

BOARD'S REPORT

To,
The Members,
Your Directors present the 57th Annual Report of the Company and the Audited Financial Statements for the Financial Year ended 31st March, 2021.

FINANCIAL SUMMARY

The Company's financial performance for the Financial Year ended 31st March, 2021 is summarized below:- (₹ in Lacs)

Particulars	Consolidated		Standalone	
	Year ended		Year ended	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Total Revenue	10,568	20,544	10,578	20,544
Profit/(loss) before depreciation, interest and tax	(60)	186	(28)	186
Profit/(Loss) before tax and exceptional items	(1,546)	(1,451)	(1,513)	(1,451)
Gain/(Loss) on Exceptional items	-	(563)	-	(563)
Profit/(loss) before tax and exceptional items	(1,546)	(2,014)	(1,513)	(2,014)
Tax expenses/(income)				
- Current tax	-	-	-	-
- Earlier year tax	-	(195)	-	(195)
- Deferred Tax	(352)	(694)	(352)	(694)
Profit/(loss) after tax for the year	(1,194)	(1,125)	(1,161)	(1,125)
Comprehensive Income (net of tax) for the year	61	37	61	37
Total Comprehensive Income for the year	(1,133)	(1,088)	(1,100)	(1,088)
Surplus brought forward from the previous year	8,612	9,737	8,612	9,737
Balance available for appropriation	7,418	8,612	7,451	8,612
Surplus carried forward to next year's account	7,418	8,612	7,451	8,612

RESERVES

The Directors of the Company proposed not to transfer any amount in the General Reserves of the Company due to the losses in the current Financial Year.

DIVIDEND

The Directors do not recommend any dividend for the Financial Year ended on 31st March, 2021.

PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Chapter V of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the year under review, the Company acquired the entire stake of Kaolin India Private Limited ("KIPL") and thus KIPL became the wholly-owned subsidiary of the Company effective from 03-06-2020. The details of the performance of the subsidiary company is as follows:

KIPL, a wholly-owned subsidiary of the Company, reported a Nil revenue for the year as project gets capitalized at the end of the Financial Year.

A statement containing salient features of the Financial Statements in Form AOC-1 annexed as **Annexure-C**, as required under Section 129 (3) of the Act forms a part of this Annual Report. The audited Financial Statement of the subsidiary shall be kept open for

inspection at the Registered Office of the Company on every working day of the Company between 10 a.m. to 12 noon up to the date of the ensuing Annual General Meeting ('AGM'). Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiary, is available on the website of the Company at <http://www.eicl.in/investors>.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statements of the Company for the Financial Year 2020-21 are prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards specified under Section 133 of the Act. The audited Consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report. The same is with an unmodified opinion (unqualified).

STATE OF THE COMPANY AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY.

The Company's performance has not been very encouraging during the year and the Net Sales Turnover of the Company for the year ended 31st March, 2021 was at ₹ 10577 Lacs compared to ₹ 20544 Lacs in the previous Year. The Operations of the Company were severely impacted due to the lockdowns imposed across the country and this coupled with unavailability of raw material resulted in a complete shutdown of operations for over two months. In all,

operations were severely affected for 7 months of the year and only one of the plants, Thonnakkal, resumed operations at the end of October, while the larger capacity plant in Veli continues to remain closed. This will likely continue until demand revives and mining leases that are long pending approval for commencement of mining are granted by the Kerala Government.

To derisk the issue of raw material availability, your company incorporated a 100% owned subsidiary, Kaolin India Pvt Ltd, during the Financial Year and in record time established a small plant with approximately 40,000 MT capacity of refined Kaolin, which we are pleased to report, was commissioned late March, 2021, Covid issues notwithstanding. The Directors congratulate the management for its persistence and perseverance in the face of big odds.

Your Company registered gross Operating Profit i.e. EBITDA loss of ₹ 28 Lacs during the year under review as against EBITDA gain of ₹ 186 Lacs in the previous year ended 31st March, 2020. The loss after tax for the year ended 31st March, 2021 is ₹ 1161 Lacs viz- viz ₹ 1125 Lacs in the previous year ended 31st March, 2020.

The Bhuj Plant operations and some new business initiatives will be contributing substantial additional revenue for upcoming Financial Year.

As regards Note on Emphasis of matters in the Audit Report, the Company has its clear plan to obtain the requisite approvals as elaborated in subsequent paras.

There is no qualification, reservation or adverse remark or disclaimer by the Statutory Auditors which requires any explanation or comments from the Board of Directors of the Company.

ENVIRONMENT, HEALTH AND SAFETY

The Company’s manufacturing units are governed by “Environment, Health and Safety Policy” and are certified as per ISO 90001 2015 assessment standards. The Company has various safety guidelines in place, which help identify unsafe actions or conditions in the Company premises. These guidelines form the cornerstone on which the Company can operate smoothly devoid of any mishap or accidents at the workplace.

The Company has implemented various Environment, Health and Safety measures in the Company including at its Factory Units such as:

1. Rain Harvesting Project at plant level in Kerala.
2. Strict implementation of COVID-19 protocols as recommended by the Government at all the offices and factory locations.
3. Regular safety drives coupled with effective trainings are conducted to help spread awareness among employees on how to maintain a safe work environment.
4. The Company places equal emphasis on safety processes, behavioral safety and strives to create safety positive culture towards achieving the ultimate goal of zero accidents.
5. Increased focus on training & awareness, safety observations and various audits like Internal Audit.
6. Identification of safety hazards, near misses and accident prone areas through safety management audit.
7. Employees are also required to take a safety oath and are encouraged to actively participate in various competitions like poster, slogan, poem, essay competition during the national safety week celebration.
8. Annual health check-up of all the employees conducted to take care of their wellbeing.

All environment, health, and safety measures are successfully implemented.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION OF THE COMPANY

The Company holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Thiruvananthapuram (Kerala) and other places. These mining leases were granted between 1994-2008. Following the judgment of the Hon’ble High Court of Kerala at Ernakulam in 2018, the mining activities of the company had been suspended. Post complying with the directions of the Hon’ble High Court of Kerala, the Company is in the process of getting the Environment Clearance of Veiloor Village mines and also the approval for other leases with the various authorities. The Company has re-started mining at Melthonnakkal from October, 2020 and also got another mining lease executed for Melthonnakkal (near AJ College Site) during the year after all the necessary approvals. Hence, the Company has two mining leases that are operational presently. Accordingly, the Company has resumed its mining operations at locations mentioned above and shall be able to operate other mines on receipt of necessary approvals and also consequently achieve the full level of production and improved profitability. The Company is confident of obtaining the necessary approvals for other mining leases in near future.

The Company has repositioned itself in the market with its new Subsidiary in Bhuj, Gujarat, which will offer a wide range of products to various customers at competitive prices thereby helping it to regain market share lost during the shutdowns and ongoing in the case of the Veli plant in Kerala. This plant is expected to contribute substantially to the consolidated revenues and profits of its Kaolin business.

The Company entered into an agreement to sell its Industrial plot in Shimoga, Karnataka, which is expected to be concluded in the near future. This will help reduce the capital employed in unproductive assets, as well as long term liabilities through permanent reduction in unproductive expenses. In conclusion, although the company’s size of operations may be reduced in the short term, the long term prospects will be vastly improved through better deployment of capital.

GST refund receivable on input services continues to be a cash flow issue for the Company since the Company is under inverted duty structure and the Company has filed a Writ Petition before the Hon’ble High Court of Kerala which is still to be heard.

LEGAL CASES:

The details of various pending legal cases of the Company are given in the Annual Report 2020-21.

INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Section 124 of the Companies Act, 2013, the amount of dividend remaining unpaid /unclaimed for a period of seven years from the year 2014 has to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government of India in August/October, 2021. During the Financial Year 2020-21 the Company had transferred unpaid dividends and 6457 equity shares of the shareholders who have not claimed or encashed their dividend declared by the Company for the Financial Year 2012-13 for seven or more consecutive years to the IEPF account.

In terms of Section 124(6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, shares of the

Company in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years or more, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Government of India, for which the Company will publish advertisement in widely circulated English Newspaper and in regional language in due course and will upload in the Company's website: www.eicl.in.

The Members are requested to take note that unclaimed dividends be claimed immediately to avoid the transfer of the shares to the IEPF Account. The shares transferred to the IEPF Account can be claimed back by the concerned members from IEPF Authority as per prescribed rules.

COMPOSITION AND NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company comprises of well qualified and experienced persons having expertise in their respective areas. It has an appropriate combination of Executive and Non-Executive Directors.

The Board meets at least Four times in a year. The annual calendar for the Board Meetings for the Financial Year is fixed at the beginning of each year. If necessary, the Board Meetings are also convened beyond the four meetings. During the Financial Year 2020-21, the Directors met Eight (8) times i.e., on 29th April, 2020, 3rd June, 2020, 12th June, 2020, 7th August, 2020, 10th September, 2020, 12th October, 2020, 6th November, 2020 and 11th February, 2021.

No Director is related to any other Director on the Board.

DISCLOSURE IN RESPECT OF SECRETARIAL STANDARD

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

Pursuant to Section 149(7) of the Companies Act, 2013, all the Independent Directors of the Company have given their declarations confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

The Company has 3 (Three) Independent Directors out of 5 (Five) Directors on the Board.

For the Financial Year 2020-21, the Independent Directors met once i.e., on 12th June, 2020.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Karan Thapar (DIN: 00004264), retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Mr. Suresh Kumar Jain (DIN: 00003500) was appointed by the Board as a Non-Executive Director of the Company w.e.f. 04-11-2020 and he will hold office upto the date of ensuing Annual General Meeting of the Company.

Mr. Firdose Vandrevala has been appointed as an Independent Director of the Company w.e.f. 25-05-2021 and he will hold office upto the date of ensuing Annual General Meeting of the Company.

The Company has received Notices U/s 160(1) of the Companies Act, 2013 proposing the appointment of Mr. Firdose Vandrevala as an Independent Director of the Company, not liable by rotation, for a term of (5) Five years upto the conclusion of the Annual General meeting of the Company in the calendar year 2026.

Their appointments are submitted for your approval.

The following are the Key Managerial Personnel of the Company within the meaning of Sections 2(51) and 203 of the Companies

(Appointment & Remuneration of Managerial Personnel), Rules, 2014:-

1. Mr. Suresh Kumar Jain, Executive Director (upto 4th November, 2020)
2. Mr. Bhagwan Das Bhojwani, Chief Executive Officer (w.e.f. 6th November, 2020)
3. Mr. Mahendra Kumar Gupta, Chief Financial Officer
4. Mrs. Shalini Chawla, Company Secretary

STATEMENT ON ANNUAL EVALUATION MADE BY THE BOARD

A formal evaluation of the Board, its Committees, and of the individual Director is one potential effective way to respond to the demand for greater Board's accountability and effectiveness. The effectiveness and performance of the Board, its Committees and its members are evaluated and measured, considering the following parameters: -

1. Performance of the Board/Committee against the performance benchmark set.
2. Overall value addition by the discussions taking place at the Board Meetings/Committee Meetings.
3. The regularity and quality of participation of the individual Director in the deliberation of the Board and its Committees, close monitoring of the various actions taken for the implementation of the Board's decision.

The performance evaluation of Directors including Independent Directors is done by the entire Board of Directors excluding the Directors being evaluated. A questionnaire is prepared and is being circulated amongst the Directors for their comments. Review of the performance of the Chairperson of the Company is done by taking into account the views of Executive and Non-Executive Directors of the Company.

COMPOSITION OF AUDIT COMMITTEE

In compliance with the requirement of Section 177, as applicable to the Company, the Board of Directors has constituted the Audit Committee. The members of the Audit Committee possess financial/accounting expertise/exposure. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. Apart from the matters provided under Section 177(4) of the Companies Act, 2013, the Audit Committee also reviews the significant legal cases pending and all material developments are reported to the Board.

The Company re-constituted the Audit Committee consist of the following Directors:-

1. Mr. Vijay Dilbagh Rai, Chairman of the Committee
2. Ms. Shivpriya Nanda
3. Mr. T. Balakrishnan

Statutory Auditors and the Internal Auditors are the permanent invitees at the Committee Meetings. Mr. Bhagwan Das Bhojwani, Chief Executive Officer and Mr. Mahendra Kumar Gupta, Chief Financial Officer are also the permanent invitees at the Committee Meetings. Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

For the Financial Year 2020-21, the Audit Committee met Five (5) times i.e., on 3rd June, 2020, 12th June, 2020, 10th September, 2020, 06th November, 2020, and 11th February, 2021.

The recommendations given by the Audit Committee are considered and reviewed by the members of the Board of the Company. However, there is no such case where the Board dissented or did not accept the recommendation of the Audit Committee.

A STATEMENT ON DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY

The Board evaluates the existing as well as anticipated risks and the strategy to mitigate those risks within a defined time frame. The Company has in place a risk identification and mitigation policy.

Regarding note No. 39 to Accounts, it is to state that the Company holds various mining leases over lands situated in Melthonnakkal and Veiloor Villages of Thiruvananthapuram (Kerala) and other places. These mining leases were granted over a period of 1994 to 2008. Following the judgment of the Hon’ble High Court of Kerala at Ernakulam, the mining activities in both Melthonnakkal and Veiloor Villages had been suspended. Post complying with the directions of the Hon’ble Court, the Company is following up for the Environment Clearance for Veiloor Village mines apart from other mines before the mining authorities of Kerala which are at different stages of approvals. Besides, the Company has re-started mining at Melthonnakkal from October, 2020 and also has got mining lease executed for Melthonnakkal (near AJ College Site) during the year after all the necessary approvals. Thus, the Company has two mining leases that are operational presently.

Accordingly, the Company has resumed its mining operations at locations mentioned above and shall be able to do so at other mines on receipt of necessary approvals and also consequently achieve the full level of production and improved profitability.

The Company is confident of securing the necessary approvals related to other locations for which it has a very clear plan.

Now, the Company can produce the ideal product mix after re-starting captive mining which is critical to meet the product requirement. The Company is working on a strategy to get back the lost customers to improve its market share. Our Application and R&D Team is doing continued efforts to develop new products for different applications to de-risk the dependence on particular industry segment.

In addition, the Company is also evaluating the opportunities for increasing its geographical presence and build up strategic relationship/tie-ups to diversify into other minerals.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The Company re-constituted the Corporate Social Responsibility Committee consist of the following Directors:-

1. Mr. T. Balakrishnan (Chairman of the Committee),
2. Mr. Vijay Dilbagh Rai
3. Mr. Suresh Kumar Jain

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has adopted the CSR Policy as recommended by the CSR Committee covering the objections, initiatives, implementation, monitoring, etc. The CSR Policy of the Company is displayed on the Company’s website: www.eicl.in

The details about the Corporate Social Responsibility Policy developed and implemented by the Company and the various initiatives taken during the year and other particulars are enclosed in the prescribed form as **Annexure – A**.

During the Financial Year 2020-21, the Corporate Social Responsibility Committee met once i.e., on 12th June, 2020.

COVID-19 SUPPORT

The COVID-19 pandemic presents a huge challenge from the human and economic perspective, requiring collaborative action from various organizations to support the Government. At EICL, we have taken multiple steps proactively to ensure continuity of business operations & followed safety protocols at all levels. EICL has undertaken initiatives to distribute masks and necessary PPE Kits etc. to employees in plant and offices of the Company.

The Company is committed to organizing its resources, expertise, and manpower to support all efforts to combat this global health crisis and restore normality.

COMPANY’S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION

Pursuant to Section 178 of the Companies Act, 2013, the Company has re-constituted a Nomination & Remuneration Committee, which consist of the following Directors:-

1. Mr. Vijay Dilbagh Rai, Chairman of the Committee
2. Mr. Karan Thapar (upto 25th May, 2021)
3. Ms. Shivpriya Nanda
4. Mr. Firdose Vandrevala (appointed w.e.f. 25th May, 2021)

The Committee met Two times in the Financial Year 2020-21 i.e., on 12th June, 2020 and 6th November, 2020.

The Nomination & Remuneration Committee considering the requirement of the skill sets on the Board, the integrity of the persons having standing in their respective field/profession, and who can effectively contribute to the Company’s business and policy decisions, recommend the appointment to the Board for approval.

The Committee has approved a policy with respect to the appointment and remuneration of the Directors and Senior Management Personnel. The objectives of this policy are:

- a) to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
- b) encourage people to perform to their highest level;
- c) allow the Company to compete in each relevant employment market;
- d) provide consistency in remuneration throughout the Company;
- e) align the performance of the business with the performance of key individuals and teams within the Company;
- f) long term value creation; and
- g) to attract and retain the best professionals.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee, and management in determining the appropriate remuneration strategy.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is open for inspection at the Registered Office of the Company and Any Member interested in obtaining a copy of the same may write to the Company Secretary.

SHARE TRANSFER/SHAREHOLDERS’ GRIEVANCE COMMITTEE

The Company has re-constituted a “Share Transfer/Shareholders’ Grievance Committee” which consist of the following Directors:-

1. Ms. Shivpriya Nanda, Chairwoman of the Committee
2. Mr. Karan Thapar

3. Mr. T. Balakrishnan

Mrs. Shalini Chawla, Company Secretary is the Secretary of the Committee.

The Committee met once in 2020-21 i.e. on 12th June, 2020.

INTERNAL FINANCIAL CONTROLS RELATED TO FINANCIAL STATEMENTS

The Company has adopted Accounting policies as per the Accounting Standards and other applicable provisions of Companies Act, 2013.

STATUTORY AUDITOR

M/s. S. N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/N500045), the Statutory Auditors were appointed in the 56th Annual General Meeting of the Company held on 31st July, 2020 for a period of 5 years till the conclusion of the Annual General Meeting held in the Calendar Year 2025.

STATUTORY AUDITORS' REPORT

Reports issued by the Statutory Auditors on the Standalone and Consolidated Financial Statements for the Financial Year ended 31st March 2021 are with unmodified opinion (unqualified).

The Statutory Auditors' of the Company has not reported any instances of fraud as specified under the second proviso to Section 143(12) of the Act.

INTERNAL AUDITOR

Internal Control Systems and Adequacy of Internal Financial Controls EICL has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee, comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference. Your Company has a proper and adequate system of internal controls.

The Company had appointed M/s Varma & Varma, Chartered Accountants, as the Internal Auditors of the Company pursuant to Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, to conduct the internal audit for the Financial Year 2020-21.

COST AUDITOR

M/s A.R. Narayanan & Co., Cost Accountants, have been appointed as Cost Auditors for the Financial Year 2020-21 to conduct the cost audit of the accounts maintained by the Company. They have confirmed their eligibility for appointment under the provisions of Section 148 of the Companies Act, 2013. The remuneration proposed to be paid to the Cost Auditors is submitted for ratification by the Shareholders of the Company.

There is no qualification, reservation or adverse remark or disclaimer by the Secretarial Auditors which requires any explanation or comments from the Board of Directors of the Company.

SECRETARIAL AUDITOR

M/s. VKC & Associates (Partner Membership No.49021/C.P.No.17827), Company Secretaries in practice have been appointed as Secretarial Auditors to conduct the Secretarial Audit for the Financial Year 2020-21 of the Company.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report in terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, has been annexed to this report as **Annexure - B**. The observation made by the Secretarial Auditors in their report is self-explanatory.

M/s. VKC & Associates, Company Secretaries in practice has conducted Secretarial Audit of the Company for the Financial Year 2020-21.

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and Rules framed thereunder, is also available on Company's website: www.eicl.in.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 134 (3) (c) and (5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) the Company has followed the applicable Accounting Standards in the preparation of the Annual Accounts for the year ended 31st March, 2021, and there is no material deviation from the previous year.
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on 31st March, 2021 and of the profit/loss for the year ended 31st March, 2021.
- c) the Directors 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 and;
- d) the Directors have prepared the Annual Accounts of the Company on a going concern basis.
- e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f) the Directors have laid proper internal financial control and that such financial controls are adequate and are operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Under Section 186 of the Companies Act, 2013 the Company has given a loan of ₹ 1(One) crore to Kaolin India Pvt. Ltd. (wholly-owned subsidiary) and also given Corporate Guarantee to Axis Bank for working capital facility of ₹ 8(Eight) Crore availed by Kaolin India Pvt. Ltd. (wholly-owned subsidiary) of the Company. The Company has also made an Investment of ₹ 50,00,000/- in the Equity Share Capital of Kaolin India Pvt. Ltd. (wholly-owned subsidiary) of the Company w.e.f. 03-06-2020.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The details of the Related Party Transactions, as per requirement of Accounting Standard-18, are disclosed in notes to the Financial Statements of the Company for the Financial Year 2020-21. All the Directors have disclosed their interest in form MBP-1 pursuant to Section 184 of the Companies Act, 2013 and as & when any changes in their interest take place, such changes are placed before the Board at its meetings. None of the transactions with any of the related parties was in conflict with the interest of the Company. A Statement in the prescribed Form AOC-2 is annexed to this report as **Annexure - D**.

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

As required under Section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of Conservation of

Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are as follows:-

(A) Conservation of energy

(i) Steps taken or impact on Conservation of Energy are as under:

- a) Reduction in specific energy consumption was achieved during the year with dedicated drive on conservation with a month-long campaign with energy saving pledge signed by all departments.
- b) Internal energy audit done and the improvement actions implemented.
- c) Non-peak hour operation maximized and all planned maintenance of short duration planned during peak hours.
- d) Migration to energy-efficient motors and replaced part of the factory lighting with solar lighting and balance is under progress.
- e) All new motors are energy efficient I2 and I3 rated.
- f) Rotor resistant starter replaced with VFD drive in ACM and speed optimized.
- g) VFD connected to compressors and optimized the speed to minimize idle running time
- h) PID controller installed with Slurry feed pumps in Flash Dryer plant

(ii) Steps taken by the Company for utilizing alternate sources of energy:

LNG (Liquified Natural Gas) is operational and replaced with diesel/SKO. The modification in burner is planned to replace Furnace Oil during the year.

(iii) Capital investment on Energy Conservation equipment

During the current Financial Year, the Company has not incurred any major capital expenditure on the energy conservation equipment except maintenance CAPEX.

(B) Technology absorption

- a. Company has taken up a re-engineering program. This is based on own Research & Development findings and collaborative work with leaders in process technology. This is an ongoing program.
- b. Modifications and replacement of pumps in blunger section to get better dispersion and increased throughput.
- c. Increased the number of Hydro cyclones to get higher slurry flow with improved efficiency.
- d. Indigenisation of Self-Cleaning Filter for Nozzle Centrifuge done.
- e. Double stage screening of feed slurry to Nozzle Centrifuge to eliminate frequent stack choking.

(C) Research & Development activities

Your Company lays special emphasis on Research & Development activities with an objective to develop new product line for the growth of the Company. The Company's commitment and strong research orientation has played big role such as:

- R & D has been at the forefront of developing new product for Tyre application. Commercial scale production continuing and on-going plant trials at customer end.
- New products are being worked on with less than 18 months incubation time.

- Research tie ups made with leading institutions in India
- Joint projects with leading customers to provide customer specific solutions based on our raw material.
- The R&D Team has been able to develop cutting edge mineral composite for anti-corrosive coatings and is working to develop composites for barrier applications.

Expenditure incurred on Research & Development are as under:-

(₹ in Lacs)

	31st March, 2021	31st March, 2020
a) Capital	—	—
b) Recurring	81.48	82.29
c) Total	81.48	82.29
d) Total R&D Expenditure as a percentage of total turnover	0.77	0.40

(D) Foreign Exchange earnings and outgo

The Company has recorded export earnings of ₹ 1474.27 Lacs, import payments of ₹ 842.70 Lacs, and expenses in foreign exchange of ₹ 24.32 Lacs.

VIGIL MECHANISM POLICY

The Company has a "Vigil Mechanism Policy" to facilitate the Directors and employees at all levels, to voice their concerns or observations to the Chairman of the Audit Committee. The policy provides a framework to promote responsible and secure whistleblowing.

The Company has provided a dedicated email ID that can be accessed only by the Chairman of the Audit Committee.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committees have been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the year 2020-21.

HUMAN RESOURCES

Your Company has successfully aligned human capital with business and organizational objectives. The emphasis has been on teamwork, skill development, and the development of leadership and functional capabilities of the employees. Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary. There were no employees who were employed throughout the Financial Year or part thereof, by himself/ herself or along with his/ her spouse and dependent children, held more than two percent of the equity shares of the Company.

INDUSTRIAL RELATIONS

In the Financial Year 2020-21, the relations of the Company with all

its employees and trade unions were managed for running of operations in line with business requirements.

The Long Term Agreement between the Company and its workmen is pending renewal due to the non-visibility of raw material availability caused by a delay in necessary approvals for captive mining. Management has made it clear that unless mining permissions are received adequately to continue sustainable operations for the long term, there can be no increase in payroll cost.

After the work suspension from 10th August, 2020 at both the plant locations, the Company has started operations from October, 2020 at one of the plant (Thonnakkal) with the support of employees, unions, administration and authorities. However, due to continued work suspension at one of the plants (Veli), the overall IR situation is challenging. The management is in constant discussions with the unions and authorities with the assurance to review the viability of Veli operations periodically.

The Company appreciates the strong support of all its employees in

taking up the matter at various forums of the Kerala Government through demonstrations, representations, etc.

ACKNOWLEDGEMENT

The Board of Directors places on record their appreciation for the continued support and confidence received from Banks, Financial Institutions, Customers, Central and State Governments and other Government authorities.

The Board of Directors are also thankful to all other stakeholders for their valuable sustained support to the Company.

For and on behalf of the Board

Sd/-

Karan Thapar

Chairman

DIN: 00004264

Place : Gurugram

Date : 25 May, 2021

