

**ANNUAL REPORT
&
ACCOUNTS**

FOR THE YEAR ENDED 31ST MARCH, 2021

DEEPAK INDUSTRIES LIMITED

Corporate Information

Shri Pradip Kumar Daga

Chairman cum Managing Director

Shri Yashwant Kumar Daga

Vice Chairman cum Joint Managing Director

Shri Sujit Chakravorti

Shri Anand Prasad Agarwalla

Smt. Meera Dokania

BOARD OF DIRECTORS

Shri Roshaan Davve

COMPANY SECRETARY & COMPLIANCE OFFICER

Lodha & Co.

Chartered Accountants

STATUTORY AUDITOR

State Bank of India

UCO Bank

BANKERS

16, Hare Street 2nd Floor, Kolkata -700001

Ph. : (033) 2248-2391/2/3

Fax : (033) 2248-9382

Email : secretary@dil-india.com

Website : www.dil-india.com

REGISTERED OFFICE

Maheshwari Datamatics Pvt.Ltd.

25, R. N Mukherjee Road

5th Floor, Kolkata-700001

Ph.: (033) 2248-2248, 2343-5029

Fax: (033) 2248-4787

E-mail: mdpldc@yahoo.com

SHARE TRANSFERAGENT

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 **66th** Annual General Meeting of the members of “**DEEPAK INDUSTRIES LIMITED**” will be held on **Tuesday, the 28th September, 2021 at 11.30 A.M. at its registered office -16, Hare Street, 2nd Floor, Kolkata-700001** to transact the following business:

Ordinary Business:

- 1) **To Receive, Consider and Adopt:**
 - a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2021 with the reports of the Board of Directors and Auditors thereon.
- 2) **Declaration of Dividend:**
To declare a dividend on equity for the financial year ended 31st March, 2021.
- 3) **Re-appointment of Shri Pradip Kumar Daga (DIN: 00040692), the retiring director:**
To appoint a Director in place of Shri Pradip Kumar Daga (DIN:00040692), who retires by rotation and being eligible, offers him self for re-appointment.

SPECIAL BUSINESS:

- 4) **Ratification of the Remuneration of Cost Auditors**
To consider and, if thought fit, to pass with the or without modifications, the following resolutions as an **Ordinary Resolution:**
RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2021-22 be paid the remuneration as set out in the statement annexed here to.
- 5) **To Re-appoint Smt. Meera Dokania (DIN: 07094376), as an Independent Director of the Company for a second term of 5 Years, not liable to retire by rotation:**
To consider and if thought fit to pass the following resolution on as a **Special Resolution:**
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time (“the Act”), read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules if any (including any statutory modification(s) or amendments or re-enactment(s) thereof for the time being in force), Regulations 16, 17 and other relevant provisions of the SEBI (Listing Obligations

Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) **Smt. Meera Dokania (DIN: 07094376)**, Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence under Section on 149 of the Act and SEBI Listing Regulations, proposing her reappointment as an Independent Director and whose reappointment has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from September 29th, 2021 to September 28th, 2026.”

- 6) **Maintenance of Register of Members and other statutory registers at a place other than the registered office of the Company**

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

RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, if any of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded to keep the Register of members along with the indices of members and/ or any other related documents required to be kept at the Registered office of the Maheshwari Data Matrics Private Limited, 23, R.N. Mukherjee Road 5th Floor, Kolkata – 700001 (hereinafter referred to as the Registrar & Share Transfer Agent) or any other office of the said Registrar & Share Transfer Agent may shift its office from time to time, instead of registered office of company.

RESOLVED FURTHER THAT Shri. Y K Daga, Managing Director and Shri Roshan Davve, the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
For Deepak Industries Limited
Sd/-

ROSHAAN DAVVE

Company Secretary

ACS -27185

Place: Kolkata

Date: 13/08/2021

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 September 22nd, 2021 to September 28th, 2021 (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, 2021 as recommended by the Board, if declared, will be payable on or after September 28, 2021 to those Members whose names appear on the Register of Members of the Company as on September 21, 2021 or to their mandatees. 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 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
- 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 29th September, 2020 (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) The Company's shares are enlisted with NSDL and traded in Electronic Form and the security bears Code ISIN **INE 485J01016**.
- 8) 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.
- 9) Information about the Directors seeking re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed separately.
- 10) Members are requested to update their e-mail address to secretary@dil-india.com OR mdpl@cal.vsnl.net.in to do so to support the "Green Initiative" in the Corporate Governance.
- 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 scrips 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 their representative to attend and vote on their behalf at the Meeting.
- 15) Electronic copies of the Annual Report are being sent to all the members whose e-mail id are registered with Company/ Depository Participant(s) for communication purpose unless any members has requested for a hard copy of the same, for members.
- 16) Electronic copy of the Notice of this Meeting of the Company 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 unless any members has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of

the Notices of the 66th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form and Notice of this meeting and the Will also be available on Company's website www.dil-india.com and on website of the stock exchange i.e. www.evotingindia.com for their download.

17) 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.

18) Members desiring any information as regard accounts are requested to intimate the company at least 10 days before the meeting to enable the management to keep the information required readily available at the meeting

19) **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AS UNDER:**

The voting period begins on 25th September 2021 at 10.00 A.M and end on 27th September, 2021 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st September, 2021 (may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

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

(iv) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders

would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

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

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings 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	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period & voting during the meeting. 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.</p>

	<p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on 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 evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>		<p>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>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period & voting during the meeting</p>
<p>Individual Shareholders holding securities in demat mode with NSDL</p>	<p>If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>	<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 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 Shareholders holding shares in Demat Form other than individual and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
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	<ul style="list-style-type: none"> • 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.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • 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 as mentioned in instruction (v).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) Facility for Non – Individual Shareholders and Custodians –Remote Voting
- 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 and to the Company at the email address viz; 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.
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- If you have any queries or issues regarding attending AGM & 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.
20. 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.
21. The shareholders shall have one vote per equity share held by them as on the cut-off date, i.e., of 21st September, 2021, The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders.
22. Shri Pravin Kumar Drolia, a Practicing Company Secretary, (FCS-2366) Kolkata has been appointed as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner. The scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two(2) witness not in the employment and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
23. The results shall be declared on or after the AGM, but not later than three days from the conclusion of the date of the AGM. There sultsde clared along with the Scrutinizer’s Report shall be placed on the website of CDSL within and will be communicated to the Stock Exchange where the Company’s Shares are listed.
24. In case of any queries/grievances relating to e-voting process, the Members may contact Mr, Agrhya Majumder, Central Depository Services Limited, 22, Camac Street, Block A, 1st Floor, Kolkata-16, ate-mail ID: helpdesk.evoting@cdslkindia.com, at Toll Free No. 1800-200-5533 who will address the grievances connected with the electronic voting. Members way also write to the Company Secretary at secretary@dil-india.com or Registered Office address.

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

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/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)

Updation of Members details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company/Registrar and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is appended at the end

of this Annual Report. Members holding shares in physical form are requested to submit the filled in the form to the Company or RTA in physical mode or in electronic mode, as per instructions mentioned on the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or RTA.

order of the Board
For **Deepak Industries Limited**
Sd/-
ROSHAAN DAVVE
Company Secretary
ACS -27185

Registered Office:

16, Hare Street
2nd Floor, Kolkata –700001
Dated, 13th August, 2021

ANNEXURE TO THE NOTICE

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

Item No.4

In pursuance of section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditor Rules, 2014), the Board shall appoint a Cost Accountant in practice on the recommendations of the Audit Committee, which shall also recommended remuneration for such Cost Auditors. The Remunerations recommended by Audit Committee shall be considered and approved by the Board of Directors and ratified by the shareholders.

On recommendation of Audit Committee and its meeting held on 30th day of June, 2021, the Board has considered and approved appointment of M/s. SPK Associates, Kolkata Cost Accountant, for conducting the Cost Audit of the Company at a remuneration of Rs. 50,000/- plus GST applicable and reimbursement of actual travel and out of pocket expenses for the financial year ended March 31, 2022.

The Resolution at Items No. 4 of the notice is set out as an Ordinary Resolution for approval and ratification by the members in term of section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution mentioned at item No. 4 in the notice.

The Board recommends these Ordinary Resolutions for your approval

Item No. 5

The Members of the Company on 10th August, 2016 approved the appointment of Smt. Meera Dokania as an Independent Directors of the Company for a period of five years with effect from 29th September, 2016. Smt. Meera Dokania will complete her respective terms on 28th September, 2021. The Board of Directors of the Company ('the Board') at the meeting held on 30th June, 2021, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Smt. Meera Dokania, as an Independent Directors of the Company with effect from 29th September, 2021, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to their respective re-appointment.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Smt. Meera

Dokania and contribution to Board processes by them, she continued association would benefit the Company. Declarations has been received from Smt. Meera Dokania that she meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Smt. Meera Dokania fulfill the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for reappointment as Independent Directors and she is an Independent of the management of the Company. In addition to coverage under sitting fees and commission for attending the meetings of the Board and its Committees.

Consent of the Members by way of Special Resolution is required for re-appointment of Smt. Meera Dokania, in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations 2015, consent of the Members by way of Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution mentioned at item No. 5 in the notice.

The Board recommends these Special Resolutions for your approval

Item No. 6

Pursuant to the provisions of Section 94 of the Companies Act, 2013 (the Act), all registers required to be maintained under Section 88 of the Companies Act, 2013 and annual return filed under Section 92 of the Act shall be kept at the registered office of the Company. However, such registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company. The company with members approval by way of special resolution passed in the AGM of the company held on 29th September, 2015 had approved the keeping of the registers required to be maintained of the register required to be maintained of under section 88 of the Companies Act, 2013 at the place other than the registered office of the company at the office of the registrar and Transfer Agent of the company, the Board recommends the resolution for the approval of the shareholders by way of special resolution.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested in the Resolution mentioned at item No. 6 in the notice..

The Board recommends these Special Resolutions for your approval.

DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN THE 66th ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,
2015 & Secretarial Standard-2)

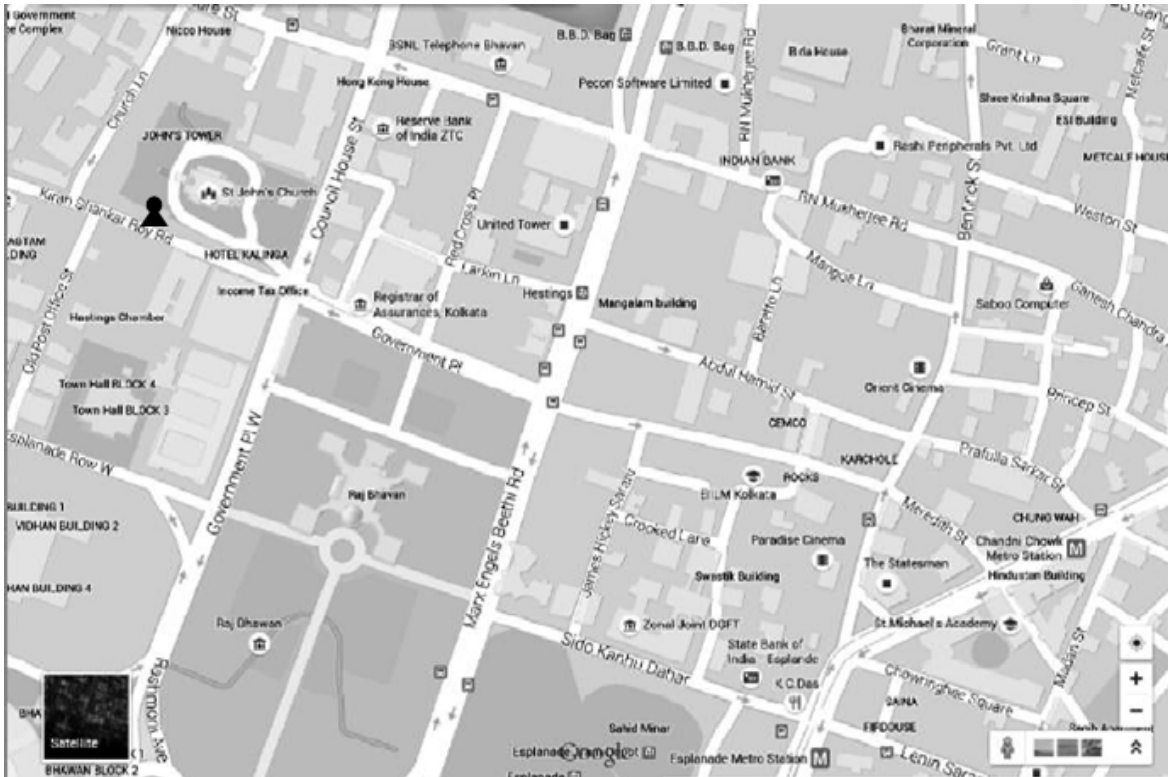
Name of the Director	Shri Pradip Kumar Daga
DIN No	00040692
Date of Birth/ Age	December, 24 th , 1937
Date of Appointment on the Board of the Company	December, 16, 2008
Brief Resume of Director	He completed his Graduation in commerce. He has an experience in Tea, Spinning, Engineering and Solar and Hydro Power Industries.
Nature of Expertise in Specific Functional Areas	Overall Management
The Remuneration Last Drawn, if applicable	Basic Salary: ₹ NIL P.A.
List of Other Public Companies (excluding in Foreign Companies)	1. LONGVIEW TEA CO LTD 2. DEEPAK SPINNERS LIMITED
List of Other listed Companies in which Directorship held	1. LONGVIEW TEA CO LTD 2. DEEPAK SPINNERS LIMITED
Chairman/Member of the Committees of the Board of Directors of Other Companies in which he is a Director (excluding in Foreign Companies) (only Audit Committee and Stakeholders Relationship Committee considered)	Longview Tea Co Ltd. – Member of Audit Committee.
Disclosure of Relationship between Directors inter-se and Key Managerial Personnel	Father of Shri Yashwant Kumar Daga,
Details of Shareholding, if any in the Company	207700 Equity Shares Held

DETAILS OF THE DIRECTOR SEEKING REAPPOINTMENT IN THE 66th ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015 & Secretarial Standard-2)

Name of the Director	Smt. Meera Dokania
DIN No	07094376
Date of Birth/ Age	June, 24 th , 1953
Date of Appointment on the Board of the Company	April, 01, 2015
Brief Resume of Director	She completed her Graduation in Art.
Nature of Expertise in Specific Functional Areas	Social Activities
The Remuneration Last Drawn, if applicable	Sitting Fees: Rs. 62,000/- Commission: Rs. 3,50,000/-
List of Other Public Companies (excluding in Foreign Companies)	NIL
List of Other listed Companies in which Directorship held	NIL
Chairman/Member of the Committees of the Board of Directors of Other Companies in which he is a Director (excluding in Foreign Companies) (only Audit Committee and Stakeholders Relationship Committee considered)	NIL
Disclosure of Relationship between Directors inter-se and Key Managerial Personnel	N A
Details of Shareholding, if any in the Company	NIL
Terms and conditions of appointment/re-appointment	Re-appointment as an Independent Director of the Company for second term of five consecutive five years from September 29, 2021 to September 28, 2026.

ROAD MAP TO THE VENUE OF 66TH AGM OF “DEEPAK INDUSTRIES LTD.”



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

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 66th Annual General meeting of the Company for 2020-21 being held on Tuesday, the 28th September, 2021 at 11:30 AM.

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

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L63022WB1954PLC021638

Name of the Company : Deepak Industries Limited

Registered office : 16, Hare Street, Kolkata-700 001

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.

1. Name.....Address.....

E-mail ID Signature or failing him.

2. Name.....Address.....

E-mail ID Signature or failing him.

3. Name.....Address.....

E-mail ID Signature

as my/our proxy to attend and vote (on a poll) for me/ our behalf at the 66th Annual General Meeting of the Company for 2020-2021, to be held on Tuesday, the 28th September, 2021 at Registered office of the Company at 16, Hare Street, 2nd Floor Kolkata - 700 001 at 11.30 a.m. 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, 2021 and, Reports of the Board of Directors and Auditors thereon.			
2.	Declaration of dividend			
3.	Re-appointment of Mr. Pradip Kumar Daga (DIN:00040692) who retires by rotation, and being eligible, offers himself for re-appointment			
	SPECIAL BUSINESS			
4.	Approval of the remuneration of the Cost Auditor for Financial Year 2021-22			
5.	Re-appointment of Smt. Meera Dokania, as an Independent Director of the Company			
6.	Maintenance of Register of Members and other statutory registers at a place other than the registered office of the Company			

Signed this day of 2021

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.

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

Dear Member,

Sub: Communication of deduction of tax at source on Dividend

The Board of Directors of the Company at its Meeting held on 30th June 2021, recommended payment of dividend of Rs 5/- per equity share of Rs. 10/- each for the year ended 31st March 2021. The dividend will be paid to the members of the Company after declaration of dividend at the Annual General Meeting of the Company scheduled on 28th September 2021.

The Register of Members and Share Transfer Books will remain closed from Wednesday, 22nd September 2021 to Tuesday, 28th September 2021 (both days inclusive) for determining the eligibility of members for payment of dividend. Payment of dividend, if approved at the Annual General Meeting, will be made to those members whose names will be on the Company's Register of Members on Tuesday, 21st September, 2021 and to those whose names will appear as Beneficial Owners as at the close of the business hours on Tuesday, 21st September, 2021 as per the details to be furnished by the Depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

Pursuant to the General Circular No. 20/2020 dated 5th May 2020 issued by Ministry of Corporate Affairs, the dividend will be paid electronically in the Members bank accounts. The Company will keep on hold cheques/demand drafts of the members who have not registered their bank details with the Company and will dispatch the same once the lock down is lifted and postal services are normalized. The Members holding shares in demat form are advised to keep the bank details updated with their depository participants.

Members holding shares in Certificate Form and who have not updated their bank accounts details are requested to update bank details with the Company's Registrar and Transfer Agents, M/s. Maheshwari Datamatics Pvt. Ltd., 23 R.N. Mukherjee Road, 5th Floor, Kolkata-700001 in the following manner :

You are requested to send them duly completed NACH Mandate Form (<https://mdpl.in/form/nach-mandate>) with signature of the First/Sole holder attested by your banker along with a cancelled cheque leaf with your name, account no. and IFSC Code printed thereon. In case your name is not printed on the cheque leaf, you are requested to send additionally self-attested copy of your pass book / bank statement showing your name, account no and IFSC Code. In the covering letter, please mention name of the company, Folio No., along with your name, address, email id and phone no. or click on the following link- <https://mdpl.in/form/nach-mandate>.

In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from 1st April 2020, dividend declared and paid by the Company is taxable in the hands of its members and the Company is required to deduct tax at source (TDS) from dividend paid to the members at the applicable rates.

This communication summarises the applicable TDS provisions in accordance with the provisions of the Income tax Act, 1961, for various categories, including Resident or Non-Resident members.

1) For Resident Members:

Srl	Particulars	Applicable Rate	Documents required (if any)
(a)	No TDS shall be deducted in the case of resident individual members, if the amount of such dividend in aggregate paid or likely to be paid during the financial year does not exceed Rs. 5,000.	NIL	

(b)	With PAN (Exceeding Rs. 5000/-)	10.0%	Update/Verify the PAN, and the residential status as per Income Tax Act, 1961 if not already done, with the depositories (in case of shares held in demat mode) and with the Company's Registrar and Transfer Agents - Maheshwari Datamatics Pvt. Ltd. (in case of shares held in physical mode). Or click on the following link : https://mdpl.in/form/pan-update
(c)	Without PAN/ Invalid PAN	20%	
(d)	Submitting Form 15G/ Form 15H	NIL	Declaration in Form No. 15G (applicable to any person other than a company or a firm) / Form 15H (applicable to an Individual who is 60 years and older), fulfilling certain conditions. Shareholders may click on the following link for claiming Exemptions. https://mdpl.in/form/15g-15h .
(e)	Submitting Order under Section 197 of the Income Tax Act, 1961 (Act)	Rate provided in the Order	Lower/NIL withholding tax certificate obtained from tax authority to be submitted : https://mdpl.in/form/certificate-u-s-197
(f)	Mutual Fund specified under clause (23D) of Section 10 of the Income Tax Act, 1961	NIL	Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate. Please Click on the following link: https://mdpl.in/form/mutual-fund
(g)	An Insurance Company exempted under Sec. 194 of the Income Tax Act, 1961	NIL	Self-declaration that it has full beneficial interest with respect to the shares owned by it and documentary evidence that the provisions of section 194 of the Act are not applicable to them along with Self attested PAN. Please click on the following : https://mdpl.in/form/insurance-company

(h)	Alternative Investment Fund (AIF) established in India:	NIL	Documentary evidence to prove that Investment Fund is a fund as defined in clause (a) of the Explanation 1 of section 115UB of the Act and Declaration that its Dividend Income is exempt under Section 10 (23FBA) of the Act and that they are established as Category I or Category II AIF under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations Please click on the following: https://mdpl.in/form/alternative-investment
(i)	New Pension System Trust:	NIL	Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
(j)	Other Non-Individual shareholders	NIL	Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

2) For Non-Resident Members:

	Particulars	Applicable Rate	Documents required (if any)
(a)	TDS shall be Deducted/Withheld	20% (plus applicable surcharge and cess)	
(b)	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) Investors (FPIs)	20% (plus applicable surcharge and cess)	Self Attested Copy of SEBI Registration Certificate.
(c)	Other Non-resident Shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** (whichever is less) Non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if the DTAA provisions are more beneficial.	Update/Verify the PAN and the residential status as per Income Tax Act, 1961, if not already done, with the depositories (in case of shares held in demat mode) and with the Company’s Registrar and Transfer Agents – Maheshwari Datamatics Pvt Ltd. (in case of shares held in physical mode).

		<p>In order to apply the Tax Treaty rate, ALL the following documents would be required:</p> <ol style="list-style-type: none"> 1) Copy of Indian Tax Identification number (PAN). 2) Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident certifying status during Financial Year 2020-21. 3) Form 10F duly filled and signed (Format attached herewith). 4) Self-declaration from Non-resident, primarily covering the following: <ul style="list-style-type: none"> - Non-resident is eligible to claim the benefit of respective tax treaty - Non-resident receiving the dividend income is the beneficial owner of such income - Dividend income is not attributable/ effectively connected to any Permanent Establishment (PE) or Fixed Base in India. (Format attached herewith). <p>Click on the following Link https://mdpl.in/form/10f</p>
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The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident member.

Tax shall be deducted at source at the rate of 20% (plus applicable surcharge, and health and education cess) on dividend payable to Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI). Such TDS rate shall not be reduced on account of the application of the beneficial DTAA Rate or lower tax deduction order, if any.

SECTION 206AB OF THE ACT

Rate of TDS @10% u/s 194 of the Act is subject to provisions of Section 206AB of the Act (effective from 1st July, 2021) which introduces special provisions for TDS in respect of taxpayers who have not filed their income-tax return (referred to as specified persons). U/s 206AB of the Act, tax is to be deducted at higher of the following rates in case of payments to the specified persons:

- at twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

In cases where Sections 206AA and 206AB are applicable i.e. the shareholder has not submitted the PAN as well as not filed the return; tax will be deducted at higher of the two rates prescribed in these sections.

“Specified person” as defined u/s 206AB(3) is someone who satisfies the following conditions:

1. A person who has not filed income tax return for two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under section 139(1) of the Act has expired;

and

2. The aggregate of TDS and TCS in whose case is Rs. 50,000 or more in each of these two previous years.

Non-resident shareholders who do not have permanent establishment in India are excluded from the scope of a “specified person”.

All the links given above will be disabled on Tuesday, 21st September 2021.

For all Members:

Members holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

In view of the prevailing COVID 19 situation, only scanned copies of the aforementioned tax relief documents such as PAN, Forms 15G/15H/10F/Self-declaration/documentary evidence etc. will be accepted by the Company as per link given above. The documents (duly completed and signed) are required to be submitted by uploading the documents on the link.

In case of joint shareholders, the shareholder named first in the Register of Members is required to furnish the requisite documents for claiming any applicable beneficial tax rate.

Any such tax relief documents (PAN/15G/ 15H/10F/Self Declaration Form) received through any other methods like email or hand delivery will not be considered to determine and deduct appropriate TDS / withholding tax.

Members may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with the Company in the manner prescribed in the Rules.

Shareholders holding shares in dematerialised mode, are requested to update their records such as tax residential status, permanent account number (PAN), registered email address, mobile number and other details with their relevant depositories through their depository participants. Shareholders holding shares in physical mode are requested to furnish details to the Company’s Registrar and Transfer Agent, viz. Maheshwari Datamatics Private Limited (“MDPL”)

The Company is obligated to deduct tax at source based on the records made available by National Securities Depository Limited or Central Depository Services (India) Limited (“the Depositories”) in case of shares held in electronic mode and from the RTA in case of shares held in physical mode and no request will be entertained for revision of TDS return.

Disclaimer: This Communication is not to be treated as an advice from the Company or its affiliates or Registrars Maheshwari Datamatics Private Limited. Members should obtain the tax advice related to their tax matters from their tax professional.

Yours sincerely,

By Order of the Board

Deepak Industries Limited

Roshan Dave

Company Secretary

Membership No. ACS 27185

Directors' Report For the year ended 31st March, 2021

Dear Shareholders,

The Board of Directors of your Company have pleasure in presenting their **66th Annual Report** on the business and operations of the company together with Audited financial statement for the year ended 31st March, 2021.

FINANCIAL SUMMARY

(Rs, in lacs)

Particulars	STANDALONE
	2020-21
Revenue from Operation	42,756.27
Other Income	1,165.27
Profit / (Loss) Before Depreciation Financial Cost and Tax	10,169.97
Less : Financial Cost	741.54
Profit / (Loss) Before Depreciation	9,428.43
Less : Depreciation	2,008.04
Profit / (Loss) Before Taxation	7,420.39
Less : Taxation Expenses	
a) Current Tax	1,896.35
b) Deferred Tax	16.88
Profit After Taxation/ Profit for the year	5,507.16
Other Comprehensive Income	
i) Items that will not be classified to Profit and Loss Account	3.72
ii) Income Tax relating to items that will not be reclassified to Profit & Loss	(0.94)
Other Comprehensive Income for the year (Net of Tax)	2.78
Total Comprehensive Income for the year	5,509.94
Basic and Diluted Earnings Per Share (Rs.)	139.20
Paid up Share Capital	395.64
Other Equity	35,919.78
Total Equity	36,315.42

OVERVIEW OF THE COMPANY PERFORMANCE

FINANCIAL PERFORMANCE:

Standard Financial Performance:

Some of the Key Highlights of your Company's performance during the year under review are:

- Your company's turnover including other Income is Rs. 42,756.27 lacs as against Rs. 41,082.53 lacs in the previous year.
- The Company has achieved profit before tax during the current financial year of Rs. 7,420.39 lacs as against Rs. 5,851.93 lacs in the previous year.
- Net profit after taxation is Rs. 5,507.16 lacs as against Rs. 4,585.61 lacs in the previous year.
- Earning per share is Rs. 139.20 as against Rs. 115.90 in the previous year.

During the year under review the results are better compared to the previous year largely due to improved performance by the automobile and tractor gear segment. The Financial Statement of your company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Indian Accounting Standards (IND AS) and the relevant provisions of the Companies Act, 2013 and rule made therein, as applicable and regulation 48 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accounting Policies have been consistently applied except where a newly issued accounting standards, if initially adopted or a revision to an existing accounting standard requires a change in the accounting Policy. Your Company discloses unaudited financial results on quarterly basis, which are subjected to limited review, and audited financial results on an annual basis.

The management continues to lay emphasis for continuous growth in the business of your company.

Generation from Solar Power plants was satisfactory.

FUTURE EXPANSION

Your Company has been declared the successful bidder in the liquidation process of **M/s. Lotus Auto Engineering Limited (LAEL)**, incorporated on 15th November, 2010 under the Provision of the Companies Act, 1956 and its manufacturing facility of the company is located at SP 501 (b), RIICO Industrial Area, Bhiwadi, Rajasthan and spread in an area of 20003 SQM with a built up area of 11590 SQM, after the acquisition of M/s. **Lotus Auto Engineering Limited (LAEL)**, your company envisages expansion of business through inorganic growth by adding new product line in the manufacturing of automotive parts machining.

OUTLOOK FOR THE FINANCIAL YEAR 2021-22:

The vaccination drive across the globe is a silver lining in the dark cloud despite Covid-19 and gives us strong reasons to see light at the end of the tunnel. As Industrial and Automobiles Gears are closely linked to economic growth, the outlook is positive in the near to medium term. The long-term prospects of the company are good and promising as your Company continues to explore all the avenues to ensure growth of its business which includes deeper penetration into new and existing markets. With the continuous expansion of its product range.

SUBSIDIARY & ASSOCIATES COMPANIES

The Company has no Subsidiary, Associates and Joint Venture as on 31st March, 2021.

SHARE CAPITAL

The paid-up Equity Share Capital of the Company as at 31st March, 2021 was Rs. 3,95,64,330 divided into 39,56,433 Equity Shares of Rs. 10 each. There have not been any changes in the Equity Share Capital of the Company during the Financial Year ended 31st March, 2021. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options or sweat equity.

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 Rs. 5/- per equity shares for the financial year 2020-21. 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 Shareholders will be paid within the stipulated time subject to deduction of tax at source.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

A) Retirement of Director

The Board consists of the Executive Directors, Non-Executive Directors and a Lady Independent Non

Executive Director. There has been no change in the constitution of the Board during the year. Pursuant to Section 152 of Companies Act, 2013 and Articles of Association of the Company, Shri Pradip Kumar Daga (DIN 00040692), 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 66th Annual General Meeting.

B) Key Managerial Personnel

During the year, the Company had 4 Key Managerial Personnel, being Shri Pradip Kumar Daga, Chairman and Managing Director, Shri Yashwant Kumar Daga, Vice Chairman and Joint Managing Director, Shri Maneesh Khanna, CFO, Shri Vithal Das Mall (till 30th June, 2021), Shri Roshan Davve Company Secretary.

During the year Shri Vithal Das Mall resigned as the Company Secretary of the Company with effect from 30th June, 2021 and Shri Roshan Dave has been appointed as the Company Secretary of the Company, w.e.f. 30th June 2021.

C) 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 Listing Regulations.

D) 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

- In the preparation of the Annual Accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed with proper explanation relating to material departures, if any;
- 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 2020-21 and of the profit for the year ended 31st March, 2021

- 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, 2021, 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.

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.

EXTRACT OF THE ANNUAL RETURN

An extract of Annual Return as on the financial year ended on March 31, 2021 in Form MGT-9 as required under section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management & Administration) rules 2014, is set out as an "**Annexure B**" to the Directors' Report. Pursuant to Section 92(3) and Section 134(3)(a) of the companies Act, 2013 the company has placed a copy of the Annual return as at March 31,2021, on its website at www.dil-india.com

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

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is marked as **Annexure – D** which is annexed hereto and forms part of the Directors' Report. Directors of your company for the year ended 31st March, 2021.

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.

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- 700069, to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Auditor has submitted an un-qualified Secretarial Audit Report for the Financial year 2020-21. The Report of the Secretarial Audit is annexed herewith as "**Annexure C**".

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 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.

M/s SPK Associates has confirmed that appointment is within the limits of Section 139 of the Companies Act, 2013 **and has certified that** they are free from any disqualifications specified under Section 148(5) and all other applicable provisions of the Companies Act, 2013.

The Audit Committee has also received a Certificate from the Cost Auditor certifying 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.

AUDITORS' OBSERVATIONS, AUDITOR'S REPORT

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments. The Statutory Auditor M/s. Lodha & Co., Chartered Accountants has submitted an unqualified Audit Report for the financial year 2020-21.

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 AA-/stable, Reaffirmed from ICRA which means sufficient safety with regard to timely payment of financial obligations which is valid up to March 31, 2021.

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.

PARTICULARS OF EMPLOYEES

The prescribed particulars of remuneration of employees pursuant to Section 134(3)(q) and Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out as **Annexure 'D'** to the Directors' Report. The list of top ten employees will be available on request from the shareholders.

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 2020-21 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

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 30th June, 2021 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 Nomination and Remuneration committee adopted a policy for selection and appointment of Directors, KMP and senior Management and their remuneration. During the year

there have been no changes to the policy. The web link of the said policy on the company web site <http://www.dil-india.com/investors/NOM-REMPOL.pdf>

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-E. 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, 2021 are given separately in the Corporate Governance Report.

During the year under review, the Company was required to spend Rs. 84.19 lakhs. The Company had identified various CSR projects having a total commitment of Rs. 84.19 lakhs and had spent an amount of Rs. 58.69 Lakhs till March, 2021. In terms of Amendment to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the CSR Rules 2021") effective from 22nd January, 2021, the Company's CSR Committee at its meeting held on 12th February 2021 had revised / identified Ongoing Project. Hence, the balance unspent amount of Rs.25.50 lakhs out of Rs. 84.19 lakhs have been identified as Ongoing project which would be spent by the Company within stipulated time. The Company has deposited

Rs.25.50 lacs in a separate Bank account opened with a Scheduled Bank in Compliance with CSR Rules 2021 for the CSR identified projects.

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.

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 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 as a the Board is uploaded on the Company's website approved by t 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, VC/JMD 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 Rs. 171.02 Lacs p.a.

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 Certificate regarding Compliance of Conditions of Corporate Governance are attached as "Annexure-F", 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-G" forming part of this report.

BUSINESS RESPONSIBILITY REPORT

In terms of SEBI (LODR) Regulations 2015, Top 500 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, 2021, without attendance of Non-Independent Director and Members of Management Majority of Independent Director were present at the separate meeting

INVESTOR EDUCATION AND PROTECTION FUND

The company was and is not required to transfer any amount to such Fund in the year 2019-20 and in the year 2020-2021 respectively.

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 66th AGM and the Annual Report of the Company for the financial year ended 31st March, 2021

including therein the Audited Financial Statements for the year 2020-2021, the afore-mentioned documents are being sent only by email to the Members.

APPRECIATION

The Board of Directors take this opportunity to express their sincere appreciation for the excellent support and co-ordination received from Banks and Tea Board authorities 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 Ltd.**

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

Sd/-
Sujit Chakravorti
Director
DIN 00066344

Place : Kolkata

Date : 30th day of June, 2021

Sd/-
Anand Prasad Agarwalla
Director
DIN 00312652

Sd/-
Meera Dokania
Director
DIN 07094376

Annexure - 'A' to the Director's Report

Information as required under Rule 8(3) of the Companies (Accounts) Rules, 2014 on conservation of Energy

(i) Step Taken or Impact on Conservation of Energy during the year 2020-21

The company continues to give high priority to conservation of energy to conserve and optimize energy wherever practicable by economizing on fuel and power on a continuous basis by renovation/up/gradation in high consumption areas like lighting, Air Conditioning, heat treatment, supply power factor through additional condensers. The new machines installed and put to use are highly energy efficient

We append energy conservation measures implemented in our various units during the above period:

Faridabad

- 1 Maintained 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 Battery operated electric stacker for Finished Goods storage area.
- 4 Provided Led Tube lights (2 X 18 watt)- 20 Nos. installed in place (2 X 28 watt) light fittings.
- 5 Provided LED Overhead lights -80 Watt-10 nos. in place of 250 Watt Metalhalide light.
- 6 Provided 5-star rating air conditioner in place of 3-star rating air condition in admn. Block.

Rudrapur Plant

1. 02 Furnaces (Preheating 2 & Tempering 2) run with single blower motor(2.2KW) in place of 02 individual motor (2.2KW×2) by this activity saving Approx. Rs 75160.00/year
2. Chiller unit pump-motor (0.37 KW) removed by using Hyd/Lub pump of Machine for oil flow in chiller. Saving approx. Rs5402/Chiller per Year. Done 07 Machines. So saving (5402*7) Rs.37814/year
3. Continuously maintain unity power factor with help of automatic power factor control relay panel.
4. Quenching process of SQF started directly From UPCL Supply. Removed 50 KVA UPS which was earlier using from Quenching process.
5. 1.8 KW coolant pump replaced by 0.18 KW coolant pump in studder Grinding machine 2104.
6. Minimize the air leakage by minimizing component cleaning point, continuous monitoring and rectification of air leakages in Machine shop & HT shop.
7. LED lights (45 watt bulb) 02 No, (70watt light) 02 No installed in place (250 watt bulb HPSV) in street lighting.

Bhagola

- 1 Maintained Unity power factor of Electricity Board power supply.
- 2 Provided 15 HP ,Make-Grundfos Energy efficient water pump for cooling tower.
- 3 Provided energy efficient VRF HVAC system for shop floor temperature control.
- 4 Provided energy efficient VRF HVAC (Heating,ventilation and air conditioning) system for CNC Gear Grinding Enclosure for maintaining clean and controlled environment.
- 5 Provided 36 Watt LED Lights street lights -15 nos. and 118 Watt Overhead LED Lights for shop floor -15 nos.
- 6 Provided 30 KVA UPS on REISHAUER CNC Gear Grinding machine.
- 7 Provided Energy Efficient compressed air pipe line of Legris make for HDEP -Hard cell and CNC Gear Grinding cell.
- 8 Provided IE-3 Energy efficient motors -7.5 HP -04 nos. on Exhaust ducting of SQF -1,2,3 & 4.
- 9 Provided Automatic coolant mixing system for Grinding machines.
- 10 Provided oil spinning system on Hobbing and grinding machines.

B) Technology absorption

i) **The Efforts Made Towards Technology Absorption;**

Company had introduced following technology in last few years for the product quality improvement, Faster production Development, Cost reduction

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

1. Auto Straitening of Shafts –
2. Shot Peening.
3. Hard Tuning
4. Gear Teeth Grinding
5. Laser Marking
6. CNC Teeth Chamfering(with Auto Part Load/Unload)
7. Quality Checking Equipment
8. CNC HOB Resharpener
9. Provided Energy efficient Bin washing machine of Karcher make.
10. Use of Robots on Turn mill centre machines.
11. Oil spinning system for oil conservation.
12. Use of multi gauging system.
13. Introduction of in process gauge with feedback system for offset correction, to get
14. CGCF with Robotics press quench.
15. SQF with PNG heated
16. Endo gas Generator PNG heated.
17. Chip compactor Bricketto.
18. Battery operated pet straping.

ii) Benefit derived

- 1). Automation in Process
- 2) Elimination of operator skill dependency
- 3) Multiple machining operations in one setup
- 4) Utilizing Latest cutting TML technology for cycle time improvement
- 5) Quality Assurance
- 6) Energy efficient and technology up gradation.
- 7) Reduce wastage.
- 8) Faster Production
- 9) Enhancement of Capacity.

iii) Imported Cases

NEW ALLENBERRY WORKS : FARIDABAD

Detail of imported plant & machinery addition during the F.Y. 2020-21

Description of machine	Qty.
Used second hand CNC gear hobbing machine model: LC-180 make: leibherr	1

NEW ALLENBERRY WORKS, BAGHOLA

Detail of imported plant & machinery addition during the F.Y. 2020-21

CNC gear grinding machine: model RZ 260 double spindle RZ 260 make reishauer	1
--	---

Precision measuring centre model P26 with accessories and software make klingelberg gmbh	1
--	---

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

- a) Whether the technology been fully utilized: Yes
- b) If not fully absorbed: NA

iv) Expenditure incurred on R & D (In house only, not on imported case in Last FY)

The research and development is being carried out in house by qualified professional for development, technology up gradation.

(C) Foreign Exchange earning and outgo

The Company is making an all out effort for exports of the products and expects improved performance in export in the coming year.

- (D) The Foreign Exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual figures

Faridabad Unit:

Capital Goods	Rs. 20353677.00
Stores and Sapres	Rs. 12960270.00
Import of Service	Rs. 4919653.00
Total	Rs. 38233600.00

Baghola Unit:

Capital Goods	Rs. 106935959.00
Stores and Sapres	Rs. 12184430.00
Import of Service	Rs. 420302.00
Total	Rs. 119540691.00

Please note that there is no Import in Rudrapur Unit.

Above figures are on CIF basis

Annexure - 'B' to the Director's Report

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L63022WB1954PLC021638
ii) Registration Date	08 TH MAY, 1954
iii) Name of the Company	DEEPAK INDUSTRIES LIMITED
iv) Category / Sub-Category of the Company	COMPANY LIMITED BY SHARES
v) Address of the Registered office and contact details	16, HARE STREET, 2nd FLOOR, KOLKATA-700001 CONTACT: ROSHAAN DAVVE PHONE: 033-2248*2391, MAIL:secretary@dil-india.com
vi) Whether listed company Yes / No	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	MAHESHWARI DATAMATICS PVT LTD 23, R.N.MUKHERJEE ROAD, 5th FLOOR, KOLKATA-700001 PHONE: 033-2248-2248, 2231-6389, FAX: 2248-4787 EMAIL: info@mdpl.in; mdpldc@yahoo.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Industrial Gears	3563	12.65
2	Automobile Gears	3563	86.94
3	Solar Power	35105	0.41

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
NIL					

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

i) Category-wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2020]				No of Shares held at the end of the year [As on 31/Mar/2021]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2207444	-	2207444	55.7938	2207444	-	2207444	55.7938	0.0000
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	524600	-	524600	13.2594	524600	-	524600	13.2594	0.0000
e) Banks/Fi	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	2732044		2732044	69.0532	2732044		2732044	69.0532	0.0000

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

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2020]				No of Shares held at the end of the year [As on 31/Mar/2021]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	2732044	0	2732044	69.0532	2732044	0	2732044	69.0532	0.0000
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI	142188	0	142188	3.5938	142188	0	142188	3.5938	0.0000
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternate Investment Funds	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	142188	0	142188	3.5938	142188	0	142188	3.5938	0.0000
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	689858	0	689858	17.4364	689964	0	689964	17.4390	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	9962	13500	23462	0.5930	9962	13500	23462	0.5930	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	368775	.0	368775	9.3209	368775	0	368775	9.3209	0.0000
c) Others (Specify)									
Non Resident Indians	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-

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

Category of Shareholders	No of Shares held at the beginning of the year [As on 01/Apr/2020]				No of Shares held at the end of the year [As on 31/Mar/2021]				% change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Custodian of Enemy Property	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies-D R	-	-	-	-	-	-	-	-	-
Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
Employee Trusts	-	-	-	-	-	-	-	-	-
Domestic Corporate Unclaimed Shares Account	-	-	-	-	-	-	-	-	-
Sub-total(B)(2):-	1068701	13500	1082201	27.3530	1068701	13500	1082201	27.3529	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1210889	13500	1224389	30.9468	1210889	13500	1224389	30.9468	0.0000
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	3942933	13500	3956433	100.0000	3924933	13500	3956433	100.0000	0.0000

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year [As on 01/Apr/2020]			Shareholding at the end of the year [As on 31/Mar/2021]			% change in share holding during the Year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	ASHA DEVI DAGA	604806	15.2866	0.0000	604806	15.2866	0.0000	0.0000
2	NANDINI DAGA	870625	22.0053	0.0000	870625	22.0053	0.0000	0.0000
3	YASHWANT KUMAR DAGA	524313	13.2522	0.0000	524313	13.2522	0.0000	0.0000
4	PRADIP KUMAR DAGA	207700	5.2497	0.0000	207700	5.2497	0.0000	0.0000
5	COPLAMA PRODUCTS PRIVATE LIMITED	524600	13.2594	0.0000	524600	13.2594	0.0000	0.0000
	TOTAL	2732044	69.0532	0.0000	2732044	69.0532	0.0000	0.0000

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

Sl No	PAN	Name	Shareholding at the beginning of the year [01/Apr/20]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	ADIPD1260C	ASHA DEVI DAGA				
		01/04/2020	604806	15.2866		

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

SI No	PAN	Name	Shareholding at the beginning of the year [01/Apr/20]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
		31/03/2021	604806	15.2866	604806	15.2866
2	AHUPD8227B	NANDINI DAGA				
		01/04/2020	870625	22.0053		
		31/03/2021	870625	22.0053	870625	22.0053
3	AFYPD7477F	YASHWANT KUMAR DAGA				
		01/04/2020	524313	13.2522		
		31/03/2021	524313	13.2522	524313	13.2522
4	AGAPD8547R	PRADIP KUMAR DAGA				
		01/04/2020	207700	5.2497		
		31/03/2021	207700	5.2497	207700	5.2497
5	AABCC1046L	COPLAMA PRODUCTS PRIVATE LIMITED				
		01/04/2020	542600	13.2594		
		31/03/2021	542600	13.2594	542600	13.2594

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

SI No	Name	Shareholding at the beginning of the year [01/Apr/20]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	JALPAIGURI HOLDINGS PRIVATE LIMITED					AAACJ7869D
	01/04/2020	618312	15.6280			
	31/03/2021	618312	15.6280	618312	15.6280	
2	ICICI BANK LTD					AAACI1195H
	01/04/2020	142188	3.5958			
	31/03/2021	142188	3.5958	142188	3.5958	
3	KNITWORTH LEAE FINANCE LTD					AABCK6307J
	01/04/2020	6236	0.1576			
	31/03/2020	6236	0.1576	6236	0.1576	
4	PNC CAPITAL TRUST LTD.					AABCP6009J
	01/04/2020	13362	0.3377			
	31/03/2021	13362	0.3377	13362	0.3377	
5	ARIDHI VANIJYA PRIVATE LIMITED					AACCA1654M
	01/04/2020	7127	0.1801			
	31/03/2021	7127	0.1801	7127	0.1801	
6	PRJ FINANCE PVT.LTD.					AADCP4314Q
	01/04/2020	15601	0.3943			
	31/03/2021	15601	0.3943	15601	0.3943	

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

SI No	Name	Shareholding at the beginning of the year [01/Apr/20]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]		PAN
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
7	RISORGIMENTO INDUSTRIAL COMPANY LIMITED					AABCR4382A
	01/04/2020	13362	0.3377			
	31/03/2021	13362	0.3377	13362	0.3377	
8	Shantanu Daga					AHXPDS470F
	01/04/2020	99850	2.2537			
	31/03/2021	99850	2.5237	99850	2.2537	
9	Pallavi Abhay Kanoria					AAFPK5315D
	01/04/2020	171500	4.3347			
	31/03/2021	171500	4.3347	171500	4.3347	
10	Amritesh Daga					CDDPD3191D
	01/04/2020	97425	2.4624			
	31/03/2021	97425	2.4624	97425	2.4624	

* Not in the list of top 10 Shareholders as on 01/04/2020, The same has been reflected above since the shareholder was one of the top 10 Shareholders as on 31/03/2021

Ceased be in the list of top 10 Shareholders as on 31/03/2021, The same is reflected above since the shareholder was one of the top 10 Shareholders as on 01/04/2020.

(v) Shareholding of Directors and Key Managerial Personnel:

SI No	Name	Shareholding at the beginning [01/Apr/20]/end of the year [31/Mar/21]		Cumulative Shareholding during the year [01/Apr/20 to 31/Mar/21]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Directors					
1	PRADIP KUMAR DAGA				
	01/04/2020	207700	5.2497		
	31/03/2021	207700	5.2497	207700	5.2497
2	YASHWANT KUMAR DAGA				
	01/04/2020	524313	13.2522		
	31/03/2021	524313	13.2522	524313	13.2522
3	Anand Prasad Agarwalla				
	01/04/2020	NIL	NIL		
	31/03/2021	NIL	NIL	NIL	NIL
4	Sujit Chakravorti				
	01/04/2020	NIL	NIL		
	31/03/2021	NIL	NIL	NIL	NIL
5	Meera Dokania				
	01/04/2020	NIL	NIL		
	31/03/2021	NIL	NIL	NIL	NIL

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

Key Managerial Personnel					
1	Vithal Das Mall				
	01/04/2020	NIL	NIL		
	31/03/2021	NIL	NIL	NIL	NIL
2	PRADIP KUMAR DAGA				
	01/04/2020	207700	5.2497		
	31/03/2021	207700	5.2497	207700	5.2497
3	YASHWANT KUMAR DAGA				
	01/04/2020	524313	13.2522		
	31/03/2021	524313	13.2522	524313	13.2522
4	Maneesh Khanna				
	01/04/2020	NIL	NIL		
	31/03/2021	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness ₹ Lakhs
Indebtedness at the beginning of the financial year				
i) Principal Amount	8333.54	448.48		8782.02
ii) Interest due but not paid	59.02	-	-	59.02
iii) Interest accrued but not due	0.15	-	-	0.15
Total (i+ii+iii)	8392.73	448.48	-	8841.19
Change in Indebtedness during the financial year				
• Addition	1101.37	8.96		1110.33
• Reduction	22.31	-		22.31
Net Change	1079.06	8.96		1088.02
Indebtedness at the end of the financial year				
i) Principal Amount	9434.91	457.44		9892.35
ii) Interest due but not paid	36.79	-		36.79
iii) Interest accrued but not due	.07			.07
Total (i+ii+iii)	9471.77	457.44	-	9929.21

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	(Rs. in Lacs)
		Yashwant Kumar Daga, VD/JMD
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 including Value of perquisites u/s 17(2) Income-tax Act, 1961 Profits in lieu of salary under section 17(3) Income- tax Act, 1961	136.16

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

2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission	NIL
	- as % of profit	
	- others, specify...	
5.	Others, please specify	NIL
	Total (A)	136.16
	Ceiling as per the Act	5% of the net profit of the Company computed as per sec 197 and 198 of the Companies Act, 2013

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
		Anand Prasad Agarwalla	Sujit Chakravorti	Meera Dokania	
1.	Independent Directors				
	• Fee for attending board and committee meetings	66,000	38,000	62,000	1,66,000
	• Commission	3,50,000	3,50,000	3,50,000	10,50,000
	• Others, please specify				
	Total (1)	4,16,000	3,88,000	4,12,000	12,16,000
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	NIL			
	• Commission	NIL			
	• Others, please specify	NIL			
	Total (2)	NIL			
	Total (B) = (1 + 2)	4,16,000	3,88,000	4,12,000	12,16,000
	Total Managerial Remuneration	4,16,000	3,88,000	4,12,000	12,16,000
	Overall Ceiling as per the Act	1% of the net profits of the Company computed under section 197 and 198 of the Companies Act, 2013 excluding Sitting fees within the prescribed ceiling under section 197(5) of the Companies Act, 2013.			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel (₹)		
		Company Secretary Vithal Das Mall	CFO Maneesh Khanna	Total
1.	Gross salary	540000	673581	1213581
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	110000	635468	745468
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			

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

2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission	NIL	NIL	NIL
	- as % of profit			
	- Others, specify...			
5.	Others, please specify	NIL	NIL	NIL
	Total	650000	1309049	1959049

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable
B. DIRECTORS					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Punishment	NIL	Not applicable	Not applicable	Not applicable	Not applicable
Compounding	NIL	Not applicable	Not applicable	Not applicable	Not applicable

Annexure - 'C' to the Director's Report

Form No. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

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

**To,
The Members,
Deepak Industries Limited
16, Hare Street,
Kolkata 700 001**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Deepak Industries Limited, CIN No.L63022WB1954PLC021638 (hereinafter called the company)**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory practices and expressing our opinion thereon.

Based on our verification of the Deepak Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representation during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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:

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

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings. **;- not applicable during the under review.**
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) were not applicable to the Company for the financial year ended March 31, 2021.

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

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

(vi) Other laws as mentioned in the Annexure attached herewith and as may be applicable to the company.

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

- (a) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (b) The Listing Agreements entered into by the Company with the Calcutta Stock Exchange Limited.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company has a woman director on its Board. There was no change in the composition of the Board of Directors during the period under review.

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. We have however not observed any dissenting member's views.

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

We further report that during the audit period the Company has –

- (a) not allotted any share or other securities during the period.
- (b) not altered the provisions of the Memorandum of Association or the Articles of Association.
- (c) not taken any major decision at the last Annual General Meeting held in the year 2020.
- (d) no merger / amalgamation / reconstruction etc.
- (e) no foreign technical collaborations.

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

Place: Kolkata

Dated: May 10, 2021.

For B K P & ASSOCIATES
Company Secretaries
(CS Binay Kumar Pandey, FCS)
Membership No. FCS 9830
C.P. No. 12074
UDIN: **F009830C000267384**

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

LIST OF OTHER APPLICABLE LAWS

1. Air (Prevention and Control of Pollution) Act, 1981
2. Apprentices Act, 1961
3. Consumer Protection Act, 1986
4. Indian Contract Act, 1872
5. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Environment Protection Act, 1986
8. Factories Act, 1948
9. Industrial Disputes Act, 1947
10. Industrial Employment (Standing Orders) Act, 1946
11. Industries (Development and Regulation) Act, 1951
12. Maternity Benefit Act, 1961
13. Minimum Wages Act, 1948.
14. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
15. Negotiable Instruments Act, 1881
16. Payment of Bonus Act, 1965
17. Payment of Gratuity Act, 1972
18. Payment of Wages Act, 1936
19. Registration Act, 1908
20. Sale of Goods Act, 1930
21. Water (Prevention and Control of Pollution) Act, 1974
22. Workmen's Compensation Act, 1923
23. Income-Tax Act, 1961
24. The Companies Act, 2013
25. The Customs Act, 1962
26. The Motor Vehicles Act, 1988
27. Boiler Act, 1923
28. The Central Goods and Service Tax Act, 2017.
29. Shops and Establishment Act, Profession Tax Act, and other Commercial Acts of respective states.

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

**(TO THE SECRETARIAL AUDIT REPORT OF M/S. DEEPAK INDUSTRIES LTD
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021)**

Annexure - A

To,
The Members,
Deepak Industries Limited
16, Hare Street,
Kolkata 700 001

Our 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. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required. We 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. Our examination was limited to verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Dated: May 10, 2021

For B K P & ASSOCIATES
Company Secretaries
(CS Binay Kumar Pandey, FCS)
Membership No. FCS 9830
C.P. No. 12074

Annexure - 'D' 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, AS AMENDED FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021.

- 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 2020-21:

Name of the Director	Designation of the Employee	Remuneration (Amount in Rs. Lacs)	Nature of Employment, whether contractual or otherwise	Qualification and Experience of the Employee	Ration of remuneration of each Directors to Median remuneration of employees
Shri Yashwant Kumar Daga-	Vice Chairman cum Joint Managing Director	136.16	Otherwise	Graduate	42:53:1
Shri Anand Prasad Agarwalla*	Non-Executive Director cum Independent Director	4.16	Otherwise	Law Graduate	1.49:1
Shri S. Chakravorti*	Non-Executive Director cum Independent Director	3.88	Otherwise	C.A and Graduate	1.43:1
Smt. Meera Dokania*	Non-Executive Director cum Independent Director	4.12	Otherwise	Graduate	1.48:1

The percentage increase in remuneration of, Shri Maneesh Khanna Chief Financial Officer was NIL and Shri Vithal Das Mall Company Secretary it was NIL.

- ii. In the financial year, there is of increase 0.013% in the median remuneration of employees.
- iii. There were 913 permanent employees on the rolls of the Company as on March 31, 2021.
- iv. 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. .
- v. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

*Non-Executive Director cum Independent Directors receiving sitting fees and commission

Annexure - 'E' 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 meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Shri Pradip Kumar Daga,	Chairman	Promoter CMD of the Company	2	1
Shri Yashwant Kumar Daga	*Member	Promoter VCMD of the Company		-
Shari Anand Prasad Agarwalla	Member	Independent Director		2
Shri Sujit Chakravorti	Member	Independent Director		2

*Became a member w.e.f 12.02.2021.

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

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. 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. 4,209.50 lakh

- 7.**
- (a) Two per cent of average net profit as per section 135 (5) is Rs. 84.19 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. 84.19 lakh

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

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

Amount Unspent (Rs. in lakh)					
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
58.69	25.50	30.04.2021	(*)		

(*) Will be complied in accordance with the Companies Act, 2013 read with the CSR Amendment Rules.

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

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakh)	Amount spent in the current financial Year (₹ in lakh)	Amount transferred to Unspent CSR Account for the project as per Section 135 (6) (₹ in lakh)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	2	3	4	5	6	7	8	9	10	11	12	13
NIL												

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

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project Amount spent for the project (₹ in lakh)	Amount spent for the project (₹ in lakh)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing Agency	
							Name	CSR Registration number
1	Contribution toward Health Services to Ramkrishna Mission Seva Pratishthan	Health and safety		Contribution to Ramkrishna Mission Seva Pratishthan for serving the people through four wings, namely 1) The General Hospital 2) The School of Nursing and Ma Sarda College of Nursing 3) Tge vivekanand Institute of Medical Science and 4) The community Health Services	15.00	YES	NA	

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

2	Contribution towards new hospital	Health and safety	contribution to Purwanchal Nagrik Samity for extended helping hand to established a new hospital to provide day care Medical treatment with an area of 20000 sq. ft. It is coming up at Phool Bgan, Kolkata	10.00	YES	NA
3	Activities for fight against underprivileged	Health and safety	Paid to Voice of World for mid day meals for 70 differently-abled and underprivileged students for one year	9.10	YES	NA
4	Education /Skill development Programme	Social Development	contribution to Behala Dristhin Silpaniketan for construction of a new Ladies Hostel for old Blind women.	5.00	YES	NA
5	Contribution for upliftment of underprivileged society	Health and safety	Extend helping hand to Trust/ NGO towards activities for medical treatment of Spin care patients	5.50	YES	NA
6	Activities for fight against COVID-19	Health and safety	Extend helping hand to Trust/ NGO towards activities for medical treatment of patients	4.09	YES	NA
7	Educational /Skill development Programme	Social Development	Extend helping hand to Trust/ NGO towards developing infrastructures facility and supporting the educational needs of children	4.00	YES	NA
8	Contribution for cow shelter and protection	Social Development	Extend helping hand to Trust/ NGO towards developing cow shelter and protection	4.00	YES	NA
9	contribution towards society	Social Development	Extend helping hand to Narayani Tandhandas Deosar Trust towards developing 10 KV SOLAR PLANT AT DEOSAR (Bhiwani , Haryana)	2.00	YES	NA
Total				58.69		

- (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. 58.69 In Lakhs**

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

(g) Excess amount for set off, if any

Sr. No	Particular	Amount (₹ in lakh)
1	Two percent of average net profit of the company as per section 135(5)	84.19
2	Total amount spent for the Financial Year	58.69
3	Excess amount spent for the financial year [(ii)-(i)]	NA
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (Rs. in lakh)	Amount spent in the reporting Financial Year (in lakh)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any	Amount remaining to be spent in succeeding financial years (RS. in lakh)
1	2	3	4	5	6

Not Applicable

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

Sr. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in lakh)	Amount spent on the project in the reporting Financial Year (₹ in lakh)	Cumulative amount spent at the end of reporting Financial Year (₹ in lakh)	Status of the project - Complete/ Ongoing
1	2	3	4	5	6	7	8	9

Not Applicable

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).**

The Company has chosen a long term projects which got delayed due to impending global pandemic. During the year the company has spent Rs. 58.69 lakhs out of Rs. 84.19 lakhs and transferred the unspent amount of Rs. 25.50 Lakhs to separate bank account in compliance with Corporate Social Responsibility Policy) Amendment Rules, 2021.

Place: Kolkata

Date: 30/06/2021

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

Corporate Governance Report

REPORT ON THE CORPORATE GOVERNANCE FOR THE YEAR ENDED 31st MARCH, 2021

Pursuant to part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 "Listing Regulation

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of highest level of transparency, accountability and equality, in the functioning of the Company and its relationship with employee, shareholders, creditors, consumers, dealers, lenders and ensuring high degree of regulatory compliance.

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, 2021, the Company has Five Directors. Out of the Five Directors, Two are Executive Directors and Three are Non- Executive Independent Directors including one - woman Independent Director of which. 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 2021 as applicable is given hereunder –

Name of Director [DIN]	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]	Chairman & Managing Director	2	1	Nil	1.Deepak Spinners Limited-(CMD) 2.Longview Tea Company Limited-(Non - Executive)	2,07,700

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

Shri Yashwant Kumar Daga, Din: 00040632	Vice-Chairman-cum- Joint Managing Director	5	7	1	1.Deepak Spinners Limited-(Non -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)	
Shri Sujit Chakravorti Din:00066344	Independent Non- Executive Director	2	Nil	4	1.Duroply Industries Limited (Independent)	Nil
					2.WEBFIL Limited (Non Executive)	
Shri Anand Prasad Agarwalla Din:00312652]	Independent Non- Executive Director	1	1	1	1.Deepak Spinners Limited (Independent)	Nil
Smt Meera Dokania Din:07094376]	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 three 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.
- There has been no change in the Independent director during the year.
- 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>.

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

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.

Skills / expertise / competencies	Description	Availability	Names of the directors who have such skills
Strategy and planning	<ul style="list-style-type: none"> - 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 Smt. Meera Dokania
Policy Development	<ul style="list-style-type: none"> - Ability to identify key issues and opportunities for the Company and - develop policies to guide operations of the Company 	Yes	All the directors except Smt. Meera Dokania
Governance, Risk and Compliance	<ul style="list-style-type: none"> - 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 Smt. Meera Dokania
Financial Performance	<ul style="list-style-type: none"> - 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)	<ul style="list-style-type: none"> - Experience in managing government relations and industry advocacy strategies 	Yes	All the directors
Commercial Experience	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - Experience in and thorough understanding of communication with industry groups and end users. 	Yes	All the directors except Smt. Meera Dokania

- The Board hereby confirms that in its opinion the three 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 all Directors. The Agenda along with the notes are sent at least seven days in advance to the each Board Member.

The Board of Directors met Five times during the year on 21/04/2020, 28/07/2020, 14/09/2020, 13/11/2020, and 12/02/2021 respectively.

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

Name of the Director	No. of Board Meeting Attended	Attended last AGM held on 29/09/2020
Shri Pradip Kumar Daga	1	No
Shri Yashwant Kumar Daga	5	Yes
Shri Sujit Chakravorti	3	Yes
Shri Anand Prasad Agarwalla	5	Yes
Smt Meera Dokania	5	Yes

Shareholding of the Non-Executive Directors in the Company as on 31st March, 2021:-

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

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. *Mr. V D Mall, Company Secretary acts as the Secretary to the Audit Committee. During the year, 4 (Four) meetings of the Audit Committee were held on 28/07/2020, 14/09/2020,

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

13/11/2020 and 12/02/2021. 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	4	4
Shri Yashwant Kumar Daga	Member	Joint Managing Director	4	4
Smt. Meera Dokania	Member	Independent, Non-Executive	4	4

*Shri VD Mall resigned from the post w.e.f 30.06.2021.

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, remuneration and terms of appointment of auditors of the Company;
- (ii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) Examination of the financial statement and the auditors' report thereon;
- (iv) Approval or any subsequent modification of transactions of the company with related parties;
- (v) Scrutiny of inter-corporate loans and investments;
- (vi) Valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) Evaluation of internal financial controls;
- (viii) Monitoring the end use of funds raised through public offers and related matters.

Statutory Audit Observations

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

(II) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted as per Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 (1) of the Companies Act, 2013.

The role of Nomination and Remuneration Committee includes –

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

The Nomination and Remuneration committee inter-alia formulates the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and Senior Management Personnel and other employees, identify

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

persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry evaluation of every Director's performance.

Terms of reference:

This Committee recommends and reviews the Compensation packages, commission payable to Directors/ Executives and Managing Director of the company, thereof within the limit approved by the shareholders from time to time. During the financial year one (1) meeting of Nomination and Remuneration Committee was held on July 28, 2020

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

Names of the Directors	Position Held	Category	No. of Meetings	
			Held	Attended
Shri A.P. Agarwalla	Chairman	Independent, Non-Executive	1	1
Shri S. Chakravorti	Member	Independent, Non-Executive	1	1
Smt Meera Dokania	Member	Independent, Non-Executive	1	1

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee lays down the framework for performance evaluation of Independent Directors. The framework used for performance evaluation of the Independent Directors covers the areas relevant to their functioning as Independent Directors and is based on the expectation that they are performing their duties in a manner which should create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed upon them.

The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation of the Directors, the Director subject to evaluation, had not participated.

(III) DETAILS OF REMUNERATION & COMMISSION PAID TO DIRECTORS (01/04/2020 to 31/03/2021)

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	Benefits	Total	Rs. In Lakhs		
Yashwant Kumar Daga, (Vice-Chairman-cum-Joint Managing Director)	136.16	34.86	171.02	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.)					
	Board Meeting	Audit Committee Meeting	Stakeholders Relationship committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Commission paid during the year (for FY 2020-21) Rs.
Smt Meera Dokania	50,000	8,000	2,000	2,000	-	3,50,000/-

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

Shri A.P. Agarwalla	50,000	8,000	2,000	2,000	4,000	3,50,000/-
Shri S. Chakravorti	30,000	-	2,000	2,000	4,000	3,50,000/-

- Non-executive Directors are paid Sitting fees of Rs. 10,000/- for attending each meeting of the Board and Rs.2,000/- for attending each meeting of Committee 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 44,000/- as professional fees to Shri Anand Prasad Agarwalla, Advocate, Director of the Company and Rs. NIL 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 *V D Mall, Company Secretary acts as the secretary of the committee.

This Committee additionally monitors the relationship with Stakeholders including Shareholders, Employees, Customers, Vendors, Government and Society. Such meetings are held on quarterly basis and 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 2020-21

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, 2021	Nil

Meeting and Attendance during the year

During the financial year one (01) meetings of the Stakeholders Relationship Committee were held on February 12, 2021 for the year ended March 31st, 2021 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 *V D Mall, Company Secretary was appointed as the Compliance Officer of the Company.

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

(V) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board of Directors of the Company have constituted a Corporate Social Responsibility (CSR) Committee of the Board comprising three Directors Shri Pradip Kumar Daga as Chairman, Shri Anand Prasad Agarwalla, and Shri Sujit Chakravorti as members and *Shri V D Mall Company Secretary acts as Secretary of the Committee.

*Shri V D Mall resigned from the post w.e.f 30.06.21

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/investors/CSR%20POLICY%20DIL.pdf>

Meeting and Attendance during the year

During the financial year one (02) meetings of the Corporate Social Responsibility Committee were held on July, 28, 2020 and February 12, 2021 for the year ended March 31st, 2021 and attendance of the members are given below:

MEMBERS	MEETING HELD	MEETINGS ATTENDED
Shri Pradip Kumar Daga	2	1
Shri Sujit Chakravorti	2	2
Shri A.P. Agarwalla	2	2
Shri Yashwant Kumar Daga**	-	-

**Mr. Yashwant Kumar Daga was appointed as a member of the Committee w.e.f 12/02/2021.

(VI) MEETING OF THE INDEPENDENT DIRECTORS

One separate meeting of the Independent Directors was held on 12/02/2021 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, 2021.

(VIII) SUBSIDIARY COMPANIES

The Company does not have any subsidiary, associate and joint venture company during the financial year 2020-21.

(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/familiarisation.html>.

(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.

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

Date and Time of Annual General Meetings held during the preceding Three (3) years are as follows:

LOCATION	DATE	TIME
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.
16, Hare Street, 2 nd Floor, Kolkata - 700 001	September 14, 2018	2.00 P.M.

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

Date of AGM	Special Resolution Matter
17/09/2019	Special Resolution for re-appointment of Shri Sujit Chakravorti despite of attaining the age of 75 years for another period of five years from 01/10/2019 to 30/09/2024 who has attained 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.
14/09/2018	Special resolution to borrow in excess of the paid up capital and free reserves and share premium account by Rs.300 crores
14/09/2018	Special resolution for mortgaging and /or charging all or any of the movable and immovable properties both present and future upto the amount lent by the lenders
14/09/2018	Special Resolution for re-classification of the promoters
14/09/2018	Special resolution for re-appointment of Shri Pradip Kumar Daga as Chairman-cum managing Director of the Company.

ii) No Special Resolution was passed through the postal ballot during the year.

iii) No Special Resolution is proposed to be conducted through postal ballot in the ensuing Annual General Meeting of the Company. However, for other special resolutions, if any, in the future, the same will be decided at the relevant time.

iv) Procedure for postal ballot, if any, is as per the provisions contained in this behalf in the Companies Act, 2013 and rule made there under namely The Companies (management and Administration) Rules, 2014, as amended, are followed.

(XI) MEANS OF COMMUNICATION

There is no practice to send half-yearly report to each shareholder. Company is regularly publishing all its quarterly, half yearly and yearly results in print media in English Business Standard and local language in Sukhabar which are widely circulated in West Bengal as well as nationally.

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	Tuesday, the 28th September, 2021 at 10.30 AM at 16, Hare Street, Kolkata-700 001
ii) Financial Calendar	4th week of May, 2021
First unaudited Quarterly Results	2nd week of August, 2021
Second unaudited Quarterly Results	2nd week of November, 2021
Third unaudited Quarterly Results	2nd week of February, 2022
Audited Financial Results for the year ended 31 st March, 2020.	Last Week of May, 2021

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

iii) Book Closure dates	22/09/2021 to 28/09/2021 (both days inclusive)
iv) Payment of Dividend	For the year 2020-21 Rs.5/- per share final dividend.
v) Listing on Stock Exchanges	The Calcutta Stock Exchange Limited 7, Lyons Range, Murgighata, Dalhousie, Kolkata, West Bengal 700001
vi) Annual listing fee	Listing fee has been paid upto and for the year 2021-2022.
vii) Stock Code in Calcutta Stock Exchange	10014084
viii) CIN No	L63022WB1954PLC021638
ii) Depositories:	
National Securities Depository Ltd.	Trade World, 4 th Floor, Kamala Mills Compound. Senapati Bapat Marg Lower Parel, Mumbai-400001
Central Depository Services Ltd.	Phiroza Jeejeebhoy Tower, 28 th 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, 2343-5029 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, 2021

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	3,92,237	9.92
Mutual Funds	NIL	NIL
NRIs/OCBs	NIL	NIL
Insurance Companies	NIL	NIL
TOTAL	39,56,433	100.00

Distribution of Shareholding by category as on 31st March, 2021

No. of Shares Held	No. of Holders	% of Holders	No. of Shares	% of Capital
Upto 500	32	42.6667	3,875	0.0979
501-1000	17	22.6667	12,018	0.3038
1001-2000	8	10.6667	8,723	0.2205
3001-4000	1	1.3333	3,596	0.0909
5001-10000	4	5.3333	24,577	0.6212
10001 and above	13	17.3333	39,03,644	98.6657
Total	75	100.000	39,56,433	100.00

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

Dematerialization of Shares and Liquidity as on 31st March, 2021

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

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

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

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

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

c) 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) Plot. No. 292, Sarve 75 & 80, Belur Industrial Area, Dharward, Karnataka
- vi) Village-Bhagola, Bhagola Delvi Road, Tehsil & district-Palwal-121 102

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, 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.

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-Stable as on 19/02/2021.

(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, 2021 have been set out under an appropriate note in Schedule to the Annual Accounts of the Company for the year ended 31st March, 2021. The policy on related part transaction is available on the website of the Company www.dil-india.com.

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

- 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/investors/DIL_Vigil_Mechanism.pdf and no personnel have been denied access to the Audit Committee. Shri Roshaan 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.
- 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 2020-21.

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

xv) Details of total fees paid to statutory auditors

The details of total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of Service	For FY 2020-21	Remarks
Audit Fees	11.00 Lacs	The Company has no subsidiaries.
Others Services	2.75 Lacs	
Total	13.75	

(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.

(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 30th June, 2021 adopted the above Report

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

DROLIA & COMPANY

(Company Secretaries)

9, Crooked Lane, Kolkata - 700069

Mobile: 09831196869; Email: droliapravin@yahoo.co.in

CCORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,
The Members,
Deepak Industries Ltd,
16, Hare Street,
Kolkata 700 001

I have examined the relevant records of M/s Deepak Industries 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 2021. 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 regulations, 2015.

For Drolia & Company
(Company Secretaries)
(Pravin Kumar Drolia)

Proprietor
CP 1362
FCS 2366

UDIN : F002366C0000539705

Place : Kolkata
Date: 30/06/2021

30/06/2021

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 31.03.2021.

Thanking you,

Yours faithfully

For **Deepak Industries Limited**

Sd/-

Yashwant Kumar Daga

Vice-Chairman-cum-Joint Managing Director

DIN No.00040632

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

DROLIA & COMPANY

(Company Secretaries)

9, Crooked Lane, Kolkata - 700069

Mobile: 09831196869; Email: droliapravin@yahoo.co.in

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,
2nd floor, 16, Hare Street,
4Kolkata-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'), **produced before us by the Company** for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015

In my opinion and to the best of our 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 us by the Company and its officers digitally, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of 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

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

For Drolia & Company
(Company Secretaries)
(Pravin Kumar Drolia)

Place : Kolkata
Date: 28-04-2021

Proprietor
CP 1362
FCS 2366

UDIN: F002366C000230211

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 - 'G' to the Director's Report

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This report forms the part of Board Report for the year ended 31st March, 2021.

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 2020-21.

INDIAN ECONOMIC OVERVIEW

The Indian economy passed through one of the volatile periods in living memory in 2020-21. At the start of 2020, India was among five largest global economies; its economic growth rate was the fastest among major economies (save China); its market size at 1.38 billion was the second largest in the world; its rural population of the underconsumed was the largest in the world.

The Indian government announced a complete lockdown in public movement and economic activities from the fourth week of March 2020. As economic activities came to a grinding halt, the lockdown had a devastating impact on an already-slumping economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9 per cent in the first quarter of 2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments partially lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers).

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

The result is that India's GDP contracted 7.3% during 2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Government Initiatives

In the Union Budget 2021-22, capital expenditure for FY22 is likely to increase by 34.5% at Rs. 5.5 lakh crore (US\$ 75.81 billion) over FY21 (BE) to boost the economy.

Increased government expenditure is expected to attract private investments, with production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded and measured policy support is anticipated to boost the Indian economy.

In March 2021, the Ministry of Electronics and IT (MeitY) invited applications for the second round of large-scale electronics manufacturing under the production-linked incentive (PLI) scheme. Further, following the announcement of incentive schemes for mobile and IT hardware manufacturing, the government announced to consider a key scheme for establishing display fabrication units in India. The Ministry of Electronics and Information Technology (MeitY) has requested expressions of interest (EoIs) from organisations interested in establishing LCD/OLED/AMOLED/QLED-based display fabrication units in India.

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

Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like 'Make in India' and 'Digital India'. Shri. Narendra Modi, Hon'ble Prime Minister of India, launched 'Make in India' initiative with an aim to boost country's manufacturing sector and increase purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the Government has also come up with 'Digital India' initiative, which focuses on three core components viz. (i) creation of digital infrastructure, (ii) delivering services digitally and (iii) to increase the digital literacy.

BUSINESS SEGMENTS

The industrial gearbox market is expected to grow at a CAGR of over 5% during the forecast period of 2020-2025. The key driver of the market includes the growth in the power sector, steel sector, mines and minerals sector, waste-water treatment development and food industry. However, changes in industrial policies are expected to hinder the market growth in the coming years.

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 voluminous 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.

The Impact of covid-19 is contained in the statements of notes to the financial statement of the Company.

In the preparation of the financial results the Company has not followed a treatment different from that followed under accounting standard.

Details of the significant changes in the key financial ratios

Sl. No	Particulars	Standalone	
		31-Mar-21	3-Mar-20
1	Current Ratio (Total Current Assets/ Current Liabilities)	3.53	3.79
	Note: (Total current Assets= Inventories+Current Financial Assets+ Other Current Assets) (Current Liabilities= Total Current Liabilities- Current borrowings)		
2	Long term Debt Equity Ratio (Non Current borrowings/ Total Equity)	0.06	0.08
	Note: Non Current borrowings includes Curren maturities of Long Term Debt Total Equity= Equity Share Capital+ other equity		
3	Debt Equity Ratio (Total Debt/ Total Equity)	0.23	0.26

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

	Note:		
	Total Debt= Non Current borrowings+ Current maturities of Long Term Debt+		
	Current Borrowings+ other financial liabilities		
	Total Equity= Equity Share Capital+ other equity		
4	Net Profit Margin(%) (Profit for the year/ Revenue from Operations)	12.88	11.16
5	Return on Net worth (%) (Profit for the year/ Total Equity)	15.16	14.89
6	Interest Coverage Ratio (Earning before Interest and Tax (EBIT)/ Finance Cost)	13.71	10.60
	Note:		
	EBIT= Profit before Tax+ Finance Cost		

Note: All the Calculation of ratios have been rounded off to the nearest numbers/ two decimal places where applicable.

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 AND INDUSTRIAL RELATION

The industrial relations continue to be cordial as the Company continues to lay emphasis on employee's development at all levels. There are 913 employees in the Company as on 31.03.2021.

Cautionary Statement 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.

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 both the plants (i.e. Kolkata, Haryana, Uttaranchal, Madhya Pradesh, Karnataka and Palwal 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

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

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.

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, 2021, 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, 2021, 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 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 period. 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. 12091.47 Lakhs as on 31st March 2021. 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 Rs. 153.13 Lakhs (Note No. 11 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>	<p>Our audit procedures based on which we arrived at the conclusion regarding the carrying amount of Trade Receivables include the following:</p> <ul style="list-style-type: none"> • 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 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 Rs. 8702.04 lakhs (as on March 31, 2021) (Refer note 3.10 and 10 of the Financial Statements).</p> <p>Inventories existence and valuation was an audit focus area because of the amount involved therein and the nature of operations of the Company.</p> <p>Due to COVID 19 related travel restriction on account of lockdown, the physical verification of the inventories could not be attended by us at the year end in Locations other than those situated at Kolkata.</p> <p>Physical verifications in all 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 to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.• Verification of Inventories at the year end in all units have been undertaken by the management. Inventories at one location in Kolkata (holding 21.30 % of total inventories) was even attended by us.• 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 to ensure 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 Board’s Report including Annexures to Directors’ Report, Management Discussion and Analysis Report, Business Responsibility Report and Report on Corporate Governance, 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 state of affairs (financial position), Profit or Loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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 scepticism 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

- i. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- ii. 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of 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
 - g) 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. 37 of the financial statements;
 - ii. The Company did not have any material foreseeable 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 has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- iii. 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 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: 21052438AAAACO6011

Place: Kolkata
Date: 30th June 2021

ANNEXURE “A” TO THE AUDITORS’ REPORT OF EVEN DATE:

The Statement referred to in paragraph i 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 2021, we report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed 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 are held in the name of the company.
- ii) As explained to us, inventories have been physically verified during the year at reasonable intervals by the management. As far as ascertained, discrepancies noticed on verification between the physical stocks and the book records were not material and the same has been properly dealt with in the books of account.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties listed in the register maintained under Section 189 of the Act. Hence clause 3(iii) of the Order are not applicable to the company.
- iv) In our opinion and according to the information and explanations given to us, the Company has 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. Further according to the information and explanations given to us, the company has not entered into any transactions as referred to in section 185 of the Act.
- v) The Company has not accepted any deposits. Consequently, the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, are 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.
 - a) According to the information and explanations given to us, during the year, the Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Goods and Service Tax, Service tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable to it. However, 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, 2021 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, the details of disputed dues of income tax, sales tax, service tax, custom duty, excise duty, and Value added Tax, if any, as at March 31, 2021, not deposited on account of any dispute are as follows:

(Rupees in Lakhs)

Name of the Statute	Nature of Dues	Amount	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	6.40	A.Y. 2010-11	Commissioner of Income Tax (Appeals) VI /Kolkata
Income Tax Act, 1961	Income Tax	0.26	A.Y. 2013-14	Commissioner of Income Tax (Appeals) VI /Kolkata

Income Tax Act, 1961	Income Tax	145.37	A.Y. 2016-17	Commissioner of Income Tax (Appeals) 2 /Kolkata
Income Tax Act, 1961	Income Tax	19.41	A.Y. 2017-18	Commissioner of Income Tax (Appeals) 2 /Kolkata
Income Tax Act, 1961	Income Tax	2.85	A.Y. 2019-20	Commissioner of Income Tax (Appeals) 2 /Kolkata

- viii. In our opinion and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and governments. As explained, the company does not have any loan or borrowings from any financial institution or any dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x. During the course of our examination of books of account carried out during the year in accordance with generally accepted auditing practices in India, we have neither come across incidence of any material fraud during the year by the Company or on the Company by the officers and employees nor have we been informed of any such cases by the management.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Lodha & Co.

Chartered Accountants

Firm's ICAI Registration Number: 301051E

R. P. Singh

(Partner)

Membership No. 052438

UDIN: 21052438AAAACO6011

Place: Kolkata

Date: 30th June 2021

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

**(Referred to in paragraph ii (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, 2021 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, 2021, 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.

For Lodha & Co.

Chartered Accountants

Firm's ICAI Registration Number: 301051E

R. P. Singh

(Partner)

Membership No. 052438

UDIN: 21052438AAAACO6011

Place: Kolkata

Date: 30th June 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

(₹ In lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	5A	16,762.77	16,581.68
(b) Capital work-in-progress		73.65	68.93
(c) Right of Use Asset	5B	30.53	
(d) Intangible Assets	6	9.66	29.46
(e) Financial Assets			
(i) Investments	7	123.76	111.72
(ii) Other Financial Assets	8	259.50	251.68
(f) Other non-current assets	9	1,078.72	944.26
Total Non Current Assets		18,338.59	17,987.73
(2) Current Assets			
(a) Inventories	10	8,702.04	4,710.50
(b) Financial Assets			
(i) Trade receivables	11	11,938.34	8,518.42
(ii) Cash and cash equivalents	12	97.43	900.85
(iii) Bank Balances other than (ii) above	13	15,886.82	14,688.46
(iv) Other financial assets	14	517.86	506.52
(c) Other current assets	15	1,193.38	426.17
Total Current Assets		38,335.87	29,750.92
Total Assets		56,674.46	47,738.65
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	16	395.64	395.64
(b) Other Equity	17	35,919.78	30,409.84
Total Equity		36,315.42	30,805.48
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	811.77	1,752.33
(ii) Other financial liabilities	19	421.25	432.92
(b) Provisions	20	196.33	203.03
(c) Deferred Tax Liabilities (Net)	21	835.96	818.14
Total Non Current Liabilities		2,265.31	3,206.42
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	7,237.11	5,877.65
(ii) Trade payables	23		
(a) Total Outstanding dues of micro enterprises and small enterprises		335.25	226.00
(b) Total Outstanding dues to creditors other than micro enterprises and small enterprises		5,647.30	3,667.54
(iii) Other financial liabilities	24	2,906.75	2,137.96
(b) Other current liabilities	25	1,811.88	1,541.28
(c) Provisions	26	155.44	276.32
Total Current Liabilities		18,093.73	13,726.75
Total Liabilities		20,359.04	16,933.17
Total Equity and Liabilities		56,674.46	47,738.65

Accompanying Notes on Financial Statements

1-47

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

Y K Daga

For **Lodha & Co.**

(DIN: 00040632)

Chartered Accountants

Vice Chairman-Cum-joint-Managing Director

Firm Regn No. 301051E

R.P. Singh**S Chakravorti****A P Agarwalla****Meera Dokania**

Partner

(DIN: 00066344)

(DIN: 00312652)

(DIN: 07094376)

Membership No. 052438

Maneesh Khanna**R. Davve**

Kolkata

Chief Financial Officer

Company Secretary

June 30, 2021

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ In lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue From Operations	27	42,756.27	41,082.53
Other Income	28	1,165.27	991.46
Total income		43,921.54	42,073.99
EXPENSES			
Cost of Materials consumed	29	19,140.95	14,526.05
Changes in Inventories of finished goods, Stock-in-Trade and work-in progress	30	(704.22)	2,141.08
Employee benefits expense	31	5,920.88	5,926.18
Finance costs	32	741.54	842.19
Depreciation and amortisation expense	33	2,008.04	2,234.27
Other expenses	34	9,393.96	10,552.29
Total expenses		36,501.15	36,222.06
Profit before tax		7,420.39	5,851.93
Tax expense:			
(1) Current tax	36	1,896.35	1,551.75
(2) Deferred tax	36.1	16.88	(285.43)
Profit for the year		5,507.16	4,585.61
Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss		3.72	(4.44)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36.2	(0.94)	1.12
Other Comprehensive Income for the year (net of tax)	36.3	2.78	(3.32)
Total Comprehensive Income for the year (comprising profit and other comprehensive income for the year)		5,509.94	4,582.29
Earnings per equity share of value of ₹ 10 each.			
(1) Basic (₹)	41	139.20	115.90
(2) Diluted (₹)		139.20	115.90

Accompanying Notes on Financial Statements

1-47

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

Y K Daga

For **Lodha & Co.**

(DIN: 00040632)

Chartered Accountants

Vice Chairman-Cum-joint-Managing Director

Firm Regn No. 301051E

R.P. Singh

S Chakravorti

A P Agarwalla

Meera Dkania

Partner

(DIN: 00066344)

(DIN: 00312652)

(DIN: 07094376)

Membership No. 052438

Kolkata

Maneesh Khanna

R. Davve

June 30, 2021

Chief Financial Officer

Company Secretary

STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2021

(A) Equity Share Capital

Particulars	Note No.	(₹ in lakhs)
Balance as at April 1, 2019		395.64
Changes during the year		-
Balance as at March 31, 2020		395.64
Changes during the year		-
Balance as at March 31, 2021		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 April 1, 2019	35.36	134.17	26,373.47	-	26,543.00
Profit for the year	-	-	4,585.61	-	4,585.61
Other Comprehensive Income for the year (net of tax)	-	-	-	(3.32)	(3.32)
Total Comprehensive Income for the year			4,585.61	(3.32)	4,582.29
Transfer to Retained Earnings during the year		-	(3.32)	3.32	-
Dividend paid during the year		-	(593.46)	-	(593.46)
Tax on Final Dividend as above		-	(121.99)	-	(121.99)
As 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

Refer Note no. 17 for nature and purpose of reserves

Accompanying Notes on Financial Statements

These notes are an integral part of the Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

Firm Regn No. 301051E

R.P. Singh

Partner

Membership No. 052438

Kolkata

June 30, 2021

1-47

For and on behalf of the Board of Directors

Y K Daga

(DIN: 00040632)

Vice Chairman-Cum-joint-Managing Director

S Chakravorti

(DIN: 00066344)

Maneesh Khanna
Chief Financial Officer

A P Agarwalla

(DIN: 00312652)

Meera Dokania

(DIN: 07094376)

R. Davve
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021

(₹ In lakhs)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES :				
NET PROFIT BEFORE TAX		7,420.39		5,851.93
ADJUSTMENTS FOR -				
Depreciation	2,008.04		2,234.27	
(Profit)/Loss on sale/ discard of Property, Plant and Equipment	1.42		(2.67)	
Interest Income	(1,008.39)		(839.15)	
Liabilities no longer required written back	(81.78)		(86.18)	
Finance costs	741.54		842.19	
Amortisation of Deferred financial instruments	22.37		52.31	
Interest income on financial assets measured at amortised cost	(12.60)			
		1,670.60		2,200.77
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		9,090.99		8,052.70
ADJUSTMENTS FOR –				
Trade and other receivables	(3,419.92)		2,090.81	
Inventories	(3,991.54)		3,593.75	
Loans and advances	(786.98)		218.16	
Trade Payables and other liabilities	2,437.25	(5,761.19)	(226.22)	5,676.50
CASH GENERATED FROM OPERATIONS		3,329.80		13,729.20
Direct Taxes Paid		(1,933.01)		(1,906.13)
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		1,396.79		11,823.07
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Deposits with Bank (original maturity more than three months)	(1,198.36)		(6,025.95)	
Interest Income	1020.99		658.70	
Purchase / Sale of Investment	(12.04)		-	
Sale of Property, Plant and Equipment	4.85		10.00	
Purchase of Property, Plant & Equipment, Intangible Assets, Right of Use Assets and Capital Work	(2,396.11)		(1,850.37)	
		(2,580.67)		(7,207.62)
NET CASH FLOW FROM/(USED IN) INVESTMENT ACTIVITIES		(2,580.67)		(7,207.62)
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest Paid	(741.54)		(811.27)	
Payment for Buy back of Equity Shares	-		-	
Proceeds from Long term Borrowings from Bank	642.80			
Repayment of Long term Borrowings from Bank	(841.57)		(592.76)	
Repayment of Sales Tax Deferment Loan	(23.11)		(23.11)	
Proceeds / (Repayment) of Short Term Borrowings from Bank (net)	1,359.46		(1,648.19)	

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Proceeds / (Repayment) of Short Term Borrowings from Bodies Corporate (net)			(30.00)	
Proceeds from Short Term Borrowings from Bank	-		-	
Proceeds from Short Term Borrowings from Bodies Corporate	-		-	
Repayment of Lease Liability	(15.58)			
Dividend paid including CDT	-		(705.36)	
		380.46		(3,810.69)
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		380.46		(3,810.69)
Net Increase/(Decrease) in CASH AND CASH EQUIVALENTS (A+B+C)		(803.42)		804.76
Cash and Cash Equivalents as at beginning of the Year (Refer Note 12)		900.85		96.09
Cash and Cash Equivalents as at the end of the year (Refer Note 12)		97.43		900.85

Note:

1. Cash and Cash Equivalents consists of cash on hand and Bank balances in Current Account, Cash Credit account and Short Term Deposits with original maturity of less than three months. The details of cash and cash equivalents as per note 12 of the balance sheet is as under:

(₹ In lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In Current account	83.09	746.72
In Cash Credit account	-	143.6
In Fixed Deposits (having original maturity of less than 3 months)	-	-
Cash on hand	14.34	10.53
Total cash and cash equivalents	97.43	900.85

2. Reconciliation of Liabilities arising from Financing activities

(₹ In lakhs)

Particulars	As at March 31, 2020	Proceeds raised	Non cash adjustment	Repayment	As at March 31, 2021
Long Term Borrowings from Bank	2,402.38	642.80	(39.59)	(841.57)	2,164.02
Sales Tax Deferment Loan	46.22	-	-	(23.11)	23.11
Lease Liabilities	1.97	-	47.66	(15.58)	34.05
Short Term Borrowings from Bank	5,877.65	1,359.46	-	-	7,237.11
Short Term Borrowings from Bodies Corporate	-	-	-	-	-
Total	8,328.22	2,002.26	8.07	(880.26)	9,458.29

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 Rs. 84.19 lakhs (58.69 lakhs in cash) on account of Corporate Social Responsibility (CSR) Expenditure during the year ended March 31, 2021 (Previous year Rs. 3.64 lakhs)

Accompanying Notes on Financial Statements 1-47

These notes are an integral part of the Financial Statements.

As per our report of even date

For **Lodha & Co.**

Chartered Accountants

Firm Regn No. 301051E

R.P. Singh

Partner

Membership No. 052438

Kolkata

June 30, 2021

Y K Daga

(DIN: 00040632)

Vice Chairman-Cum-joint-Managing Director

S Chakravorti

(DIN: 00066344)

Maneesh Khanna

Chief Financial Officer

A P Agarwalla

(DIN: 00312652)

Meera Dokania

(DIN: 07094376)

R. Davve

Company Secretary

Notes to Financial Statements for the year ended March 31, 2021

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, 2021 were approved for issue by the Board of Directors of the company on June 30, 2021 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 Recent Pronouncements

(a) Application of New and Revised standards

Effective April 01, 2020, there were certain amendments in Indian Accounting Standards (Ind AS) vide Companies (Indian Accounting Standards) Amendment Rules, 2020 notifying amendment to existing Ind AS 1 'Presentation of Financial Statements', Ind AS 8 'Accounting Policies, Changes in Estimates and Errors', Ind AS 10 'Events after the Reporting Period', Ind AS 34 'Interim Financial Reporting', Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', Ind AS 103 'Business Combinations', Ind AS 107 'Financial Instruments: Disclosures', Ind AS 109 'Financial Instruments', Ind AS 116 'Leases'. Ind AS 1 has been modified to redefine the term 'Material' and consequential amendments have been made in Ind AS 8, Ind AS 10, Ind AS 34 and Ind AS 37.

Ind AS 103 dealing with 'Business Combination' has defined the term 'Business' to determine whether a transaction or event is a business combination. Amendment to Ind AS 107 and 109 relate to hedging relationship directly affected by Interest Rate Benchmark reforms. The amendment among other things requires an entity to assume that Interest Rate Benchmark on which hedged cash flows are based is not altered as a result of Interest Rate Benchmark reforms.

Ind AS 116 dealing with 'Leases' permitted lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Revision in these standards did not have any material impact on the profit/loss and earning per share for the year.

(b) Proposed amendments to Indian Accounting Standards (Ind AS)

On June 18, 2021, Ministry of Corporate Affairs ("MCA") has issued Companies (Indian Accounting Standards) Amendment Rules, 2021 notifying amendments to certain existing Ind AS. These amendments have been made effective from the date of publication in the Official Gazette i.e. on 18th June, 2021. Certain such Ind AS which are relevant to companies operations includes IND AS- 101 "First-time Adoption of Indian Accounting Standards", IND AS-107 "Financial Instruments: Disclosures", IND AS-109 "Financial Instruments", , IND AS-115 "Revenue from Contracts with Customers", IND AS-116 "Leases", IND AS-1 "Presentation of Financial Statements", IND AS-8 "Accounting Policies, Changes in Accounting Estimates and Errors", IND AS-12 "Income Taxes", IND AS-16 "Property, Plant and Equipment", IND AS-34 "Interim Financial Reporting", IND AS-37 "Provisions, Contingent Liabilities and Contingent Assets", and IND AS-38, "Intangible Assets".

Even though the company will evaluate the impact of the above, none of these amendments as such are vital in nature and as are not likely to have any material impact on the financial statements of the company. There are other amendments in various others Ind AS which have not been listed hereinabove since these are not relevant to the company.

Notes to Financial Statements for the year ended March 31, 2021

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

Notes to Financial Statements for the year ended March 31, 2021

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.

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

Notes to Financial Statements for the year ended March 31, 2021

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.

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 premeasured 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 "Other 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")

Notes to Financial Statements for the year ended March 31, 2021

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 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 recognised 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

Notes to Financial Statements for the year ended March 31, 2021

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.

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

Notes to Financial Statements for the year ended March 31, 2021

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.

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.

Contribution to defined benefit plans consisting of contribution to gratuity are determined using the Projected Unit 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.

Notes to Financial Statements for the year ended March 31, 2021

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

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

Notes to Financial Statements for the year ended March 31, 2021

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 for the year ended March 31, 2021

(₹ In lakhs)

5A. Property, Plant and Equipment

Particulars	Freehold Land	Leasehold Land	Land-Right of use	Factory Building	Build-ing-Right of Use-	Plant and Equipment	Furniture and Fixtures	Vehicles (Refer Note No. 5. 2)	Office Equipment	Total
(A) Gross Carrying Amount										
As at March 31, 2019	1,994.51	119.24		1,111.03	-	18,823.02	71.85	230.06	202.99	22,552.70
Additions/Adjustemnts	-	-	119.24	-	1.08	2,579.89	5.51	43.30	10.61	2,759.63
Disposals/Adjustments	-	119.24	-	-	-	55.59	-	8.79	-	183.62
As at March 31, 2020	1,994.51	-	119.24	1,111.03	1.08	21,347.32	77.36	264.57	213.60	25,128.71
Additions/Adjustemnts	-	-	-	97.62	-	2,038.93	1.79	5.74	15.92	2,160.00
Disposals/Adjustments	-	-	-	5.05	-	3.52	-	3.67	-	12.24
As at March 31, 2021	1,994.51	-	119.24	1,203.60	1.08	23,382.73	79.15	266.64	229.52	27,276.47
(B) Accumulated Depreciation										
As at March 31, 2019	-	4.47	-	162.70	-	6,047.64	28.57	70.63	92.33	6,406.34
Charge for the period	-	-	1.49	49.74	0.86	2,068.47	8.65	30.51	38.01	2,197.73
Disposals/Adjustments	-	4.47	(4.47)	-	-	50.33	-	6.71	-	57.04
As at March 31, 2020	-	-	5.96	212.44	0.86	8,065.78	37.22	94.43	130.34	8,547.03
Charge for the period	-	-	1.49	48.25	0.22	1,847.74	7.85	32.69	34.39	1,972.63
Disposals/Adjustments	-	-	-	2.36	-	0.47	-	3.14	-	5.97
As at March 31, 2021	-	-	7.45	258.33	1.08	9,913.05	45.07	123.98	164.73	10,513.70
(C) Net Carrying Amount (A-B)										
As at March 31, 2020	1,994.51	-	113.28	898.59	0.22	13,281.54	40.14	170.14	83.26	16,581.68
As at March 31, 2021	1,994.51	-	111.79	945.27	-	13,469.68	34.08	142.66	64.79	16,762.77

- 5.1 Government assistance in the form of the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme amounting to Rs. Nil (March 31, 2020: Rs 429.57 lakhs) on purchase/acquistion of property,plant and equipment has been added to Plant and Equipments with corresponding credit to Deferred Income.(Refer note no 25.2)
- 5.2 Includes Rs.115.21 lakhs (March 31, 2020: Rs. 129.48 lakhs) acquired on Hire Purchase basis and under continued hire purchase agreement. Present liability for the same is Rs. 33.78 lakhs (March 31, 2020: Rs. 53.52 lakhs) out of which Rs.12.81 lakhs (March 31, 2020: Rs. 20.88 lakhs) is payable within one year.
- 5.3 Refer Note No. 18.1 and 22.1 to financial statement in respect of charge created against borrowings.
- 5.4 Right of Use Assets in respect of Building has been shown separately in the financial statements.

5B. Right of Use Asset

(₹ In lakhs)

Particulars	Building-Right of Use	Total
(A) Gross Carrying Amount		
As at March 31, 2019	-	-
Additions/Adjustemnts		-
Disposals/Adjustments	-	-
As at March 31, 2020	-	-
Additions/Adjustemnts	44.55	44.55
Disposals/Adjustments	-	-
As at March 31, 2021	44.55	44.55
(B) Accumulated Depreciation		
As at March 31, 2019		-
Charge for the period		-
Disposals/Adjustments	-	-

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Particulars	Building-Right of Use	Total
As at March 31, 2020	-	-
Charge for the period	14.02	14.02
Disposals/Adjustments	-	-
As at March 31, 2021	14.02	14.02
(C) Net Carrying Amount (A-B)		
As at March 31, 2020	-	-
As at March 31, 2021	30.53	30.53

6 Intangible Assets

Particulars	Computer Software	Total
(A) Gross carrying Amount		
As at March 31, 2019	155.77	155.77
Addition	9.50	9.50
Disposals/Adjustments	-	-
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
(B) Accumulated Amortisation		
As at March 31, 2019	99.27	99.27
Charge for the period	36.54	36.54
Disposals/Adjustments	-	-
As at March 31, 2020	135.81	135.81
Charge for the period	21.39	21.39
Disposals/Adjustments	-	-
As at March 31, 2021	157.20	157.20
(C) Net Carrying Amount (A-B)		
As at 31st March 2020	29.46	29.46
As at 31st March 2021	9.66	9.66

7. Non-current Investments

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Investment in Preference Shares of Body Corporate Designated at Amortised Cost, unquoted			
50,00,000 Nos (March 31, 2019: 50,00,000 Nos) 3% Non-Convertible Non-cumulative Redeemable Preference Share of Rs. 10/- each fully paid up of M/s. Brua Hydrowatt Private Limited		123.76	111.72
		123.76	111.72

7.1 Aggregate amount of unquoted Investment 123.76 111.72

7.2 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

Notes to Financial Statements for the year ended March 31, 2021

at the option of the Company after the lapse of 3 years from the date of allotment.

- 7.3 Refer Note 44 for information about Fair Value Measurement.
- 7.4 Particulars of investments as required in terms of section 186(4) of the Companies Act, 2013, have been disclosed under Note no. 7 above.
- 7.5 The company that acquired on a going concern basis Lotus Auto Engineering Ltd (LAEL), a manufacturing company under Liquidation Process as per the provision of insolvency and Bankruptcy code, 2016. Pursuant to this the company has since invested Rs. 3,800 lakhs comprising of 3364 number of optionally fully Convertible Secured Debenture of Rs. 1 lakh each and 43,60,000 number of equity share of Rs 10 each and thereby, LAEL has become wholly owned subsidiary of the company.

8. Other Non Current Financial Assets

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)			
At Amortised Cost			
Security Deposits			
Considered Good		255.47	248.84
Considered Doubtful		0.88	0.88
Less : Impairment allowances for doubtful deposits	8.1	0.88	0.88
Fixed Deposit with bank (having maturity more than one year)	8.2	4.03	1.79
Interest Accrued on Deposits		-	1.05
		259.50	251.68

8.1 Movement of Impairment allowances for doubtful deposits

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year		0.88	0.88
Recognised/(Reversed) during the year		-	-
Balance at the end of the year		0.88	0.88

8.2 Includes amount kept as lien against:

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Bank Guarantee/Letter of credit		4.03	1.29
Government Authorities		-	0.50
		4.03	1.79

9. Other Non-current Assets

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Capital Advance		438.02	318.46
Advances other than capital advances			
Advance Tax including Tax Deducted at Source	9.1	366.07	329.40
Deferred loss on fair valuation of financial instrument		274.63	296.40
		1,078.72	944.26

- 9.1 Advance Tax including Tax deducted at Source is net of provision for tax of Rs. 1289.98 Lakhs (P.Y. Rs. 11,002.62 Lakhs.)

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

10. Inventories

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Raw Materials	10.1	4,658.92	1,602.54
Work in Progress		1,966.30	755.91
Finished Goods	10.1	849.74	1,353.55
Stores and Spares	10.1	1,222.99	992.05
Scraps		4.09	6.45
		8,702.04	4,710.50

Particulars		As at March 31, 2021	As at March 31, 2020
10.1 Includes goods in transit in respect of			
-Raw Material		920.64	
-Work in Progress		0.91	4.64
-Stores and Spares		12.75	0.57

10.2 Refer Note No. 18.1 and 22.1 to financial statement in respect of charge created against borrowings.

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

11. Current- Trade Receivables

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Unsecured			
Considered Good		11,938.34	8,518.42
Considered Doubtful/ Credit Impaired		153.13	153.13
Less: Impairment Allowances for doubtful trade receivables	11.2	(153.13)	(153.13)
		11,938.34	8,518.42

11.1 Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days. The ageing of trade receivables (Gross) are as follows:

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Within Credit Period		10,023.36	5,744.78
1-180 days past due		575.83	1,465.37
More than 180 days past due		1,492.28	1,461.40
Total		12,091.47	8,671.55

11.2 Movement of Impairment allowances for bad and doubtful trade receivables

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
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

11.3 Refer Note No.18.1 and 22.1 to financial statement in respect of charge created against borrowings.

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

12. Cash and Cash Equivalents

(As certified by the management)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Balances with banks			
In current account		83.09	746.72
In Cash Credit account		-	143.60
Cash on hand		14.34	10.53
		97.43	900.85

13. Other Bank Balances

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Fixed deposits with Banks (having maturity of more than 3 months and less than 12 months)	13.1	15,730.20	14,532.60
Earmarked Balances with banks			
Unpaid Dividend	13.2	156.62	155.86
		15,886.82	14,688.46

13.1 Includes amount kept as lien against:

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Bank Guarantee/Letter of credit		8.20	8.11
Government Authorities		1.00	-

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

14. Current- Other Financial Assets

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)			
At Amortised cost			
Security Deposit			
Considered good		32.63	39.48
Considered doubtful		0.53	0.53
Less : Impairment allowances for doubtful deposits	14.1	0.53	0.53
		32.63	39.48
Interest accrued on deposits		443.83	442.76
Advances to Employees		39.97	23.10
Rent and other receivables		1.43	1.18
		517.86	506.52

14.1 Movement of Impairment allowances for doubtful Deposits

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year		0.53	-
Recognised/(Reversed) during the year		-	0.53
Balance at the end of the year		0.53	0.53

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

15. Other Current Assets

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Advances other than capital advances			
Advances against goods and services		802.34	225.52
Balances with government authorities		293.12	128.92
Prepaid expenses		74.34	49.97
Deferred loss on fair valuation of financial instruments		23.58	21.76
		1,193.38	426.17

16. Equity Share Capital

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Authorised			
53,00,000 Equity Shares of Rs. 10/- each (March 31, 2020: 53,00,000 Nos)		530.00	530.00
20,000 Redeemable Cumulative Preference Shares of Rs.100/- each (March 31, 2020: 20,000 Nos)		20.00	20.00
Issued, Subscribed and Paid-up:			
39,56,433 Equity Shares of Rs. 10/- each (March 31, 2020: 39,56,433 Nos)		395.64	395.64
		395.64	395.64

16.1 The Company has only one class of issued shares i.e. Equity Shares having par value of Rs. 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.

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

Particulars	Note No.	Number of Equity Shares held	Equity Share Capital (Amount in Lakhs)
Balance as at April 1,2019		39,56,433	395.64
Changes during the year		-	-
Balance as at March 31,2020		39,56,433	395.64
Changes during the year		-	-
Balance as at March 31,2021		39,56,433	395.64

16.2.1 The aggregate number of equity shares bought back in immediately preceding last five years ended March 31 2021: 1099630 equity shares (previous period of five years ended March 31 2020: 1341662 equity shares).

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

Particulars	No. of Equity Shares held	
	As at March 31, 2021	As at March 31, 2020
Nandini Daga	870,625	870,625
Jalpaiguri Holdings Private Limited	618,312	618,312
Asha Devi Daga	604,806	604,806
Coplama Products Private Limited	524,600	524,600
Yashwant Kumar Daga	524,313	524,313
Pradip Kumar Daga	207,700	207,700

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

17. Other Equity

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Capital Reserve			
As per last Balance Sheet		35.36	35.36
As at Balance Sheet date	17.2	35.36	35.36
Capital Redemption Reserve			
As per last Balance Sheet		134.17	134.17
As at Balance Sheet date	17.3	134.17	134.17
Retained Earnings			
As per last balance sheet		30,240.31	26,373.47
Total Comprehensive Income for the period		5,507.16	4,585.61
Transfer from Other Comprehensive Income		2.78	(3.32)
Less: Dividend paid		-	(593.46)
Less: Tax on Final Dividend		-	(121.99)
As at Balance Sheet date	17.4	35,750.25	30,240.31
Other Comprehensive Income			
Re - measurement of defined benefit plan			
As per last balance sheet		-	-
Other Comprehensive Income for the period		2.78	(3.32)
Transfer to retained earnings		(2.78)	3.32
As at Balance Sheet date	17.5	-	-
		35,919.78	30,409.84

Note

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

17.2 Capital Reserve

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Government Grant Received		35.36	35.36

17.3 Capital Redemption Reserve

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

17.4 Retained Earnings

Retained earnings generally represent the undistributed profit/amount of accumulated earnings of the company. This includes Other Comprehensive Income of Rs. (27.19 lakhs) (March 31, 2020: Rs. (29.97 Lakhs)) relating to remeasurement of defined benefit plans (net of tax) which cannot be reclassified to Statement of Profit and Loss. This also includes Rs.77.42 Lakhs (March 31, 2020: Rs. 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.

17.5 Other Comprehensive Income

Other Comprehensive Income represents gain/losses on defined benefit obligations which is transferred to retained earnings as stated in Note 17.4 above."

17.6 Dividend

Subsequent to the Balance Sheet date, the Board of Director has recommended a dividend of Rs. 5/- per share to be paid on fully paid Equity shares in respect of the F.Y. ended March 31, 2021. This Equity dividend is subject to approval by shareholders at ensuing AGN and has not been included as a liability in this financial statements. The total estimated dividend to be paid is Rs 197.82 lakhs.

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

18. Borrowings

Particulars	Note No.	As at March 31, 2021		As at March 31, 2020	
		Non Current	Current	Non Current	Current
At Amortised Cost					
Secured					
Term Loan					
From Banks	18.1	796.50	1,367.52	1,727.48	674.90
Unsecured					
Sales Tax soft loan	18.2	-	23.11	23.11	23.11
Lease Liabilities	18.3	15.27	18.78	1.74	0.23
		811.77	1,409.41	1,752.33	698.24

18.1 Term loan / Corporate Loan facility is secured by way of 1st hypothecation charge of plant and machineries, 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 1.05% above 6 months MCLR and is repayable at unamortised cost as follows:

Financial Year	Amount in ₹ Lakhs
2021-2022	1,367.52
2022-2023	599.42
2023-2024	199.99
Total	2,166.93

18.2 Unsecured Sales tax soft loan at unamortised cost outstanding as on March 31, 2021 carries interest rate of 9.25% with a rebate of 2% on timely repayment and is repayable as follows:

Financial Year	Amount in ₹ Lakhs
2021-2022	23.11
Total	23.11

18.3 Refer Note No. 35

19. Other Non-Current Financial Liabilities

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
At Amortised Cost			
External Development Charges		400.28	400.28
Hire Purchase Liability - Secured	19.1	20.97	32.64
		421.25	432.92

19.1 Secured by hypothecation of vehicles acquired thereagainst. Current maturities of such Hire Purchase Liability is Rs. 12.81 Lakhs (March 31, 2020 Rs. 20.88 lakhs)

20. Non Current Provision

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	45	196.33	203.03
		196.33	203.03

21. 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, 2021	As at March 31, 2020
Deferred tax assets		76.58	140.08
Deferred tax liabilities		(912.54)	(958.22)

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Net Deferred Tax Assets/(Liabilities)		(835.96)	(818.14)
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21.1 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2021 are given below:

Particulars	As at March 31, 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

21.2 Components of Deferred tax Assets/ (Liabilities) as at March 31, 2020 are given below:

Particulars	As at April 1, 2019	Charge/ (Credit) recognised in P/L	Charge/ (Credit) recognised in other comprehensive income	As at March 31, 2020
Deferred Tax Assets:				
Expenses allowed on payment basis	175.91	35.83	-	140.08
Total Deferred Tax Assets	175.91	35.83	-	140.08
Deferred Tax Liabilities:				
Timing difference with respect to Property, Plant and Equipment and Intangible assets	1,269.60	(330.43)	-	939.17
Fair valuation of financial assets and financial liabilities	7.38	9.17		16.55
Remeasurement of defined benefit obligations	3.62	-	(1.12)	2.50
Total Deferred Tax Liabilities	1280.60	(321.26)	(1.12)	958.22
NET DEFERRED TAX LIABILITIES/ (ASSETS)	1,104.69	(285.43)	(1.12)	818.14

22. Current Borrowings

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Secured			
From Banks			
Working Capital Loan Repayable on demand	22.1	7,237.11	5,877.65
		7,237.11	5,877.65

22.1 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. Trade Payables

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of micro enterprise and small enterprises	23.1	335.25	226.00
Total outstanding dues of creditors other than micro enterprise and small enterprises		5,647.30	3,667.54
	23.2	5,982.55	3,893.54

23.1 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:

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
(a) The Principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		335.25	226.00
(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.		-	-
(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.		-	-

23.2 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. Current- Other Financial Liabilities

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Financial Liabilities at amortised cost			
Current maturities of Long-term debt	18	1,367.52	674.90
Current maturities of Hire Purchase Liability	19.1	12.81	20.88
Current maturities of Sales Tax Soft Loan	18	23.11	23.11
Lease liabilities		18.78	0.23
Liability for capital goods			
Total outstanding dues of micro enterprise and small enterprises	24.1	-	-
Total outstanding dues of Creditors other than micro enterprise and small enterprises		715.04	780.74
Liability relating to employees		566.16	414.30
Liability relating to Others		9.85	8.77
Unpaid/ unclaimed Dividend	13.2	156.62	155.86
Interest Accrued		36.86	59.17
		2,906.75	2,137.96

24.1 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. Current- Other Liabilities

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Statutory dues (includes Goods and Services Tax, Provident Fund, Employees State Insurance, Government Authorities ,Tax Deducted at Source etc.)		449.16	293.62
Advances from Customers	25.1	836.49	750.63
Deferred Government Grant	25.2	364.61	394.48
Others		161.62	102.55
		1,811.88	1,541.28

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

25.1 Contract Balances

Advance from customer 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.

25.2 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 fulfilment of related export obligations.	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Government grant as at the beginning of the year	394.48	-
Add: Government grant received during the year	-	429.57
Less: Transfer to Statement of Profit and Loss	29.87	35.09
Government grant as at the end of the year	364.61	394.48

The above relates to export obligations/ commitment of Rs. 2,088.18 lakhs (P.Y. Rs. 2,357.18 lakhs) to be completed before the expiry of the time stipulated under the scheme. The amount of Deferred Govt. grant is adjusted to the statement of profit & loss proportion to the export obligation being completed on year to year basis.

26. Provisions

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits	43	155.44	276.32
		155.44	276.32

27. Revenue From Operations

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products		42,145.00	40,623.88
Other Operating Revenue			
Sale of Scrap		550.39	381.01
Sale of Service		14.59	20.63
Export Incentives		46.29	57.01
		42,756.27	41,082.53

27.1 Disaggregation of Revenue

Revenue based on Business Segment

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Automobile gears	37,174.53	33,717.97
Industrial gears	5,409.03	7,003.67
Solar power	172.71	360.89

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Total	42,756.27	41,082.53
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Revenue based on Geography

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Domestic	42,197.93	40,505.57
Export	558.34	576.96
Total	42,756.27	41,082.53

28. Other Income

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Income			
On Bank Deposits and others		1,008.39	826.55
On Financial assets measured at amortised costs		12.60	12.60
Other non-operating income (net of expenses directly attributable to such income)			
Profit on sale of Property, Plant and Equipment		-	2.67
Liabilities and Unclaimed Balances written back		81.78	86.18
Insurance and Other Claims		-	2.88
Rent Received	28.1	1.60	0.86
Miscellaneous Income		60.90	59.72
		1,165.27	991.46

28.1 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 Rs. 1.60 Lakhs (March 31, 2020 : Rs. 0.86 Lakhs).

29. Cost of Materials Consumed

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Inventories		1,602.54	2,539.51
Add : Purchase		22,197.33	13,589.08
		23,799.87	16,128.59
Less: Closing Inventories		4,658.92	1,602.54
		19,140.95	14,526.05

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

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Stock			
Finished Goods		1,353.55	1,312.66
Work in Progress		755.91	2,942.76
Scrap		6.45	1.57
		2,115.91	4,256.99
Less: Closing 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

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

(Increase)/ Decrease in Inventories of finished goods, Stock-in-Trade and work-in-progress		(704.22)	2,141.08
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31. Employee Benefits Expense

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and Wages		5,354.18	5,406.56
Contribution to Provident and Other Funds	43	306.00	344.25
Staff Welfare Expenses		260.70	175.37
		5,920.88	5,926.18

32. Finance Costs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense		718.41	825.76
Interest on Lease Liabilities		2.85	0.25
Other Borrowing Costs		20.28	16.18
		741.54	842.19

33. Depreciation and amortisation expense

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on Property, Plant and Equipment (Including Right- of- Use- Assets)	5	1,986.65	2,197.73
Amortisation on intangible assets	6	21.39	36.54
		2,008.04	2,234.27

34. Other Expenses

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of Stores, Spare Parts and Packing Materials		2,676.12	3,396.77
Power and Fuel		2,092.45	1,937.98
Job Charges		1,784.03	1,764.72
Repairs and Maintenance to Buildings		32.35	45.91
Repairs and Maintenance to Machinery		751.59	1,267.75
Brokerage and Commission on Sales		38.39	52.66
Transport and Forwarding Expenses		623.36	476.19
Rent	35	61.60	100.86
Donation		14.00	-
Auditors' Remuneration	34.1	13.25	18.25
Bad Debt		-	57.28
Exchange Difference (Net)		12.58	13.89
Loss on sale/discard of Property, Plant and Equipment		1.42	-
Amortisation of deferred portion of Financial instruments		22.37	23.09
Miscellaneous Expenses	34.2	1,270.45	1,396.94
		9,393.96	10,552.29

34.1 Details of Auditors' Remuneration

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Audit Fees		11.00	10.00

Notes to Financial Statements for the year ended March 31, 2021

Certification and other services		2.25	8.25
		13.25	18.25

34.2 Disclosure related to Corporate Social Responsibility (CSR)

34.2.1 Includes Rs.84.19 lakhs (March 31, 2020 : 3.64 lakhs) on account of Corporate Social Responsibility (CSR). Gross amount required to be spent by the company during the year consequent to the requirements of Section 135 of the Companies Act 2013, is Rs. 83.47 lakhs (March 31, 2020 :Rs 97.20 lakhs). Also refer Note 34.2.2 and Note 34.2.3

34.2.2 The breakup of CSR expenditure under various heads of expenses incurred is as below:- (₹ In lakhs)

CSR Expenses	For the year ended March 31, 2021			For the year ended March 31, 2020
	Amount Spent	Amount provided for (Refer Note 34.2.2.1 below)	Total	
(i) Health Care and Sanitation	40.69	7.00	47.69	3.64
(ii) Education and Skill Development	7.00	7.00	14.00	
(iii) Women Empowerment /Senior Citizen	5.00	-	5.00	
(iv) Environment and Animal Welfare	4.00	9.00	13.00	
(v) Art and Culture	2.00	2.50	4.50	

34.2.2.1 This represents provision made during the year from incurred towards ongoing projects and equivalent amount as required has since been deposited in a separate bank account.

34.2.3 Amount spent during the year on:-

Particulars	Year ended March 31,2021			Year ended March 31,2020		
	Paid	Yet to be paid	Total	Paid	Yet to be paid	Total
i) Construction/acquisition of any assets	40.00	25.50	65.50	Nil	Nil	Nil
ii) On purpose other than (i) above	18.69	Nil	18.69	3.64	Nil	3.64

35. 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

Notes to Financial Statements for the year ended March 31, 2021

lease.

- e) The weighted average incremental borrowing rate applied to leases recognised during FY 2020-21 is 9.56%.
- (i) 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
- (ii) The Company has incurred Rs. 61.60 Lakhs and Rs. 100.86 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively towards rental expenses relating to short term leases and leases of low value assets. The total cash outflow for leases is Rs. 61.60 Lakhs and Rs.100.86 Lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.
- (iv) Movement in lease liabilities during the year: (₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening Balance	1.97	1.74
Additions in lease liabilities	44.81	1.08
Finance cost accrued during the year	2.85	0.25
Less: Payment of lease liabilities	(15.58)	1.10
Closing Balance	34.05	1.97

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Not later than one year	20.94	0.42
Later than one year and not later than five years	15.07	0.94
Later than five years	13.16	13.16

36. Tax Expenses

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Tax			
In respect of Current Year		1,896.35	1,551.75
Total Current tax expense recognised in the current year		1,896.35	1,551.75
Deferred Tax			
In respect of Current Year		16.88	(285.43)
Total Deferred tax expense recognised in the current year		16.88	(285.43)
Total Tax expense recognised in the current year in Profit and Loss		1,913.23	1,266.32

36.1. 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, 2021	For the year ended March 31, 2020
Profit/(Loss) before tax	7,420.39	5,851.93
Income tax expense calculated at 25.168% as applicable for corporate entities on taxable profits under the Indian tax laws.	1,867.56	1,472.81
Add: Effect of Expenses that are not deductible in determining Taxable Profit		
Expenses not allowed for Tax Purposes	24.71	0.92
Effect of other adjustments	20.96	101.64
Less : Effect of expense/income that are deductible/not taxable in determining taxable profit		

Notes to Financial Statements for the year ended March 31, 2021

Effect of changes in tax rate		309.05
Income tax expense recognised in the statement of profit and loss	1,913.23	1,164.68

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.

36.2 Income tax recognized in Other Comprehensive income (₹ In lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax charge on		
Remeasurement gains of defined benefit obligation	0.94	(1.12)
Income tax recognized in Other Comprehensive income	0.94	(1.12)
Bifurcation of the income tax recognized in Other comprehensive income into :		
Items that will be reclassified to profit or loss	-	-
Items that will not be reclassified to profit or loss	0.94	(1.12)

36.3 Components of Other Comprehensive Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Items that will not be reclassified to statement of profit or loss		
Remeasurement of defined benefit obligation (net of tax)	2.78	(3.32)
	2.78	(3.32)

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

Contingent Liabilities

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
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		4.19	456.34
Income Tax matters under appeal- Short allowances of claims under Section 80 IC, MAT Credits and other disallowances contested by the Company		341.49	440.80
Interest on External Development Charges		28.12	25.08
Other Claims not acknowledged as debt		23.06	23.06

37.1 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 judgments / decisions.

Capital and Other Commitments

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
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Notes to Financial Statements for the year ended March 31, 2021

Capital Commitment: Estimated amount of contracts remaining to be executed on capital account and not provided for: net of advance of Rs. 438.02 lakhs (March 31, 2020: Rs. 318.46 lakhs)		1,659.02	963.37
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38 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 nonoccurrence 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.

39. 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) Mr. Pradip Kumar Daga, Chairman cum Managing Director
- (b) Mr. 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) Niraj Agarwala-Relative of the Director
- (g) 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

(iii) Post Employment Benefit Plan

- (a) Deepak Industries Provident Fund
- (b) Deepak Industries Gratuity Fund

(iv) Aggregate amount of transactions with related parties:

(₹ In lakhs)

Nature of Transaction	Note No.	Name of Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Remuneration (included in Employee Benefits Expense)		Yashwant kumar Daga	136.16	121.45
(b) Sitting Fees		Anand Prasad Agarwala	0.66	0.78
		Meera Dokania	0.62	0.74
		Sujit Chakravorti	0.38	0.62
(c) Commission		Anand Prasad Agarwala	3.50	3.50
		Meera Dokania	3.50	3.50
		Sujit Chakraborty	3.50	3.50
(d) Professional Fees		Anand Prasad Agarwala	0.44	0.54
		Niraj Agarwala	-	-
(e) Sales of solar power		Deepak Spinners Limited	172.37	194.35
(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	22.26	16.46

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Nature of Transaction	Note No.	Name of Related Party	For the year ended March 31, 2021	For the year ended March 31, 2020
(h) Contribution to Gratuity Trust		Deepak Industries Gratuity Fund	223.62	32.80
(i) Club Membership Fees		Yashwant Kumar Daga	28.45	1.27
(j) Scholarship charges		Amritesh Daga	29.29	115.37
(k) Medical Insurance Premium		Yashwant Kumar Daga	6.41	5.75

(v) Balance of related parties are as follows :

Nature of Transaction	Note No.	Name of Related Party	As at March 31, 2021	As at March 31, 2020
a) Salary Payable		Yashwant kumar Daga	-	5.45
b) Closing value of Investment in Non Cumulative non Convertible Redeemable Preference Share (Refer Note no 41(A)(vii))		Brua Hydrowatts Private Limited	123.76	111.72
c) Balance Receivable		Deepak Spinners Limited	14.62	18.62
d) Payables to trust created for post employment benefit plans		Deepak Industries Provident Fund	5.63	2.47
		Deepak Industries Gratuity Fund	82.33	223.62
e) Balance Payable		Anand Prasad Agarwala	2.49	3.33
		Meera Dokania	2.49	3.33
		Sujit Chakraborty	2.49	3.33

(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, 2021	As at March 31, 2020
Short-term employee benefits		136.16	121.45
Post-employment benefits*		-	-

*Excluding contribution to gratuity and provident fund

(vii) The Company has made investment of Rs 500.00 Lakhs in the said company which as required in term of Ind AS 109 "Financial Instruments" have been fair valued to Rs 123.76 lakhs (Previous year Rs 111.72 lakhs) and corresponding effect have been given in deferred loss on fair valuation of Financial Instrument.

(B) Terms and conditions of transactions with related parties

The transaction with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has not provided any guarantee to related parties towards their borrowing facilities. For the year ended March 31, 2021, the Company has not recorded any impairment allowances in respect of receivables relating to amounts owed by related parties (March 31, 2020 Rs. 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.

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

40. Segment Information

40.1 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

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

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.

40.2 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 Corporate		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue										
Sale and services to external customer	37,174.53	33,717.97	5,409.03	7,003.67	172.71	360.89	-	-	42,756.27	41,082.53
Revenue from Operations (Gross)	37,174.53	33,717.97	5,409.03	7,003.67	172.71	360.89	-	-	42,756.27	41,082.53
Segment Results	7,418.09	5,698.45	96.69	294.04	(278.63)	(88.74)	-	-	7,236.15	5,903.75
Unallocated Corporate Expenses (Net of unallocable income)	-	-	-	-	-	-	(925.78)	(790.37)	(925.78)	(790.37)
Finance Costs	-	-	-	-	-	-	741.54	842.19	741.54	842.19
Profit(Loss) Before Tax	7,418.09	5,698.45	96.69	294.04	(278.63)	(88.74)	184.24	(51.82)	7,420.39	5,851.93
Tax Expenses	-	-	-	-	-	-	1,913.23	1,266.32	1,913.23	1,266.32
Profit(Loss) After Tax	7,418.09	5,698.45	96.69	294.04	(278.63)	(88.74)	(1,728.99)	(1,318.14)	5,507.16	4,585.61
Segment Assets	47,719.80	38,533.44	6,657.22	6,542.09	1,335.35	1,728.52	-	-	55,712.37	46,804.05
Unallocated Corporate Assets	-	-	-	-	-	-	962.09	934.60	962.09	934.60
Total Assets	47,719.80	38,533.44	6,657.22	6,542.09	1,335.35	1,728.52	962.09	934.60	56,674.46	47,738.65
Segment Liabilities	7,787.22	4,698.63	11,370.65	11,054.75	151.88	138.36	-	-	19,309.75	15,891.74
Unallocated Corporate Liabilities	-	-	-	-	-	-	1,049.29	1,041.43	1,049.29	1,041.43
Total Liabilities	7,787.22	4,698.63			151.88	138.36	1,049.29	1,041.43	20,359.04	16,933.17
Capital Expenditure	1,902.53	2,598.21	308.32	102.46	-	-	-	0.08	2,210.85	2,700.78
Depreciation/Amortisation	1,140.36	1,160.71	477.69	683.40	389.04	389.04	0.95	1.12	2,008.04	2,234.27
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, Capital Work In Progress and Intangible assets.

40.3 Geographical Information

Particulars	2020-21	2019-20
Revenue by Geographical market		
Sale of Products and Services		
- Domestic	42,197.93	40,505.57
- Export	558.34	576.96
Total	42,756.27	41,082.53
Assets		
Trade Receivable (Net of Impairment allowances for bad and doubtful trade receivables)		
- Within India	11,651.52	8,329.14

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

- Outside India	286.82	189.28
Total	11,938.34	8,518.42

40.4 Information about major customers

Revenue in respect of automobile gear include sale to four public companies (March 31, 2020: three public companies) pertaining to the automobile sector which account for more than 10% in each case and Rs. 29899.48 lakhs (March 31, 2020-Rs. 24293.12 Lakhs) in aggregate of the total revenue of the company.

41. Calculation of Earning Per Share is as follows :

Particulars	31st March, 2021	31st March, 2020
Net profit for basic and diluted earnings per share as per Statement of Profit and Loss (Rs. In Lakhs)	5,507.16	4,585.61
Net profit for basic and diluted earnings per share (Rs. In Lakhs) (a)	5,507.16	4,585.61
Weighted average number of equity shares for calculation of basic and diluted earnings per share (Face value Rs. 10/- per share)		
No of equity shares outstanding as on	3,956,433	3,956,433
Weighted average number of equity shares considered in calculating basic and diluted EPS (b)	3,956,433	3,956,433
Earnings per share (EPS) of Equity Share of Rs. 10 each :		
Basic and Diluted (a/b) (Rs.)	139.20	115.90

42. 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.

43. Post Retirement Employee Benefits

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

Gratuity (Funded)

Particulars	For The Year Ended March 31, 2021	For The Year Ended March 31, 2020
A . Change in fair value of Defined Benefit Obligation :		
Present Value of Defined Benefit Obligations as at the beginning of the year	895.11	826.50
Current Service Cost	76.16	72.78
Interest Cost	62.66	63.64
Benefit Paid	(58.82)	(79.60)
Actuarial (Gain) / Losses		
Remeasurements- Due to Financial Assumptions	7.07	42.33
Remeasurements- Due to Experience Adjustments	(9.19)	(30.54)
Liability at the end of the year	972.99	895.11
B . Change in Fair Value of plan Assets :		
Fair value of Plan Assets at the beginning of the year	671.49	661.78
Interest Income	52.77	49.16
Contributions by the Employers	223.62	32.80
Benefit paid	(58.81)	(79.60)
Remeasurements- Return on Assets (excluding Interest Income)	1.59	7.35
Fair value of plan Assets at the end of the year	890.66	671.49
C . Amount Recognized in Balance Sheet:		
Present Value of Defined Benefit Obligations as at the end of the year	972.99	895.11

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Gratuity (Funded)

Particulars	For The Year Ended March 31, 2021	For The Year Ended March 31, 2020
Fair value of Plan Assets at the end of the year	890.66	671.49
	82.33	223.62
D . Components of Defined Benefit Cost		
Current Service Cost	76.16	72.78
Interest Cost	62.66	63.64
Expected Return on Plan Assets	(52.77)	(49.16)
Net Actuarial (Gain)/ Loss on remeasurement recognized in OCI	-	-
Total Defined Benefit Cost recognized in the Statement of Profit and Loss	86.05	87.26
E . Remeasurements Recognized in Other Comprehensive Income		
Remeasurements- Due to Financial Assumptions	7.07	42.33
Remeasurements- Due to Experience Adjustments	(9.19)	(30.54)
Remeasurements- Return on Assets (excluding Interest Income)	(1.59)	(7.35)
Remeasurements Recognized in Other Comprehensive Income	(3.71)	4.44
F . Balance Sheet Reconciliation		
Opening Net Liability	223.62	164.72
Defined Benefit Cost included in Profit and Loss	86.05	87.26
Remeasurements Recognized in Other Comprehensive Income	(3.71)	4.44
Employers Contribution	(223.62)	(32.80)
Amount Recognised in Balance Sheet	82.34	223.62

G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Equity	-	-
Bonds	85.00%	98.31%
Other Current Assets	15.00%	1.69%
Insurance policies	-	-

H . The Principal Actuarial Assumptions as at Balance Sheet date are set out as below:

Summary of Financial Assumption		
Discount Rate	6.90%	7.00%
Salary Escalation- First Five Years	6.00%	6.00%
Salary Escalation- After Five Years	6.00%	6.00%
Expected Return on Plan Assets	6.90%	7.00%
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	18.31	19.23

I. Sensitivity analysis

Particulars	Change in Assumptions	For The Year Ended March 31, 2021	For The Year Ended March 31, 2020
Salary Escalation	1%	1,048.29	964.17
Salary Escalation	-1%	906.29	833.90

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Withdrawal Rates	1%	976.66	898.85
Withdrawal Rates	-1%	968.84	890.87
Discount Rate	1%	909.22	836.31
Discount Rate	-1%	1,045.91	962.26

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 2020 to 31 Mar 2021	166.46
01 Apr 2021 to 31 Mar 2022	64.91
01 Apr 2022 to 31 Mar 2023	96.52
01 Apr 2023 to 31 Mar 2024	91.92
01 Apr 2024 to 31 Mar 2025	99.91
01 Apr 2025 Onwards	449.13

K. Particulars	As at March 31, 2021	As at March 31, 2020
Average number of people employed	913	958

**Other Long Term Employee Benefit
Compensated absences (Unfunded)**

Particulars	For The Year Ended March 31, 2021	For The Year Ended March 31, 2020
A. Change in fair value of Defined Benefit Obligation :		
Present Value of Defined Benefit Obligations as at the beginning of the year	208.77	197.67
Current Service Cost	13.74	28.14
Interest Cost	14.61	15.22
Benefit Paid	(7.56)	(8.19)
Remeasurements- Due to Financial Assumptions	1.46	9.52
Remeasurements- Due to Experience Adjustments	(6.99)	(33.59)
Liability at the end of the year	224.02	208.77
B. Change in Fair Value of plan Assets :		
Contributions by the Employers	7.56	8.19
Benefit paid	(7.56)	(8.19)
Fair value of plan Assets at the end of the year	-	-
C. Amount Recognized in Balance Sheet:		
Present Value of Defined Benefit Obligations as at the end of the year	224.02	208.77
Fair value of Plan Assets at the end of the year	-	-
	224.02	208.77
D. Components of Defined Benefit Cost		
Current Service Cost	13.74	28.14
Interest Cost	14.61	15.22
Total Defined Benefit Cost recognized in the Statement of Profit and Loss	28.35	43.36
E. Remeasurements Recognized in Other Comprehensive Income		
Remeasurements- Due to Financial Assumptions	1.46	9.52

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

	Remeasurements- Due to Experience Adjustments	(6.99)	(33.59)
	Remeasurements Recognized in Other Comprehensive Income	(5.53)	(24.07)
F .	Balance Sheet Reconciliation		
	Opening Net Liability	208.77	197.67
	Defined Benefit Cost included in Profit and Loss	28.35	43.36
	Remeasurements Recognized in Other Comprehensive Income	(5.53)	(24.07)
	Employers Contribution	(7.56)	(8.19)
	Amount Recognised in Balance Sheet	224.02	208.77

G . Percentage allocation of plan assets in respect of fund managed by insurer/trust is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
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:

Particulars	As at March 31, 2021	As at March 31, 2020
Summary of Financial Assumption		
Discount Rate	6.90%	7.00%
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	18.30	19.22

I. Sensitivity analysis

Particulars	Change in Assumptions	For The Year Ended March 31, 2021	For The Year Ended March 31, 2020
Salary Escalation	1%	240.75	225.09
Salary Escalation	-1%	209.34	194.48
Withdrawal Rates	1%	225.04	209.90
Withdrawal Rates	-1%	222.88	207.49
Discount Rate	1%	209.77	194.88
Discount Rate	-1%	240.44	224.80

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	Leave
01 Apr 2020 to 31 Mar 2021	65.53
01 Apr 2021 to 31 Mar 2022	68.21

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

01 Apr 2022 to 31 Mar 2023	18.43
01 Apr 2023 to 31 Mar 2024	16.27
01 Apr 2024 to 31 Mar 2025	16.40
01 Apr 2025 Onwards	79.03

K. Particulars	As at March 31, 2021	As at March 31, 2020
Average number of people employed	913	958

44. 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, 2021		As at March 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	11,938.34	11,938.34	8,518.42	8,518.42
Cash and cash equivalents	97.43	97.43	900.85	900.85
Other Bank Balances	15,886.82	15,886.82	14,688.46	14,688.46
Other Financial Assets	777.36	777.36	758.20	758.20
Unquoted Non-Convertible Non-cumulative Redeemable Preference Instruments	123.76	123.76	111.72	111.72
Total	28,823.71	28,823.71	24,977.65	24,977.65
Financial Liabilities (Current and Non-Current)				
Financial Liabilities measured at Amortised Cost				
Borrowings	9,458.29	9,458.29	8,328.22	8,328.22
Trade Payables	5,982.55	5,982.55	3,893.54	3,893.54
Other Financial Liabilities	1,918.59	1,918.59	1,872.64	1,872.64
Total	17,359.43	17,359.43	14,094.40	14,094.40

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,

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

trade receivables and other receivables, Deposits and Investment.

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks. This however, does not take into account the possible effect of prevailing pandemic due to outbreak of COVID-19 being based on future development and currently not determinable as dealt with in Note 46

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, 2021	As at March 31, 2020
Rupee Loan	0.50	42.24	43.21

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

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	-	-
Total	286.82	541.84	-	(169.14)

Particulars	As at March 31, 2020			
	Trade Receivables	Trade Payables	Other Current Liabilities	Net Assets / (liabilities)
SGD	37.81	-	-	37.81
STP	8.01	-	-	8.01
USD	141.16	35.05	69.44	71.72
EURO	2.30	248.76	353.00	(599.46)
Total	189.28	283.81	422.44	(481.92)

Sensitivity analysis resulting in profit or loss mainly from SGD, STP, USD, and EURO denominated receivables and payables are as follows

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

Particulars	For The Year Ended 31st March, 2021	For The Year Ended 31st March, 2020
Receivables (Weaking of INR by 5%)		
SGD	1.71	1.89
STP	0.43	0.40
USD	12.10	7.06
EURO	0.11	0.12
Total	14.35	9.47
Payables (Weaking of INR by 5%)		
SGD	-	-
STP	-	-
USD	(2.67)	(5.22)
EURO	(20.13)	(30.09)
CHF	(4.29)	
Total	(27.09)	(35.31)

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 Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties.

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.

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.

Notes to Financial Statements for the year ended March 31, 2021

(₹ In lakhs)

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	9,458.29	9,435.18	23.11	8.08%

Interest rate and currency of borrowings

As at March 31, 2020

Particulars	Total Borrowings	Floating Rate Borrowings	Fixed Rate Borrowings	Weighted average interest rate
INR	8,328.22	8,282.00	46.22	8.72%

Maturity Analysis of unamortised Financial Liabilities

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

As at March 31, 2020

Particulars	Carrying Amount	On Demand	Less than 6 months	6 to 12 months	> 1 year	Total
Borrowings	8,334.34	5,877.65	221.33	476.92	1,758.44	8,334.34
Other Financial Liabilities	1,872.64	-	1,437.50	2.22	432.92	1,872.64
Trade and other payables	3,893.54	-	3,893.54	-	-	3,893.54

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, 2021	As at March 31, 2020
Borrowings	9,458.29	8,328.22
Less: Cash and Cash Equivalents	97.43	900.85
Net Debt	9,360.86	7,427.37
Equity	36,315.42	30,805.48
Equity and Net Debt	45,676.28	38,232.85
Gearing Ratio	0.20	0.19

- b) Refer Note No. 17.6 for dividend proposed during the year

Notes to Financial Statements for the year ended March 31, 2021

45. The outbreak of Covid-19 and consequential lockdowns declared by the Government of India and State Governments, has caused slowing down the economic activities in general and also operations of the Company. The Company's primary source of revenue is from manufacturing and selling of automobile and industrial gears. The Company's operations, especially in the initial months of the year, were affected to certain extent however this could be stabilised having no material impact on the overall performance for the Quarter and year ended March 31, 2021.

The Company has taken into account all the possible impact of Covid-19 in preparation of these financial results, including but not limited to the recoverability of property, plant and equipment, receivables, intangible assets, cash and cash equivalents and investments. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and no adjustment in carrying amount of assets and liabilities is expected to arise. The Company continues to monitor the impact of pandemic considering the recent surge thereof on overall economic conditions and also future impact on its business operations, given the uncertain nature of the pandemic and effective steps will be taken on crystallization thereof.

46. Previous year's figures in the Financial Statements have been reclassified/rearranged to conform to current year's classification.

47. These financial statements have been approved by Board of Directors of the Company in their meeting dated June 30, 2021 for issue to the shareholders for their adoption.

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
June 30, 2021

Y K Daga

(DIN: 00040632)

Vice Chairman-Cum-joint-Managing Director

S Chakravorti

(DIN: 00066344)

A P Agarwalla

(DIN: 00312652)

Meera Dokania

(DIN: 07094376)

Maneesh Khanna

Chief Financial Officer

R. Davve

Company Secretary

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