



We create chemistry

# Annual Report 2020-2021

BASF India Limited

#collaboratingforcare





## Message from the Managing Director

Dear Shareholders,

I write this message to you against the backdrop of a receding second wave of the COVID-19 pandemic. Unlike the first, the second wave has been far more aggressive in its intensity and geographic spread leading to a tremendous impact on the nation, its citizens and economy. The national lockdown during April and May 2020 resulted in various operational and supply chain challenges that your Company was able to mitigate by establishing stringent safe operating protocols at its sites and offices. The measures adopted at our manufacturing sites coupled with the resilience and commitment demonstrated by our team enabled the Company to successfully meet the strong demand from our customers in the second half of the financial year.

Your Company undertook various measures addressing the health and welfare of its employees, their families, and the communities in which we operate. As a preventive measure, we actively promoted vaccination amongst our employees and organized dedicated camps at our manufacturing sites and offices, wherever possible. In addition, your Company donated lifesaving medical equipment, oxygen cylinders and oxygen concentrators to augment the medical infrastructure in the vicinity of our facilities. We partnered with industry players to install three state-of-the-art mobile acute care units that augmented the availability of ICU beds during the peak of the crisis. I take this opportunity to thank you, our team and the Board of Directors for the trust and guidance in helping deal with this unprecedented situation and emerge stronger than ever before.

Post the national lockdown in Q1 and gradual resumption of industrial activity in Q2, the economy witnessed a strong bounce back in Q3 and Q4 of FY 20-21. India's GDP which had contracted by 24.4% in Q1 FY 21 now stands at minus 7.3% for the full year. The agriculture sector aided by a favourable monsoon proved resilient to the impact of the first wave of the pandemic and is estimated to have grown at 3.4% in FY 20-21. The automotive sector which accounts for a substantial portion of business for your Company, transitioned to the BS VI emission standards in April 2020 and emerged from the complete shutdown during Q1 with a "V-shaped" recovery in Q3 and Q4.

Against the backdrop of this macro environment, I am pleased to share the financial performance of your Company. Revenue from operations grew by 26% Y-o-Y in FY 2021 to INR 95,583.4 million, along with robust growth in Profit After Tax of INR 5,526.1 million compared to INR 228.7 million in the previous year. Most business segments of your Company including Agricultural Solutions, segments focused on the Automotive industry as well as the Nutrition and Care Chemicals business delivered profitable growth. You would be happy to note that the Board of Directors of your Company have recommended a special dividend of INR. 5 per equity share, due to portfolio restructuring measures in addition to a final dividend of INR. 5 per equity share for the financial year ended 31st March 2021, aggregating to INR. 10 per equity share i.e. 100%.

Focused measures for continuous improvement in the areas of operating margins, working capital and fixed costs across our diverse portfolio was the foundation to achieve this strong performance in a challenging year. The stellar results for your Company would not be possible without an engaged and motivated employee force. My heartfelt gratitude and respect for colleagues who have continued to perform at the highest levels despite the challenges and adversities.

To strengthen competitiveness, your Company continued to optimize its business portfolio with the divestiture of the Construction Chemicals business in July 2020 and the acquisition as well as subsequent merger of erstwhile BASF Performance Polyamides India Private Limited business into our Materials segment in February 2021. Further, your Company continued with the planned expansions for the Dahej and Mangalore plants.

Very pleased to share that our manufacturing site at Mangalore celebrated 2 milestones – completion of 25 years of operations and a decade of successful operations for the Technology Coatings Center. We also continued to receive recognitions from key stakeholders and customers in 2020-21, a testimony of our superlative achievements.

Our on-going digitalization initiatives ensured business continuity and efficiency gains, resulting in customers experiencing minimal supply chain disruptions even during the lockdown. Our teams adapted to the new ways of working and enhanced customer engagement with virtual collaborations contributing to our above market growth.

While the short-term prospects from a business and economy perspective seems uncertain, the medium to long term growth potential remains intact. Health and safety of our work force will continue to remain important for our success. The models predict potential upcoming waves of the pandemic, however an improvement in vaccination rates and the overall health care system should enable the nation to deal with the future waves better and reduce the risks of disruptions to economic activity.

To summarize, your Company is confident that with the measures undertaken, the nation will tide over the crisis. We remain committed to our priorities of sustainable and profitable growth.

Stay safe and take care!

Best wishes,

**Narayan Krishnamohan**

Friday, 6<sup>th</sup> August 2021 at 3.00 p.m. through Video Conferencing/Other Audio Visual Means.

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## Agenda

1. Presentation of Financial Statements and the Directors'/Auditors' Report.
  2. Declaration of Dividend.
  3. Re-appointment of Director.
  - 4-5. Special Businesses.
- The Notice of the Meeting is attached.

## BASF India Limited

### Registered Office:

The Capital, 'A' Wing, 1204-C  
12<sup>th</sup> Floor, Plot No. C-70,  
'G'-Block, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051.  
Telephone : +91 6278 5600, 6724 3700 / 6724 3800  
Website : www.basf.com/in  
E-mail ID : investor-grievance-india@basf.com

### Corporate Identification Number:

L33112MH1943FLC003972

### Manufacturing Sites:

#### Maharashtra (Navi Mumbai)

Plot Nos. 12 & 13, TTC Industrial Area, MIDC,  
Thane-Belapur Road, Turbhe, Navi Mumbai – 400 705.

#### Karnataka (Mangalore)

Bala/Thokur Village, Surathkal-Bajpe Road,  
Mangalore Taluka, Dakshina Kannada District,  
Karnataka – 575 030.

#### Gujarat (Dahej)

4B, Dahej Industrial Estate, Village Dahej,  
Taluka Vagra, District Bharuch, Gujarat – 392 130.

#### Gujarat (Panoli)

Village Umarwada,  
Survey No 432/1+2,  
Taluka Ankleshwar, Gujarat - 393 001  
India.

### Offices:

Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad,  
Kolkata and Pune.

### Registrar & Share Transfer Agent:

TSR Darashaw Consultants Private Limited  
Unit : BASF India Limited,  
C-101, 1<sup>st</sup> Floor, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai – 400 083.  
Tel. No. : +91 22 66568484 Extn: 411/412/413  
Fax No. : +91 22 66568494  
Email : csg-unit@tcplindia.co.in

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## Board of Directors

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Mr. Pradip P. Shah  
*Chairman*



Mr. Narayan Krishnamohan  
*Managing Director*



Mr. R. A. Shah



Mr. Arun Bewoor



Mrs. Shyamala Gopinath



Dr. Ramkumar Dhruva



Mr. Dirk Bremm



Mr. Narendranath J. Baliga  
Chief Financial Officer &  
Alternate Director



Mr. Pradeep Chandan  
Company Secretary  
& Alternate Director



Mr. Rajesh Naik  
Manufacturing Head &  
Whole-time Director

**Management Committee**

Mr. Narayan Krishnamohan  
Mr. Narendranath J. Baliga  
Mr. Brieux Boisdequin  
Mr. Pradeep Chandan  
Mr. Rajesh Naik

**Statutory Auditors**

Messrs Price Waterhouse Chartered Accountants LLP  
252, Veer Savarkar Marg,  
Shivaji Park, Dadar (West),  
Mumbai – 400 028.

**Cost Auditors**

Messrs R. Nanabhoy & Co.  
*Cost Accountants*  
Jer Mansion,  
70 August Kranti Marg,  
Mumbai – 400 036.

**Advocates & Solicitors**

- (i) Messrs Crawford Bayley & Co.  
State Bank Building, 4<sup>th</sup> Floor,  
N. G. N. Vaidya Marg, Fort,  
Mumbai – 400 023.
- (ii) Messrs Dhruve Liladhar & Co.,  
61 Free Press House,  
215 Free Press Journal Marg,  
Nariman Point, Mumbai – 400 021.

**Bankers**

- (i) Citibank N.A.
- (ii) Deutsche Bank AG
- (iii) BNP Paribas
- (iv) Credit Agricole CIB
- (v) Bank of America
- (vi) HDFC Bank
- (vii) Mizuho Bank

**Internal Auditors**

Messrs Mahajan & Aibara  
*Chartered Accountants*  
1, Chawla House,  
62, Wodehouse Road,  
Colaba, Mumbai – 400 005.

**Secretarial Auditors**

Messrs HS Associates  
206, 2<sup>nd</sup> Floor,  
Tantia Jogani Industrial Estate,  
J. R. Boricha Marg, Opp. Lodha Excelus,  
Lower Parel (E), Mumbai – 400 011.

**Director - Legal, General Counsel (South Asia) & Company Secretary**

Mr. Pradeep Chandan



Dr. Markus Kamieth - Member of the Board of Executive Directors of BASF SE shared a video message as the Keynote speaker at India Chem 2021 organized by FICCI along with the Department of Chemicals and Petrochemicals (DCPC). He highlighted his expectations for India to collaborate with the European Union to develop it as a key investment destination.





Mr. Narayan Krishnamohan, Managing Director, BASF India Limited participated as a panellist during the 5<sup>th</sup> session of the ICC Sustainability Conclave. This was organized in association with the International Council of Chemical Associations (ICCA), United Nations Environment Program (UNEP) & Department of Chemicals & Petrochemicals (DCPC), Ministry of Chemicals & Fertilizers, Government of India

## Directors' Report

Your Directors have pleasure in presenting their Report for the financial year ended 31<sup>st</sup> March 2021.

### Financial Results

(Rs. in million)

Description	Year ended 31.3.2021	Year ended 31.3.2020
Revenue from operations	95,583.4	75,945.6
Profit before tax and exceptional items	4,378.7	423.6
Exceptional items	4,020.9	(324.6)
Profit before tax	8,399.6	99.0
Tax expense/(credit)	2,873.5	(129.7)
Profit after tax	5,526.1	228.7
Dividend	432.9	129.9

\* The results for the financial year ended 31<sup>st</sup> March 2020, include results of erstwhile BASF Performance Polyamides India Private Limited ('BPPIPL') from 1<sup>st</sup> February 2020 (i.e. the common control acquisition date) and are therefore strictly not comparable.

### Performance

Revenue from operations at Rs. 95,583.4 million, represents an increase of 26% over the previous year mainly due to robust volume growth in merchandise business and improved price realisation. Your Company reported a Profit before tax and exceptional items of Rs. 4,378.7 million for the year ended 31<sup>st</sup> March 2021 as compared to Profit before tax and exceptional items of Rs. 423.6 million in the previous year. Further, your Company reported a substantial increase in profit after tax of Rs. 5,526.1 million for the financial year ended 31<sup>st</sup> March 2021 as compared to profit after tax of Rs. 228.7 million in the previous year.

The Agricultural Solutions business of your Company registered good growth in sales during the financial year as compared to the previous year, mainly due to normal monsoon, increased sales from products for crops like corn and cotton, strong rabi season leading to improved performance in fungicides and overall positive market sentiments driving revenue growth. The margins improved significantly mainly due to volume growth, price increase and lower input material costs.

The Industrial Solutions segment of your Company comprising of the Dispersions, Resins, Additives & Performance Chemicals businesses registered increase in sales due to growth in volumes arising out of supply constraints in market, improved selling price and higher merchandise volumes from sales of plastic additives. The margins also significantly improved due to increased volumes, higher selling prices and lower input cost.

The Materials segment of your Company comprising of the Performance Materials & Monomers businesses registered good growth in sales during the year under review as compared to the previous year. This was mainly due to sustained volumes despite slowdown in the first half of the financial year 2020-21, rebound observed in transportation, appliances & industrial segments, acquisition of Performance Polyamides business and higher merchandise sales in packaging, mattresses, and footwear industry. The margins improved due to considerably high price realisation arising out of supply constraints for Crude MDI, higher volumes and lower input costs.

The Surface Technologies segment of your Company comprising of the Catalysts, Coatings & Construction Chemicals businesses registered lower sales due to the impact of lockdown followed by sluggish demand. Although the margins of the Coatings Solutions business were impacted, the gross margins improved from lower input prices. The Catalysts business registered higher merchandise volumes, but its margins were impacted due to lower price realisation as compared to the input costs. As a part of BASF's global portfolio optimization, the Construction Chemicals business of the Company was transferred to Master Builders Solutions India Pvt Ltd on 1<sup>st</sup> July 2020.

The Nutrition & Care segment of your Company comprising of the Care Chemicals, Nutrition & Health Care businesses registered a significant increase in sales during the year under review as compared to the previous year mainly due to strong growth in sales of products used for vitamins & nutritional supplements supported by better pricing strategy & improved margins.

During the year under review, the sales & profits of the Chemicals segment of your Company comprising of the Petrochemicals & Intermediates businesses increased substantially due to high revenue growth of products supplied to agro, pharma, fragrance & speciality ingredients segments.

Export sales stood at Rs. 2,396.9 million during the year under review.

#### **Divestiture of Company's Construction Chemicals business to Master Builders Solutions India Pvt Ltd**

The Board of Directors of your Company at their meeting held on 11<sup>th</sup> February 2020 had approved the divestiture of its Construction Chemicals business to Master Builders Solutions India Private Limited for a consideration of Rs. 5,951.6 million, subject to the approval of the Shareholders of the Company and such other approvals as may be required. For this purpose, the Board had also taken into consideration the independent valuation report of Deloitte Touche Tohmatsu India LLP.

The Shareholders of the Company approved the said divestiture by way of Postal Ballot on 21<sup>st</sup> April 2020 and accordingly, your Company's construction chemicals business was transferred to Master Builders Solutions India Private Limited with effect from 1<sup>st</sup> July 2020 after the receipt of consideration of Rs. 5,951.6 million.

#### **Merger of BASF Performance Polyamides India Pvt Ltd with BASF India Ltd**

BASF Performance Polyamides India Pvt Ltd was originally incorporated as Rhodia Polymers & Specialties India Pvt Ltd on 31<sup>st</sup> January 2011 and carried on the business of manufacture/trading of performance polyamides with a manufacturing site at Panoli, Gujarat. It has a wide range of engineering plastics (major brand: Technyl®) and serves the automobiles, electrical and consumer goods segments.

Pursuant to the approval of the Shareholders of the Company at the 76<sup>th</sup> Annual General Meeting held on 6<sup>th</sup> August 2020, the Company had, on 18<sup>th</sup> August 2020, acquired 100% stake in BASF Performance Polyamides India Pvt Ltd for a consideration of Rs. 3,029.0 million, thereby making it your Company's wholly owned subsidiary. The Board of Directors of your Company at their meeting held on 27<sup>th</sup> August 2020 had approved the Scheme of Merger by way of absorption of BASF Performance Polyamides India Pvt Ltd. with the Company, subject to the necessary statutory & regulatory approvals, including the approval of the Hon'ble National Company Law Tribunal, Mumbai.

The merger of BASF Performance Polyamides India Pvt Ltd. with the Company strengthens the Company's position as a solution provider for key industries & would enhance market access to key growth markets. It would also help the Company in expanding its existing 'Materials' segment and extend value chain through backward integration into key raw materials. The Performance Polyamides business also has operational synergies with the Engineering Plastics business of your Company and merging BASF Performance Polyamides India Pvt Ltd. with the Company ensures focused management thereby resulting in efficiency of management and maximizing value to the Shareholders.

As BASF Performance Polyamides India Pvt Ltd. was a wholly owned subsidiary of the Company, no consideration was paid by your Company pursuant to the said merger and the investment of your Company in the equity shares of BASF Performance Polyamides India Pvt Ltd. stands cancelled. Further, there was no change in the shareholding of the Company, pursuant to the said merger.

The Hon'ble National Company Law Tribunal, Mumbai vide its Order dated 6<sup>th</sup> January 2021 sanctioned the Scheme of Merger, effective 1<sup>st</sup> February 2021 (being the Appointed & Effective Date) and accordingly, BASF Performance Polyamides India Pvt Ltd stands merged with the Company.

### **Share Capital**

Pursuant to the above mentioned Scheme of Merger by way of absorption of BASF Performance Polyamides India Pvt Limited with the Company, as sanctioned by the Hon'ble National Company Law Tribunal, Mumbai vide its Order dated 6<sup>th</sup> January 2021, there is an increase in the authorised share capital of the Company to the extent of authorised share capital of BASF Performance Polyamides India Pvt Ltd. Consequently, the revised authorised share capital of the Company, as on 31<sup>st</sup> March 2021 aggregates Rs. 715,597,150/- which is divided into 71,559,715 equity shares of Rs. 10/- each.

### **Dividend**

The Board of Directors of your Company have recommended a special dividend of Rs. 5/- per equity share i.e. 50% due to the portfolio restructuring measures. This is in addition to a final dividend of Rs. 5/- per equity share i.e. 50% for the financial year ended 31<sup>st</sup> March 2021. The aggregate dividend would be Rs. 10/- per equity share i.e. 100%, which is subject to the approval of the Shareholders at the forthcoming Annual General Meeting on 6<sup>th</sup> August 2021.

Further, as per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the top 1000 listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. Accordingly, your Company has formulated its Dividend Distribution Policy, which is available on the Company's website at <http://bit.do/basfdividenddistributionpolicy>

### **Directors**

In accordance with the provisions of Section 152 (6) of the Companies Act, 2013, Mr. Rajesh Naik being eligible, offers himself for re-appointment as a Director of the Company at the 77<sup>th</sup> Annual General Meeting of the Company to be held on 6<sup>th</sup> August 2021.

As required under the SEBI Listing Regulations, the details of Director(s) seeking re-appointment at the ensuing Annual General Meeting is provided on page no. 56 of the Corporate Governance Report, forming part of this Annual Report.

### **Finance & Accounts**

Your Company continued to optimize borrowings during the year by focusing on cash flows and working capital management. Your Company availed of alternative funding options such as Commercial Papers, Trade Financing, Inter-Corporate Deposits from BASF Group Companies, etc., to ensure efficiency in its borrowing costs.

Your Company follows a prudent financing policy and aims to maintain optimum financial gearing at all times. Your Company's debt equity ratio was 0.1 as at 31<sup>st</sup> March 2021.

### **Capital Expenditure**

Capital expenditure incurred during the year aggregated to Rs. 647.4 million.

### **Credit Rating**

During the year, CRISIL Ltd re-affirmed a credit rating of 'CRISIL AAA' and assigned a 'Negative' outlook for long term debt programme of your Company. The ratings on the Fixed Deposits and Commercial Paper have been re-affirmed at 'FAAA/Stable' and 'CRISIL A1+', respectively.

Further, India Ratings and Research Private Limited has also maintained a credit rating of 'IND A1+' for Commercial Paper Programme of Rs. 7,500.0 million of your Company.

Instruments with these ratings are considered to have the highest degree of safety regarding timely servicing of financial obligations & carry lower credit risk.

### **Fixed Deposits**

During the year, your Company has not invited, accepted, or renewed any fixed deposits from the public and accordingly, there is no principal or interest outstanding in respect thereof.



## Management Discussion and Analysis Report

In terms of SEBI Listing Regulations, the Management Discussion and Analysis Report is appended to this Annual Report.

## Corporate Governance

Your Company is committed to maintain the highest standards of Corporate Governance and has complied with the Corporate Governance requirements as per SEBI Listing Regulations.

A separate report on Corporate Governance as stipulated under SEBI Listing Regulations along with a Certificate of Compliance from the Statutory Auditors, forms part of this Annual Report.

## Corporate Social Responsibility

As required under the provisions of the Companies Act, 2013, the Board of Directors of your Company constituted a Corporate Social Responsibility (CSR) Committee on 30<sup>th</sup> April 2013.

Mr. Arun Bewoor, Mr. R. A. Shah, Independent Directors and Mr. Rajesh Naik, Manufacturing Head & Whole-time Director are presently the members of the CSR Committee.

Mr. Pradeep Chandan, Director – Legal, General Counsel (South Asia) & Company Secretary is the Secretary of the CSR Committee.

The CSR Committee has formulated the CSR Policy and has recommended the activities to be undertaken by the Company as specified under Schedule VII of the Companies Act, 2013.

During the year, 1 meeting of CSR Committee was held on 6<sup>th</sup> August 2020 to recommend the CSR activities to be undertaken by the Company during the financial year 2020-2021. Your Company was required to spend an amount of Rs. 5.37 million on CSR activities during the financial year 2020-2021. Your Company undertook CSR activities mainly in the areas of COVID-19 relief measures viz. distribution of food supplies around Dahej Production Site, donation of ventilators to hospitals, support the launch of 3 state-of-the-art Mobile Acute Care units in Mumbai and other CSR activities under your Company's Water, Sanitation and Hygiene (WASH) & Education theme, details of which are provided in **Annexure I** of this Report.

Further, erstwhile BASF Performance Polyamides India Pvt Ltd, wholly owned subsidiary which has merged with the Company, effective 1<sup>st</sup> February 2021 (being the Appointed Date) has also spent an amount of Rs. 5.91 million mainly towards Covid-19 related CSR activities.

## Business Responsibility Report

Regulation 34(2) of the SEBI Listing Regulations, *inter alia*, provides that the Annual Report of the top 1000 listed entities based on market capitalization, should include a Business Responsibility Report ("BRR").

Your Company has included BRR as part of this Report as **Annexure II**, describing the initiatives taken by the Company from an environmental, social and governance perspective.

The BRR for the financial year 2020-2021 has also been hosted on the Company's website, which can be accessed at [www.basf.com/in](http://www.basf.com/in)

## Vigil Mechanism

Your Company has established a Whistle Blower Policy for employees, Directors and third parties to report their genuine concerns, details of which have been given in the Corporate Governance Report annexed to this Report. This policy is available on the Company's website and can be accessed at: <http://bit.do/basfwhistleblowerpolicy>

## Directors' Responsibility Statement

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March 2021 and of the profit of the Company for that period;

- (iii) they have taken proper and sufficient care 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;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with sub-rule 3 of Rule 8 of the Companies (Accounts) Rules, 2014, forms part of this Report as **Annexure III**.

### **Performance Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company has devised a policy containing criteria for evaluating the performance of the Executive, Non-Executive and Independent Directors, Key Managerial Personnel, Board and its Committees. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations, and governance. The manner in which the evaluation has been carried out is explained on page no. 52 of the Corporate Governance Report, forming part of this Annual Report.

### **Policy on Directors' appointment and remuneration**

The policy on Directors' appointment and remuneration including determination of the qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Companies Act, 2013, forms part of the Nomination & Remuneration Policy of the Company. This policy is available on the Company's website and can be accessed at: <http://bit.do/basfnrc>

### **Auditors**

M/s. Price Waterhouse Chartered Accountants LLP (Registration No. 012754N/N500016), Mumbai, have been appointed as Statutory Auditors of the Company for a period of 5 years at the Annual General Meeting held on 28<sup>th</sup> September 2017 i.e. upto the conclusion of the Annual General Meeting to be held in the calendar year 2022. They have confirmed to the Company that they are not disqualified from continuing to act as the Statutory Auditors of the Company.

### **Secretarial Audit**

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 had appointed M/s. H S Associates, Practicing Company Secretaries, Mumbai (C.P. 1483), to conduct the Secretarial Audit of the Company for the financial year 2020-2021 and to furnish the report to the Board. The Secretarial Audit Report dated 11<sup>th</sup> May 2021 forms part of this Report as **Annexure IV**.

### **Auditors' Report & Secretarial Audit Report**

There are no qualifications/reservations placed by the Statutory Auditor and the Secretarial Auditor in their respective Reports for the financial year ended 31<sup>st</sup> March 2021.

### **Cost Audit**

The Board of Directors, in pursuance of Section 148 of the Companies Act, 2013, have appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, having Registration No. 000010, for conducting the audit of the cost accounting records maintained by the Company for the financial year 2021-2022. They have confirmed that their appointment is within the limits of Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified from acting as Cost Auditors.

### **Composition of the Audit Committee**

As required by Section 177(8) read with Section 134(3) of the Companies Act, 2013 and the Rules framed thereunder, the composition of the Audit Committee is in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, details of which are provided on page nos. 50 and 51 of the Corporate Governance Report, forming part of this Annual Report.