are as under:

http://www.dil-india.com/New_Committee.pdf

<http://www.dil-india.com/investors/CSR%20POLICY%20DIL.pdf>

4. 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-rules (3) of rule 7 of the companies (corporate social responsibility policy) Rules, 2014, and amount required for set off for the financial year, if any;

Sr. No	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be setoff for the financial year , if any (in Rs.
-----Not Applicable-----			

6. Average Net Profit of the company as per section 135 (5) is Rs. 6,807.61 lakh.

7. (a) Two per cent of average net profit as per section 135 (5) is Rs. 136.15 lakh
 (b) Surplus arising out of CSR projects or programmes or activities of the previous financial years: Nil
 (c) Amount required to be set off for the financial year, if any: Nil.
 (d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 136.15 lakh

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

Total Amount Spent for the Financial Year (Rs. in lakh)	Total Amount transferred to Unspent CSR Account as per Section 135(6) (Rs. in lakh)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
Amount	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
136.15	NIL	NIL	NIL	NIL	NIL

Annexure - 'D' to the Director's Report (Contd.)

(b) Details of CSR amount spent against ongoing projects for th F.Y.

Sl. No	Name of Project	Item from the list of activities in schedule VII to the Act	Local area Yes/ No	Location of the project	Project Duration	Amount allocated for the project	Amount spent in Current Year	Amount transferred to unspent CSR account for the Project as per Section 135(6)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing Agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	Name CSR Reg. No. (11)

NIL

(c) Details of CSR amount spent against other than ongoing Projects for the F.Y.

Sl. No	Name of the Project/ Institution	Item from the list of activities in schedule VII to the Act	Local area Yes/ No	Location of the project	Amount allocated for the project Rs. In Lacs	Amount spent in the FY Rs. In Lacs	Amount transferred to unspent CSR account	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing Agency/CSR Registration
1	IHA FOUNDATION (Oxygen Seva during Covid-19)	Health and safety	yes	Kolkata	2.00	2.00	-	No	CSR00006461
2	CENTRAL CHINMAYA MISSION TRUST (Creation of a hostel room at Chinmaya University for underprivileged.)	Promoting education	No	Kochi	7.00	7.00	-	No	CSR00008084
3	FRIENDS OF TRIBALS SOCIETY (Improving literacy and health among the adivasi, rural tribal people)	Promoting education	yes	Kolkata	22.00	22.00	-	No	CSR00001898
4	RAMAKRISHNA MISSION HEADQUARTERS, SEVA PRATISHTHAN (Vehicle for hospital's Mobile Medical Unit Service)	Health and safety	yes	Hooghly	18.37	18.37	-	No	CSR00006101
5	TATA MEDICAL CENTER TRUST (Treatment of Cancer patients.)	Health and safety	yes	Kolkata	10.00	10.00	-	No	CSR00002920
6	CENTRAL KOLKATA PRERNA FOUNDATION (KMC is keen to tie up with Prerna Foundation for operation and running of existing KMC Champadani Hospital, Topsia.)	Health and safety	yes	Kolkata	7.50	7.50	-	No	CSR00007631
7	PARIVAAR EDUCATION SOCIETY (Expenditure of 50 resident girls at Parivaar Bengal Residential Institution.)	Promoting Education	yes	Kolkata	16.73	16.73	-	No	CSR00000052

Annexure - 'D' to the Director's Report (Contd.)

Sl. No	Name of the Project/ Institution	Item from the list of activities in schedule VII to the Act	Local area Yes/ No	Location of the project	Amount allocated for the project Rs. In Lacs	Amount spent in the FY Rs. In Lacs	Amount transferred to unspent CSR account	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing Agency/CSR Registration
8	THE SPINE FOUNDATION (Spine care for underprivileged)	Health and safety	No	Mumbai	5.00	5.00	-	No	CSR00010099
9	TOLLY LIONS RESEARCH AND WELFARE TRUST (Installation of 2 Dialysis Machines with Patient Monitor and Bed.)	Health and safety	yes	Kolkata	16.00	16.00	-	No	CSR00008821
10	SHREE SANWARLAL OSTEOPATH CHARITABLE SANSTHAN (To provide free services to rehabilitate people suffering from various bone or muscular ailments through oosteopathy. 3 i-Tecar Premium machines for Physiotherapy Dept.)	Health and safety	No	Jodhpur	10.08	10.08	-	No	CSR00016341
11	BEHALA DRISTIHIN SILPANIKETAN (Providing basic amenities for living in the newly constructed blind ladies hostel shed.)	Social Development	yes	Kolkata	5.00	5.00	-	No	CSR00031307
12	MADURDAHA ARADHANA INSTITUTE (Upliftment of underprivileged children and old age persons.)	Social Development & Promoting Education	yes	Kolkata	4.08	4.08	-	No	CSR00030307
13	SANTOSHPUR TRIBAL DEVELOPMENT & HUMAN WATCH SOCIETY (Systematic plantation to arrest soil erosion and also to generate alternate livelihood for the local people.)	Social Development	yes	Sundarban, West Bengal	2.70	2.70	-	No	CSR00028755
14	Dr. PRAKASH CHAND SANCHETEE (Medical Treatment and assistance of Patients during the financial year.	Health and safety	yes	Kolkata	9.74	9.74	-	yes	NA
Total Rs. In Lacs					136.20	136.20	-		

Annexure - 'D' to the Director's Report (Contd.)

- b) Details of CSR amount spent against ongoing projects for the financial years: Nil
 c) Details of CSR amount against other ongoing projects for the financial years: Rs. 136.20 Lacs
 d) Amount spent in Administrative Overheads: Not Applicable
 e) Amount spent on Impact Assessment, if applicable: Not Applicable
 f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 136.20 Lacs
 g) Excess amount for set off if any

Sl. No	Particulars	Amount in Rs. In Lacs
1	Two percent of average net profit of the company as per section 135(5)	136.15
2	Total amount spent for the Financial Year	136.20
3	Excess amount spent for the financial year [(ii)-(i)]	0.05
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	–
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	–

9. (a) Details of Unspent CSR amount for the preceding three financial years: Rs. 25.50 Lacs (FY. 2020-21)
 (b) Details of CSR amount spent against ongoing projects for the preceding financial year: NIL
10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable.
 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.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable.

Place : Kolkata
 Dated, 23rd day of May, 2022

Pradip Kumar Daga
 Chairman CSR Committee
 DIN 00040692

Yashwant Kumar Daga
 Vice-Chairman-cum-
 Joint Managing Director
 DIN 00040632

Annexure - 'E' to the Director's Report (Contd.)

Corporate Governance Report

REPORT ON THE CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH, 2022

Pursuant to Regulations 34(3) read with of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 "Listing Regulation

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company is committed to following best Corporate Governance Practices in all its pursuits and is constantly striving to better them and adopt emerging best practices. The Board understands and respects its fiduciary role and responsibility to shareholders and strives hard to meet their expectations. The Board also believes that best board practices, transparent disclosures and shareholder empowerment are necessary for creating shareholder value. Thus, at Deepak Industries Limited, we always endeavour to create an environment of fairness, equity and transparency in transactions with the underlying objective of securing long term shareholder value creation and enhancement while, at the same time, respecting the rights of all stakeholders of the Company and the society at large.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming the most admired and trusted manufacturing of Industrial and Automobiles gears., while upholding the core values of entrepreneurship, disclosure and transparency, equity, responsibility, sustainability and ethical behavior.

BOARD OF DIRECTORS

COMPOSITION, OUTSIDE DIRECTORSHIPS, AND ATTENDANCE AT THE BOARD MEETING

As on 31st March, 2022, the Company has Six Directors. Out of the Six Directors, Two are Executive Directors and Four are Non- Executive Independent Directors including one - woman Non-Executive Independent Director of which. During the financial year, Mr. Ganapathy Ananth Narayanan was appointed as the Non-Executive Independent Director effective from February 12, 2022. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

The information with regard to Composition and attendance of Board of Directors in Board Meetings and the last Annual General Meeting, outside Directorships and other Memberships of Board Committees as on 31st March 2022 as applicable is given hereunder –

Name of Director [DIN]	No of Board meetings attended	Category of Directorship	* No. of Directorship in other Public Companies (Excluding DIL)	@ No of Committees Membership(s)/ Chairmanship(s) in Board Committees of other Public Companies (Excluding DIL)		Names of the listed company where the person is a Director and category of Directorship	No of Shares and convertible instruments held in the Company. (The Company has no convertible instruments)
				As a Member	As a Chairman		
Shri Pradip Kumar Daga Din: 00040692	1	Chairman -cum - Managing Director	2	1	Nil	1.Deepak Spinners Limited-(CMD)	2,07,700
						2.Longview Tea Company Limited-(Non - Executive)	
Shri Yashwant Kumar Daga, Din: 00040632	5	Vice-Chairman-cum- Joint Managing Director	5	9	1	1.Deepak Spinners Limited-Executive)	52,43,13
						2.Longview Tea Company Limited (Non -Executive)	
						3.Magadh Sugar & Energy Limited (Independent)	
						4.HGI Industries Limited (Independent)	
						5.Mint Investments Limited-(Independent)	

Annexure - 'E' to the Director's Report (Contd.)

Name of Director [DIN]	No of Board meetings attended	Category of Directorship	* No. of Directorship in other Public Companies (Excluding DIL)	@ No of Committees Membership(s)/ Chairmanship(s) in Board Committees of other Public Companies (Excluding DIL)		Names of the listed company where the person is a Director and category of Directorship	No of Shares and convertible instruments held in the Company. (The Company has no convertible instruments)
				As a Member	As a Chairman		
Shri Sujit Chakravorti Din:00066344	5	Independent Non-Executive Director	4	Nil	4	1.Duroply Industries Limited (Independent) 2.WEBFIL Limited (Independent)	Nil
Shri Anand Prasad Agarwalla Din:00312652	5	Independent Non-Executive Director	1	1	1	1.Deepak Spinners Limited (Independent)	Nil
Smt. Meera Dokania Din:07094376	5	Independent Non-Executive Director	Nil	Nil	Nil	Nil	Nil
Shri Ganapathy Anantha Narayanan, Din-09491346	-	Independent Non-Executive Director	Nil	Nil	Nil	Nil	Nil

- *Excludes Directorship in, alternate Directorship, Directorship in foreign Companies, Private Limited Companies and Companies formed under section 8 of the Companies Act, 2013.
- @Committee positions only of Audit Committee and Stakeholders Relationship Committee in Listed Public Companies have been considered.
- The board is constituted of the two Promoters Executive Directors and four Non-Executive Independent Directors.
- None of the Directors held Directorship in more than 20 Indian companies, with not more than 10 public limited companies.
- None of the Directors is a member of more than 10 committees or chairperson of more than 5 committees across all the public limited companies in which he/she is a Director. As per Listing Regulations, only memberships of Audit Committee and Stakeholders Relationship Committee have been taken into consideration for the purpose of ascertaining the limit.
- All the Independent Directors except Shri Sujit Chakravorti are below the age of seventy five years.
- In the opinion of the Board, all the Independent Directors fulfil the conditions specified in the Listing Regulations and are Independent of the Management.
- During the financial year, Mr. Ganapathy Ananth Narayanan was appointed as the Non-Executive Independent Director from February 12, 2022.
- Shri Yashwant Kumar Daga is son of Shri Pradip Kumar Daga.
- Familiarisation programme inducted to the Independent Director are disclosed on the website of the Company in the Investors relation section at <http://www.dil-india.com/familiarisation.html>.

CORE SKILLS/ EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS IN THE CONTEXT OF ITS BUSINESSES AND SECTORS

The Company requires skill in the engineering for the gear transmission equipment's for manufacturing of various types of gears required in Steel. Power, Sugar, Cement and Other heavy engineering units and automobile gears and solar power generation followed by Marketing, Legal and Administration and all of these skills are available to the Board through the five experienced members of the Board.

Annexure - 'E' to the Director's Report (Contd.)

Skills / expertise / competencies	Description	Availability	Names of the directors who have such skills
Strategy and planning	- Ability to think strategically, - identify and assess opportunities and threats - Develop strategies in the context of the company's objectives, policies and priorities	Yes	All the directors except Meera Dokania
Policy Development	- Ability to identify key issues and opportunities for the Company and - develop policies to guide operations of the Company	Yes	All the directors except Meera Dokania
Governance, Risk and Compliance	- Experience in the application of corporate governance principles in a Company, - Ability to identify key risks to the Company in different areas including legal and regulatory compliance	Yes	All the directors except Meera Dokania
Financial Performance	- Qualifications and experience in accounting and/or finance and - the ability to analyze key financial statements, critically assess financial viability and performance - ability to contribute to strategic financial planning	Yes	All the directors
Government Relations (policy & process)	- Experience in managing government relations and industry advocacy strategies	Yes	All the directors
Commercial Experience	- A broad range of commercial / business experience, preferably in the small to medium enterprise context, in areas including communications, marketing, business systems, practices and improvement.	Yes	All the directors
Marketing and communications	- Experience in and thorough understanding of communication with industry groups and end users.	Yes	All the directors except Meera Dokania

- The Board hereby confirms that in its opinion the four Independent Directors fulfil the conditions specified in these regulations and are independent of the management.
- No Independent Director resigned during the year.
- The Company does not have any stock option scheme.

MEETINGS

Dates for the Board meeting are decided well in advance and communicated to the Directors. The Agenda along with the notes are sent at least seven days in advance to the each Board Members.

The Board of Directors met Five times during the year on 28/05/2021, 30/06/2021, 13/08/2021, 13/11/2021, and 12/02/2022 respectively.

Name of the Director	No. of Board Meeting Attended	Attended last AGM held on 28/09/2021
Shri Pradip Kumar Daga	1	No
Shri Yashwant Kumar Daga	5	Yes
Shri Sujit Chakravorti	5	No
Shri Anand Prasad Agarwalla	5	Yes
Smt Meera Dokania	5	No
*Shri Gapanathiy Anantha Narayan	-	-

*Mr. Narayan was appointed as a non executive director in the Board w.e.f. 12.02.2022

Shareholding of the Non-Executive Directors in the Company as on 31st March, 2022:-

NAME OF DIRECTORS	CATEGORY	No. of Share Held
Shri Sujit Chakravorti	Non-Executive and Independent Director	Nil
Shri Anand Prasad Agarwalla	Non-Executive and Independent Director	Nil
Smt. Meera Dokania	Non-Executive and Independent Director	Nil
Shri Ganapathy Anantha Narayanan	Non-Executive and Independent Director	Nil

Annexure - 'E' to the Director's Report (Contd.)

The information as required under Schedule-II of SEBI (LODR), Regulations, 2015 as amended is made available to the Board.

The Board periodically reviews Compliance Report of all laws applicable to the Company. Steps are taken by the Company to rectify instances of non-compliance, if any.

Code of Conduct

The Company has adopted a Code of Conduct for the Directors and Senior Management of the Company. The same has been posted on the website of the Company. The members of the Board and Senior Management of the Company have submitted their affirmation on compliance with the Code for the effective period. The Declaration by the Chairman to that effect forms part of this Report.

Prevention of insider trading code

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention for Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of results and occurrence of any material events as per the code during the financial year under review, there has been due compliance with the said code.

Disclosure of relationship between Directors:

No Director is related to any other Directors on the Board in term of definition of relatives given under the Companies Act, 2013, except Shri Pradip Kumar Daga who is the father of Shri Yashwant Kumar Daga.

(I) AUDIT COMMITTEE

The constitution of Audit Committee is as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013.

Composition Meeting and Attendance During the Year

The terms of reference, role and scope of Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and Regulations 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment.

The Audit Committee comprises of Three Directors. Out of the Three Directors, Two are Non-Executive Independent Directors, all of whom are financial literate. During the year, 5 (Five) meetings of the Audit Committee were held on 28/05/2021, 30/06/2021, 13/08/2021 13/11/2021 and 12/02/2022. The maximum time gap between two meetings was less than one Hundred and twenty days.

The constitution of the Committee, number of meetings held and attendance of the members are given below:

Names of the Directors	Position Held	Category	No. of Meetings	
			Held	Attended
Shri A.P. Agarwalla	Chairman	Independent, Non-Executive	5	5
Shri Yashwant Kumar Daga	Member	Executive	5	5
Smt. Meera Dokania	Member	Independent, Non-Executive	5	5

Mr. Roshan Davve, Company Secretary is the Secretary to the Audit Committee.

The Audit Committee functions as a bridge between the administration of the Company and its Board in all financial and accounting matters including budget. The terms of reference for Audit Committee include:

- (i) The recommendation for appointment, re-appointment, replacement, or removal (in the event of necessity) of CFO, Statutory Auditor, Cost Auditor and or any other auditors including fixation of remuneration.
- (ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- (iv) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (v) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - a) matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of Section 134 of the Act;

Annexure - 'E' to the Director's Report (Contd.)

- b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) Qualifications in the draft audit report.
- (vi) Approval or any subsequent modification of transactions of the company with related parties;
 - (vii) Scrutiny of inter-corporate loans and investments;
 - (viii) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (ix) Evaluation of internal financial controls;
 - (x) Monitoring the end use of funds raised through public offers and related matters.

While reviewing the financial records for the year under report, the Audit Committee took note that there were no observations of the Statutory Auditors.

The chairman of the Audit Committee was present at the last AGM (66th Annual General Meeting held on September, 28th 2021)

(II) NOMINATION AND REMUNERATION COMMITTEE

(i) Terms of Reference

The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations which includes formulating the criteria to:

- a) Determine qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - i) use the services of an external agencies, if required;
 - ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - iii) consider the time commitments of the candidates
- c) Evaluation of Independent Directors and the Board;
- d) Devising a policy on Board diversity;
- e) 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 their appointment and removal.
- f) Recommending to the Board on remuneration, performance bonus etc., payable to the Executive Director(s)/ Managing Director, Commission payable to Independent Directors.
- g) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- h) Recommend to the board, all remuneration, in whatever form, payable to senior management.

ii) The Composition and Attendance of the Director's Nomination and Remuneration Committee Meeting

The Nomination and Remuneration Committee presently consists of three Non-executive Directors, three being independent. The Chairman is a Non-executive and Independent Director. The Committee has held two meetings during the Financial Year ended 31.03.2022 i.e., on June 30, 2021 and February 12, 2022. The composition of the Nomination and Remuneration Committee as on March 31, 2022 and the attendance of members at the meeting held during the Financial Year were as follows:

Annexure - 'E' to the Director's Report (Contd.)

Names of the Directors	Position Held	Category	No. of Meetings	
			Held	Attended
Shri A.P. Agarwalla	Chairman	Independent, Non-Executive	2	2
Shri S. Chakravorti	Member	Independent, Non-Executive	2	2
Smt. Meera Dokania	Member	Independent, Non-Executive	2	2

(III) DETAILS OF REMUNERATION & COMMISSION PAID TO DIRECTORS (01/04/2021 to 31/03/2022)

The Executive Vice-Chairman-cum-Joint Managing Director is paid remuneration approved by the Board and shareholders and other Non-Executive Directors are paid sitting fees for attending the meetings of the Board and Committee and also commission approved by the Board of Directors from time to time.

Name of Director	Salary (included in employee benefits expenses) Rs. In Lakhs	Rs. In Lakhs
Yashwant Kumar Daga, (Vice-Chairman-cum-Joint Managing Director)	156.68	Executive Compensation consists of fixed salary; no variable payment is made to the Director. The current contract is for a period of five years with effect from 15/11/2019 to 14/11/2024. The notice period is three months. No stock option has been issued.
	Sitting Fees (Rs.)	Commission paid during the year
	Board Meeting & others committees meetings	(for FY 2021-22)
	(for FY 2021-22)	Rs.
Smt. Meera Dokania	90,000	3,38,700/-
Shri A.P. Agarwalla	92,000	3,38,700/-
Shri S. Chakravorti	68,000	3,38,700/-
*Shri G. A. Narayanan	-	33,900/-

*Mr. Narayan was appointed as a non executive director in the Board w.e.f. 12.02.2022

- Non-executive Directors are paid Sitting fees for attending each meeting of the Board and Committee meeting and Commission on net profits of the Company as recommended by the Nomination and Remuneration Committee and approved by the Board.
- No stock option is available to any of the Directors.
- The service contract of the Executive Director is initially for five years and notice period is three months without any severance fees except the retirement benefits as may be determined by the Board at the time of retirement. There is only fixed components of the salary for Executive Directors.
- During the year the Company has paid Rs 43,500/- as professional fees to Shri Anand Prasad Agarwalla, Advocate, Director of the Company and Rs. 44,000/- to his son Shri Niraj Agarwalla, Advocate,. The payments to them were at arm's length price and in the ordinary course of business. There were no other than above pecuniary relationships or transactions of the Executive and Non -Executive Directors vis-a-vis the Company.

(IV) STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition & terms of reference

The Stakeholders Relationship Committee is constituted as per Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 (5) of the Companies Act, 2013. Stakeholders Relationship Committee comprises of three Non-Executive Independent Directors namely, Smt. Meera Dokania as Chairman, Shri Sujit Chakravorti, and Shri A.P. Agarwalla as members and Shri Roshan Davve, Company Secretary acts as the secretary of the committee.

The said Committee has been authorized to approve the transfer/transmission/ transposition of shares and issue of duplicate share certificates and to consider all other matters of shareholder interest.

Annexure - 'E' to the Director's Report (Contd.)

The Shareholders' complaints and grievances are reviewed in detail by the Committee and prompt and effective directions are given to the Registrars for proper disposal. During the Financial Year 2021-22

Status of Investors' Complaints :	
Number of complaints received during the year	Nil
Number of complaints resolved up to 31st March, 2021	Nil
Number of complaints not solved to the satisfaction of shareholders	Nil
Number of complaints pending as on 31st March, 2022	Nil

Meeting and Attendance during the year

During the financial year one (01) meetings of the Stakeholders Relationship Committee were held on February 12, 2022 for the year ended March 31st, 2022 and attendance of the members are given below:

MEMBERS	MEETING HELD	MEETINGS ATTENDED
Smt. Meera Dokania	1	1
Shri Sujit Chakravorti	1	1
Shri A.P. Agarwalla	1	1

The Compliance Officer:

Shri Roshan Davve, Company Secretary was appointed as the Compliance Officer of the Company.

(V) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

Pursuant to Section 135 of the Act, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted.

The terms of reference and Role of the Corporate Social Responsibility Committee are as per the provisions of Section 135 of the Act which includes formulating the criteria to:

The CSR Committee shall be responsible for formulating and recommending to the Board the CSR Policy and an Annual Action Plan, which shall include the following:

- List of CSR projects or programs that are approved to be undertaken in areas or subjects as specified in Schedule VII of the Act;
- The manner of execution of such projects or programs.
- The modalities of utilization of funds and implementation schedules for the projects or programs.
- Monitoring and reporting mechanism for the projects or programs; and,
- To monitor the Corporate Social Responsibility Policy of the company from time to time.

The Board of Directors of the Company have constituted a Corporate Social Responsibility (CSR) Committee of the Board comprising Four Directors Shri Pradip Kumar Daga as Chairman, Shri Yashwant Kumar Daga, Shri Anand Prasad Agarwalla, and Shri Sujit Chakravorti are members.

The Company has formulated a Policy for its CSR and also identified the following key areas for undertaking CSR activities:

- Education and skills enhancement: To provide facilities and assist promotion of primary education among children and impart skills training to the youth;
- Healthcare: To support and augment on-going national initiatives in health, hygiene and healthcare systems;
- Environment and local safeguard: To undertake greening and environmental initiatives in the community;
- Differently-abled: To catalyze skills training and employment opportunities for the differently abled;

The Board on the recommendation of the Committee has framed a CSR policy which has been hosted on the company website in the Investors Relation section at <http://www.dil-india.com>

Meeting and Attendance during the year

During the financial year one (01) meetings of the Corporate Social Responsibility Committee were held on June, 30, 2021 for the year ended March 31st, 2022 and attendance of the members are given below:

MEMBERS	MEETING HELD	MEETINGS ATTENDED
Shri Pradip Kumar Daga- Chairman	1	–
Shri Sujit Chakravorti- Member	1	–
Shri A.P. Agarwalla- Member	1	1
Shri Yashwant Kumar Daga- Member	1	1

Annexure - 'E' to the Director's Report (Contd.)

(VI) MEETING OF THE INDEPENDENT DIRECTORS

One separate meeting of the Independent Directors was held on 12/02/2022 in which all the Independent Directors were present to review the performance of the Non-Independent Directors and the Board as a whole with the performance of the Chairman of the Company and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board as per Para VII of schedule IV of the Companies Act, 2013.

(VII) SHARE TRANSFER SYSTEM

Share transfer documents are registered and certificate returned within prescribed time from the date of receipt, if the documents are clear in all respects as per provisions of LODR. The transfers are approved by the Secretary/ Director of the Company in consultation with the Managing Director and/or by the Board.

There was no pending request for share transfer etc. as on 31st March, 2022.

(VIII) SUBSIDIARY COMPANIES

The Company does not have any subsidiary, associate and joint venture company during the financial year 2021-22.

(IX) FAMILIARISATION PROGRAMME

The Board has framed a familiarisation programme to familiarise the Independent Directors their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc through the various programmes..

The Familiarisation programmes have been disclosed on the company's website in the Investors Relations section at <http://www.dil-india.com>.

(X) ANNUAL GENERAL MEETINGS

Annual General Meeting of the Company during the preceding three (3) years were held at the Registered Office of the Company at 16, Hare Street, 2nd Floor, Kolkata - 700 001.

(i) Location and time where last three Annual General Meetings (AGMs) held

LOCATION	DATE	TIME
16, Hare Street, 2 nd Floor, Kolkata - 700 001	September 28, 2021	11.30 P.M.
16, Hare Street, 2 nd Floor, Kolkata - 700 001	September 29, 2020	12.00 P.M.
16, Hare Street, 2 nd Floor, Kolkata - 700 001	September 17, 2019	2.00 P.M.

ii) Special Resolutions passed during last three Annual General Meetings.

Date of AGM	Special Resolution Matter
28/09/2021	Re-appointment of Smt. Meera Dokania as a Non - Executive Independent Director for another period of five years from 29th September, 2021 to 28th September 2026.
28/09/2021	Maintenance of Register of Members and other Statutory Registers at a place other than the registered office of the Company.
17/09/2019	Special Resolution for re-appointment of Shri Sujit Chakravorti for another period of five years from 01/10/2019 to 30/09/2024, who has attaining the age of 75 years.
17/09/2019	Special Resolution for re-appointment of shri Anand Prasad Agarwalla for another period of five years from 01/10/2019 to 30/09/2024.
17/09/2019	Special Resolution for payment of Commission to Non-executive directors within the ceiling limit of 1% of the net profit of the Company.

iii) Postal Ballot

During Financial Year ended 31.03.2022, the Company has passed two Special resolution(s) through the Postal Ballot.

Date of Postal Ballot	Special Resolution Matter
08/04/2022	Appointment of Mr. Ganapathy Anantha Narayanan (DIN: 09491346) as a Non-Executive Independent Director of the Company for a term of 5 (five) consecutive years with effect from 12th February, 2022 to 11th February, 2027.
08/04/2022	To approve alteration in clause 76(1) of Articles of Association in respect of payment of sitting fees for attending Board meeting or meeting of committee of Board of Directors by the Directors.

Annexure - 'E' to the Director's Report (Contd.)

(XI) MEANS OF COMMUNICATION

There is no practice to send half-yearly report to each shareholder. Company is regularly publishing its entire quarterly, half yearly and yearly results in print media in English Financial Express and local language Bengali in Sukhabar which are widely circulated in West Bengal.

The Company has a website www.dil-india.com to display the quarterly results and other information as required under the listing agreement. No presentation has been made to Investors Relations/Analysts and stakeholders of the Company.

(XII) GENERAL SHAREHOLDERS INFORMATION

i) Date, time and venue of forthcoming AGM	Monday, the 08 th August, 2022 at 3.30 P M at 16, Hare Street, 2 nd Floor, Kolkata-700 001
ii) Financial Calendar	
First unaudited Quarterly Results	2nd week of August, 2022
Second unaudited Quarterly Results	2nd week of November, 2022
Third unaudited Quarterly Results	2nd week of February, 2023
Audited Financial Results for the year ended 31 st March, 2022.	Last Week of May, 2023
iii) Book Closure dates	02/08/2022 to 07/08/2022 (both days inclusive)
iv) Payment of Dividend	For the year 2021-22 Rs.10/- per share final dividend.
v) Listing on Stock Exchanges	The Calcutta Stock Exchange Limited 7, Lyons Range, Murgighata, B. B. D Bagh Kolkata, West Bengal 700001
vi) Annual listing fee	Listing fee has been paid upto and for the year 2022-2023.
vii) Stock Code in Calcutta Stock Exchange	10014084
viii) CIN No	L63022WB1954PLC021638
ii) Depositories:	
National Securities Depository Ltd.	Trade World, 4th Floor, Kamala Mills Compound Senapati Bapat Marg Lower Parel, Mumbai-400001
Central Depository Services Ltd.	Phiroza Jeejeebhoy Tower, 28th Floor, Dalal Street, Mumbai-400001
Demat ISIN Numbers:	
NSDL	INE 485J01016
CDSL	INE 485J01016
Registrar and Share Transfer Agents	Maheshwari Datamatics Pvt. Ltd. 23, R. N. Mukherjee Road, 5th Floor, Kolkata - 700 001 Tel. (033) 2248-2248, 2243-5029 E-mail : mdpldc@yahoo.com

MARKET PRICE DATA

There has been no trading of the Company's share during the year on The Calcutta Stock Exchange.

SHAREHOLDING DETAILS OF COMPANY

Shareholding Pattern of Company as on 31st March, 2022

Category	No. Of Shares Held	% of Total Paid up Capital
Promoters & Promoters Group	27,32,044	69.05
Financial Institutions & Banks	1,42,188	3.59
Bodies Corporate including clearing Member	6,89,964	17.44
Resident Individual/HUF	3,92,237	9.92
Mutual Funds	NIL	NIL
NRIs/OCBs	NIL	NIL
Insurance Companies	NIL	NIL
TOTAL	39,56,433	100.00

Annexure - 'E' to the Director's Report (Contd.)

Distribution of Shareholding by category as on 31st March, 2022

No. of Shares Held	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	32	42.667	3875	0.098
501-1000	17	22.667	12,018	0.304
1001-2000	8	10.667	8,723	0.221
3001-4000	1	1.333	3,596	0.091
5001-10000	4	5.333	24,577	0.621
10001 and above	13	17.333	39,03,644	98.665
Total	75	100.000	39,56,433	100.00

j) Dematerialization of Shares and Liquidity as on 31st March, 2022

Particulars of Shares	Equity Shares of ₹ 10 Each	
	Number	% of Total
Dematerialized Form		
a) NSDL	3,90,010	9.86
b) CDSL	35,52,923	89.80
Sub Total	39,42,933	99.66
Physical Form	13,500	0.34
Total	39,56,433	100.00

k) Outstanding GDRs/ ADRS/Warrants or any Convertible Instruments:

No GDRS/ADRS/Warrants or Convertible Instruments are issued during the year.

l) Details of public funding obtained in last three years:

No capital has been raised by way of public funding in past three years

m) Plant Locations:

- i) 62, Hazra Road, Kolkata-700 019
- ii) 14/7, Mathura Road, Faridabad (Haryana)
- iii) Plot no. 62, Sector -11, Rudrapur Dist Udham Singh Nagar, Uttranchal.
- iv) Village: Rojhani, Dist: Shajapur, MP. (Solar Plant)
- v) Village-Bhagola, Bhagola Delvi Road, Tehsil & district-Palwal-121 102

n) Unclaimed Dividend :

As per Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the information in respect of the unclaimed dividends on the website of the IEPF, viz. www.iepf.gov.in and on the website of the company at <https://www.dil-india.com/unpaiddividend.html>.

The Company has appointed Shri Roshan Davve, Company Secretary as Nodal Officer under the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

o) Dematerialisation of shares

As on 31st March 2022, 99.69% equity shares of the Company are in dematerialized form with **National Securities Depository Limited and Central Depository Services (India) Limited**.

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES.

There is basically no commodity price risk as the same is taken care of at the time of quotation of the enquiry of the order and also the Company does not take long period supply orders. Foreign exchange risk and hedging activities are taken care of by forward contracts.

ADDRESS FOR CORRESPONDENCE

Deepak Industries Limited, 16, Hare Street, 2nd Floor, Kolkata-700 001 Phone Numbers: 033-2248-2391/2/3, Fax: 033-2248-9382 E-mail: secretary@dil-india.com Website: www.dil-india.com.

Annexure - 'E' to the Director's Report (Contd.)

ALL CREDIT RATINGS OBTAINED BY THE ENTITY

The company has not issued any debt instruments or raised any fixed deposits and the Company has no proposal to mobilise funds through such schemes whether in India or abroad. The Credit rating obtained by the company from ICRA for working capital and term loan is [ICRA].AA-Positive/ [ICRA] A1+ the outlook on the long term rating has been revised to positive from stable letter dated April 18, 2022.

(XIII) DISCLOSURES

- i) All related party transactions have been entered into the ordinary course of business and were placed periodically before the audit committee in summary form including transactions for which omnibus approval of the Audit Committee was taken. There were no material individual transactions with related parties which were not in the normal course of business required to be placed before the audit committee and that may have potential conflict with the interest of the Company at large. All individual transactions with related parties or others were on arm's length basis. Details of related party transactions during the year ended the 31st March, 2022 have been set out under an appropriate note in Schedule to the Annual Accounts of the Company for the year ended 31st March, 2022. The policy on related part transaction is available on the website of the Company www.dil-india.com.
- ii) All Accounting Standards mandatorily required have been followed without exception in preparation of the financial statements.
- iii) Procedure for assessment of risk and its minimisation have been laid down by the Company and reviewed by the Board. These procedures are periodically reassessed to ensure that executive management controls risks through means of a properly defined framework.
- iv) The Company has fully complied with all the requirements of regulatory authorities on Capital Markets and consequently, no penalties/ strictures have been imposed against it during the last three years.
- v) The Company has adopted a Vigil Mechanism Policy which has been put on the website of the Company in the Investors Relations section at <http://www.dil-india.com> and no personnel have been denied access to the Audit Committee. Shri Roshan Davve, Company Secretary has been appointed as Vigil Officer under the said policy.
- vi) There has been no non-compliance by the Company during the year and no penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter relating to the capital markets during the last three years.
- vii) Management Discussion and Analysis is a part of Annual Report. Shareholders information section forms part of the Annual Report
- viii) There were no financial and commercial transactions by Senior management as defined in SEBI (LODR) Regulations, 2015 where they have any personal interest that may have a potential conflict with the interests of the Company at large requiring disclosure by them to the Board of Directors of the Company and that the same has been confirmed by all the Senior Management.
- ix) Reconciliation of Share Capital Audit is carried out by Practicing Company Secretaries on quarterly basis to reconcile the total admitted paid-up capital with National securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) with the total issued and paid-up capital. The reconciliation audit confirms that the total issued and paid up capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.
- x) The Company has complied with all the mandatory requirement of SEBI (LODR) Regulations, 2015 e.g., Constitution of the Board, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and a report on the Compliance report on the Corporate Governance is submitted to the stock Exchange every quarter. The Company has not adopted the non-mandatory requirements of SEBI (LODR) Regulations, 2015.
- xi) The Company has obtained a certificate from Shri Pravin Kumar Drolia, Practising Company Secretary that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such authority is given as "Annexure - 2" to this report.

Annexure - 'E' to the Director's Report (Contd.)

- xii) No complaints have been filed under the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the financial year and no complaints are pending as on the end of the financial year.
- xiii) The Company has not been required to open any demat suspense account and specified disclosures are not applicable to the Company.
- xiv) The Company has not issued any shares in the Company in the year 2021-22.

(XIV) DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT.

There were no undelivered shares with the Company to be eligible for transfer to the demat suspense account or unclaimed suspense account and no report thereon is required to be given by the Company/

(XV) DISCLOSURES OF THE COMPLIANCES SPECIFIED IN REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF SUB REGULATION (2) OF REGULATION 46 OF SEBI (LODR) REGULATIONS, 2015

The Company is in compliance with all the regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 except the regulation 24 which is not applicable to the Company as the Company has no subsidiary company during the financial year.

(XVI) CEO AND CFO CERTIFICATION

The Vice Chairman –cum- Joint Managing Director, that is, the Chief Executive Officer (CEO) and CFO gives the annual certification on the financial reporting and internal controls to the Board in terms of SEBI (LODR) Regulations, 2015. The CEO and CFO also give quarterly certification on the financial results while placing the financial results before the Board in terms of SEBI (LODR) Regulations, 2015.

The Board of Directors at their Meeting held on 23rd May, 2022 adopted the above Report.

(XVII) COMPLIANCE CERTIFICATE

Compliance Certificate for Corporate Governance received from Company Secretaries in practice of the Company is given as 'Annexure-1' to this report.

Annexure - 'E' to the Director's Report (Contd.)

ANNEXURE -1

CS PRAVIN KUMAR DROLIA

(Company Secretary in whole time practice)

Block D, 2nd floor, 13, Selimpur Road, Kolkata - 700031

Mobile: 09831196869; Email: droliapraavin12@gmail.com

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,

The Members,

M/s Deepak Industries Limited,

16, Hare Street, 2nd Floor, Kolkata 700001

I have examined digitally all the relevant records of M/s Deepak Industries India Limited ("The Company") having registered office at 16, Hare Street, Kolkata 700001 for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (LODR) Regulations, 2015 for the financial year ended 31st March 2022. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the aforesaid SEBI (LODR) regulations, 2015.

FOR PRAVIN KUMAR DROLIA

(Company Secretary in whole time practice)

(Pravin Kumar Drolia)

FCS: 2366, CP: 1362

Peer review registration: 1928/2022

UDIN: F002366D000353178

Place: Kolkata

Date: 23-05-2022

Declaration Regarding Compliance of the Code of Conduct

To

The Board of Directors,

Deepak Industries Limited

16, Hare Street, Kolkata-700 001

Dear Sirs,

Re: Yearly declaration of the Compliance of the code of conduct the ethics by the Directors, KMP and senior management personnel of the Company.

In accordance with SEBI (LODR) Regulations 2015, I hereby confirm that all the Directors, KMP and the Senior Management personnel of Deepak Industries Limited have affirmed compliance to Code of Conduct and Ethics framed by the Company for the Financial Year ended 31.03.2022.

Sd/-

Pradip Kumar Daga

Chairman-cum-Joint Managing Director

DIN No.00040692

Date: 23.05.2022

Place : Kolkata

Annexure - 'E' to the Director's Report (Contd.)

ANNEXURE -2

CS PRAVIN KUMAR DROLIA

(Company Secretary in whole time practice)

Block D, 2nd floor, 13, Selimpur Road, Kolkata - 700031

Mobile: 09831196869; Email: droliapraavin12@gmail.com

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and schedule V para-C clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

To
The Members,
Deepak Industries Ltd,
16, Hare Street, 2nd Floor,
Kolkata-700001

I have examined the relevant registers, records, forms, returns digitally and disclosures received also digitally from the Directors of **M/s Deepak Industries Ltd.** having **CIN: L63022WB1954PLC021638** and having registered office at 16, Hare Street, 2nd floor, Kolkata 700001 (herein referred to as '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 SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

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, as considered necessary and explanations furnished to me by the Company and 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 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or other Statutory Authority, as applicable.

Sr No	Name of the Directors	DIN	Date of appointment in Company
1	Mr. Pradip Kumar Daga	00040692	16/12/2008
2.	Mr. Yashwant Kumar Daga	00040632	15/11/2014
3.	Mr. Sujit Chakravorti	00066344	30/10/2007
4.	Mr. Anand Prasad Agarwalla	00312652	30/03/2002
5.	Mrs. Meera Dokania	07094376	01/04/2015
6.	Mr Ganapathy Anantha Narayanan	09491346	12/02/2022

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

FOR PRAVIN KUMR DROLIA

(Company Secretary in whole time practice)

Sd/-

(Pravin Kumar Drolia)

FCS: 2366, CP: 1362

Peer review registration: 1928/2022

UDIN: F002366D000342904

Place: Kolkata
Date: 23-05-2022

Note: My attendance for the purpose of physical verification and examination of relevant records in relation to the issue of above certificate was impracticable due to the prevailing restrictions caused by CORONA Pandemic and I relied on the records and information as made available to me by the Company through digital mode only and other details available on MCA portal.

Annexure - 'F' to the Director's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms the part of Board Report for the year ended 31st March, 2022.

The Management Discussion and Analysis Report has been prepared in accordance with the provisions of Regulation 34(2)(e) of Listing Regulations, read with Schedule V(B) thereto, with a view to provide an analysis of the business and Financial Statement of the Company for FY 2021-22.

INDIAN ECONOMY AND OUTLOOK

Despite the third wave of COVID-19, overall economic activity remained stable, indicating that India has learned to cope with virus-related restrictions. Several high frequency indicators, such as electricity consumption, PMI manufacturing, exports, and e-way bill creation, reflected this. The economy's confidence has been bolstered even more by the rapid pace of immunisation. In addition, the Union Budget commitment to asset creation (public infrastructure development) in 2022-23 will re-energize the virtuous cycle of investment and crowd in private investment with huge multiplier effects, boosting inclusive and sustainable growth. Consumption will rise up once the uncertainty and worry caused by the Covid-19 virus has passed, and the demand rebound will allow the private sector to step in with investments to boost production to satisfy the rising demand. This scenario should play out for the Indian economy in 2022-23, barring geopolitical and economic surprises.

The International Monetary Fund (IMF) has, in its "World Economic Report" slashed the growth forecast for India for fiscal 2023 by 80 basis points to 8.2 per cent, cautioning that the on-going Russia-Ukraine war will in the long run hurt consumption and also growth as inflation will rise and that higher oil prices are expected to weigh on private consumption and investment. As per The Asian Development Bank (ADB) outlook, "India's GDP is forecast to grow by 7.5 per cent in FY 2022-23 and 8 per cent in FY 2023-24, driven by strong investment growth, with public investment helping crowd-in private investment. "India is on the path to a sustained economic recovery, thanks to the vigorous countrywide drive to deliver safe and wide-reaching COVID-19 vaccinations, which helped reduce the severity of the third pandemic wave with minimal disruptions to mobility and economic activity,". Further, Government of India's policy to improve logistics infrastructure, incentives to facilitate industrial production, and measures to improve farmers' income will support the country's accelerated recovery. Risks to the outlook include uncertain global economic conditions, potential new surges in COVID-19 cases, and sharp rises in commodity prices. The ADB forecast is based on a normal monsoon which, coupled with rising wheat prices, is expected to boost agriculture output and improve farmers' income.

India's Goods and Services Tax (GST) revenues crossing the Rs. 1.5 lakh crore market for the first time and touching a new record high of Rs. 1.67 lakh crore in April 2022 on the back of increased compliance, better tax administration and improved economic activity despite the escalating geopolitical conflict in Russia and Ukraine has a positive impact.

BUSINESS SEGMENTS

Your Company continues to operate in Automobiles Gears, Industrial Gears and Solar Power. Industrial Gearbox Market size is projected to reach USD 38.10 billion in 2028, at a CAGR of 4.5% during the forecast period. The global Industrial Gearbox market size was USD 26.17 billion in 2020. Industrial Gearbox Market to Witness Remarkable Growth Owing to factors such as integrating smooth operation of machinery in various industries and rising demand from cement, steel, power plants, plastic, and rubber industries will boost the growth of the market during the forecast period. Additionally, rapid industrialization will increase the footprint of the market. Increasing investment in manufacturing infrastructure also helps increase the market share of the industrial products market, owing to various applications of engineering gases in the healthcare and food & beverages industries.

OPPORTUNITY AND THREATS

Opportunities: There is immense scope for growth, considering the existing supply and demand mismatch, and knowing the fact that the consumption in India is voluminously larger as compared to the combined output of the domestic manufacturers.

Threats: The limitation arises out of deliberate decision on the part of domestic manufacturers to keep low inventories of its imported key raw materials which is more than 80% to limit the risk of price fluctuations which may result in huge loss.

Generation of solar power station is satisfactory.

FINANCIAL PERFORMANCE

This has already been discussed in the Board Report and further segment performance can be looked in the segment information part of the notes to the notes to the financial statement..

Annexure - 'F' to the Director's Report (Contd.)

Details of the significant changes in the key financial

Sl. No.	Ratio	31st March 2022	31st March 2021	% Change	Reason for variance (where change is more than 25 %)
(1)	Current ratio	2.44	2.12	15.09%	
(2)	Debt- Equity Ratio	0.05	0.06	-16.67%	
(3)	Debt Service Coverage ratio	6.98	7.01	-0.43%	
(4)	Return on Equity ratio	0.21	0.16	31.25%	Revenue from operation increased as compared to previous year
(5)	Inventory Turnover ratio	7.21	6.38	13.01%	
(6)	Trade Receivable Turnover Ratio	4.30	3.58	20.11%	
(7)	Trade Payable Turnover Ratio	6.40	5.20	23.08%	
(8)	Net Capital Turnover Ratio	2.75	2.36	16.53%	
(9)	Net Profit ratio	13.11%	12.88%	0.23%	
(10)	Return on Capital Employed	24.03%	19.48%	4.55%	

RISK AND CONCERNS

The company has made sufficient investment in both the segments and requires skilled man power to operate the latest technology machines. Increased power cost, higher transaction cost, high cost of labour continues to hinder the progress. Competition from peers continues to be intensifying.

INTERNAL CONTROL SYSTEM AND ADEQUACY.

The Company has adequate internal control systems and procedures commensurate with the size and nature of business ensuring that the assets and resources are used reasonably and are adequately protected and all the internal policies and statutory guidelines are complied with.

HUMAN RESOURCES

The industrial relations continue to be cordial as the Company continues to lay emphasis on employee's development at all levels. There are 920 employees on pay roll in the Company as on 31.03.2022.

The Company took measures to protect its employees during Covid-19 pandemic. The Company introduced safety norms, created continuous awareness about the pandemic and introduced preventive and safety measures including workplace sanitization, thermal screening, demarcation of work areas, etc.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT:

The Company firmly believes that an able, disciplined, motivated, trained and skilled manpower is the key for sustaining growth of an organization. The Company organizes and provides requisite training to its employees from time to time. Periodical appraisal and rewarding systems are in place. Industrial Relations at the plants (i.e. Kolkata, Faridabad and Bhagola Palwal in Haryana, Uttarakhand, Madhya Pradesh) as well as inter-se relationship between employer and employee at the head office in Kolkata have been cordial and conducive during the year. The Company believes in "Right Person for Right Job" and takes appropriate steps towards the same.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Governments regulations, tax laws and other incidental factors.

The Company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of subsequent developments, information of events.

Annexure - 'G' to the Director's Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014,

- i. The ratio of the remuneration in remuneration of each Director, to the median remuneration of the employees of the Company for the financial year 2021-22:

Name of the Director	Remuneration of Directors for Financial Year 2021-22 (₹ Lacs)	Ratio of Remuneration of each Director to median Remuneration of Employees
Shri Pradip Kumar Daga Chairman cum Managing Director	-	-
Shri Yashwant Kumar Daga Vice Chairman Cum Joint Managing Director	156.70	95.83
Shri Anand Prasad Agarwalla	4.31	2.64
Shri S. Chakravorti	4.07	2.49
Smt. Meera Dokania	4.29	2.62
Shri G. A. Narayanan (Director appointed w.e.f 12.02.2022)	0.34	-

Note: a) Shri Pradip Kumar Daga, CMD does not receive any remuneration from the Company.

- b) Ratio of remuneration of each Director to the median remuneration is not calculated for Directors who were with the Company for a part of the financial year 2021-22.

- ii. The percentage increase in remuneration of, Shri Maneesh Khanna Chief Financial Officer was 6.07% and Shri Roshan Davve Company Secretary it was NIL (C S appointed during the previous year) therefore, comparison cannot be made with current year remuneration.
- iii. In the financial year, there is of increase 8.78% in the median remuneration of employees.
- iv. There were 920 permanent employees on the rolls of the Company as on March 31, 2022.
- v. The Non-executive Directors are paid commission. The amount of commission is decided by the Board of Directors, considering the performance of the Company at a rate not exceeding 1% of the net profit of the Company calculated in accordance with the relevant provision of the act and other applicable laws in a financial year.
- vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Independent Auditors' Report
To the Members of Deepak Industries Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Deepak Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and Other Explanatory Notes for the year ended on that date (hereinafter referred to as "Financial Statements").

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have considered the matters described below to be the Key Audit Matters for incorporation in our Report:

Key audit Matters	Addressing the Key Audit Matters
<p>Impairment Allowances on Trade Receivables</p> <p>Gross Trade Receivable of the Company is Rs. 14880.65 Lakhs as on 31st March, 2022. This includes amounts, which have fallen due for payment and are lying outstanding for a considerable period of time. Management has carried impairment allowances of ₹ 153.13 Lakhs (Note No. 12 of the Financial Statements)</p> <p>The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit worthiness of the trade receivables and historical write-off experience</p>	<ul style="list-style-type: none"> • Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of Trade Receivables include the following: • We obtained an understanding from the Management, assessed and tested the design and operating effectiveness of the Company's key controls over the recoveries against the outstanding amounts and resultant impairment assessment of material Trade Receivables; • We have verified the period for which amount are remaining outstanding as disclosed in the financial statements and reviewed the recoverability thereof on case by case basis; • We reviewed Management's assessment and evaluation on the credit worthiness of the major trade receivables and historical trends and current dealing with the customers; • We further discussed with the Management the adequacy of the allowance for impairment as recorded and reviewed the supporting documents provided in relation to such assessment.

<p>Verification of Inventories and Valuation thereof</p> <p>The total inventory of the Company amounting to ₹ 8879.35 lakhs (as on March 31, 2022) (Refer note 3.10 and 11 of the Financial Statements).</p> <p>Existence of Inventories and valuation thereof was focus area of audit considering the amount involved therein was therein being material and the nature of operations of the Company.</p> <p>Physical verifications in all the locations have been conducted by the management at the year end.</p>	<p>Our Audit procedures based on which we arrived at the conclusion regarding reasonableness of determination of year-end inventory and valuation thereof include the following:</p> <ul style="list-style-type: none">• Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory are in system and procedures for conducting the physical verification and testing these controls to confirm the effectiveness thereof.• Observing the verification of Inventories at the year end undertaken by the management and evaluation of procedures and documentation in this aspect.• We have obtained and reviewed necessary evidences, working papers and documents for the physical verification carried out as above.• We have examined the valuation process/methodology and checks being performed at multiple levels and ensured that the valuation is consistent with and as per the policy followed in this respect.
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Information other than the Financial Statements and Auditors’ Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Financial Statements and our auditors’ report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Standard on Auditing (SAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. Further to our comments in the annexure referred to in the paragraph above, as required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time;
 - e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal control with reference to financial statements; and
3. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 38 of the financial statements;
 - ii. The Company did not have any material for seeable losses against long-term contracts, including derivative contracts and thereby requirement for making provision in this respect is not applicable to the company.
 - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief as disclosed in Note No. 48 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief as disclosed in Note No. 48 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

- v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.
4. With respect to the reporting under Section 197 (16) of the Act to be included in the Auditors' Report, in our opinion and according to the information and explanations given to us, the Remuneration (including Sitting fees) paid by the Company to its Directors during the current financial year is in accordance with the provisions of Section 197 of the Act and is not in excess of the limit laid down therein.

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration Number: 301051E

R. P. Singh
(Partner)
Membership No. 052438
UDIN:22052438AKBXUM1942

Place: Kolkata
Date: 23rd May, 2022

ANNEXURE "A" TO THE AUDITORS' REPORT OF EVEN DATE:

The Statement referred to in paragraph 1 with the heading 'Report on other legal and regulatory requirements' of our Report of even date to the members of Deepak Industries Limited on the financial statements of the Company for the year ended 31st March 2022, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Intangible Assets;
- b) There is a phased programme of verification of such assets, based on which physical verification of fixed assets is being carried out by the management. Discrepancies in respect of fixed assets verified during the year were not material;
- c) Based on verification of title deeds/ lease deeds produced to us by the management and according to the information and explanations given to us, in our opinion, the title deeds/ lease deeds of immovable properties as stated in Note No. 5.3 of the financial statements are held in the name of the company;
- d) The company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) and Intangible Assets during the year. Accordingly, reporting under paragraph 3 (i)(d) of the Order is not applicable to the Company;
- e) According to the information and explanations given to us and as represented by the management, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as amended from time to time. Accordingly, reporting under paragraph 3 (i)(e) of the Order is not applicable to the Company.
- ii) a) The inventories of the Company have been physically verified by the management during the year at reasonable intervals and in our opinion coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and nature of its inventory. The discrepancies noticed on physical verification of inventories were not 10% or more in aggregate for each class of inventory and have been properly dealt with in the books of the account;
- b) The Company has been sanctioned working capital limit in excess of Rupees Five Crores on the basis of securities of Current Assets of the company in respect of which statements have been filed with the banks. On the basis of examination of relevant records and details provided to us in this respect, these statements provided to us have been found to be in agreement with the then unaudited books of accounts of the Company (Refer Note no. 23.3 of the financial statements).
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company as stated in Note No. 8.5 of the financial statements has paid Rs 3800 lakhs for acquiring Lotus Auto Engineering Limited (LAEL) and amount so paid pending completion of the liquidation proceedings of Insolvency and Bankruptcy Code, 2016 and approval thereof by National Company Law Tribunal has been shown under Note No. 10 of the financial statements. Other than this, the Company has not granted any secured or unsecured loan or provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured or has not made any investments in companies, firms, limited liability partnership or any other parties during the year
 - a) As stated above the Company has not granted any secured or unsecured loan or provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year and hence reporting under paragraph 3 (iii)(a) of the Order is not applicable;
 - b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the amount paid for acquiring LAEL as stated herein above considering the objective and nature thereof are, prima facie, not prejudicial to the interest of the Company;
 - c) As mentioned in clause (a) above the Company has not granted any loan or any advance in the nature of loan and hence reporting under paragraph 3 (iii) (c), (d), (e) and (f) of the Order is not applicable.

- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act, with respect to the investments made. The Company has neither issued any guarantee, given any loan nor has provided any security on behalf of any party. As the company has not granted any loan to directors or to parties wherein directors are interested, provisions of section 185 is not applicable to the company.
- v) According to the information and explanation given to us and based on our examination of the books and records of the Company, the Company has neither accepted any deposits or amount deemed to be deposits from public covered under Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. Accordingly, reporting under paragraph 3(v) of the order is not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii) According to the information and explanations given to us and based on our examination of the books of account:
- During the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it. According to the information and explanations given to us, there is no undisputed amounts payable in respect of these which were in arrears as on March 31, 2022 for a period of more than six months from the date they became payable;
 - The details of statutory dues referred to in sub clause (vii) (a) above, which have not been deposited on account of any dispute are as follows:

(Rupees in Lakhs)

Name of the Statute	Nature of Dues	Amount (Rupees in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 (rule 14 of CENVAT Credit rule)	CENVAT for Service Tax on Rent	2.19	F.Y. 2009-10	Punjab and Haryana High Court, Chandigarh
Income Tax Act, 1961	Income Tax	174.29	A.Y. 2010-11 and A.Y. 2013-14 to A.Y. 2019-20	Commissioner of Income Tax (Appeals) Kolkata

- viii) In our opinion and on the basis of information and explanations given to us and as represented by the management, we have neither come across nor have been informed of transactions which were previously not recorded in books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and accordingly reporting under paragraph 3 (viii) of the Order is not applicable.
- ix) In our opinion and on the basis of information and explanations given to us and based on our examination of the books of account of the Company :
- During the year, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lenders;
 - The Company has not been declared willful defaulter by any bank or financial institutions or any other lenders;
 - The Company has utilized the money obtained by way of term loans from bank for the purpose for which they were obtained;
 - According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have been used for long term purposes by the Company;

- e) As stated in Note No. 8.5 of the financial statements, the Company does not have any subsidiaries. Further, the Company does not have any associates or joint ventures and accordingly reporting under paragraph 3 (ix) (e) and (f) of the Order is not applicable.
- x. According to the information and explanations given to us and based on our examination of the books of account of the Company:
- a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under paragraph 3(x)(a) of the Order is not applicable;
- b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally) during the year and accordingly, reporting under paragraph 3(x)(b) of the Order is not applicable
- xi. a) During the course of our examination of books and records of the Company carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year, nor have been informed of any such cases by the management;
- b) No report under sub-section (12) of section 143 of the Act, has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 (as amended from time to time) with the Central Government, during the year and up to the date of this report;
- c) According to the information and explanation given to us and based on our examination of the books of account of the company, no whistle blower complaints have been received during the year by the company. Accordingly reporting under paragraph xi (c) of the order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and accordingly the Nidhi Rules, 2014 is not applicable to it, hence, the reporting under paragraph 3(xii) (a, b, & c) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with provisions of Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The Company has appointed a firm of Chartered Accountants to carry out the internal audit of the Company. In our opinion and according to the information and explanations given to us the internal audit system is commensurate with the size and nature of its business. We have considered, during the course of our audit, the reports of the internal auditor for the period under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".
- xv. According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them and hence reporting under paragraph 3(xv) of the Order is not applicable.
- xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance Activities without a valid certificate of registration as required under Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d) In our opinion and based on the representation received by us from the management, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii. Based on the examination of the books of accounts we report that the Company has not incurred cash losses in the current financial year covered by our audit or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year and hence reporting under paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and based on the financial ratios (refer note no. 46 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither given any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. a) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, there was no unspent amount on account of Corporate Social Responsibility (CSR) other than for ongoing projects as envisaged under Section 135 of the Act and hence, reporting under paragraph 3(xx)(a) of the Order are not applicable;
- b) According to the information and explanations given to us and as represented to us by the management and based on our examination of the records of the Company, In respect of ongoing projects, the company has transferred unspent amount to a special account, within a period of thirty days from the end of the financial year in compliance with section 135(6) of the said Act.
- xxi. The reporting under paragraph 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements.

For Lodha & Co.

Chartered Accountants

Firm's ICAI Registration Number: 301051E

R. P. Singh

(Partner)

Membership No. 052438

UDIN: :22052438AKBXUM1942

Place: Kolkata

Date: 23rd May, 2022

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

((Referred to in paragraph 2 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”).

We have audited the internal financial controls with reference to the financial statements of Deepak Industries Limited (“the Company”) as at March 31, 2022 in conjunction with our audit of the 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 financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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 Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the financial statements. 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 control with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors’ judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

A Company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Place: Kolkata
Date: 23rd May, 2022

For Lodha & Co.
Chartered Accountants
Firm's ICAI Registration Number: 301051E
R. P. Singh
(Partner)
Membership No. 052438
UDIN: 22052438AKBXUM1942

BALANCE SHEET AS AT 31ST MARCH, 2022

(₹ In lakhs)

Particulars	Note No.	As at March 31,2022	As at March 31, 2021
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	5	16,037.39	16,793.30
(b) Capital work-in-progress	6	0.29	73.65
(c) Intangible Assets	7	6.34	9.66
(d) Financial Assets			
(i) Investments	8	137.09	123.76
(ii) Other Financial Assets	9	258.08	259.50
(e) Other non-current assets	10	4,517.86	1,078.72
Total Non Current Assets		20,957.05	18,338.59
(2) Current Assets			
(a) Inventories	11	8,879.35	8,702.04
(b) Financial Assets			
(i) Trade Receivables	12	14,727.52	11,938.34
(ii) Cash and cash equivalents	13	603.09	97.43
(iii) Bank Balance other than (ii) above	14	17,860.84	15,886.82
(iv) Other Financial Assets	15	446.05	517.86
(c) Other current assets	16	1,363.08	1,193.38
Total Current Assets		43,879.93	38,335.87
Total Assets		64,836.98	56,674.46
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	17	395.64	395.64
(b) Other Equity	18	44,048.43	35,919.78
Total Equity		44,444.07	36,315.42
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	1,082.71	817.47
(ii) Lease Liabilities	36	8.10	15.27
(iii) Other Financial Liabilities	20	400.28	400.28
(b) Provisions	21	212.11	196.33
(c) Deferred Tax Liabilities (Net)	22	708.82	835.96
Total Non Current Liabilities		2,412.02	2,265.31
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	7,183.23	8,640.55
(ii) Lease Liabilities	36	7.02	18.78
(iii) Trade Payables	24		
(a) Total Outstanding dues of micro enterprises and small enterprises		780.85	335.25
(b) Total Outstanding dues to creditors other than micro enterprises and small enterprises		5,843.66	5,647.30
(iv) Other financial liabilities	25	1,122.10	1,484.53
(b) Other current liabilities	26	2,918.93	1,811.88
(c) Provisions	27	125.10	155.44
Total Current Liabilities		17,980.89	18,093.73
Total Liabilities		20,392.91	20,359.04
Total Equity and Liabilities		64,836.98	56,674.46

Accompanying Notes on Financial Statements

1-51

These notes are an integral part of the Financial Statements.

For and on behalf of the Board of Directors

As per our report of even date

P K Daga

Y K Daga

For Lodha & Co.

(DIN: 00040692)

(DIN: 00040632)

Chartered Accountants
Director

Chairman-Cum-Managing Director

Vice Chairman-Cum-joint-Managing

Firm Regn No. 301051E

S Chakravorti

A P Agarwalla

Meera Dokania

R.P. Singh

(DIN: 00066344)

(DIN: 00312652)

(DIN: 07094376)

Partner

Membership No. 052438

G.A.Narayanan

Maneesh Khanna

R. Davve

Kolkata

DIN:09491346

Chief Financial Office

Company Secretary

May 23, 2022

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(₹ In lakhs)

Particulars	Note No.	For the year ended March 31,2022	For the year ended March 31, 2021
Revenue From Operations	28	63,369.73	42,756.27
Other Income	29	1,316.54	1,165.27
Total Income		64,686.27	43,921.54
EXPENSES			
Cost of Materials consumed	30	30,739.24	19,140.95
Changes in Inventories of finished goods, Stock-in-Trade and work-in progress	31	(574.20)	(704.22)
Employee benefits expense	32	7,044.34	5,920.88
Finance costs	33	585.06	741.54
Depreciation and amortisation expense	34	2,598.95	2,008.04
Other expenses	35	13,155.85	9,393.96
Total Expenses		53,549.24	36,501.15
Profit before tax		11,137.03	7,420.39
Tax Expense:			
(1) Current Tax	37	2,965.44	1,896.35
(2) Deferred Tax	37	(134.12)	16.88
Profit for the year		8,305.71	5,507.16
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		27.74	3.72
(ii) Income tax relating to items that will not be reclassified to profit or loss	37.2	(6.98)	(0.94)
Other Comprehensive Income for the year (net of tax)	37.3	20.76	2.78
Total Comprehensive Income for the year comprising profit and other comprehensive income for the year		8,326.47	5,509.94
Earnings per equity share of value of ₹ 10 each.	42		
(1) Basic (₹)		209.93	139.20
(2) Diluted (₹)		209.93	139.20

Accompanying Notes on Financial Statements

1-51

These notes are an integral part of the Financial Statements. **For and on behalf of the Board of Directors**As per our report of even date
For **Lodha & Co.**Chartered Accountants
Director

Firm Regn No. 301051E

R.P. Singh

Partner

Membership No. 052438

Kolkata

May 23, 2022

P K Daga
(DIN: 00040692)
Chairman-Cum-Managing Director**S Chakravorti**
(DIN: 00066344)**G.A.Narayanan**
DIN:09491346**A P Agarwalla**
(DIN: 00312652)**Maneesh Khanna**
Chief Financial Office**Y K Daga**
(DIN: 00040632)
Vice Chairman-Cum-joint-Managing**Meera Dokania**
(DIN: 07094376)**R. Davve**
Company Secretary

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2022

(A) Equity Share Capital

Particulars	Note No.	(₹ in lakhs)
Balance as at March 31,2020		395.64
Changes during the year		-
Balance as at March 31,2021		395.64
Changes during the year		-
Balance as at March 31,2022		395.64

(B) Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurement of Defined Benefit Obligation	
As at March 31, 2020	35.36	134.17	30,240.31	-	30,409.84
Profit for the year	-	-	5,507.16	-	5,507.16
Other Comprehensive Income for the year (net of tax)	-	-	-	2.78	2.78
Total Comprehensive Income for the year	-	-	5,507.16	2.78	5,509.94
Transfer to Retained Earnings during the year	-	-	2.78	(2.78)	-
As at March 31, 2021	35.36	134.17	35,750.25	-	35,919.78
Profit for the year	-	-	8,305.71	-	-
Other Comprehensive Income for the year (net of tax)	-	-	-	20.76	-
Total Comprehensive Income for the year	-	-	8,305.71	20.76	-
Transfer to Retained Earnings during the year	-	-	20.76	(20.76)	-
Dividend paid during the year	-	-	(197.82)	-	-
As at March 31, 2022	35.36	134.17	43,878.90	-	44,048.43

Refer Note no. 18 for nature and purpose of reserves

Accompanying Notes on Financial Statements

1-51

These notes are an integral part of the Financial Statements.

For and on behalf of the Board of Directors

As per our report of even date

For **Lodha & Co.**

Chartered Accountants
Director

Firm Regn No. 301051E

R.P. Singh

Partner

Membership No. 052438

Kolkata

May 23, 2022

P K Daga

(DIN: 00040692)

Chairman-Cum-Managing Director

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Chief Financial Office

Y K Daga

(DIN: 00040632)

Vice Chairman-Cum-joint-Managing Director

Meera Dokania

(DIN: 07094376)

R. Davve

Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(₹ In lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax		11,137.03		7,420.39
Adjustments for -				
Depreciation	2,598.95		2,008.04	
(Profit)/Loss on sale/ discard of Property, Plant and Equipment	(326.09)		1.42	
Interest Income	(819.62)		(1,008.39)	
Liabilities no longer required written back	(43.77)		(81.78)	
Finance costs	585.06		741.54	
Amortisation of Deferred financial instruments	22.66		22.37	
Interest income on financial assets measured at amortised cost	(14.22)		(12.60)	
		2,002.97		1,670.60
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		13,140.00		9,090.99
Adjustments for -				
Trade and other Receivables	(2,789.18)		(3,419.92)	
Inventories	(177.31)		(3,991.54)	
Loans And advances	(163.29)		(786.98)	
Trade Payables and other liabilities	1,750.92	(1,378.86)	2,437.25	(5,761.19)
CASH GENERATED FROM OPERATIONS		11,761.14		3,329.80
Direct Taxes Paid		(2,936.80)		(1,933.01)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		8,824.34		1,396.79
Purchase of Property, Plant and Equipment, Intangible Assets, Right of Use Assets and Capital Work in Progress	(1,763.45)		(2,396.11)	
Sale of Property, Plant and Equipment	326.09		4.85	
(Purchase)/ Sale of Investments (Also Refer Note No. 8.5)	(3,800.00)		(12.04)	
Deposits with Bank (original maturity more than three months)	(1,973.70)		(1,198.36)	
Interest Income	886.10		1,020.99	
		(6,324.96)		(2,580.67)
NET CASH FLOW FROM/(USED IN) INVESTMENT ACTIVITIES		(6,324.96)		(2,580.67)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest Paid	(582.87)		(741.54)	
Proceeds from Long term Borrowings from Bank	1,201.83		642.80	
Repayment of Long term Borrowings from Bank	(1,367.52)		(841.57)	
Repayment of Sales Tax Deferment Loan	(23.11)		(23.11)	
Proceeds/ (Repayment) of Short Term Borrowings from Bank (net)	(1,003.28)		1,359.46	
Repayment of Lease Liability	(20.95)		(15.58)	
Dividend paid	(197.82)		-	
		(1,993.72)		380.46
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		(1,993.72)		380.46

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

(₹ in lakhs)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	₹	₹	₹	₹
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		505.66		(803.42)
Cash and Cash Equivalents as at beginning of the Year (Refer Note 13)		97.43		900.85
Cash and Cash Equivalents as at the end of the year (Refer Note 13)		603.09		97.43

Note:

1. Cash and Cash Equivalents consists of cash on hand and bank balances in Current Account, Dividend Account and Short Term Deposits with original maturity of less than three months. The details of cash and cash equivalents as per note 13 of the Balance Sheet is as under:

(₹ In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In Current account	570.34	83.09
Earmarked Balances with Bank		
Unspent amount for Corporate Social Responsibility	25.50	-
Cash on hand	7.25	14.34
Total cash and cash equivalents	603.09	97.43

2. Reconciliation of Liabilities arising from Financing activities

(₹ In lakhs)

Particulars	As at March 31, 2021	Proceeds raised	Non cash adjustment	Repayment	As at March 31, 2022
Long Term Borrowings from Bank	2,197.80	1,201.83	-	(1,367.52)	2,032.11
Sales Tax Deferment Loan	23.11	-	-	(23.11)	-
Lease Liabilities	34.05	-	2.02	(20.95)	15.12
Short Term Borrowings from Bank	7,237.11	-	-	(1,003.28)	6,233.83
Short Term Borrowings from Bodies Corporate	-	-	-	-	-
Total	9,492.07	1,201.83	2.02	(2,414.86)	8,281.06

3. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 on Statement of Cash Flows.
4. The Company has incurred ₹ 136.20 lakhs on account of Corporate Social Responsibility (CSR) Expenditure during the year ended March 31, 2022 (Previous year ₹ 84.19 lakhs)

Accompanying Notes on Financial Statements

1-51

These notes are an integral part of the Financial Statements.

For and on behalf of the Board of Directors

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

Firm Regn No. 301051E

R.P. Singh

Partner

Membership No. 052438

Kolkata

May 23, 2022

P K Daga

(DIN: 00040692)

Chairman-Cum-Managing Director

S Chakravorti

(DIN: 00066344)

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DIN:09491346

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A P Agarwalla

(DIN: 00312652)

Maneesh Khanna

Chief Financial Office

Meera Dokania

(DIN: 07094376)

R. Davve

Company Secretary

Notes to Financial Statements for the year ended March 31, 2022

1 Corporate Information

Deepak Industries Limited ('the company') is a public limited company incorporated and domiciled in India having its registered office in Kolkata in the State of West Bengal. The main business of Company is manufacturing and selling of Industrial and Automobile gears of various capacities and generation of solar power. The Company's shares are listed on The Calcutta Stock Exchange Limited.

The financial statements for the year ended March 31, 2022 were approved for issue by the Board of Directors of the company on May 23, 2022 and are subject to the adoption by the Shareholders in the ensuing Annual General Meeting.

2 Statement of compliance and Recent Pronouncements

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act"). The Ind ASs issued, notified and made effective till the financial statements are authorized and have been considered for the purpose of preparation of these financial statements.

The accounting policies are applied consistently except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Application of new and revised standards

The Ministry of Corporate Affairs (MCA) vide Notification dated 18th June 2021 has issued Companies (Indian Accounting Standard) Amendment Rules, 2021. The Company has applied the following standards and amendments for the first time during the year ended 31st March 2022. These amendments had no impact on the financial statements of the Company.

- (i) The amendment under Ind AS 38 and Ind AS 37 clarifies that the definition of "asset" under Ind AS 38 and the definition of "liability" under Ind AS 37 are not revised following the revision of the definition of "asset" and "liability" in the Conceptual Framework respectively.
- (ii) Reference to the "Framework for Preparation and Presentation of Financial Statements" with Ind AS has been substituted with reference to the "Conceptual Framework" under Ind AS 1, Ind AS 8, and Ind AS 34.
- (iii) Certain amendments have been made under Ind AS 115 to maintain consistency with the number of paragraphs of IFRS 15.
- (iv) In the definition of "recoverable amount", for the words "fair value less costs to sell", the words "fair value less costs of disposal" have been substituted. The consequential amendments are made in Ind AS 105, Ind AS 16, and Ind AS 28.

2.3 Recent Accounting Pronouncements

Standards issued but not yet effective:

The Ministry of Corporate Affairs (MCA) vide Notification dated 23rd March 2022 has issued Companies (Indian Accounting Standard) Amendment Rules, 2022. These amendments to the extent relevant to the Company's operations include:

Amendment to Ind AS 16 which clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of the cost of an item of property, plant, and equipment.

Amendment to Ind AS 37 specifies that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant, and equipment used in fulfilling the contract).

Other amendments in various standards, including Ind AS 101, Ind AS 103, Ind AS 109 "Financial Instruments", and Ind AS 41 "Agriculture", have not been listed above since these are not relevant to the Company.

Even though the Company will evaluate the impact of the above, none of these amendments are vital in nature and are not likely to have a material impact on the Company's financial statements.

Notes to Financial Statements for the year ended March 31, 2022

3 Significant Accounting Policies

3.1 Basis of Preparation

The Financial Statements have been prepared under the historical cost convention on accrual basis excepting certain financial instruments which are measured in terms of relevant Ind AS at fair value/ amortized costs at the end of each reporting period.

Historical cost convention is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Ind AS 1 "Presentation of Financial Statements" and in Division II of Schedule III to the Companies Act, 2013. Having regard to the nature of business being carried out by the Company, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

The functional currency of the Company is determined as the currency of the primary economic environment in which it operates. The Financial Statements are presented in Indian Rupees and all values are rounded off to the nearest two decimal Lakhs except otherwise stated.

3.2 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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

- a) Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- b) Level 2: Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly for the asset or liability
- c) Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The company has an established control framework with respect to the measurement of fair values. This includes a finance team that has overall responsibility for overseeing all significant fair value measurements who regularly reviews significant unobservable inputs, valuation adjustments and fair value hierarchy under which the valuation should be classified.

3.3 Property Plant and Equipment (PPE)

Property, Plant and Equipment are stated at cost of acquisition, construction and subsequent improvements thereto less accumulated depreciation and impairment losses, if any. For this purpose cost includes deemed cost on the date of transition and comprises purchase price of PPE or its construction cost and includes, where applicable, inward freight, duties and taxes, and other expenses related to acquisition or installation and any cost directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended for its use. Interest on Borrowings utilised to finance the construction of qualifying assets are capitalised as part of cost of the asset until such time that the asset is ready for its intended use.

When parts of an item of PPE have different useful lives, they are accounted for as separate items (major components) of the PPE.

Property, Plant and Equipment includes spare, stand by equipments and servicing equipments which are expected to be used for a period of more than twelve months and meet the recognition criteria of Property, Plant and Equipment.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of day - to - day servicing of property, plant and equipment are recognised in the statement of profit and loss in the period in which they are incurred.

The company's lease assets comprising of Land and Building has been separately shown as Right of Use (ROU) Assets.

Depreciation and amortisation

Depreciation on Property, Plant and Equipment is provided as per Schedule II of the Companies Act, 2013 on straight line method except at Rudrapur unit where depreciation is provided on written down value method. Subsequent additions to the cost of Property, Plant and Equipment are depreciated over the remaining life of mother asset.

No depreciation is charged on Freehold land.

Notes to Financial Statements for the year ended March 31, 2022

Depreciation on ROU assets is recognised over the lease term or expected useful life of the asset, whichever is lower and depreciation on Property, Plant and Equipment (other than leasehold land) commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current year are as follows:

Category	Useful Life in years
Factory Buildings	30
Other than factory Building	60
Plant and Equipment	15
Furniture and Fixtures	10
Vehicles	8-10
Office Equipment	5

The residual value of an item of Property, Plant and Equipment has been kept at 5 percent or less of the cost of the respective assets.

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at the end of each reporting date.

3.4 Capital Work in Progress

Capital work in progress includes purchase price, import duty and any other directly attributable cost of bringing the assets to their working condition. Such items are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Amount paid towards acquisition of Property, Plant and Equipment outstanding as at each reporting date are recognized as capital advance under "Other Non-Current Assets".

3.5 Intangible Assets

Intangible assets are stated at cost of acquisition comprising of purchase price inclusive of duties and taxes less accumulated amortization and impairment losses if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and its cost can be measured reliably. Such assets, are amortized over the useful life using straight line method and assessed for impairment whenever there is an indication of the same.

Amortization on Intangible Assets commences when the assets are ready for their intended use. Based on above, the estimated useful lives of assets for the current year are as follows:

Category	Useful life (in years)
Computer Software	5

Amortisation methods and useful lives are reviewed and adjusted as appropriate, at the end of each reporting date.

3.6 Derecognition of Tangible and Intangible assets

An item of Property, Plant and Equipment and Intangible assets is de-recognised upon disposal or when no future economic benefits are expected to arise from its continued use or disposal. Any Gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment and Intangible Asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.7 Leases

Company as a Lessee

The Company's lease assets primarily consist of land and building premises taken on lease for residential and official accommodation. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Notes to Financial Statements for the year ended March 31, 2022

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU Assets") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and/or low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates of these leases. Lease liabilities are pre-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset are separately presented in the Balance Sheet and lease payments are classified as financing cash flows. Lease liability obligations is presented separately under the head "Financial Liabilities".

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Company as a Lessor

Assets are given on lease either as operating lease or as finance lease. A lease is classified as finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially, asset held under finance lease is recognised in Balance Sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease. The Company recognises lease payments in case of assets given on operating leases as income on a straight line basis.

3.8 Impairment of Tangible and Intangible Assets

Tangible, Intangible assets and ROU Asset are reviewed at each Balance Sheet date for impairment. In case events and circumstances indicate any impairment, recoverable amount of assets is determined. An impairment loss is recognized in the statement of profit and loss, whenever the carrying amount of assets either belonging to Cash Generating Unit (CGU) or otherwise exceeds recoverable amount. The recoverable amount is the higher of assets fair value less cost of disposal and its value in use. In assessing value in use, the estimated future cash flows from the use of the assets are discounted to their present value at appropriate rate.

Impairment losses recognized earlier may no longer exist or may have come down. Based on such assessment at each reporting period the impairment loss is reversed and recognized in the Statement of Profit and Loss. In such cases the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

3.9 Financial Instruments-Financial assets and Financial liabilities

Financial Assets and Financial Liabilities are recognised when the 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 the Statement of Profit and Loss.

The financial assets and financial liabilities are classified as current if they are expected to be realised or settled within twelve months or otherwise these are classified as non-current.

The classification of financial instruments whether to be measured at Amortized Cost, at Fair Value through Profit and Loss (referred to as "FVTPL") or at Fair Value through Other Comprehensive Income (referred to as "FVTOCI") depends on the objective and contractual terms to which they relate. Classification of financial instruments are determined on initial recognition.

a) Cash and cash equivalents

All highly liquid financial instruments, which are readily convertible into determinable amounts of cash and

Notes to Financial Statements for the year ended March 31, 2022

which are subject to an insignificant risk of change in value and are having original maturities of three months or less from the date of purchase, are considered as cash and cash equivalents. Cash and cash equivalents includes balances with banks which are unrestricted for withdrawal and usage.

b) **Financial Assets and Financial Liabilities measured at amortised cost**

Financial Assets held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Financial Assets and Financial Liabilities subsequent to initial recognition are measured at amortized cost using Effective Interest Rate (referred to as "EIR") method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (including all fees and points paid or received, transaction costs and other premiums or discounts) through the expected life of the Financial Asset or Financial Liability to the gross carrying amount of the financial asset or to the amortised cost of financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

c) **Financial Asset at Fair Value through Other Comprehensive Income (FVTOCI)**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, they are measured at fair value and changes therein are recognised directly in other comprehensive income.

d) For the purpose of para (b) and (c) above, principal is the fair value of the financial asset at initial recognition and interest consists of consideration for the time value of money and associated credit risk.

e) **Financial Assets or Liabilities at Fair value through profit or loss(FVTPL)**

Financial Instruments which do not meet the criteria of amortised cost or fair value through other comprehensive income are classified as Fair Value through Profit or loss. These are recognised at fair value and changes therein are recognized in the statement of profit and loss.

f) **Impairment of financial assets**

The Company evaluates whether there is any objective evidence that financial assets measured at amortised costs including trade and other receivables are impaired and determines the amount of impairment allowance as a result of the inability of the parties to make required payments. The Company bases the estimates on the ageing of the receivables, credit-worthiness of the receivables and historical write-off experience and variation in the credit risk on year to year basis.

Lifetime expected credit losses are the expected credit losses(ECL) that result from all possible default events over the expected life of a financial instrument. The company measures the loss allowance for a financial assets 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. Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognising impairment loss allowance based on 12-month ECL.

In case of trade receivables or contract assets that result in relation to revenue from contracts with customers, the company measures the loss allowance at an amount equal to lifetime expected credit losses where maximum contractual period is considered over which the Company is exposed to credit risks.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward-looking information.

Loss allowances for financial assets measured at amortised costs are deducted from the gross carrying amount of the assets.

Notes to Financial Statements for the year ended March 31, 2022

g) Derecognition of financial instruments

The Company derecognizes a financial asset or a group of financial assets 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 (except for equity instruments designated as FVTOCI), the difference between the asset's carrying amount and the sum of the consideration received and receivable are recognized in statement of profit and loss.

On derecognition of assets measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings.

Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

3.10 Inventories

Inventories other than scrap are valued at lower of the cost or estimated net realisable value. Cost of Inventories is ascertained on weighted average/FIFO basis. Materials and other supplies held for use in the production of inventories are not written down below cost, if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost in respect of raw materials and stores and spares includes expenses incidental to procurement of the same. Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition including duties and taxes other than those recoverable from taxable authorities. Borrowing costs are not included in the value of inventories.

Inventories of scrap are valued at their respective estimated net realisable value.

3.11 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transactions. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate as at the date of transaction. The loss or gain thereon and also on the exchange differences on settlement of the foreign currency transactions during the year are recognized as income or expense in the statement of profit and loss. Foreign exchange gain or loss to the extent considered as an adjustment to Interest Cost are considered as part of borrowing cost.

3.12 Equity Share Capital

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Par value of the equity shares is recorded as share capital and the amount received in excess of par value is classified as Securities Premium.

Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a legal or constructive obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are not recognised for future operating losses. The amount recognized 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.

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

When there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote, no disclosure of contingent liability is made.

Contingent assets are not recognised but disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable

Notes to Financial Statements for the year ended March 31, 2022

3.14 Employee Benefits

Employee benefits are accrued in the year in which services are rendered by the employees. Short term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the related service is rendered.

Contribution to defined contribution plans such as Provident Fund, Employee Pension Scheme etc, is being made in accordance with statute and are recognised as and when incurred.

Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in Other Comprehensive Income (OCI) for the period in which they occur. Remeasurements are not reclassified to Profit or Loss in subsequent years. The Liability or Asset recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets.

Other long term employee benefits consisting of Leave Encashment are determined at close of the year at present value of the amount payable using actuarial valuation techniques. The changes in the amount payable including actuarial gains and losses are recognised in other comprehensive income.

All defined benefit plans obligations are determined based on valuations, as at the Balance Sheet date, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

3.15 Revenue Recognition

Revenue from Operations

Revenue is measured based on the considerations specified in a contract with a customer and excludes amounts collected on behalf of third parties. The revenue from sales is recognised when control over a product or service has been transferred and /or products/services are delivered/provided to the customers. The delivery occurs when the product has been shipped or delivered to the specific location as the case may be and the customer has either accepted the products in accordance with contract or the company has sufficient evidence that all the criteria for acceptance has been satisfied. Returns, discounts and rebates collected, if any, are deducted there from sales.

Sale of electricity is accounted for on delivery of electricity to grid/ Customers .

Other Operating Revenue-Export Benefits :

Export benefits arising on account of entitlement for duty free imports are accounted for through import of materials. Other export benefits are accounted for as and when the ultimate realisability of such benefits are established.

Other Income

Interest, Dividend and Claims :

Dividend income is recognized when the right to receive payment is established. Interest has been accounted using effective interest rate method. Insurance claims/ other claims are accounted for as and when admitted or realised. Interest on overdue bills are accounted for on certainty of realisation.

3.16 Borrowing Costs

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognized in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant Equipment which are capitalized to the cost of the related assets. A qualifying PPE is an asset, that necessarily takes a substantial period of time to get ready for its intended use. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

3.17 Government Grants

Government grants are recognized on systematic basis when there is reasonable certainty of realization of the same. Government Grants related to revenue is credited to the Statement of Profit and Loss on systematic basis over the period to the extent of expenditure incurred there against and shown separately under Other Income. Grants which are meant for purchase, construction or otherwise to acquire non current assets are deducted from costs of the such assets.

When the grant relates to an asset in the form of the duty benefits availed under Export Promotion Capital Goods (EPCG) Scheme, it is accounted for as government grant and is amortised on the basis of fulfilment of underlying export obligations

Notes to Financial Statements for the year ended March 31, 2022

3.18 Taxes on Income

Income tax expense representing the sum of current tax expenses and the net charge of the deferred taxes is recognized in the income statement except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current Tax

Current tax is provided on the taxable income and recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Advance tax and provisions are presented in the balance sheet after setting off advance tax paid and income tax provision.

Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit as well as for unused tax losses or credits. In principle, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred Tax Asset and Liabilities have been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where deferred tax assets and liabilities relate to income tax are levied by the same taxation authority.

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 is realised based on the tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. Deferred tax is charged or credited to the income statement, except when it relates to items credited or charged directly to other comprehensive income in equity, in which case the corresponding deferred tax is also recognized directly in equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and adjusted to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

3.19 Earnings Per Share

Basic Earnings per share is calculated by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit for the year attributable to the equity shareholders and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.20 Segment Reporting

The Company's business is to manufacture and sale Automobile Gears, Industrial Gears and is also engaged in generation and sale of electricity. Operating segments are identified and reported taking into account the different risk and return, organisation structure and internal reporting system.

4 Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the recognition and measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from year to year. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised prospectively. Actual results may differ from these estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

The application of accounting policies that require significant areas of estimation, uncertainty and critical judgments and the use of assumptions in the financial statements have been disclosed below. The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk

of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

4.1 Arrangements containing leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

4.2 Impairment allowances on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables, historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.3 Current Tax and Deferred Tax

Significant judgment is required in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

Significant management judgement is required to determine the amount of deferred tax assets/liability that can be recognised, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. The management has reviewed the rationale for recognition of Deferred Tax Liability and based on the likely timing and level of profitability in future and expected utilisation of deferred tax there against .

4.4 Defined benefit obligation (referred to as "DBO")

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.5 Provisions and Contingencies

Provisions and liabilities are recognized in the year when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/ against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.6 Depreciation / Amortization and Impairment on Property, Plant and Equipment / Intangible assets.

Property, plant and equipment, ROU Assets and intangible assets are depreciated/amortized on Straight-Line Basis/ Written Down Value over the estimated useful lives (or lease term if shorter) in accordance with Internal assessment and Independent evaluation carried out by technical expert/ Schedule II of the Companies Act, 2013, taking into account the estimated useful life and residual value, wherever applicable.

The company reviews its carrying value of its Tangible and Intangible Assets whenever there is objective evidence that the assets are impaired. In such situation assets recoverable amount is estimated which is higher of assets' or cash generating units' (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rate which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realisations are considered or otherwise in absence of such transactions appropriate valuations are adopted.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

5A. Property, Plant and Equipment

Particulars	Freehold Land	Land - Right of use	Factory Building	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note No. 5.1)	Office Equipment	Total
(A) Gross Carrying Amount								
As at March 31, 2020	1,994.51	120.32	1,111.03	21,347.32	77.36	264.57	213.60	25,128.71
Additions/Adjustments	-	44.55	97.62	2,038.93	1.79	5.74	15.92	2,204.55
Disposals/Adjustments	-	-	5.05	3.52	-	3.67	-	12.24
As at March 31, 2021	1,994.51	164.87	1,203.60	23,382.73	79.15	266.64	229.52	27,321.02
Additions/Adjustments	4.20	-	190.54	1,649.13	7.57	40.62	15.89	1,907.95
Disposals/Adjustments	-	-	-	1,061.52	-	4.08	-	1,065.60
As at March 31, 2022	1,998.71	164.87	1,394.14	23,970.34	86.72	303.18	245.41	28,163.37
(B) Accumulated Depreciation								
As at March 31, 2020	-	6.82	212.44	8,065.78	37.22	94.43	130.34	8,547.03
Charge for the Year	-	15.74	48.25	1,847.74	7.85	32.69	34.39	1,986.66
Disposals/Adjustments	-	-	2.36	0.47	-	3.14	-	5.97
As at March 31, 2021	-	22.56	258.33	9,913.05	45.07	123.98	164.73	10,527.72
Charge for the Year	-	20.20	51.17	2,457.87	7.68	33.55	25.16	2,595.63
Disposals/Adjustments	-	-	-	994.28	-	3.09	-	997.37
As at March 31, 2022	-	42.76	309.50	11,376.64	52.75	154.44	189.89	12,125.98
(C) Net Carrying Amount (A-B)								
As at March 31, 2021	1,994.51	142.31	945.27	13,469.68	34.08	142.66	64.79	16,793.30
As at March 31, 2022	1,998.71	122.11	1,084.64	12,593.70	33.97	148.74	55.52	16,037.39

5.1 Includes ₹125.91 lakhs (March 31, 2021: ₹ 115.21 lakhs) acquired on Hire Purchase basis and under continued hire purchase agreement. Present liability for the same is ₹ 34.13 lakhs (March 31, 2021: ₹ 33.78 lakhs) out of which ₹ 17.15 lakhs (March 31, 2021: ₹ 12.81 lakhs) is payable within one year.

5.2 Refer Note No. 19.1 and 23.1 to financial statement in respect of charge created against borrowings.

5.3 The title deeds/ lease deeds of all the immovable properties are held in the name of the company.

6. Capital Work In Progress (CWIP)

As At March 31, 2022

(₹ In lakhs)

Particulars	Amount
As per last Balance Sheet	73.65
Add: Addition during the year	-
Less: Capitalisation during the year	(73.36)
As at 31st March 2022	0.29

As At March 31, 2021

(₹ In lakhs)

Particulars	Amount
As per last Balance Sheet	68.93
Add: Addition during the year	82.07
Less: Capitalisation during the year	(77.35)
As at 31st March 2021	73.65

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

6.1 Ageing Schedule of Capital Work in Progress

Particulars	Amount in CWIP for a Period of				As at March 31, 2022	Amount in CWIP for a Period of				As at March 31, 2021
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress										
Air Drier	0.29	-	-	-	0.29	-	-	-	-	-
General Vrf Model Ajh 144lalbh	-	-	-	-	-	21.10	-	-	-	21.10
Parking Lot & Crane Installations	-	-	-	-	-	-	52.55	-	-	52.55
Total	0.29	-	-	-	0.29	21.10	52.55	-	-	73.65

7. Intangible Assets

As At March 31, 2022

(₹ In lakhs)

Particulars	Computer Software	Total
(A) Gross carrying Amount		
As at March 31, 2020	165.27	165.27
Addition	1.59	1.59
Disposals/Adjustments	-	-
As at March 31, 2021	166.86	166.86
Addition	-	-
Disposals/Adjustments	-	-
As at March 31, 2022	166.86	166.86
(B) Accumulated Amortisation		
As at March 31, 2020	135.81	135.81
Charge for the year	21.39	21.39
Disposals/Adjustments	-	-
As at March 31, 2021	157.20	157.20
Charge for the year	3.32	3.32
Disposals/Adjustments	-	-
As at March 31, 2022	160.52	160.52
(C) Net Carrying Amount (A-B)		
As at 31st March 2021	9.66	9.66
As at 31st March 2022	6.34	6.34

7.1 There are no intangible assets which are under development.

8. Non-current Investments

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Investment in Preference Shares of Body Corporate Designated at Amortised Cost, unquoted			
50,00,000 Nos (March 31, 2021: 50,00,000 Nos) 3% Non-Convertible Non-cumulative Redeemable Preference Share of ₹ 10/- each fully paid up of M/s. Bruva Hydrowatt Private Limited		137.09	123.76
		137.09	123.76

8.1 Aggregate amount of unquoted Investment

137.09

123.76

Notes to Financial Statements as at March 31, 2022

- 8.2 These Preference shares will have the maximum term of 20 years from the date of allotment (i.e. from 21st October 2014 for first 20,00,000 Preference Shares, 19th November 2014 for next 20,00,000 Preference Shares and 27th November 2014 for remaining 10,00,000 Preference Shares). However, these shares can be redeemed earlier at the option of the Company but not before 3 years from the date of allotment.
- 8.3 Refer Note 45 for information about Fair Value Measurement.
- 8.4 Particulars of investments as required in terms of section 186 (4) of the Companies Act, 2013, have been disclosed under note no. 8 above.
- 8.5 The Company acquired on a going concern basis Lotus Auto Engineering Limited (LAEL), a manufacturing company under liquidation process as per the provisions of the Insolvency and Bankruptcy Code, 2016. Pursuant to this, the company invested ₹ 3,800 lakhs and 3364 number of Zero Coupon optionally fully convertible secured Debentures of ₹ 1 lakh each and 43,60,000 number of Equity Shares of Rs 10 each have been issued on provisional basis by the liquidator during the year and thereby, LAEL became wholly owned subsidiary of the company. This however, is subject to approval from the Adjudicating Authority (AA) and closure of liquidation process. Pending this, the above amounts has been included under Other Non Current Assets (refer Note-10) and the affairs of the said company have not been considered for consolidation.

9. Other Non Current Financial Assets

(₹ In lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)			
At Amortised Cost			
Security Deposits			
Considered Good		254.37	255.47
Considered Doubtful		-	0.88
Less : Impairment allowances for doubtful deposits	9.1	-	0.88
Fixed Deposit with bank (having maturity more than one year)	9.2	3.71	4.03
		258.08	259.50

9.1 Movement of Impairment allowances for doubtful deposits

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Balance as at the beginning of the year		0.88	0.88
Recognised/(Reversed) during the year		(0.88)	-
Balance at the end of the year		-	0.88

9.2 Includes amount kept as lien against:

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Bank Guarantee/Letter of credit		3.71	4.03
		3.71	4.03

10. Other Non-current Assets

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Capital Advance		127.55	438.02
Advances other than capital advances			
Investment in LAEL	8.5	3,800.00	-
Advance Tax including Tax Deducted at Source	10.1	337.43	366.07
Deferred loss on fair valuation of financial instrument		252.88	274.63
		4,517.86	1,078.72

- 10.1 Advance Tax including Tax deducted at Source is net of provision for tax of ₹ 15,864.41 Lakhs. (Previous Year ₹ 12,898.98 lakhs)

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

11. Inventories

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Raw Materials	11.1	3,961.58	4,658.92
Work in Progress	11.1	2,703.95	1,966.30
Finished Goods		674.57	849.74
Stores and Spares	11.1	1,523.44	1,222.99
Scraps		15.81	4.09
		8,879.35	8,702.04

Particulars	Note No.	As at March 31,2022	As at March 31,2021
11.1 Includes goods in transit in respect of			
-Raw Material		5.21	920.64
-Work in Progress		1.19	0.91
-Stores and Spares		18.07	12.75

11.2 Refer Note No. 19.1 and 23.1 to financial statement in respect of charge created against borrowings.

11.3 The mode of valuation of inventories has been stated in Note No. 3.10

12. Current- Trade Receivables

Particulars	Note No.	As at March 31,2022	As at March 31, 2021
Unsecured Considered Good		14,727.52	11,938.34
Considered Doubtful/ Credit Impaired		153.13	153.13
Less: Impairment Allowances for doubtful trade receivables	12.2	(153.13)	(153.13)
		14,727.52	11,938.34

12.1 Trade Receivables ageing schedule based on the due date for payment there against are as follows:

Particulars		As at March 31,2022	As at March 31, 2021
Undisputed Trade Receivables - Considered Good			
-Within the credit period		2,067.74	1,249.47
-Less than 6 Months		11,367.00	9,488.02
-6 months - 1 Year		256.45	180.15
-1-2 Years		185.65	231.92
-2-3 Years		144.07	188.59
-More than 3 Years		649.94	543.52

Particulars		As at March 31,2022	As at March 31, 2021
Undisputed Trade Receivables - Considered Doubtful			
-Within the credit period		-	-
-Less than 6 Months		-	-
-6 months - 1 Year		-	-
-1-2 Years		-	-
-2-3 Years		-	-
-More than 3 Years		153.13	153.13

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Particulars		As at March 31,2022	As at March 31, 2021
Disputed Trade Receivables - Considered Good			
-Within the credit period		-	-
-Less than 6 Months		-	-
-6 months - 1 Year		-	-
-1-2 Years		-	-
-2-3 Years		-	-
-More than 3 Years		56.67	56.67

12.2 Movement of Impairment allowances for bad and doubtful trade receivables

Particulars	Note No.	As at March 31,2022	As at March 31, 2021
Balance as at the beginning of the year		153.13	153.13
Recognised/(Reversed) during the year		-	-
Balance at the end of the year		153.13	153.13

12.3 Refer Note No.19.1 and 23.1 to financial statement in respect of charge created against borrowings.

12.4 Trade receivables are non- interest bearing and generally on credit terms of 30 to 90 days

13. Cash and Cash Equivalents (As certified by the management)

Particulars	Note No.	As at March 31,2022	As at March 31, 2021
Balances with banks			
In current account		570.34	83.09
Earmarked Balances with Bank			
Unspent amount for Corporate Social Responsibility		25.50	-
Cash on hand		7.25	14.34
		603.09	97.43

14. Other Bank Balances

Particulars	Note No.	As at March 31,2022	As at March 31, 2021
Fixed deposits with Banks (having maturity of more than 3 months and less than 12 months)	14.1	17,713.70	15,730.20
Earmarked Balances with Bank			
Unpaid Dividend	14.2	147.14	156.62
		17,860.84	15,886.82

14.1 Includes amount kept as lien against:

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Bank Guarantee/Letter of credit		1.70	8.20
Government Authorities		1.00	1.00

14.2 Represents amount credited by Bank with respect to cancelled/unencashed demand draft issued to shareholders in respect of dividend declared.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

15. Current- Other Financial Assets

Particulars	Note No.	As at March 31,2022	As at March 31,2021
(Unsecured, considered good unless otherwise stated)			
At Amortised cost			
Security Deposit			
Considered good		38.01	32.63
Considered doubtful		-	0.53
Less : Impairment allowances for doubtful deposits	15.1	-	0.53
		38.01	32.63
Interest accrued on deposits		378.24	443.83
Advances to Employees		26.45	39.97
Rent and other receivables		3.35	1.43
		446.05	517.86

15.1 Movement of Impairment allowances for doubtful Deposits

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Balance as at the beginning of the year		0.53	0.53
Recognised/(Reversed) during the year		(0.53)	-
Balance at the end of the year		-	0.53

16. Other Current Assets

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Advances other than capital advances			
Advances against goods and services		1,118.34	802.34
Balances with government authorities		138.71	293.12
Prepaid expenses		83.34	74.34
Deferred loss on fair valuation of financial instruments		22.69	23.58
		1,363.08	1,193.38

17. Equity Share Capital

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Authorised			
53,00,000 Equity Shares of ₹ 10/- each (March 31, 2021: 53,00,000 Nos)		530.00	530.00
20,000 Redeemable Cumulative Preference Shares of ₹100/- each (March 31, 2021: 20,000 Nos)		20.00	20.00
Issued, Subscribed and Paid-up:			
39,56,433 Equity Shares of ₹ 10/- each (March 31, 2021: 39,56,433 Nos)		395.64	395.64
		395.64	395.64

17.1 The Company has only one class of issued shares i.e. Equity Shares having par value of ₹ 10 per share. Each holder of Equity Shares is entitled to one vote per share and equal right for dividend. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

17.2 The reconciliation of the number of Equity Shares and the amount of Equity Share Capital outstanding:

Particulars	Note No.	Number of Equity Shares held	Number of Equity Shares held
Balance as at April 1,2020		39,56,433	39,56,433
Changes during the year		-	-
Balance as at March 31,2021		39,56,433	39,56,433
Changes during the year		-	-
Balance as at March 31,2022		39,56,433	39,56,433

17.2.1 The aggregate number of equity shares bought back in immediately preceding last five years ended March 31, 2022: 1099630 equity shares (previous period of five years ended March 31, 2021: 1099630 equity shares).

17.3 Details of Equity Shareholders holding more than 5% equity shares:

Name of Equity Shareholders	Number of Equity Shares held	
	As at March 31,2022	As at March 31,2021
Pradip Kumar Daga	2,07,700	2,07,700
Yashwant Kumar Daga	5,24,313	5,24,313
Asha Devi Daga	6,04,806	6,04,806
Nandini Daga	8,70,625	8,70,625
Coplama Products Private Limited	5,24,600	5,24,600
Jalpaiguri Holdings Private Limited	6,18,312	6,18,312

17.4 Details of Shareholdings by the Promoter/Promoter Group is given below :

Promoter/Promoter Group Name	31st March, 2022		31st March, 2021		Percentage Change during the year
	Number of Shares	% Holding	Number of Shares	% Holding	
Promoter					
Yashwant Kumar Daga	5,24,313	13.25%	5,24,313	13.25%	-
Pradip Kumar Daga	2,07,700	5.25%	2,07,700	5.25%	-
Promoter Group					
Nandini Daga	8,70,625	22.01%	8,70,625	22.01%	-
Asha Devi Daga	6,04,806	15.29%	6,04,806	15.29%	-
Coplama Products Private Limited	5,24,600	13.26%	5,24,600	13.26%	-

18. Other Equity

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Capital Reserve			
As per last Balance Sheet		35.36	35.36
As at Balance Sheet date	18.2	35.36	35.36
Capital Redemption Reserve			
As per last Balance Sheet		134.17	134.17
As at Balance Sheet date	18.3	134.17	134.17
Retained Earnings			
As per last balance sheet		35,750.25	30,240.31
Profit for the year		8305.71	5,507.16
Transfer from Other Comprehensive Income		20.76	2.78
Less: Final Dividend paid		(197.82)	-
As at Balance Sheet date	18.4	43,878.90	35,750.25

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Other Comprehensive Income			
Re - measurement of defined benefit plan			
As per last balance sheet		-	-
Other Comprehensive Income for the year		20.76	2.78
Transfer to retained earnings		(20.76)	(2.78)
As at Balance Sheet date	18.5	-	-
		44,048.43	35,919.78

Note

18.1 Refer Statement of Changes in Equity for movement in balances of reserve.

18.2 Capital Reserve

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Government Grant Received		35.36	35.36

18.3 Capital Redemption Reserve

Capital Redemption Reserve has been created consequent to buy back of equity shares. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

18.4 Retained Earnings

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the company. This includes Other Comprehensive Income of ₹ (6.43 Lakhs) [March 31, 2021: ₹ (27.19 Lakhs)] relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss. This also includes ₹ 77.42 Lakhs (March 31, 2021: ₹ 77.42 Lakhs) which is not available for distribution as these are represented by changes in carrying amount of Property, Plant and Equipment being measured at fair value in earlier years.

18.5 Other Comprehensive Income

Other Comprehensive Income represents gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 18.4 above.

18.6 Dividend

Subsequent to the Balance Sheet date, the Board of Directors has recommended a dividend of ₹ 10/- per Share to be paid on fully paid Equity Shares in respect of the Financial Year ended March 31, 2022. This Equity dividend is subject to approval by Shareholders at the ensuing Annual General Meeting and has not been included as a Liability in these Financial Statements. The total estimated Equity dividend to be paid is ₹ 395.64 Lakhs.

19. Borrowings

Particulars	Note No.	As at March 31,2022		As at March 31, 2021	
		Non Current	Current	Non Current	Current
At Amortised Cost					
Secured					
From Banks					
-Term Loan	19.1	1,065.73	932.25	796.50	1,367.52
-Vehicle Loan	19.2	16.98	17.15	20.97	12.81
Unsecured					
Sales Tax soft loan	19.5	-	-	-	23.11
		1,082.71	949.40	817.47	1,403.44

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

- 19.1 Term loan / Corporate Loan facility is secured by way of 1st hypothecation charge of plant and machinery, freehold Industrial property, building and Factory shed and movable fixed assets of the company and is collaterally secured by 2nd hypothecation charge on current assets of the company. Rate of interest being 1.55% above 1 year MCLR and is repayable at unamortised cost as follows:

Financial Year	Amount in ₹ Lakhs
2022-2023	932.25
2023-2024	599.99
2024-2025	400.00
2025-2026	66.67
Total	1,998.91

- 19.2 Secured by hypothecation of vehicles acquired there against. Rate of interest varies between 8.5% to 9.75% and is repayable at unamortised cost as follows:

Financial Year	Amount in ₹ Lakhs
2022-2023	17.92
2023-2024	14.68
2024-2025	2.74
2025-2026	-
Total	35.34

- 19.3 As available from web page of Ministry of Corporate Affairs, charges against assets in respect of secured loans taken have been registered with ROC. However in cases of certain vehicles acquired through financing arrangements in the year 2018 -2019, such charges have not been registered with ROC. Amount outstanding in this respect is ₹13.98 Lakhs (March 31, 2021: ₹ 22.34 Lakhs) of which ₹ 8.60 Lakhs is repayable within one year.

The Company has a system of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

- 19.4 The borrowings obtained by the company from banks have been applied for the purposes for which such loans were taken. In respect of the term loans which were taken, those were applied in the respective year for the purpose for which the loans were obtained.
- 19.5 Unsecured sales tax soft loan outstanding as on March 31st 2021 carries interest rate of 9.25% with a rebate of 2% on timely repayment.

20. Other Non-Current Financial Liabilities

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
At Amortised Cost			
External Development Charges		400.28	400.28
		400.28	400.28

21. Non Current Provision

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits	44	212.11	196.33
		212.11	196.33

22. Deferred Tax Liabilities

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		89.93	76.58
Deferred tax liabilities		(798.75)	(912.54)
Net Deferred Tax Assets/(Liabilities)		(708.82)	(835.96)

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

22.1 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2022 are given below:

Particulars	As at April 1, 2021	Charge/ (Credit) recognised in statement of Profit and loss	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2022
Deferred Tax Assets:				
Expenses allowed on payment basis	76.58	(13.35)	-	89.93
Total Deferred Tax Assets	76.58	(13.35)	-	89.93
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	891.79	(131.76)	-	760.03
Fair valuation of financial assets and financial liabilities	17.31	10.99		28.30
Remeasurement of defined benefit obligations	3.44		6.98	10.42
Total Deferred Tax Liabilities	912.54	(120.77)	6.98	798.75
Net Deferred Tax Liabilities/ (Assets)	835.96	(134.12)	6.98	708.82

22.2 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2021 are given below:

Particulars	As at April 1, 2020	Charge/ (Credit) recognised in P/L	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2021
Deferred Tax Assets:				
Expenses allowed on payment basis	140.08	63.50	-	76.58
Total Deferred Tax Assets	140.08	63.50	-	76.58
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant & Equipment and Intangible assets	939.17	(47.38)	-	891.79
Fair valuation of financial assets and financial liabilities	16.55	0.76		17.31
Remeasurement of defined benefit obligations	2.50	-	0.94	3.44
Total Deferred Tax Liabilities	958.22	(46.62)	0.94	912.54
Net Deferred Tax Liabilities/ (Assets)	818.14	16.88	0.94	835.96

23. Current Borrowings

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Secured			
From Banks			
Working Capital Loan Repayable on demand	23.1	6,233.83	7,237.11
Current maturities of Long-term debt	19	932.25	1,367.52
Current maturities of Vehicle Loan	19	17.15	12.81
Unsecured			
From Government Authorities			
Current maturities of Sales Tax Soft Loan	19	-	23.11
		7,183.23	8,640.55

23.1 Secured on 1st pari-passu basis by way of hypothecation charge on entire current assets including Stocks and Receivables of the company and is collaterally secured on 2nd pari-passu basis by way of hypothecation on the entire movable tangible fixed assets of the company (both existing and future) and also hypothecation on all mortgaged immovable properties (factory land and building) of the company located at Kolkata, Faridabad and Rudrapur.

23.2 Also refer Note No. 19.3 for status of filing and satisfaction of charges with ROC.

23.3 In respect of the Company's borrowings on the basis of securities of Current Assets, statements as filed with the banks are in agreement with the then unaudited books of accounts of the company.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

24. Trade Payables

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprise and small enterprises	24.1	780.85	335.25
Total outstanding dues of creditors other than micro enterprise and small enterprises		5,843.66	5,647.30
	24.2	6,624.51	5,982.55

24.1 Disclosure of sundry creditors under Trade Payables is based on the information available with the Company regarding the status of the suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act). Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given below:

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
(a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		780.85	335.25
(b) The amount of the interest paid by the buyer in terms of section 16 of MSMED Act (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		-	-
(c) The amount of the interest due and payable for the period of delay in making payment(which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.		-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.		6.25	6.70
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED, Act 2006.		-	-

24.2 Payment towards trade payables is made as per the terms and conditions of the contract of purchase orders. The average credit period on purchases is 30 to 45 days.

24.3 Trade Payable ageing schedule based on the outstanding based on the period from date of payment are as follows:

Undisputed - Non MSME	As at March 31, 2022	As at March 31, 2021
Less than 1 year	5,469.51	5,185.20
1-2 years	83.36	183.85
2-3 years	44.36	35.15
More than 3 years	246.43	243.10
Undisputed -MSME	As at March 31, 2022	As at March 31, 2021
Less than 1 year	764.29	313.06
1-2 years	5.54	12.97
2-3 years	8.85	8.74
More than 3 years	2.17	0.48

Notes to Financial Statements as at and for the Year ended March 31, 2022

(₹ In lakhs)

25. Current- Other Financial Liabilities

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Liability for capital goods			
Total outstanding dues of micro enterprise and small enterprises	25.1	-	-
Total outstanding dues of Creditors other than micro enterprise and small enterprises		407.48	715.04
Liability relating to employees		439.46	566.16
Liability relating to Others		90.99	9.85
Unpaid/ unclaimed Dividend		147.14	156.62
Interest Accrued	25.2	37.03	36.86
		1,122.10	1,484.53

25.1 To the extent of information available to the company, there are no outstanding balances with suppliers for capital goods as defined under "Micro, Small and Medium Enterprise Development Act, 2006" (the Act).

25.2 Includes interest accrued ₹ 6.25 Lakhs (March 31,2021: ₹ 6.70 Lakhs) on delayed payment to suppliers as defined under the Micro, Small and Medium Enterprise Development Act, 2006 (the Act)

26. Current- Other Liabilities

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Statutory dues (includes Goods and Services Tax, Provident Fund, Employees State Insurance, Tax Deducted at Source etc.)		559.61	449.16
Advances from Customers	26.1	1,368.41	836.49
Security deposit	26.2	79.06	-
Deferred Government Grant		309.85	364.61
Others	26.3	602.00	161.62
		2,918.93	1,811.88

26.1 Contract Balances

Advance from customers is recognised when payment is received before the related performance obligation is satisfied. This includes advances received from the customer towards products or services to be provided in future periods. Revenue is recognised once the performance obligation is met i.e. once the control over a product or service has been transferred to the customer.

26.2 Details of Government Grant are as follows:

Particulars	In respect of Duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme on purchase of property, plant and equipment accounted for as government grant. Income from such grant is estimated on the basis of fulfillment of related export obligations.	
	March 31, 2022	March 31, 2021
As at the beginning of the year	364.61	394.48
Add: Received during the year	-	-
Less: Transfer to Statement of Profit and Loss	54.76	29.87
As at the end of the year	309.85	364.61

The above relates to export obligation/commitment of ₹ 1,865.32 lakhs (Previous Year ₹ 2,088.18 lakhs) to be completed before the expiry of the time stipulated under the scheme. The amount of the Deferred Government Grant is adjusted to the Statement of Profit and Loss in proportion to the export obligation being completed on year to year basis.

26.3 ₹ 545 lakhs received from LAEL, which pending completion of liquidation process as given in Note No. 8.5 has been included under Others.

Notes to Financial Statements for the year ended March 31, 2022

(₹ In lakhs)

27. Provisions

Particulars	Note No.	As at March 31,2022	As at March 31,2021
Provision for employee benefits	44	125.10	155.44
		125.10	155.44

28. Revenue From Operations

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Products		62,023.61	42,145.00
Other Operating Revenue			
Sale of Scrap		1,153.50	550.39
Sale of Service		123.33	14.59
Export Incentives		69.29	46.29
		63,369.73	42,756.27

28.1 Disaggregation of Revenue

Revenue based on Business Segment

Particulars	For the year ended March 31,2022	For the year ended March 31, 2021
Automobile gears	55,429.62	37,174.53
Industrial gears	7,768.51	5,409.03
Solar power	171.60	172.71
Total	63,369.73	42,756.27

Revenue based on Geography

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Domestic	62,759.49	42,197.93
Export	610.24	558.34
Total	63,369.73	42,756.27

29. Other Income

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest Income			
On Bank Deposits and others		819.62	1,008.39
On Financial assets measured at amortised costs		14.22	12.60
Other non-operating income (net of expenses directly attributable to such income)			
Profit on sale of Property, Plant and Equipment		326.09	-
Liabilities and Unclaimed Balances written back		43.77	81.78
Rent Income	29.1	1.60	1.60
Miscellaneous Income		111.24	60.90
		1,316.54	1,165.27

29.1 The Company has certain operating lease arrangements for residential and office accommodation. Income earned on account of rent during the year has been recognized in the Statement of Profit and Loss amounting to ₹ 1.60 Lakhs (March 31, 2021 : ₹ 1.60 Lakhs).

Notes to Financial Statements for the year ended March 31, 2022

(₹ In lakhs)

30. Cost of Materials Consumed

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Inventories		4,658.92	1,602.54
Add : Purchase		30,041.90	22,197.33
		34,700.82	23,799.87
Less: Closing Inventories		3,961.58	4,658.92
		30,739.24	19,140.95

31. Changes in Inventories of finished goods, Stock-in-Trade and work-in-progress

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Stock			
Finished Goods		849.74	1,353.55
Work in Progress		1,966.30	755.91
Scrap		4.09	6.45
		2,820.13	2,115.91
Less: Closing Stock			
Finished Goods		674.57	849.74
Work in Progress		2,703.95	1,966.30
Scrap		15.81	4.09
		3,394.33	2,820.13
(Increase)/ Decrease in Inventories of finished goods, Stock-in-Trade and work-in-progress		(574.20)	(704.22)

32. Employee Benefits Expense

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and Wages		6,467.95	5,354.18
Contribution to Provident and Other Funds	44	345.90	306.00
Staff Welfare Expenses		230.49	260.70
		7,044.34	5,920.88

33. Finance Costs

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense		513.72	718.41
Interest Expense on Finance Lease		2.02	2.85
Other Borrowing Costs		69.32	20.28
		585.06	741.54

34. Depreciation and amortisation expense

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property, Plant & Equipment (including Right-of-use Assets)	5	2,595.63	1,986.65
Amortisation on Intangible assets	7	3.32	21.39
		2,598.95	2,008.04

Notes to Financial Statements for the year ended March 31, 2022

(₹ In lakhs)

35. Other Expenses

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of Stores, Spare Parts and Packing Materials		4,113.72	2,676.12
Power and Fuel		2,914.67	2,092.45
Job Charges		2,231.98	1,784.03
Repairs and Maintenance to Buildings		59.67	32.35
Repairs and Maintenance to Machinery		1,039.10	751.59
Brokerage and Commission on Sales		54.28	38.39
Transport and Forwarding Expenses		964.49	623.36
Rent	36	73.96	61.60
Donation		20.00	14.00
Auditors' Remuneration	35.1	17.35	13.25
Bad Debt		0.27	-
Exchange Difference (Net)		1.95	12.58
Loss on sale/discard of Property, Plant and Equipment		-	1.42
Amortisation of deferred portion of Financial instruments		22.66	22.37
Miscellaneous Expenses	35.2	1,641.75	1,270.45
		13,155.85	9,393.96

35.1 Details of Auditors' Remuneration

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Audit Fees		12.10	11.00
Certification and other services		5.25	2.25
		17.35	13.25

35.2 Includes ₹ 136.20 lakhs (March 31, 2021 : ₹ 84.19 lakhs) on account of Corporate Social Responsibility (CSR). Gross amount required to be spent by the company during the year ₹ 136.15 lakhs (March 31, 2021 : ₹ 83.47 lakhs). Also refer Note 35.2.1 and Note 35.2.2

35.2.1 The breakup of CSR expenditure under various heads of expenses incurred is as below:-

CSR Expenses	For the year ended March 31, 2022			For the year ended March 31, 2021		
	Amount Spent	Amount provided for (Refer Note 35.2.2.1 below)	Total	Amount Spent	Amount provided for (Refer Note 35.2.2.1 below)	Total
(i) Health Care and Sanitation	78.69	-	78.69	40.69	7.00	47.69
(ii) Education and Skill Development	29.00	-	29.00	7.00	7.00	14.00
(iii) Women Empowerment /Senior Citizen	25.81	-	25.81	5.00	-	5.00
(iv) Environment and Animal Welfare	2.70	-	2.70	4.00	9.00	13.00
(v) Art and Culture	-	-	-	2.00	2.50	4.50

35.2.1.1 This represents provision made during the year for amounts to be incurred towards ongoing projects and equivalent amount as required has been deposited in a separate bank account. (refer Note-13)

Notes to Financial Statements for the year ended March 31, 2022

35.2.2 Amount spent during the year on:

Particulars	Year ended March 31, 2022			Year ended March 31, 2021		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
i) Construction/acquisition of any assets	73.37	-	73.37	40.00	25.5	65.50
ii) On purpose other than (i) above	62.83	-	62.83	18.69	-	18.69

36. Disclosures regarding leases as per IND AS -116 "Leases"

Treatment of Leases as per Ind AS 116 :

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The Company has applied the following practical expedients on initial application of Ind AS 116:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs, if any from the measurement of the right-of-use asset at the date of recognition of right-of-use asset.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.
- The weighted average incremental borrowing rate applied to leases recognised during FY 2021-22 is 9.56%.
 - Nature of lease: The Company's significant leasing arrangements is in respect of Land and Premises for offices on lease which are not non-cancellable and are usually renewable on mutually agreeable terms.
 - The Company has incurred ₹ 73.96 Lakhs and ₹ 61.60 Lakhs for the year ended March 31, 2022 and March 31, 2021 respectively towards rental expenses relating to short term leases and leases of low value assets. The total cash outflow for leases is ₹ 73.96 Lakhs and ₹ 61.60 Lakhs for the year ended March 31, 2022 and March 31, 2021 respectively.

(iii) Movement in lease liabilities during the year:

(₹ In lakhs)

Particulars	March 31, 2022	March 31, 2021
Opening Balance	34.05	1.97
Additions in lease liabilities	-	44.81
Finance cost accrued during the year	2.02	2.85
Less: Payment of lease liabilities	(20.95)	(15.58)
Closing Balance	15.12	34.05

(iv) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	March 31, 2022	March 31, 2021
Not later than one year	8.56	20.94
Later than one year and not later than five years	6.68	15.07
Later than five years	13.16	13.16

Notes to Financial Statements for the year ended March 31, 2022

(₹ In lakhs)

(v) Lease Liabilities

Particulars	Note No.	As at March 31, 2022		As at March 31, 2021	
		Non-Current	Current	Non-Current	Current
Lease Liabilities		8.10	7.02	15.27	18.78
Total		8.10	7.02	15.27	18.78

37. Tax Expenses

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Current Tax			
In respect of Current Year		2,965.44	1,896.35
Total Current tax expense recognised in the current year		2,965.44	1,896.35
Deferred Tax			
In respect of the current year		(134.12)	16.88
Total Deferred tax expense recognised in the current year		(134.12)	16.88
Total Tax expense recognised in the Statement of Profit and Loss		2,831.32	1,913.23

37.1. Reconciliation of Income tax expense for the year with accounting profit is as follows :

Taxable Income 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.

Details in this respect are as follows :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	11,137.03	7,420.39
Income tax expense calculated at 25.168% as applicable for corporate entities on taxable profits under the Indian tax laws.	2,802.97	1,867.56
Add: Effect of Expenses that are not deductible in determining Taxable Profit		
Expenses not allowed for Tax Purposes	34.28	24.71
Effect of other adjustments	(5.93)	20.96
Income tax expense recognised in the statement of profit and loss	2,831.32	1,913.23

The tax rate used for reconciliations above is the corporate tax rate of 22% plus applicable surcharge and cess etc. payable by corporate entities in India on taxable profits under the Indian tax laws.

37.2 Income tax recognized in Other Comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax charge on Remeasurement gains of defined benefit obligation	6.98	0.94
Income tax recognized in Other Comprehensive income (Bifurcation of the income tax recognized in Other comprehensive income into):	6.98	0.94
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	6.98	0.94

37.3 Components of Other Comprehensive Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Items that will not be reclassified to statement of profit or loss		
Remeasurement of defined benefit obligation (net of tax)	20.76	2.78
	20.76	2.78

Notes to Financial Statements for the year ended March 31, 2022

(₹ In lakhs)

38. Contingent Liabilities and Commitments (to the extent not provided for)

Contingent Liabilities

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as Debt			
Various show cause notices/demands issued/ raised (including interest to the extent ascertained) pending before at different levels of appeal. These matter in the opinion of the management are not tenable.			
Central Excise/Service Tax/Sales tax matter under appeal- Disallowances of Input Tax credits. (The company has paid ₹ 2,00,000 (Previous Year ₹ 2,00,000) against the said claim and has shown under Other Current Assets.)		4.19	4.19
Income Tax matters under appeal- Short allowances of claims under Section 80 IC, MAT Credits and other disallowances contested by the Company		341.49	341.49
Interest on External Development Charges		31.17	28.12
Other Claims not acknowledged as debt		23.06	23.06

38.1 The Company's pending litigation comprises of claim against the Company and proceeding pending tax/statutory/ Government authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, and disclosed the contingent liabilities, where applicable, in its Financial Statements. The Company does not expects the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of above are dependent upon the outcome of judgements / decisions.

Capital and Other Commitments

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Capital Commitment:			
Estimated amount of contracts remaining to be executed on capital account and not provided for: net of advance of ₹ 127.55 lakhs (March 31, 2021: ₹ 438.02 lakhs)		311.28	1,659.02
Other Commitment:			
Future export obligation/commitments under import of capital goods at concessional rate of Custom Duty.		1,865.32	2,088.18

39. Contingent Assets

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 entity. During the normal course of business, unresolved claims remains outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances.

40. Related party disclosure as identified by the management in accordance with the Indian Accounting Standard (Ind AS) 24 on "Related Party Disclosures" are as follows :

(A) Names of related parties and nature of relationship

(i) Key Managerial Personnel and their relatives

- (a) Pradip Kumar Daga, Chairman cum Managing Director
- (b) Yashwant Kumar Daga, Vice-Chairman cum Joint Managing Director
- (c) Anand Prasad Agarwala-Independent Director
- (d) Meera Dokania-Independent Director
- (e) Sujit Chakravorti-Independent Director
- (f) Ganapathy Anantha Narayanan - Independent Director (with effect from 12th February, 2022)

Notes to Financial Statements for the year ended March 31, 2022

(₹ In lakhs)

- (g) Niraj Agarwala-Relative of the Director
(h) Amritesh Daga -Relative of the Director
- (ii) Enterprises over which any person described in (i) above is able to exercise significant influence and with whom the Company has transaction during the year.**
- (a) Deepak Spinners Limited
(b) Brua Hydrowatts Private Limited
(c) Coplama Products Private Limited
(d) Bansidhar Daga Foundation - Trust
(e) Daga Seva Nidhi - Trust
- (iii) Post Employment Benefit Plan**
- (a) Deepak Industries Provident Fund
(b) Deepak Industries Gratuity Fund
- (iv) Aggregate amount of transactions with related parties:**

Nature of Transaction	Note No.	Name of Related Party	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Remuneration(included in Employee Benefits Expense)		Yashwant kumar Daga	156.68	136.16
(b) Sitting Fees		Anand Prasad Agarwala	0.92	0.66
		Meera Dokania	0.90	0.62
		Sujit Chakravorti	0.68	0.38
(c) Commission		Anand Prasad Agarwala	3.39	3.50
		Meera Dokania	3.39	3.50
		Sujit Chakravorti	3.39	3.50
		Ganapathy Anantha Narayanan	0.34	-
(d) Professional Fees		Anand Prasad Agarwala	0.44	0.44
		Niraj Agarwala	0.44	-
		Amritesh Daga	6.00	-
(e) Sales of solar power		Deepak Spinners Limited	98.83	172.37
(f) Office Expenses (Rent, Telephone, Electricity, etc.)		Coplama Products Pvt. Ltd	1.82	1.82
(g) Contribution to Employees Provident Fund Trust		Deepak Industries Provident Fund	5.12	22.26
(h) Contribution to Gratuity Trust		Deepak Industries Gratuity Fund	82.33	223.62
(i) Club Membership Fees		Yashwant Kumar Daga	4.28	28.45
(j) Scholarship charges		Amritesh Daga	16.03	29.29
(k) Donation		Bansidhar Daga Foundation	10.00	-
		Daga Seva Nidhi	10.00	-
(l) Medical Insurance Premium		Yashwant Kumar Daga	7.53	6.41

(v) Balance of related parties are as follows :

Nature of Transaction	Note No.	Name of Related Party	As at March 31, 2022	As at March 31, 2021
(a) Closing value of Investment in Non Cumulative non Convertible Redeemable Preference Share (Refer Note no 40(A)(vii))		Brua Hydrowatts Private Limited	137.09	123.76

Notes to Financial Statements for the year ended March 31, 2022

(₹ In lakhs)

Nature of Transaction	Note No.	Name of Related Party	As at March 31, 2022	As at March 31, 2021
(b) Balance Receivable		Deepak Spinners Limited	13.56	14.62
(c) Balance Payable		Anand Prasad Agarwala	4.24	2.49
		Meera Dokania	4.24	2.49
		Sujit Chakraborty	4.24	2.49
(d) Payables to Trust created for Post Employment Benefit Plans		Deepak Industries Provident Fund	3.99	5.63
		Deepak Industries Gratuity Fund	57.37	82.33

(vi) The remuneration of directors and other members of key management personnel during the year are as follows:

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
Short-term employee benefits		156.68	136.16
Post-employment benefits*		-	-

*Excluding contribution to gratuity and provident fund

(vii) The Company has made investment of ₹ 500.00 Lakhs in the said company which as required in term of Ind AS 109 "Financial Instruments" have been fair valued to ₹ 137.09 lakhs (March 31st 2021 ₹ 123.76 lakhs) and corresponding effect have been given in deferred loss on fair valuation of Financial Instrument.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not provided any guarantee to related parties towards their borrowing facilities. For the year ended Mar 31, 2022, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2021 ₹ NIL). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(viii) The above related parties information is as identified by the management and relied upon by the auditor.

41. Segment Information

41.1 Basis for segmentation

"The Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the business segment of the Company.

Management has determined the operating segments based on the information reviewed by the CODM for the purposes of allocating resources and assessing performance. The Company has identified three business segments viz. Automobile Gears, Industrial Gears and Solar Power and presented the same in the Financial Statements on a consistent basis. Revenues and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment Assets and Segment Liabilities represents assets and liabilities of respective segments. Investments, Tax related assets/liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

Reportable Segment	Description of products/services
Automobile Gears	The segment is engaged in manufacturing of tractor and Automobile gears and Shaft, Moped/Motor Cycle parts.
Industrial Gears	The segment is engaged in manufacturing of helical gears, worm gear boxes and geared motors.
Solar Power	The segment is engaged in generation and distribution of electricity.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

41.2 Information about reportable segments

The following is an analysis of revenue and results from operations by reportable segments:

Particulars	Automobile Gear		Industrial Gears		Solar Power		Unallocated / Amount		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue										
Sale and services to external customer	55,429.62	37,174.53	7,768.51	5,409.03	171.60	172.71	-	-	63,369.73	42,756.27
Revenue from Operations (Gross)	55,429.62	37,174.53	7,768.51	5,409.03	171.60	172.71	-	-	63,369.73	42,756.27
Segment Results	10,410.54	7,418.09	542.15	96.69	(281.82)	(278.63)	-	-	10,670.87	7,236.15
Unallocated Corporate Expenses(Net of unallocable income)	-	-	-	-	-	-	(1,051.22)	(925.78)	(1,051.22)	(925.78)
Finance Costs	-	-	-	-	-	-	585.06	741.54	585.06	741.54
Profit(Loss) Before Tax	10,410.54	7,418.09	542.15	96.69	(281.82)	(278.63)	(466.16)	184.24	11,137.03	7,420.39
Tax Expenses	-	-	-	-	-	-	2,831.32	1,913.23	2,831.32	1,913.23
Profit(Loss) After Tax	10,410.54	7,418.09	542.15	96.69	(281.82)	(278.63)	2,365.16	(1,728.99)	8,305.71	5,507.16
Segment Assets	50,868.26	47,719.80	8,315.34	6,657.22	943.96	1,335.35	-	-	60,127.56	55,712.37
Unallocated Corporate Assets	-	-	-	-	-	-	4,709.42	962.09	4,709.42	962.09
Total Assets	50,868.26	47,719.80	8,315.34	6,657.22	943.96	1,335.35	4,709.42	962.09	64,836.98	56,674.46
Segment Liabilities	6,505.39	7,787.22	12,282.89	11,370.65	138.74	151.88	-	-	18,927.02	19,309.75
Unallocated Corporate Liabilities	-	-	-	-	-	-	1,465.89	1,049.29	1,465.89	1,049.29
Total Liabilities	6,505.39	7,787.22	12,282.89	11,370.65	138.74	151.88	1,465.89	1,049.29	20,392.91	20,359.04
Capital Expenditure	1,607.96	1,902.53	278.88	308.32	-	-	-	-	1,886.84	2,210.85
Depreciation/Amortisation	1,865.11	1,140.36	343.97	477.69	389.04	389.04	0.83	0.95	2,598.95	2,008.04
Non Cash Expenses other than depreciation and amortisation	-	-	-	-	-	-	-	-	-	-

Finance income and costs and fair value gains and losses on financial instruments are not allocated to individual segments as the underlying instruments are managed at company level. Current Taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at company level.

Capital Expenditure consists of addition to Property, Plant and Equipment including Right of use assets, Capital Work In Progress and Intangible assets.

41.3 Geographical Information

Particulars	2021-22	2020-21
Revenue by Geographical market		
Sale of Products and Services		
- Domestic	62,759.49	42,197.93
- Export	610.24	558.34
Total	63,369.73	42,756.27
Assets		
Trade Receivable (Net of Impairment allowances for bad and doubtful trade receivables)		
- Within India	14,512.91	11,651.52
- Outside India	214.61	286.82
Total	14,727.52	11,938.34

41.4 Information about major customers

Revenue in respect of automobile gear include sale to four public companies (March 31, 2021: four public companies) pertaining to the automobile sector which account for more than 10% in each case and ₹ 31,470.68 lakhs (March 31, 2021- ₹ 29,899.48 Lakhs) in aggregate of the total revenue of the company.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

42. Calculation of Earning Per Share is as follows :

Particulars	31st March, 2022	31st March, 2021
Net profit for basic and diluted earnings per share as per Statement of Profit and Loss (₹ In Lakhs)	8,305.71	5,507.16
Net profit for basic and diluted earnings per share (₹ In Lakhs) (a)	8,305.71	5,507.16
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value ₹ 10/- per share)		
No of equity shares outstanding as on	39,56,433	39,56,433
Weighted average number of equity shares considered in calculating basic and diluted EPS (b)	39,56,433	39,56,433
Earnings per share (EPS) of Equity Share of ₹ 10 each :		
Basic and Diluted(a/b) (₹)	209.93	139.20

43. In the opinion of the management and to the best of their knowledge and belief, the value on realization of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. The debit/credit balances of parties are however, subject to confirmation and adjustment, if any.

44. Post Retirement Employee Benefits

The disclosures required under Indian Accounting Standard 19 on "Employee Benefits" (Ind AS - 19) are given below:

(a) Defined Contribution Scheme

Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Contribution to Defined Contribution Plan recognised as expense for the year are as under:		
Employer's Contribution to Provident Fund	109.27	115.13
Employer's Contribution to Family Pension Fund	130.68	101.96

(b) Defined Benefit Plan

The company has a defined benefit Gratuity plan. Every Employee who has completed five years or more of service is entitled to Gratuity on terms not less favorable than the provisions of The Payment of Gratuity Act, 1972. The Company makes annual contribution of Gratuity to Gratuity Fund maintained by Trust created by the company for the scheme.

The Company also extends benefit of compensated absences to the employee, whereby they are eligible to carry forward there entitlement of earned leave for encashment upon retirement/separation. This is an unfunded plan. The Company has a separate Provident Fund Trust (Funded), whereby all the employees covered under the said Trust are entitled to benefits as per Provident Fund Act/Trust Deed. Any shortfall for the Trust is borne by the Company, hence the same is treated as a defined benefit scheme. Contribution to those provident funds amounting to ₹ 5.12 lakhs (March 31, 2021 : ₹ 22.26 lakhs) including shortfall in the funds of ₹ 3.83 lakhs (Previous Year ₹ 5.41 lakhs)is recognised as expenses and included in " Employee Benefits Expense".

The employee's gratuity fund scheme managed by Deepak Industries Gratuity Fund is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Gratuity (Funded)

Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
A. Change in fair value of Defined Benefit Obligation :		
Present Value of Defined Benefit Obligations as at the beginning of the year	972.99	895.11
Current Service Cost	80.04	76.16
Interest Cost	67.14	62.66
Benefit Paid	(64.80)	(58.82)
Actuarial (Gain) / Losses		
Remeasurements- Due to Financial Assumptions	(11.59)	7.07
Remeasurements- Due to Experience Adjustments	(8.53)	(9.19)
Liability at the end of the year	1,035.25	972.99
B. Change in Fair Value of plan Assets :		
Fair value of Plan Assets at the beginning of the year	890.66	671.49
Interest Income	62.06	52.77
Contributions by the Employers	82.33	223.62
Benefit paid	(64.80)	(58.81)
Remeasurements- Return on Assets (excluding Interest Income)	7.62	1.59
Fair value of plan Assets at the end of the year	977.87	890.66
C. Amount Recognized in Balance Sheet:		
Present Value of Defined Benefit Obligations as at the end of the year	1,035.25	972.99
Fair value of Plan Assets at the end of the year	977.87	890.66
	57.38	82.33
D. Components of Defined Benefit Cost		
Current Service Cost	80.04	76.16
Interest Cost	67.13	62.66
Expected Return on Plan Assets	(62.06)	(52.77)
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	-	-
Total Defined Benefit Cost recognized in the Statement of Profit and Loss	85.11	86.05
E. Remeasurements Recognized in Other Comprehensive Income		
Remeasurements- Due to Financial Assumptions	(11.59)	7.07
Remeasurements- Due to Experience Adjustments	(8.53)	(9.19)
Remeasurements- Return on Assets (excluding Interest Income)	(7.62)	(1.59)
Remeasurements Recognized in Other Comprehensive Income	(27.74)	(3.71)
F. Balance Sheet Reconciliation		
Opening Net Liability	82.34	223.62
Defined Benefit Cost included in Profit and Loss	85.11	86.05
Remeasurements Recognized in Other Comprehensive Income	(27.74)	(3.71)
Employers Contribution	(82.33)	(223.62)
Amount Recognised in Balance Sheet	57.38	82.34
G. Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:		
Particulars	As at March 31, 2022	As at March 31, 2021
Equity	-	-
Bonds	82.43%	85.00%
Other Current Assets	17.57%	15.00%
Insurance policies	-	-

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
H. The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:		
Summary of Financial Assumption		
Discount Rate	7.10%	6.90%
Salary Escalation- First Five Years	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	7.10%	6.90%
Summary of Demographic Assumptions		
Mortality Rate	IALM (2012-14)	Table Ultimate
Disability Rate(a % of above mortality rate)	5.00%	5.00%
Withdrawal Rates	1% to 8%	1% to 8%
Retirement Age	58Years	58Years
Average future service	18.28	18.31

I. Sensitivity analysis

Particulars	Change in Assumptions	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Salary Escalation	1%	1,114.06	1,048.29
Salary Escalation	-1%	965.46	906.29
Withdrawal Rates	1%	1,040.21	976.66
Withdrawal Rates	-1%	1,029.65	968.84
Discount Rate	1%	968.38	909.22
Discount Rate	-1%	1,111.68	1,045.91

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)

Particulars	Gratuity
01 Apr 2022 to 31 Mar 2023	190.74
01 Apr 2023 to 31 Mar 2024	71.26
01 Apr 2024 to 31 Mar 2025	100.73
01 Apr 2025 to 31 Mar 2026	106.12
01 Apr 2026 to 31 Mar 2027	99.80
01 Apr 2027 Onwards	452.23

Particulars	As at March 31, 2022	As at March 31, 2021
Average number of people employed	920	913

Other Long Term Employee Benefit**Compensated absences (Unfunded)**

Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
A. Change in fair value of Defined Benefit Obligation :		
Present Value of Defined Benefit Obligations as at the beginning of the year	224.03	208.77
Current Service Cost	14.63	13.74
Interest Cost	15.45	14.61
Benefit Paid	(10.74)	(7.56)
Remeasurements- Due to Financial Assumptions	(2.94)	1.46
Remeasurements- Due to Experience Adjustments	(9.26)	(6.99)
Liability at the end of the year	231.17	224.03

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Interest Income		
Contributions by the Employers	10.74	7.56
Benefit paid	(10.74)	(7.56)
Fair value of plan Assets at the end of the year	-	-
B. Amount Recognized in Balance Sheet:		
Present Value of Defined Benefit Obligations as at the end of the year	231.17	224.02
Fair value of Plan Assets at the end of the year	-	-
	231.17	224.02
C. Components of Defined Benefit Cost		
Current Service Cost	14.63	13.74
Interest Cost	15.45	14.61
Total Defined Benefit Cost recognized in the Statement of Profit and Loss	30.08	28.35
D. Remeasurements Recognized in Other Comprehensive Income		
Remeasurements- Due to Financial Assumptions	(2.94)	1.46
Remeasurements- Due to Experience Adjustments	(9.26)	(6.99)
Remeasurements Recognized in Other Comprehensive Income	(12.20)	(5.53)
E. Balance Sheet Reconciliation		
Opening Net Liability	224.03	208.77
Defined Benefit Cost included in Profit and Loss	30.08	28.35
Remeasurements Recognized in Other Comprehensive Income	(12.20)	(5.53)
Employers Contribution	(10.74)	(7.56)
Amount Recognised in Balance Sheet	231.17	224.03

F. Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Equity	N.A.	N.A.
Bonds	N.A.	N.A.
Other Current Assets	N.A.	N.A.
Insurance policies	N.A.	N.A.

G. The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:

Particulars	As at March 31, 2022	As at March 31, 2021
Summary of Financial Assumption		
Discount Rate	7.10%	6.90%
Salary Escalation- First Five Years	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	N.A	N.A
Summary of Demographic Assumptions		
Mortality Rate	IALM (2012-14) Table Ultimate	
Disability Rate(a % of above mortality rate)	5.00%	5.00%
Withdrawal Rates	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average future service	18.17	18.30

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

H. Sensitivity analysis				
	Particulars	Change in Assumptions	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
	Salary Escalation	1%	247.66	240.75
	Salary Escalation	-1%	216.72	209.34
	Withdrawal Rates	1%	232.42	225.04
	Withdrawal Rates	-1%	229.77	222.88
	Discount Rate	1%	216.80	209.77
	Discount Rate	-1%	247.71	240.44

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

I. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)		
	Particulars	Leave
	01 Apr 2022 to 31 Mar 2023	71.17
	01 Apr 2023 to 31 Mar 2024	74.44
	01 Apr 2024 to 31 Mar 2025	17.07
	01 Apr 2025 to 31 Mar 2026	16.40
	01 Apr 2026 to 31 Mar 2027	16.14
	01 Apr 2027 Onwards	78.01

J. Particulars	As at March 31, 2022	As at March 31, 2021
Average number of people employed	913	913

Other Long Term Employee Benefit**Sick Leave**

	Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
A.	Change in fair value of Defined Benefit Obligation :		
	Present Value of Defined Benefit Obligations as at the beginning of the year	45.42	46.96
	Current Service Cost	4.14	3.92
	Interest Cost	3.13	3.28
	Benefit Paid	-	-
	Actuarial (Gain) / Losses	-	-
	Remeasurements- Due to Financial Assumptions	(0.71)	0.34
	Remeasurements- Due to Experience Adjustments	(3.32)	(9.08)
	Liability at the end of the year	48.66	45.42
B.	Change in Fair Value of plan Assets :		
	Fair value of Plan Assets at the beginning of the year	-	-
	Interest Income	-	-
	Contributions by the Employers	-	-
	Benefit paid	-	-
	Remeasurements- Return on Assets (excluding Interest Income)	-	-
	Fair value of plan Assets at the end of the year	-	-

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
C . Amount Recognized in Balance Sheet:		
Present Value of Defined Benefit Obligations as at the end of the year	48.66	45.42
Fair value of Plan Assets at the end of the year	-	-
	48.66	45.42
D . Components of Defined Benefit Cost		
Current Service Cost	4.14	3.92
Interest Cost	3.13	3.28
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	-	-
Total Defined Benefit Cost recognized in the Statement of Profit and Loss	7.27	7.20
E . Remeasurements Recognized in Other Comprehensive Income		
Remeasurements- Due to Financial Assumptions	(0.71)	0.34
Remeasurements- Due to Experience Adjustments	(3.32)	(9.08)
Remeasurements- Return on Assets (excluding Interest Income)	-	-
Remeasurements Recognized in Other Comprehensive Income	(4.03)	(8.74)
F . Balance Sheet Reconciliation		
Opening Net Liability	45.42	46.96
Defined Benefit Cost included in Profit and Loss	7.27	7.20
Remeasurements Recognized in Other Comprehensive Income	(4.03)	(8.74)
Employers Contribution	-	-
Amount Recognised in Balance Sheet	48.66	45.42
G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:		
Equity	N.A.	N.A.
Bonds	N.A.	N.A.
Other Current Assets	N.A.	N.A.
Insurance policies	N.A.	N.A.
H . The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:		
Summary of Financial Assumption		
Discount Rate	7.10%	6.90%
Salary Escalation- First Five Years	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	N.A	N.A
Summary of Demographic Assumptions		
Mortality Rate	IALM (2012-14) Table Ultimate	
Disability Rate(a % of above mortality rate)	5.00%	5.00%
Withdrawal Rates	1% to 8%	1% to 8%
Retirement Age	58 Years	58 Years
Average future service	16.77	16.87

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

I. Sensitivity analysis	Change in Assumptions	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Salary Escalation	1%	-	52.64
Salary Escalation	-1%	-	45.16
Withdrawal Rates	1%	-	48.96
Withdrawal Rates	-1%	-	48.33
Discount Rate	1%	-	45.31
Discount Rate	-1%	-	52.53

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

J. Estimate of expected benefit payments (In absolute terms i.e. undiscounted)		
Particulars		Sick - Leave
01 Apr 2022 to 31 Mar 2023		8.97
01 Apr 2023 to 31 Mar 2024		9.96
01 Apr 2024 to 31 Mar 2025		4.28
01 Apr 2025 to 31 Mar 2026		4.24
01 Apr 2026 to 31 Mar 2027		3.97
01 Apr 2027 Onwards		20.76
K. Particulars	For The Year Ended March 31, 2022	For The Year Ended March 31, 2021
Average number of people employed	620	628

45. FINANCIAL INSTRUMENTS

The accounting classification of each category of financial instrument, their carrying amount and fair value are as follows:-

Particulars	As at March 31, 2022		As at March 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	14,727.52	14,727.52	11,938.34	11,938.34
Cash and cash equivalents	603.09	603.09	97.43	97.43
Other Bank Balances	17,860.84	17,860.84	15,886.82	15,886.82
Other Financial Assets	704.13	704.13	777.36	777.36
Unquoted Non-Convertible Non-cumulative Redeemable Preference Instruments	137.09	137.09	123.76	123.76
Total	34,032.67	34,032.67	28,823.71	28,823.71
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings	8,265.94	8,265.94	9,461.20	9,461.20
Trade Payables	6,624.51	6,624.51	5,982.55	5,982.55
Other Financial Liabilities	1,522.38	1,522.38	1,918.59	1,918.59
Total	16,412.83	16,412.83	17,362.34	17,362.34

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values:

The fair value of cash and cash equivalents, other bank balances, current trade receivables and payables, other current financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values.

A substantial portion of the company's long-term debt has been contracted at floating rates of interest, which are reset at short intervals. Fair value of variable interest rate borrowings approximates their carrying value subject to adjustments made for transaction cost. In respect of fixed interest rate borrowings, fair value is determined by using discount rates that reflects the present borrowing rate of the company.

Fair value of Investment in unquoted Non Cumulative Non Convertible Redeemable Preference Share and security deposit which can not be measured based on quoted prices in active market have been determined on Effective interest Rate method(EIR) and differential thereof has been recognised as deferred loss/gain and to be recognised to profit and loss over the tenure of the instrument.

FINANCIAL RISK MANAGEMENT

The Company's financial liabilities comprise mainly of borrowings, trade and other payables. The Company's financial assets comprise mainly of cash and cash equivalents, other balances with banks including Fixed Deposits with Banks, trade receivables and other receivables, Deposits and Investment.

MARKET RISK

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk includes borrowings, investments, trade payables and trade receivables.

Interest rate risk

The company's exposure in market risk relating to change in interest rate primarily arises from floating rate borrowing with banks and financial institutions. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the company's cash flows as well as costs. Borrowings at fixed interest rate exposes the company to the fair value interest rate risk. Further there are deposits with banks which are for short term period are exposed to interest rate risk, falling due for renewal. With all other variables held constant, the following table demonstrates the impact of the borrowing cost on floating rate portion of loans and borrowings.

Nature of Borrowing	Increase in basis points	As at March 31, 2022	As at March 31, 2021
Rupee Loan	0.50	43.50	42.24

A decrease in 0.50 basis point in Rupee Loan would have an equal and opposite effect on the Company's financial statements

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's trade and other receivables and trade and other payables and these are unhedged.

The Company evaluates the impact of foreign exchange rate fluctuation by assessing its exposure to exchange rate risks.

The carrying amount of various exposures to foreign currency as at the end of the reporting period are as follows

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Particulars	As at March 31, 2022			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	35.15	-	-	35.15
STP	8.54	-	-	8.54
USD	168.23	(54.87)	-	113.36
EURO	2.69	(65.88)	-	(63.19)
CHF	-	(90.12)	-	(90.12)
Total	214.61	(210.87)	-	3.74

Particulars	As at March 31, 2021			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	34.13	-	-	34.13
STP	8.64	-	-	8.64
USD	241.93	53.32	-	188.61
EURO	2.12	402.64	-	(400.52)
CHF	-	85.88	-	(85.88)
Total	286.82	541.84	-	(255.02)

Sensitivity analysis resulting in profit or loss mainly from SGD, STP, USD, and EURO denominated receivables and payables are as follows

Particulars	For The Year Ended 31st March, 2022	For The Year Ended 31st March, 2021
Receivables (Weaking of INR by 5%)		
SGD	1.76	1.71
STP	0.43	0.43
USD	8.41	12.10
EURO	0.13	0.11
Total	10.73	14.35
Payables (Weaking of INR by 5%)		
SGD	-	-
STP	-	-
USD	(2.74)	(2.67)
EURO	(3.29)	(20.13)
CHF	(4.51)	(4.29)
Total	(10.54)	(27.09)

Figures in bracket represents loss

A 5% strengthening of INR would have an equal and opposite effect on the Company's financial statements.

CREDIT RISK

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and other financial assets including deposits with Bank. Exposure to credit risk is monitored on an ongoing basis. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends and ageing of accounts receivable.

The carrying amount of respective financial assets recognised in the financial statements, (net of impairment losses), represents the Company's maximum exposure to credit risk. The concentration of credit risk is limited due to the customer base being large and unrelated.

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Receivables from customers are reviewed/evaluated periodically by the management and appropriate impairment allowances for doubtful debts are made to the extent recovery there against has been considered to be remote.

Financial assets that are neither past due nor impaired

Cash and cash equivalents, investment and deposits with banks are neither past due nor impaired. Cash and cash equivalents with banks are held with reputed and credit worthy banking institutions.

Financial assets that are past due but not impaired

Trade receivables amounts that are past due at the end of the reporting period against which no credit losses has been expected to arise except those which are impaired.

LIQUIDITY RISK

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital loans from banks. The Company invests its surplus funds in bank fixed deposit which carry no market risk. The company relies on borrowings and internal accruals to meet its fund requirement. The current committed line of credit are sufficient to meet its short to medium term fund requirement.

Liquidity table

The following tables detail the Company's contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows as at balance sheet date:

Interest rate and currency of borrowings

As at March 31, 2022

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	8,265.94	8,265.94	-	5.80%

Interest rate and currency of borrowings

As at March 31, 2021

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	9,461.20	9,438.09	23.11	8.08%

Maturity Analysis of unamortised Financial Liabilities

As at March 31, 2022

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	8,265.94	6,233.83	530.87	408.39	1,092.85	8,265.94
Other Financial Liabilities	1,522.38	-	1,117.82	4.28	400.28	1,522.38
Trade and other payables	6,624.51	-	6,624.51	-	-	6,624.51

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

As at March 31, 2021

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	9,461.20	7,237.11	761.03	650.76	812.30	9,461.20
Other Financial Liabilities	1,918.59	-	1,495.50	1.84	421.25	1,918.59
Trade and other payables	5,982.55	-	5,982.55	-	-	5,982.55

The company has current financial assets which will be realised in ordinary course of business. The Company ensures that it has sufficient cash on demand to meet expected operational expenses.

The company relies on operating cash flows to meet its need for funds and ensures that it does not breach any financial covenants stipulated by the lender.

CAPITAL MANAGEMENT

- a) The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value. The Company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the Company.

The gearing ratio are as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	8,265.94	9,458.29
Less: Cash and Cash Equivalents	603.09	97.43
Net Debt	7,662.85	9,360.86
Equity	44,444.07	36,315.42
Equity and Net Debt	52,106.92	45,676.28
Gearing Ratio	0.15	0.20

- b) Refer Note No. 18.6 for dividend proposed during the year

46. Ratio Analysis and its elements

Sl. No.	Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% Change	Reason for variance (where change is more than 25%)
(1)	Current ratio	Current Assets	Current Liabilities	2.44	2.12	15.09%	
(2)	Debt-Equity Ratio	Long Term Borrowing (+) Current maturities of long term debt (+) Total lease liabilities	Total equity computed as: Share Capital (+) Other Equity	0.05	0.06	-16.67%	
(3)	Debt Service Coverage ratio	Profit for the year [i.e. Profit after tax] (+) Depreciation and amortisation expense (+) Finance costs	Finance costs (+) Current Lease Liabilities (+) Current Maturities of Long Term Debt	6.98	7.01	-0.43%	

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Sl. No.	Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% Change	Reason for variance (where change is more than 25%)
(4)	Return on Equity ratio	Profit for the year [i.e Profit after tax]	Average Total Equity	0.21	0.16	31.25%	Revenue from operation increased as compared to previous year
(5)	Inventory Turnover ratio	Revenue from operations	Average total Inventory	7.21	6.38	13.01%	
(6)	Trade Receivable Turnover Ratio	Revenue from operations	Closing Trade Receivable	4.30	3.58	20.11%	
(7)	Trade Payable Turnover Ratio	Total Purchases	Closing Trade Payables	6.40	5.20	23.08%	
(8)	Net Capital Turnover Ratio	Revenue from operations	Average working capital computed as Average current assets (-) Average current liabilities	2.75	2.36	16.53%	
(9)	Net Profit ratio	Profit for the year [i.e Profit after tax]	Revenue from operations	13.11%	12.88%	0.23%	
(10)	Return on Capital Employed	Profit before tax (+) Interest on long term borrowings (+) Interest on lease liabilities	Average Capital Employed Capital Employed computed as Total Equity (-) Intangible Assets (+) Long term borrowings (+) Current maturities of long term debt (+) Total lease liabilities (+) Deferred tax liabilities	24.03%	19.48%	4.55%	

Notes to Financial Statements as at March 31, 2022

(₹ In lakhs)

Sl. No.	Ratio	Numerator	Denominator	31st March 2022	31st March 2021	% Change	Reason for variance (where change is more than 25%)
(11)	Return on Investment (Investment in Preference shares measured at amortised cost)	Interest income on financial assets carried at amortised cost	Average investments in preference shares	10.22%	10.22%	0.00%	

47. Based on the information to the extent available with the company, there were no transactions with the companies struck off under section 248 of the Companies Act, 2013
48. Disclosure regarding borrowed funds have been considered part of other disclosures :
No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
49. The Company has taken into account the possible impact of Covid-19 in preparation of these financial statements. Based on available internal and external sources of information, no adjustment in carrying amount of assets and liabilities is expected to arise.
50. Previous year figures have been recasted/restated wherever necessary including those as required in keeping with revised Schedule III amendments.
51. These financial statements have been approved by Board of Directors of the Company in their meeting dated May 23, 2022 for issue to the shareholders for their adoption.

These notes are an integral part of the Financial Statements.

For and on behalf of the Board of Directors

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

Firm Regn No. 301051E

R.P. Singh

Partner

Membership No. 052438

Kolkata

May 23, 2022

P K Daga

(DIN: 00040692)

Chairman-Cum-Managing Director

Y K Daga

(DIN: 00040632)

Vice Chairman-Cum-joint-Managing Director

S Chakravorti

(DIN: 00066344)

A P Agarwalla

(DIN: 00312652)

Meera Dokania

(DIN: 07094376)

G.A.Narayanan

DIN:09491346

Maneesh Khanna

Chief Financial Office

R. Davve

Company Secretary

NOTES

If undelivered, please return to :
DEEPAK INDUSTRIES LIMITED
16, HARE STREET, KOLKATA - 700 001